

VT CHELSEA MANAGED ICVC
(Sub-funds VT Chelsea Managed Monthly Income, VT Chelsea Managed Cautious Growth, VT Chelsea Managed Balanced Growth and VT Chelsea Managed Aggressive Growth)

Annual Report and Financial Statements
For the year ended 30 June 2024

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COMPANY OVERVIEW

Type of Company:

VT Chelsea Managed ICVC ("the Company") is an authorised open-ended investment company with variable capital ("ICVC") further to a Financial Conduct Authority ("FCA") authorisation order dated 05 May 2017. The Company is incorporated under registration number IC001085. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes Sourcebook ("COLL") issued by the FCA.

The Company has been set up as an umbrella company. The Company has currently four Sub-funds available for investment, VT Chelsea Managed Monthly Income, VT Chelsea Managed Cautious Growth, VT Chelsea Managed Balanced Growth and VT Chelsea Managed Aggressive Growth. Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

The shareholders are not liable for the debts of the Company.

Changes in the year:

During the period, the Investment Adviser to the Company changed, from Chelsea Portfolio Management Services Ltd to Chelsea Financial Services PLC. This took effect from 05 July 2024.

STATEMENT OF THE AUTHORISED FUND MANAGER'S (AFM's) RESPONSIBILITIES

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Fund Manager to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company at the end of the financial year and its net revenue and net capital gains/(losses) for the year. In preparing these financial statements the Authorised Fund Manager is required to:

- > comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.
- > select suitable accounting policies and then apply them consistently.
- > make judgements and estimates that are reasonable and prudent.
- > prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Fund Manager is required to keep proper accounting records and to manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus. The Authorised Fund Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook, we hereby certify the annual report.

Jonathan M. Child CA

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Fund Manager

Date

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE VT CHELSEA MANAGED ICVC FUND

For the year ended 30 June 2024

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), and the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- > the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- > the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- > the value of shares in the Company is calculated in accordance with the Regulations;
- > any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- > the Company's income is applied in accordance with the Regulations; and
- > the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the Investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
01 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT CHELSEA MANAGED ICVC (SUB-FUNDS VT CHELSEA MANAGED MONTHLY INCOME, VT CHELSEA MANAGED CAUTIOUS GROWTH, VT CHELSEA MANAGED BALANCED GROWTH AND VT CHELSEA MANAGED AGGRESSIVE GROWTH)

Opinion

We have audited the financial statements of VT Chelsea Managed ICVC ("the Company") for the year ended 30 June 2024 which comprise the Statements of Total Return, Statements of Changes in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > Give a true and fair view of the financial position of the Company at 30 June 2024 and of the net revenue and the net capital gains/(losses) on the scheme property of the Company for the year then ended; and
- > Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > Have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Fund Manager with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Fund Manager is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the COLL Regulations

In our opinion, based on the work undertaken in the course of the audit:

- > Proper accounting records for the Company have been kept and the accounts are in agreement with those records;
- > We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- > The information given in the report of the Authorised Fund Manager for the year is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT CHELSEA MANAGED ICVC (SUB-FUNDS VT CHELSEA MANAGED MONTHLY INCOME, VT CHELSEA MANAGED CAUTIOUS GROWTH, VT CHELSEA MANAGED BALANCED GROWTH AND VT CHELSEA MANAGED AGGRESSIVE GROWTH) (Continued)

Responsibilities of the Authorised Fund Manager

As explained more fully in the Authorised Fund Manager's responsibilities statement set out on page 2, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intends to wind up the Company or to cease operations, or has no realistic alternative but to do so.

Auditor Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- > UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;
- > the Financial Conduct Authority's Collective Investment Schemes Sourcebook; and
- > the Company's Prospectus.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of the Authorised Fund Manager. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Company's breaches register.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Authorised Fund Manager was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Authorised Fund Manager oversees the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened fraud risk in relation to:

- > management override of controls; and
- > the completeness and classification of special dividends between revenue and capital.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT CHELSEA MANAGED ICVC (SUB-FUNDS VT CHELSEA MANAGED MONTHLY INCOME, VT CHELSEA MANAGED CAUTIOUS GROWTH, VT CHELSEA MANAGED BALANCED GROWTH AND VT CHELSEA MANAGED AGGRESSIVE GROWTH) (Continued)

Auditor Responsibilities for the Audit of the Financial Statements (Continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- > Reviewing the level of and reasoning behind the Company's procurement of legal and professional services;
- > Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Fund Manager in its calculation of accounting estimates for potential management bias;
- > Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies' dividend payments;
- > Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook and its Prospectus;
- > Completion of appropriate checklists and use of our experience to assess the Company's compliance with the IA Statement of Recommended Practice for Authorised Funds; and
- > Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Use of Our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the COLL Rules issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

Date

ACCOUNTING POLICIES

For the year ended 30 June 2024

The principal accounting policies, which have been applied in both the current and prior year, are set out below:

1 Accounting policies

- (a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.
- (b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The AFM believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.
- (c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis. For VT Chelsea Managed Monthly Income, all expenses are then reallocated to capital, net of any tax effect for distribution purposes.
- (d) Distributions on equities and collectives are recognised when the security is quoted ex-dividend. Interest on deposits are accounted for on an accrual's basis. Rebates from underlying holdings are recognised on an accruals basis and are allocated to revenue or capital being decided by the allocation of the expense in the underlying funds. Excess Reportable Income is recognised once reported by the relevant funds. Equalisation on distributions from collectives is treated as capital. All equalisation on distributions from collectives is then reallocated to revenue, for distribution purposes.
- (e) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.
- (f) Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case. Where the receipt of a special dividend results in a significant reduction in the capital value or where the distribution arises from an underlying capital event such as a merger or disposal these would typically be deemed as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividend would typically be recognised as revenue. Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.
- (g) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 12 noon on 28 June 2024 with reference to quoted bid prices from reliable external sources. Unlisted collective investment schemes are valued at the closing bid price for dual priced funds and the closing single price for single priced funds.
- (h) All transactions in foreign currencies are converted into Sterling at the rate of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 28 June 2024.
- (i) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (j) Tax is provided using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.
- (k) In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-funds, is intended to cover dealing spread on assets bought and sold and certain charges such as applicable dealing taxes and brokers commission not included in the mid-market value of the Sub-funds used for Net Asset Value (NAV) calculations, which could have a diluting effect on the performance of the Sub-funds.

ACCOUNTING POLICIES (Continued)

- (l) VT Chelsea Managed Monthly Income and VT Chelsea Managed Cautious Growth currently issue Accumulation & Income shares while VT Chelsea Managed Balanced Growth and VT Chelsea Managed Aggressive Growth currently issue Accumulation shares. VT Chelsea Managed Monthly Income goes ex dividend monthly while VT Chelsea Managed Cautious Growth, VT Chelsea Managed Balanced Growth and VT Chelsea Managed Aggressive Growth go ex dividend semi annually. All the Sub-funds pay any income available to the shareholders two months in arrears, as a dividend distribution. Any revenue deficit at the year end is funded from capital.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or if it no longer exists the AFM). Application to claim distributions that have not been paid should be made to the AFM before this six year period has elapsed.

For the treatment of expenses revert to policy 'c' and special dividends revert to policy 'f'.

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Chelsea Managed Monthly Income
Size of Sub-fund	£60,085,253
Launch date	05 June 2017
Investment objective and policy	<p>The investment objective of the VT Chelsea Managed Monthly Income fund is to generate income with the potential for some capital growth over the long term (5 years).</p> <p>The Sub-fund will aim to achieve its objective by investing primarily (70% +) in collective investment schemes (including those managed or operated by the AFM) which are expected to provide exposure to a variety of asset classes, such as equities, bonds, money market instruments, cash and near cash. There may also be indirect exposure to commodities (and from time to time other alternative asset classes such as infrastructure) through other collective investment schemes (including exchange traded funds).</p> <p>The Sub-fund may also invest directly in other transferable securities and the above asset classes.</p> <p>There will be no particular emphasis on any industrial, geographical or economic sector.</p>
Benchmark	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against performance of the IA Mixed Investment 20-60% Shares Sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
Derivatives	The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	30 June (final) and last day of each month (interim)
Distribution dates	31 August (final) and last day of each month (interim)
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Minimum investment*

Lump sum subscription:	Class A GBP Net Accumulation/Income = £1,000
Top-up:	Class A GBP Net Accumulation/Income = £500
Holding:	Class A GBP Net Accumulation/Income = £1,000
Redemption:	Class A GBP Net Accumulation/Income = N/A (provided minimum holding is maintained)
Switching:	Class A GBP Net Accumulation/Income = N/A (provided minimum holding is maintained)

Initial, redemption and switching charges*: Nil

*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Annual management charges £33,464.29** per annum plus:
Class A - 0.30% (per annum)

**The fixed element of this fee shall be increased annually on 1 May (from 1 May 2025) in line with the rate of inflation (calculated in accordance with the Consumer Price Index).

At its discretion and subject to the regulations and any other applicable laws, rules, regulations or guidance, the AFM can rebate some or all of its annual management charge to the Sub-fund for the benefit of shareholders.

INVESTMENT ADVISER'S REVIEW

During the period from the 30 June 2023 to 30 June 2024 the fund returned 12.05% (Class A GBP Net Accumulation) in comparison with the IA Mixed Investment 20-60% Shares sector which returned 9.38%. The fund had a good year and delivered solid outperformance versus its reference benchmark. The fund is still 2/131 in the IA Mixed Investment 20-60% Shares sector since it launched in 2017.*

It has been a difficult few years for investors with persistently high inflation and interest rates hampering returns. Inflation has been stubborn and therefore central banks have not been able to cut interest rates as quickly as investors had hoped. The result is that returns from many yielding assets, such as bonds, property and infrastructure have been poor for a while.

Last year we wrote that we thought the long period of negative sentiment was providing some exceptional opportunities. We are pleased that the fund has had a much better year with over a 12% return, but performance has still been mixed. Whilst some of our alternative income holdings have done very well others have yet to deliver. The fund has also been helped by the strong performance of US equity markets which has been supported by excitement about artificial intelligence.

The fund's star performer was once again Doric Nimrod Air Two Ltd (DNA2) which returned 47% for the second year in a row.** The trust owns and leases A380 aircraft to Emirates. As we had anticipated Emirates bought two A380s from the trust at the end of last year when their leases came to an end. This capital was then returned to investors. The leases on the funds remaining five aircraft come to an end later this year and we hope for a similar outcome. The fund has taken its proceeds from the sale and considerably increased its position in Doric Nimrod Air Three Ltd (DNA3) which is a similar trust but whose leases end later. We still believe the trusts are both undervalued as we believe Emirates will need these aircraft to make up for delays to the Boeing 777X programme.

Having been one of the funds worst performers last year, the funds best performer was Round Hill Music Royalty Fund Limited, which was bid for at a 67% premium to its share price. Round Hill highlights the potential opportunities in the investment trust market as prices can deviate from fundamentals.

At the end of last year the fund bought quite a big position in GCP Infrastructure Investments Ltd, a position it had previously sold out of at a much higher share price. The fund was able to buy the trust on a very large discount and its share price has subsequently rallied around 35%. It still remains on over a 20% discount and continues to pay an excellent income. Another GCP trust, GCP Asset Backed Income Ltd, has done well after it announced plans to wind down and it has started returning cash to shareholders having previously been trading on a very wide discount. It has returned 29% for the period.**

The fund's equity income holdings generally performed well with Man GLG Income (+20%), M&G Global Dividend (+15%), WS Guinness Global Equity (+15%), Montanaro UK Income (+15%) and Schroder Asian Income (+14%).**

In the fund's bond positions Jonathan Golan's Man GLG Sterling Corporate Bond continued its truly exceptional performance, delivering a 26% return. Artemis Corporate Bond (+12%), Man GLG High Yield Opportunites (+11%) and Artemis Short-Duration Strategic Bond were solid (+12%).** We sold our short dated US treasury ETF and reduced our US inflation-linked bond ETF to redeploy the proceeds into higher conviction ideas.

The biggest drag on the funds has been its renewable energy positions with Greencoat UK Wind PLC (-3%), Bluefield Solar Income Fund Ltd (-5%) and The Renewables Infrastructure Group (-11%) all underperforming.** All these funds continue to pay high growing dividends and all remain on very high discount levels. We are confident in these positions and we think they will do a lot better if interest rates come down.

The fund's REIT positions have also generally struggled although Target Healthcare REIT Ltd (+16%) recovered quite well from an extreme level after it fell heavily the previous year when we added to it. Our GP surgery owner, Assura PLC, has been a disappointment with a -4% total return.** Its share price has continued to fall despite strong results and an increasing dividend. This is now one of our highest conviction positions and we have continued to add to it on weakness.

Overall we are pleased to deliver a better year of performance and we still think there is huge potential in some of the investment trust positions which have been left behind. The fund continues to generate large amounts of income. At the end of January the fund increased its monthly payment from 0.37p per unit to 0.38p per unit. The final end of year distribution of 1.7918p (for Inc units) was almost 5 times a regular monthly payment and the largest distribution in the funds history. The income performance of the fund has been very strong and we hope we can now follow this with good capital performance. However, as always, the funds main focus will be on delivering a resilient, consistent income over the long term. The fund has delivered 46.89% since launch relative to 20.42% for the average fund in the IA Mixed Investment 20-60% Shares sector.***

Chelsea Portfolio Management Services Limited - Investment Adviser to the Fund - 07 August 2024

* FE Funds Info VT Chelsea Monthly Income Funds vs IA Mixed Investment 20-60% Shares total return in sterling 30/06/2023-30/06/2024 and 05/06/2017-30/06/2024

**FE Funds Info performance total return in sterling 30/06/2023-30/06/2024

***FE Funds Info performance total return in sterling 05/06/2017-30/06/2024

PERFORMANCE RECORD

Financial Highlights

Class A GBP Net Accumulation

	Year ended 30 June 2024	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	131.0933	133.7469	129.7689
Return before operating charges	16.7794	(1.1175)	5.7831
Operating charges (note 1)	(0.9868)	(1.5361)	(1.8051)
Return after operating charges *	15.7926	(2.6536)	3.9780
Closing net asset value per share	146.8859	131.0933	133.7469
Retained distributions on accumulated shares	7.9261	6.7760	5.8462
*after direct transactions costs of:	0.1251	0.1059	0.0395
Performance			
Return after charges	12.05%	(1.98%)	3.07%
Other information			
Closing net asset value	£12,369,155	£9,789,663	£8,769,040
Closing number of shares	8,420,928	7,467,708	6,556,446
Operating charges (note 2)	0.71%	1.16%	1.37%
Direct transaction costs	0.09%	0.08%	0.03%
Prices			
Highest share price	148.9242	140.2883	139.3300
Lowest share price	128.3045	126.4768	129.7689

Class A GBP Net Income

	Year ended 30 June 2024	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	99.7355	107.1004	108.4966
Return before operating charges	12.5000	(0.8383)	4.8642
Operating charges (note 1)	(0.7289)	(1.1996)	(1.4768)
Return after operating charges *	11.7711	(2.0379)	3.3874
Distribution on income shares	(5.9118)	(5.3270)	(4.7836)
Closing net asset value per share	105.5948	99.7355	107.1004
*after direct transactions costs of:	0.0924	0.0827	0.0323
Performance			
Return after charges	11.80%	(1.90%)	3.12%
Other information			
Closing net asset value	£47,932,414	£38,972,553	£36,804,731
Closing number of shares	45,392,769	39,075,908	34,364,714
Operating charges (note 2)	0.71%	1.16%	1.37%
Direct transaction costs	0.09%	0.08%	0.03%
Prices			
Highest share price	109.2629	111.9703	113.6820
Lowest share price	97.2572	99.7355	105.9014

PERFORMANCE RECORD (Continued)

1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.

2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the open-ended funds the Sub-fund holds. Note, the 2023 and 2022 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 June 2023: ranked 4). The Sub-fund is ranked '5' because its volatility has been measured as relatively high. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO SUMMARY

As At 30 June 2024

Holdings	Value £	% of net assets
Collective Investment Schemes (30.06.2023: 46.60%)		
1,754,885 Artemis Corporate Bond	1,587,118	2.63%
1,395,502 Artemis Target Return Bond	1,402,480	2.32%
365,647 Artemis Funds (Lux) - Global High Yield Bond	366,378	0.61%
445,673 BlackRock Continental European Income	762,208	1.27%
1,601,984 FTF ClearBridge Global Infrastructure	1,954,420	3.25%
953,631 M&G Emerging Markets Bond	1,043,845	1.74%
640,666 M&G Global Dividend	2,089,276	3.48%
1,947,936 Man GLG Income	2,594,651	4.32%
10,057 Man GLG High Yield Opportunities	1,141,191	1.90%
1,892,692 Man GLG Sterling Corporate Bond	1,885,689	3.14%
708,687 Montanaro UK Income	1,463,440	2.44%
361,200 Montanaro European Income	789,222	1.31%
13,613 Nomura Funds Ireland - Global Dynamic Bond	1,328,778	2.21%
2,142,712 Schroder Asian Income	1,712,455	2.85%
494,856 IFSL Evenlode Income	1,265,643	2.11%
1,154,820 IFSL Evenlode Global Income	1,724,839	2.87%
1,347,346 WS Guinness Global Equity	1,993,264	3.32%
	25,104,897	41.77%
Exchange Traded Funds (30.06.2023: 10.75%)		
49,487 Invesco UK Gilts UCITS ETF	1,478,919	2.46%
59,420 Invesco US Treasury Bond 7-10 Year UCITS ETF	1,654,377	2.75%
195,000 iShares MSCI World Energy Sector UCITS ETF	1,102,725	1.84%
158,589 iShares \$ TIPS UCITS ETF	767,491	1.28%
67,000 iShares \$ Treasury Bond 20+yr UCITS ETF GBP	211,687	0.35%
	5,215,199	8.68%
Investment Trusts (30.06.2023: 24.64%)		
120,150 BBGI SICAV SA	159,559	0.27%
1,102,333 BioPharma Credit PLC	724,709	1.21%
206,666 Blackrock World Mining Trust PLC	1,167,663	1.94%
1,806,921 Bluefield Solar Income Fund Ltd	1,911,722	3.18%
1,299,034 Doric Nimrod Air Two Ltd	1,584,821	2.64%
3,691,302 Doric Nimrod Air Three Ltd	1,956,390	3.26%
1,287,302 GCP Asset Backed Income Fund Ltd	880,515	1.47%
2,756,192 GCP Infrastructure Investments Ltd	2,218,735	3.69%
1,670,580 Greencoat UK Wind PLC	2,218,530	3.69%
1,444,991 Chrysalis Investments Ltd	1,083,743	1.80%
1,054,353 Montanaro UK Smaller Companies Investment Trust PLC	1,128,158	1.88%
1,208,633 Renewables Infrastructure Group Ltd	1,149,410	1.91%
2,532,300 SDCL Energy Efficiency Income Trust PLC	1,686,512	2.81%
2,253,745 Sequoia Economic Infrastructure Income Fund Ltd	1,775,951	2.96%
	19,646,418	32.71%
Real Estate Investment Trusts (30.06.2023: 10.32%)		
6,325,523 Assura PLC	2,535,270	4.22%
1,047,646 Impact Healthcare REIT PLC	896,785	1.49%
2,548,724 Supermarket Income REIT PLC	1,855,471	3.09%
1,619,434 Target Healthcare REIT Ltd	1,277,733	2.13%
266,500 Urban Logistics Reit PLC	312,872	0.52%
	6,878,131	11.45%
Portfolio of investments (30.06.2023: 92.31%)	56,844,645	94.61%
Net other assets (30.06.2023: 7.69%)	3,240,608	5.39%
	60,085,253	100.00%

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	20,953,374
GCP Infrastructure Investments Ltd	1,889,394
SDCL Energy Efficiency Income Trust PLC	1,539,692
Doric Nimrod Air Three Ltd	1,523,483
Invesco UK Gilts UCITS ETF	1,492,296
BBGI SICAV SA	1,250,840
iShares MSCI World Energy Sector UCITS ETF	1,150,422
Blackrock World Mining Trust PLC	1,092,684
Chrysalis Investments Ltd	1,036,030
Renewables Infrastructure Group Ltd	1,011,829
Assura PLC	953,961
Various other purchases	8,012,743

	£
Total sales for the year (note 14)	12,242,902
iShares \$ Treasury Bond 1-3yr UCITS ETF	1,734,481
Round Hill Music Royalty Fund Limited	1,708,837
Hipgnosis Songs Fund Ltd	1,445,792
BBGI SICAV SA	1,201,832
Jupiter Strategic Bond	797,511
iShares \$ TIPS UCITS ETF	791,234
Doric Nimrod Air Two Ltd	748,576
Chrysalis Investments Ltd	742,252
GCP Asset Backed Income Fund Ltd	692,585
Target Healthcare REIT Ltd	620,128
Various other sales	1,759,674

The above transactions represents all the purchases and sales during the year.

STATEMENT OF TOTAL RETURN

For the year ended 30 June

		2024		2023	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		3,293,784		(3,319,662)
Revenue	3	3,238,707		2,625,582	
Expenses	4	(240,849)		(217,155)	
Interest payable and similar charges	6	-		(23)	
Net revenue before taxation		2,997,858		2,408,404	
Taxation	5	(207,076)		(157,107)	
Net revenue after taxation			2,790,782		2,251,297
Total return before distributions			6,084,566		(1,068,365)
Finance costs: distributions	6		(3,068,653)		(2,450,306)
Changes in net assets attributable to shareholders from investment activities			3,015,913		(3,518,671)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 June

	2024	2023
	£	£
Opening net assets attributable to shareholders	48,599,628	45,439,634
Amounts receivable on creation of shares	13,075,889	14,752,908
Amounts payable on cancellation of shares	(5,257,353)	(8,571,668)
Accumulation dividends retained	651,176	497,425
Changes in net assets attributable to shareholders from investment activities (see above)	3,015,913	(3,518,671)
Closing net assets attributable to shareholders	60,085,253	48,599,628

BALANCE SHEET

As at	Notes	30.06.2024		30.06.2023	
		£	£	£	£
Assets					
Investment assets			56,844,645		44,862,796
Current assets					
Debtors	7	930,420		1,040,656	
Cash and bank balances	8	<u>3,747,688</u>		<u>4,000,675</u>	
Total current assets			<u>4,678,108</u>		<u>5,041,331</u>
Total assets			61,522,753		49,904,127
Current Liabilities					
Creditors	9	(287,671)		(519,124)	
Distribution payable on income shares		<u>(1,149,829)</u>		<u>(785,375)</u>	
Total current liabilities			<u>(1,437,500)</u>		<u>(1,304,499)</u>
Net assets attributable to shareholders			<u>60,085,253</u>		<u>48,599,628</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on pages 7 and 8.

2 Net capital gains/(losses)	2024	2023
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	3,287,329	(3,273,657)
Transaction charges (custodian)	(1,572)	(48)
Rebates from underlying holdings	8,321	(38,986)
Foreign exchange (losses)	(294)	(6,971)
Total net capital gains/(losses)	<u>3,293,784</u>	<u>(3,319,662)</u>

3 Revenue	2024	2023
	£	£
Non-taxable dividends	1,970,797	1,583,883
Interest on non-derivative securities	700,242	749,188
Property income distributions (PIDs)	412,900	192,107
Rebates from underlying holdings	7,556	46,276
Bank interest	147,212	54,128
Total revenue	<u>3,238,707</u>	<u>2,625,582</u>

4 Expenses	2024	2023
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>195,259</u>	<u>177,799</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	19,208	18,022
Safe custody fee	<u>4,085</u>	<u>4,555</u>
	23,293	22,577
Other expenses:		
Audit fee	9,098	7,351
Other expenses	<u>13,199</u>	<u>9,428</u>
	22,297	16,779
Total expenses	<u>240,849</u>	<u>217,155</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2024	2023
	£	£
(a) Analysis of charge in the year		
UK corporation tax	207,076	157,107
Total tax charge for the year (note 5b)	<u>207,076</u>	<u>157,107</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2023: 20.00%) The differences are explained below:		
Net revenue before taxation	2,997,858	2,408,404
Corporation tax at 20.00% (2023: 20.00%)	599,572	481,681
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(394,160)	(316,777)
Tax effect of rebates in capital	1,664	(7,797)
Total tax charge for the year (note 5a)	<u>207,076</u>	<u>157,107</u>

(c) **Provision for deferred taxation**

At 30 June 2024 there is no potential deferred tax asset or liability (30 June 2023: £nil).

6 Finance costs	2024	2023
	£	£
Interim dividend distributions	2,030,150	1,795,904
Final dividend distribution	1,133,875	702,559
	<u>3,164,025</u>	<u>2,498,463</u>
Add: Revenue deducted on cancellation of shares	62,381	81,407
Deduct: Revenue received on issue of shares	(157,753)	(129,564)
Net distribution for the year	3,068,653	2,450,306
Interest payable and similar charges	-	23
Total finance costs	<u>3,068,653</u>	<u>2,450,329</u>
Reconciliation of distributions		
Net revenue after taxation	2,790,782	2,251,297
Expenses paid from capital	240,849	217,155
Relief on expenses allocated to capital	(48,170)	(43,431)
Equalisation on collective investment schemes income	16,124	-
Balance brought forward	(62,738)	(37,453)
Balance carried forward	131,806	62,738
Net distribution for the year	<u>3,068,653</u>	<u>2,450,306</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.06.2024	30.06.2023
	£	£
Amounts receivable on unsettled trades	-	826,944
Amounts receivable on creation of shares	665,271	3,643
Accrued revenue:		
Non-taxable dividends	119,055	104,120
Interest on non-derivative securities	73,781	50,418
Property income distributions (PIDs)	49,947	33,235
Rebates from underlying holdings	21,866	20,689
Prepayments	500	1,607
Total debtors	930,420	1,040,656
8 Cash and bank balances	30.06.2024	30.06.2023
	£	£
Cash and bank balances	3,747,688	4,000,675
9 Creditors	30.06.2024	30.06.2023
	£	£
Amounts payable on unsettled trades	-	295,838
Amounts payable on cancellation of shares	34,154	37,660
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	31,777	14,831
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary's fees	1,655	1,484
Safe custody and other custodian charges	3,055	3,629
	4,710	5,113
UK corporation tax	207,076	158,458
Audit fee	8,068	6,769
Other accrued expenses	1,886	455
Total creditors	287,671	519,124

10 Risk management

In pursuing its investment objective as stated on page 9, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 June 2024 would have increased/decreased by £5,684,465 (30 June 2023: £4,486,280).

10 Risk management (Continued)

Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt. A portion of the net assets of the Sub-fund is denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Sterling	3,240,608	3,718,501	54,465,559	42,079,179	57,706,167	45,797,680
Euro	-	24	-	-	-	24
US Dollars	-	18,307	2,379,086	2,783,617	2,379,086	2,801,924
Total	3,240,608	3,736,832	56,844,645	44,862,796	60,085,253	48,599,628

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets will affect the Sub-fund by £237,909 (30 June 2023: £280,195).

Interest rate risk

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the Sub-fund on a regular basis. In addition any cash deposits in the Sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

The table below details the interest rate risk profile at the balance sheet date:

	30.06.2024	30.06.2023
	£	£
Financial assets floating rate	3,747,688	4,000,675
Financial assets interest bearing instruments	12,867,953	13,836,319
Financial assets non-interest bearing instruments	44,907,112	32,067,133
Financial liabilities non-interest bearing instruments	(1,437,500)	(1,304,499)
Financial liabilities floating rate	-	-
	60,085,253	48,599,628

At 30 June 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £9,369 (30 June 2023: £10,002).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 June 2024 are payable either within one year or on demand.

Liquidity risk

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

10 Risk management (Continued)

Credit risk

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the AFM as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund.

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to unobservable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

- Level 1: Unadjusted quoted price in an active market for an identical instrument;
- Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
- Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.06.2024		30.06.2023	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	31,740	-	22,206	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	25,105	-	22,657	-
Total	56,845	-	44,863	-

11 Shares held

Class A GBP Net Accumulation

Opening Shares at 01.07.2023	7,467,708
Shares issued during the year	2,718,862
Shares cancelled during the year	(1,685,910)
Shares converted during the year	(79,732)
Closing Shares as at 30.06.2024	8,420,928

Class A GBP Net Income

Opening Shares at 01.07.2023	39,075,908
Shares issued during the year	9,126,123
Shares cancelled during the year	(2,916,359)
Shares converted during the year	107,097
Closing Shares as at 30.06.2024	45,392,769

12 Contingent assets and liabilities

At 30 June 2024, the Sub-fund had no contingent liabilities or commitments (30 June 2023: £nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 28 June 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 28 June 2024	Price at 28 October 2024
Class A GBP Net Accumulation	146.8859p	152.4865p
Class A GBP Net Income	105.5948p	108.4797p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

Analysis of total purchase costs	2024		2023	
	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	20,909,850		26,722,739	
Commissions	7,902	0.04%	5,639	0.02%
Taxes & levies	35,622	0.17%	30,445	0.11%
Total purchase costs	43,524	0.21%	36,084	0.13%
Total purchases including transaction costs	20,953,374		26,758,823	

Analysis of total sale costs

Analysis of total sale costs	2024		2023	
	£	% of total sales	£	% of total sales
Sales in the year before transaction costs	12,245,756		20,644,426	
Commissions	(2,836)	(0.02%)	(6,391)	(0.03%)
Taxes & levies	(18)	(0.00%)	(70)	(0.00%)
Total sale costs	(2,854)	(0.02%)	(6,461)	(0.03%)
Total sales net of transaction costs	12,242,902		20,637,965	

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the year:

	2024		2023	
	£	% of average net asset value	£	% of average net asset value
Commissions	10,738	0.02%	12,030	0.02%
Taxes & levies	35,640	0.07%	30,515	0.06%
	46,378	0.09%	42,545	0.08%

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 June 2024 is 0.58% (30 June 2023: 0.41%).

16 Related Party transactions

Valu-Trac Investment Management Limited, as AFM is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9.

DISTRIBUTION TABLES

1st Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

Group 2: Shares purchased on or after 01 July 2023 and on or before 31 July 2023

Class A GBP Net Accumulation	Net Revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Group 1	0.3700p	-	0.3700p	0.3600p
Group 2	0.0001p	0.3699p	0.3700p	0.3600p

Class A GBP Net Income	Net Revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Group 1	0.3700p	-	0.3700p	0.3600p
Group 2	0.1459p	0.2241p	0.3700p	0.3600p

2nd Interim distribution in pence per share

Group 1: Shares purchased prior to 01 August 2023

Group 2: Shares purchased on or after 01 August 2023 and on or before 31 August 2023

Class A GBP Net Accumulation	Net Revenue 31.10.2023	Equalisation	Distribution 31.10.2023	Distribution 31.10.2022
Group 1	0.3700p	-	0.3700p	0.3600p
Group 2	-	0.3700p	0.3700p	0.3600p

Class A GBP Net Income	Net Revenue 31.10.2023	Equalisation	Distribution 31.10.2023	Distribution 31.10.2022
Group 1	0.3700p	-	0.3700p	0.3600p
Group 2	-	0.3700p	0.3700p	0.3600p

3rd Interim distribution in pence per share

Group 1: Shares purchased prior to 01 September 2023

Group 2: Shares purchased on or after 01 September 2023 and on or before 30 September 2023

Class A GBP Net Accumulation	Net Revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

Class A GBP Net Income	Net Revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

4th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 October 2023

Group 2: Shares purchased on or after 01 October 2023 and on or before 31 October 2023

Class A GBP Net Accumulation	Net Revenue 29.12.2023	Equalisation	Distribution 29.12.2023	Distribution 30.12.2022
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

Class A GBP Net Income	Net Revenue 29.12.2023	Equalisation	Distribution 29.12.2023	Distribution 30.12.2022
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

DISTRIBUTION TABLES (Continued)**5th Interim distribution in pence per share**

Group 1: Shares purchased prior to 01 November 2023

Group 2: Shares purchased on or after 01 November 2023 and on or before 30 November 2023

Class A GBP Net Accumulation	Net Revenue 31.01.2024	Equalisation	Distribution 31.01.2024	Distribution 31.01.2023
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p
Class A GBP Net Income	Net Revenue 31.01.2024	Equalisation	Distribution 31.01.2024	Distribution 31.01.2023
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

6th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 December 2023

Group 2: Shares purchased on or after 01 December 2023 and on or before 31 December 2023

Class A GBP Net Accumulation	Net Revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p
Class A GBP Net Income	Net Revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	0.3700p	-	0.3700p	0.3700p
Group 2	-	0.3700p	0.3700p	0.3700p

7th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 January 2024

Group 2: Shares purchased on or after 01 January 2024 and on or before 31 January 2024

Class A GBP Net Accumulation	Net Revenue 29.03.2024	Equalisation	Distribution 29.03.2024	Distribution 31.03.2023
Group 1	0.3800p	-	0.3800p	0.3700p
Group 2	-	0.3800p	0.3800p	0.3700p
Class A GBP Net Income	Net Revenue 29.03.2024	Equalisation	Distribution 29.03.2024	Distribution 31.03.2023
Group 1	0.3800p	-	0.3800p	0.3700p
Group 2	-	0.3800p	0.3800p	0.3700p

8th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 February 2024

Group 2: Shares purchased on or after 01 February 2024 and on or before 28 February 2024

Class A GBP Net Accumulation	Net Revenue 30.04.2024	Equalisation	Distribution 30.04.2024	Distribution 28.04.2023
Group 1	0.3800p	-	0.3800p	0.3700p
Group 2	-	0.3800p	0.3800p	0.3700p
Class A GBP Net Income	Net Revenue 30.04.2024	Equalisation	Distribution 30.04.2024	Distribution 28.04.2023
Group 1	0.3800p	-	0.3800p	0.3700p
Group 2	-	0.3800p	0.3800p	0.3700p

DISTRIBUTION TABLES (Continued)**9th Interim distribution in pence per share**

Group 1: Shares purchased prior to 01 March 2024

Group 2: Shares purchased on or after 01 March 2024 and on or before 31 March 2024

Class A GBP Net Accumulation	Net Revenue 31.05.2024	Equalisation	Distribution 31.05.2024	Distribution 31.05.2023
Group 1	0.3800p	-	0.3800p	0.3700p
Group 2	-	0.3800p	0.3800p	0.3700p
Class A GBP Net Income	Net Revenue 31.05.2024	Equalisation	Distribution 31.05.2024	Distribution 31.05.2023
Group 1	0.3800p	-	0.3800p	0.3700p
Group 2	-	0.3800p	0.3800p	0.3700p

10th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 April 2024

Group 2: Shares purchased on or after 01 April 2024 and on or before 30 April 2024

Class A GBP Net Accumulation	Net Revenue 28.06.2024	Equalisation	Distribution 28.06.2024	Distribution 30.06.2023
Group 1	0.3800p	-	0.3800p	0.3700p
Group 2	-	0.3800p	0.3800p	0.3700p
Class A GBP Net Income	Net Revenue 28.06.2024	Equalisation	Distribution 28.06.2024	Distribution 30.06.2023
Group 1	0.3800p	-	0.3800p	0.3700p
Group 2	-	0.3800p	0.3800p	0.3700p

11th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 May 2024

Group 2: Shares purchased on or after 01 May 2024 and on or before 31 May 2024

Class A GBP Net Accumulation	Net Revenue 31.07.2024	Equalisation	Distribution 31.07.2024	Distribution 31.07.2023
Group 1	0.3800p	-	0.3800p	0.3700p
Group 2	-	0.3800p	0.3800p	0.3700p
Class A GBP Net Income	Net Revenue 31.07.2024	Equalisation	Distribution 31.07.2024	Distribution 31.07.2023
Group 1	0.3800p	-	0.3800p	0.3700p
Group 2	-	0.3800p	0.3800p	0.3700p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 June 2024

Group 2: Shares purchased on or after 01 June 2024 and on or before 30 June 2024

Class A GBP Net Accumulation	Net Revenue 30.08.2024	Equalisation	Distribution 30.08.2024	Distribution 31.08.2023
Group 1	3.8061p	-	3.8061p	2.7260p
Group 2	0.0997p	3.7064p	3.8061p	2.7260p
Class A GBP Net Income	Net Revenue 30.08.2024	Equalisation	Distribution 30.08.2024	Distribution 31.08.2023
Group 1	1.7918p	-	1.7918p	1.2770p
Group 2	0.0892p	1.7026p	1.7918p	1.2770p

Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 60.85% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 39.15% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Chelsea Managed Cautious Growth
Size of Sub-fund	£15,157,306
Launch date	05 June 2017
Investment objective and policy	<p>The investment objective of the VT Chelsea Managed Cautious Growth fund is to generate capital growth over the long term (5 years).</p> <p>The Sub-fund is expected to follow a relatively cautious strategy with investment primarily (70% +) through collective investment schemes (including those managed or operated by the AFM) so as to provide a high level of exposure to asset classes which the AFM considers to be lower risk including cash, fixed income and assets following absolute return strategies.</p> <p>The Sub-fund may also invest directly in other transferable securities, equities, bonds, money market instruments, cash and near cash with commodity exposure being achieved through other collective investment schemes (including exchange traded funds).</p> <p>There will be no particular emphasis on any industrial, geographical or economic sector.</p>
Benchmark	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against performance of the IA Mixed Investment 20-60% Shares Sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
Derivatives	The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	30 June and 31 December
Distribution dates	31 August and last day of February
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Minimum investment*	
Lump sum subscription:	Class A GBP Net Accumulation/Income = £1,000
Top-up:	Class A GBP Net Accumulation/Income = £500
Holding:	Class A GBP Net Accumulation/Income = £1,000
Redemption:	Class A GBP Net Accumulation/Income = N/A (provided minimum holding is maintained)
Switching:	Class A GBP Net Accumulation/Income = N/A (provided minimum holding is maintained)
Initial, redemption and switching charges*:	Nil

*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.

SUB-FUND OVERVIEW (Continued)

Annual management charges £9,400.29** per annum plus:
Class A - 0.30% (per annum)

**The fixed element of this fee shall be increased annually on 1 May (from 1 May 2025) in line with the rate of inflation (calculated in accordance with the Consumer Price Index).

At its discretion and subject to the regulations and any other applicable laws, rules, regulations or guidance, the AFM can rebate some or all of its annual management charge to the Sub-fund for the benefit of shareholders.

INVESTMENT ADVISER'S REVIEW

During the period from the 30 June 2023 to 30 June 2024 the fund returned 11.49% (Class A GBP Net Accumulation) in comparison with the IA Mixed Investment 20-60% Shares sector which returned 9.38%. The fund had a good year and delivered solid outperformance versus its reference benchmark.

It has been a difficult few years for investors with persistently high inflation and interest rates hampering returns. Inflation has been stubborn and therefore central banks have not been able to cut interest rates as quickly as investors had hoped. The result is that returns from many yielding assets, such as bonds, property and infrastructure have been poor for a while.

Last year we wrote that we thought the long period of negative sentiment was providing some exceptional opportunities. We are pleased that the fund has had a much better year with over a 11% return, but performance has still been mixed. Whilst some of our investment trust holdings have done very well others have yet to deliver. The fund has also been helped by the strong performance of US equity markets which has been supported by excitement about artificial intelligence. Polar Capital Technology Trust plc was the funds strongest performer rising 50% in the period.

Another star performer was once again Doric Nimrod Air Two Ltd (DNA2) which returned 47% for the second year in a row.** The trust owns and leases A380 aircraft to Emirates. As we had anticipated Emirates bought two A380s from the trust at the end of last year when their leases came to an end. This capital was then returned to investors. The leases on the funds remaining five aircraft come to an end later this year and we hope for a similar outcome. The fund has taken its proceeds from the sale and bought a position in Doric Nimrod Air Three Ltd (DNA3) which is a similar trust but whose leases end later. We still believe the trusts are both undervalued as we believe Emirates will need these aircraft to make up for delays to the Boeing 777X programme.

Having been one of the funds worst performers last year, one of the funds best performer was Round Hill Music Royalty Fund Limited, which was bid for at a 67% premium to its share price. Hipgnosis Songs Fund Ltd was the funds other music royalty trust holding. We bought into this name last year after it became very out of favour. Happily the trust was bid for as well and we were able to sell out of our holding for a very good return.

At the end of last year the fund bought quite a big position in GCP Infrastructure Investments Ltd, a position it had previously sold out of at a much higher share price. The fund was able to buy the trust on a very high discount and its share price has subsequently rallied around 35%. It still remains on over a 20% discount and continues to pay an excellent income.

The fund's equity holdings generally performed well with Fidelity Index US (+26%), WS Guinness Global Equity Income (+15%), Jupiter UK Special Situations (+13%) and Liontrust Special Situations Fund (+13%). Of the fund's bond positions, Artemis Corporate Bond (+12%), Nomura Funds Ireland - Global Dynamic Bond (+8%) and Artemis Short-Duration Strategic Bond were solid (+12%). The fund's absolute return holding, Man GLG Absolute Value, had a very strong year returning 16%.

Royal London Global Equity Income was a new purchase and performed well but was subsequently sold after it was announced that the team which runs the fund would be leaving. Other new positions included commodities ETFs and a defence ETF focusing on defence companies and cyber security stocks. We are concerned about heightened geo-political tension and these positions have been added into the fund to hedge against some scenarios. We also added a UK Gilts ETF replacing our shorter dated Gilts ETF holding as we looked to look into the current good yields on offer for longer.

One of the biggest drags on the funds has been its renewable energy positions with Greencoat UK Wind PLC (-3%), Bluefield Solar Income Fund Ltd (-5%) and The Renewables Infrastructure Group Ltd (-11%) all underperforming.** All these funds continue to pay high growing dividends and all remain on very high discount levels. We are confident in these positions and we think they will do a lot better if interest rates come down.

The fund's REIT positions have also generally struggled although Target Healthcare REIT Ltd (+16%) recovered quite well from an extreme level after it fell heavily the previous year when we added to it. Our GP surgery owner, Assura PLC, has been a disappointment with a -4% total return.** Its share price has continued to fall despite strong results and an increasing dividend. This is now one of our highest conviction positions and we have continued to add to it on weakness.

Overall we are pleased to deliver a better year of performance and we still think there is huge potential in some of the investment trust positions which have been left behind. We hope that if rates eventually fall this will help some of our bond, property and infrastructure holdings. The fund has delivered 31.24% since launch relative to 20.42% for the average fund in the IA Mixed Investment 20-60% Shares sector.***

Chelsea Portfolio Management Services Limited
Investment Adviser to the Fund
07 August 2024

* FE Funds Info VT Chelsea Managed Cautious Growth vs IA Mixed Investment 20-60% Shares total return in sterling 30/06/2023-30/06/2024 and 05/06/2017-30/06/2024

**FE Funds Info performance total return in sterling 30/06/2023-30/06/2024

***FE Funds Info performance total return in sterling 05/06/2017-30/06/2024

PERFORMANCE RECORD

Financial Highlights

Class A GBP Net Accumulation

	Year ended 30 June 2024	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	117.7209	120.6776	124.5306
Return before operating charges	14.5941	(1.5025)	(2.0507)
Operating charges (note 1)	(1.0706)	(1.4542)	(1.8023)
Return after operating charges *	13.5235	(2.9567)	(3.8530)
Closing net asset value per share	131.2444	117.7209	120.6776
Retained distributions on accumulated shares	4.0745	3.0899	2.0417
*after direct transactions costs of:	0.0498	0.0834	0.0368
Performance			
Return after charges	11.49%	(2.45%)	(3.09%)
Other information			
Closing net asset value	£14,414,900	£13,054,157	£13,488,658
Closing number of shares	10,983,248	11,089,073	11,177,429
Operating charges (note 2)	0.86%	1.22%	1.47%
Direct transaction costs	0.04%	0.07%	0.03%
Prices			
Highest share price	132.9298	125.9075	129.9220
Lowest share price	115.6657	113.7794	120.1414

Class A GBP Net Income

	Year ended 30 June 2024	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	107.9867	113.6657	119.2536
Return before operating charges	13.3290	(1.4351)	(1.9298)
Operating charges (note 1)	(0.9659)	(1.3521)	(1.7120)
Return after operating charges *	12.3631	(2.7872)	(3.6418)
Distribution in income shares	(3.7086)	(2.8918)	(1.9461)
Closing net asset value per share	116.6412	107.9867	113.6657
*after direct transactions costs of:	0.0449	0.0776	0.0349
Performance			
Return after charges	11.45%	(2.45%)	(3.05%)
Other information			
Closing net asset value	£780,171	£726,545	£647,687
Closing number of shares	668,863	672,809	569,817
Operating charges (note 2)	0.86%	1.22%	1.47%
Direct transaction costs	0.04%	0.07%	0.03%
Prices			
Highest share price	120.3049	118.5917	124.0237
Lowest share price	106.1015	107.1685	113.6657

1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.

2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the open-ended funds the Sub-fund holds. Note, the 2023 and 2022 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

Risk Profile

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 June 2023: ranked 4). The Sub-fund is ranked '4' because its volatility has been measured as average. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO SUMMARY

As at 30 June 2024

Holdings	Value £	% of net assets
Collective Investment Schemes (30.06.2023: 45.82%)		
358,122 Artemis Corporate Bond	323,886	2.13%
370,248 Artemis Target Return Bond	372,100	2.44%
83,429 Fidelity Index US	383,062	2.53%
140,169 Fidelity Asia Pacific Opportunities	397,380	2.62%
311,965 Jupiter UK Special Situations	696,338	4.59%
275,650 FTF Martin Currie European Unconstrained	481,561	3.18%
134,870 Liontrust Special Situations Fund	669,398	4.42%
566,576 Man GLG Absolute Value	925,785	6.11%
425,577 Man GLG Sterling Corporate Bond	424,003	2.80%
3,102 Nomura Funds Ireland - Global Dynamic Bond	302,827	2.00%
487,164 IFSL Evenlode Global Equity	757,443	5.00%
413,798 WS Guinness Global Equity Income	663,649	4.38%
	<u>6,397,432</u>	<u>42.20%</u>
Exchange Traded Commodities (30.06.2023: 4.13%)		
2,798 Invesco Physical Markets PLC	497,848	3.28%
	<u>497,848</u>	<u>3.28%</u>
Exchange Traded Funds (30.06.2023: 13.11%)		
27,054 Future of Defence UCITS ETF	226,307	1.49%
13,400 Invesco US Treasury Bond 7-10 Year UCITS ETF	373,084	2.46%
4,157 Invesco US Treasury Bond 7-10 Year UCITS ETF	139,301	0.92%
12,990 Invesco UK Gilts UCITS ETF	388,206	2.56%
92,200 iShares \$ Treasury Bond 1-3yr UCITS ETF	428,868	2.83%
86,158 iShares \$ TIPS UCITS ETF	416,962	2.75%
50,000 iShares MSCI World Energy Sector UCITS	282,750	1.87%
18,760 iShares \$ Treasury Bond 20+yr UCITS	59,272	0.39%
	<u>2,314,750</u>	<u>15.27%</u>
Investment Trusts (30.06.2023: 20.30%)		
49,160 Blackrock World Mining Trust PLC	277,754	1.83%
367,479 Bluefield Solar Income Fund Ltd	388,793	2.57%
148,215 Doric Nimrod Air Two Ltd	180,822	1.19%
445,000 Doric Nimrod Air Three Ltd	235,850	1.56%
483,800 GCP Infrastructure Investments Ltd	389,459	2.57%
393,677 Greencoat UK Wind PLC	522,803	3.45%
487,704 Chrysalis Investments Ltd	365,778	2.41%
19,327 Polar Capital Technology Trust PLC	637,791	4.21%
210,582 Renewables Infrastructure Group Ltd	200,263	1.32%
465,600 SDCL Energy Efficiency Income Trust PLC	310,090	2.05%
325,025 Sequoia Economic Infrastructure Income Fund Ltd	256,120	1.69%
	<u>3,765,523</u>	<u>24.85%</u>
Real Estate Investment Trusts (30.06.2023: 9.00%)		
1,159,943 Assura PLC	464,905	3.07%
316,270 Life Science REIT PLC	105,950	0.70%
469,507 Supermarket Income REIT PLC	341,801	2.26%
389,427 Target Healthcare REIT Ltd	307,258	2.03%
	<u>1,219,914</u>	<u>8.06%</u>
Portfolio of investments (30.06.2023: 92.36%)	14,195,467	93.66%
Net other assets (30.06.2023: 7.64%)	961,839	6.34%
	<u>15,157,306</u>	<u>100.00%</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	4,219,986
Royal London Global Equity Income	520,000
GCP Infrastructure Investments Ltd	313,174
iShares MSCI World Energy Sector UCITS ETF	294,980
SDCL Energy Efficiency Income Trust PLC	284,223
Invesco UK Gilts UCITS ETF	281,161
Blackrock World Mining Trust PLC	271,142
WS Guinness Global Equity Income	259,800
Future of Defence UCITS ETF	228,016
Doric Nimrod Air Three Ltd	224,837
Invesco US Treasury Bond 7-10 Year UCITS ETF	206,468
Other various purchases	1,336,185

	£
Total sales for the year (note 14)	3,874,243
Fidelity Global Dividend	598,193
Royal London Global Equity Income	566,673
Round Hill Music Royalty Fund Limited	390,416
Hipgnosis Songs Fund Ltd	367,063
Fundsmith Equity	364,767
iShares UK Gilts 0-5yr UCITS ETF	210,141
Invesco Physical Markets PLC	174,469
Allianz Strategic Bond	166,198
BBGI SICAV SA	156,742
Chrysalis Investments Ltd	152,670
Other various sales	726,911

The above transactions represents all the purchases and sales during the year.

STATEMENT OF TOTAL RETURN

For the year ended 30 June

		2024		2023	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		1,114,921		(723,350)
Revenue	3	585,273		450,973	
Expenses	4	(87,157)		(82,308)	
Interest payable and similar charges	6	-		-	
Net revenue before taxation		498,116		368,665	
Taxation	5	(39,860)		(17,292)	
Net revenue after taxation			458,256		351,373
Total return before distributions			1,573,177		(371,977)
Finance costs: distributions	6		(474,010)		(366,411)
Changes in net assets attributable to shareholders from investment activities			<u>1,099,167</u>		<u>(738,388)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 June

	2024	2023
	£	£
Opening net assets attributable to shareholders	13,745,759	14,121,210
Amounts receivable on creation of shares	896,456	1,595,468
Amounts payable on cancellation of shares	(1,034,480)	(1,579,107)
Accumulation dividends retained	450,404	346,576
Changes in net assets attributable to shareholders from investment activities (see above)	<u>1,099,167</u>	<u>(738,388)</u>
Closing net assets attributable to shareholders	<u>15,157,306</u>	<u>13,745,759</u>

BALANCE SHEET

As at	Notes	30.06.2024		30.06.2023	
		£	£	£	£
Assets					
Investment assets			14,195,467		12,696,214
Current assets					
Debtors	7	54,794		288,356	
Cash and bank balances	8	<u>982,081</u>		<u>879,203</u>	
Total current assets			<u>1,036,875</u>		<u>1,167,559</u>
Total assets			15,232,342		13,863,773
Current liabilities					
Creditors	9	(60,734)		(107,286)	
Distribution payable on income shares		<u>(14,302)</u>		<u>(10,728)</u>	
Total current liabilities			<u>(75,036)</u>		<u>(118,014)</u>
Net assets attributable to shareholders			<u>15,157,306</u>		<u>13,745,759</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on pages 7 and 8.

2 Net capital gains/(losses)	2024	2023
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	1,119,693	(721,448)
Transaction charges (custodian)	(1,203)	(1,086)
Rebates from underlying holdings	441	579
Foreign exchange (losses)	(4,010)	(1,395)
Total net capital gains/(losses)	<u>1,114,921</u>	<u>(723,350)</u>

3 Revenue	2024	2023
	£	£
Non-taxable dividends	299,255	247,489
Interest on non-derivative securities	156,705	135,280
Property income distributions (PIDs)	77,397	45,307
Rebates from underlying holdings	4,420	(4,051)
Bank interest	47,496	26,948
Total revenue	<u>585,273</u>	<u>450,973</u>

4 Expenses	2024	2023
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>52,523</u>	<u>51,844</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	17,926	18,000
Safe custody fee	<u>690</u>	<u>1,740</u>
	18,616	19,740
Other expenses:		
Audit fee	9,098	7,351
Other expenses	<u>6,920</u>	<u>3,373</u>
	16,018	10,724
Total expenses	<u>87,157</u>	<u>82,308</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2024	2023
	£	£
(a) Analysis of charge in the year		
UK corporation tax	39,860	17,292
Total tax charge for the year (note 5b)	<u>39,860</u>	<u>17,292</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2023: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	498,116	368,665
Corporation tax at 20.00% (2023: 20.00%)	<u>99,623</u>	<u>73,733</u>
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(59,851)	(49,497)
Tax effect of rebates in capital	88	116
Management expenses (utilised)	-	(7,060)
Total tax charge for the year (note 5a)	<u>39,860</u>	<u>17,292</u>

(c) **Provision for deferred taxation**

At 30 June 2024 there is a potential deferred tax asset of £Nil (30 June 2023: £Nil) in relation to surplus management expenses.

6 Finance costs	2024	2023
	£	£
Interim dividend distribution	201,498	164,252
Final dividend distribution	<u>273,733</u>	<u>200,655</u>
	475,231	364,907
Add: Revenue deducted on cancellation of shares	6,404	9,614
Deduct: Revenue received on issue of shares	<u>(7,625)</u>	<u>(8,110)</u>
Net distribution for the year	474,010	366,411
Interest payable and similar charges	-	-
Total finance costs	<u>474,010</u>	<u>366,411</u>
Reconciliation of distributions		
Net revenue after taxation	458,256	351,373
Equalisation on collective investment scheme income	2,843	-
Balance brought forward	(6,693)	8,345
Balance carried forward	<u>19,604</u>	<u>6,693</u>
Net distribution for the year	<u>474,010</u>	<u>366,411</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.06.2024	30.06.2023
	£	£
Amounts receivable on unsettled trades	-	238,734
Amounts receivable on creation of shares	312	20
Accrued revenue:		
Non-taxable dividends	29,718	27,383
Interest on non-derivative securities	14,105	11,710
Property income distributions (PIDs)	9,744	7,519
Rebates from underlying holdings	423	2,313
Prepayments	492	677
Total debtors	<u>54,794</u>	<u>288,356</u>

8 Cash and bank balances	30.06.2024	30.06.2023
	£	£
Cash and bank balances	<u>982,081</u>	<u>879,203</u>

9 Creditors	30.06.2024	30.06.2023
	£	£
Amounts payable on unsettled trades	-	75,719
Amounts payable on cancellation of shares	1,270	-
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	8,026	4,171
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary's fees	1,377	1,479
Safe custody and other custodian charges	<u>1,164</u>	<u>1,496</u>
	2,541	2,975
UK corporation tax	39,860	17,292
Audit fee	8,068	6,769
Other accrued expenses	969	360
Total creditors	<u>60,734</u>	<u>107,286</u>

10 Risk management

In pursuing its investment objective as stated on page 27, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

10 Risk management (Continued)

Market price risk (Continued)

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 June 2024 would have increased/decreased by £1,419,547 (30 June 2023: £1,269,621).

Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Sterling	961,839	1,045,826	13,822,383	12,067,945	14,784,222	13,113,771
US Dollars	-	3,719	373,084	628,269	373,084	631,988
Total	961,839	1,049,545	14,195,467	12,696,214	15,157,306	13,745,759

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets will affect the Sub-fund by £37,308 (30 June 2023: £63,199).

Interest rate risk

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the Sub-fund on a regular basis. In addition any cash deposits in the Sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

The table below details the interest rate risk profile at the balance sheet date:

	30.06.2024	30.06.2023
	£	£
Financial assets floating rate	982,081	879,203
Financial assets interest bearing instruments	3,228,509	3,296,831
Financial assets non-interest bearing instruments	11,021,752	9,687,739
Financial liabilities non-interest bearing instruments	(75,036)	(118,014)
Financial liabilities floating rate	-	-
	15,157,306	13,745,759

At 30 June 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £2,455 (30 June 2023: £2,198).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 June 2024 are payable either within one year or on demand.

10 Risk management (Continued)

Liquidity risk

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

Credit risk

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the AFM as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund.

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to unobservable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.06.2024		30.06.2023	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	7,798	-	6,397	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	6,397	-	6,299	-
Total	14,195	-	12,696	-

11 Shares held

Class A GBP Net Accumulation

Opening Shares at 01.07.2023	11,089,073
Shares issued during the year	687,699
Shares cancelled during the year	(797,583)
Shares converted during the year	4,059
Closing Shares as at 30.06.2024	10,983,248

Class A GBP Net Income

Opening Shares at 01.07.2023	672,809
Shares issued during the year	54,670
Shares cancelled during the year	(54,223)
Shares converted during the year	(4,393)
Closing Shares as at 30.06.2024	668,863

12 Contingent assets and liabilities

At 30 June 2024, the Sub-fund had no contingent liabilities or commitments (30 June 2023: £nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 28 June 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 28 June 2024	Price at 28 October 2024
Class A GBP Net Accumulation	131.2444p	135.1423p
Class A GBP Net Income	116.6412p	120.1056p

14 Direct transaction costs

Analysis of total purchase costs	2024		2023	
	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	4,214,808		6,859,528	
Commissions	973	0.02%	1,195	0.02%
Taxes & levies	4,205	0.10%	6,631	0.10%
Total purchase costs	<u>5,178</u>	<u>0.12%</u>	<u>7,826</u>	<u>0.12%</u>
Total purchases including transaction costs	<u>4,219,986</u>		<u>6,867,354</u>	

Analysis of total sale costs

	2024		2023	
	£	% of total sales	£	% of total sales
Sales in the year before transaction costs	3,874,810		6,210,827	
Commissions	(549)	(0.01%)	(1,841)	(0.03%)
Taxes & levies	(18)	(0.00%)	(64)	(0.00%)
Total sale costs	<u>(567)</u>	<u>(0.01%)</u>	<u>(1,905)</u>	<u>(0.03%)</u>
Total sales net of transaction costs	<u>3,874,243</u>		<u>6,208,922</u>	

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the year:

	2024		2023	
	£	% of average net asset value	£	% of average net asset value
Commissions	1,522	0.01%	3,036	0.02%
Taxes & levies	4,223	0.03%	6,695	0.05%
	<u>5,745</u>	<u>0.04%</u>	<u>9,731</u>	<u>0.07%</u>

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 June 2024 is 0.31% (30 June 2023: 0.28%).

16 Related Party transactions

Valu-Trac Investment Management Limited, as AFM is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9.

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

Group 2: Shares purchased on or after 01 July 2023 and on or before 31 December 2023

Class A GBP Net Accumulation	Net Revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.7124p	-	1.7124p	1.3772p
Group 2	0.8430p	0.8694p	1.7124p	1.3772p

Class A GBP Net Income	Net Revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.5703p	-	1.5703p	1.2973p
Group 2	0.6420p	0.9283p	1.5703p	1.2973p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 January 2024

Group 2: Shares purchased on or after 01 January 2024 and on or before 30 June 2024

Class A GBP Net Accumulation	Net Revenue 30.08.2024	Equalisation	Distribution 30.08.2024	Distribution 31.08.2023
Group 1	2.3621p	-	2.3621p	1.7127p
Group 2	0.9280p	1.4341p	2.3621p	1.7127p

Class A GBP Net Income	Net Revenue 30.08.2024	Equalisation	Distribution 30.08.2024	Distribution 31.08.2023
Group 1	2.1383p	-	2.1383p	1.5945p
Group 2	1.2890p	0.8493p	2.1383p	1.5945p

Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 51.52% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 48.48% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Chelsea Managed Balanced Growth
Size of Sub-fund	£47,111,144
Launch date	05 June 2017
Investment objective and policy	<p>The investment objective of the VT Chelsea Managed Balanced Growth fund is to generate capital growth over the long term (5 years).</p> <p>The Sub-fund is expected to follow a balanced strategy with investment primarily (70% +) through collective investment schemes (including those managed or operated by the AFM) so as to provide a balance between exposure to asset classes which the AFM considers to be lower risk (including cash, fixed income and assets following absolute return strategies) and those which it considers to be higher risk assets classes (typically equities).</p> <p>The Sub-fund may also invest directly in other transferable securities, equities, bonds, money market instruments, cash and near cash with commodity exposure being achieved through other collective investment schemes (including exchange traded funds).</p> <p>There will be no particular emphasis on any industrial, geographical or economic sector.</p>
Benchmark	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against performance of the IA Mixed Investment 40-85% Shares Sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
Derivatives	The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	30 June and 31 December
Distribution dates	31 August and last day of February
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Minimum investment*	
Lump sum subscription:	Class A GBP Net Accumulation = £1,000
Top-up:	Class A GBP Net Accumulation = £500
Holding:	Class A GBP Net Accumulation = £1,000
Redemption:	Class A GBP Net Accumulation = N/A (provided minimum holding is maintained)
Switching:	Class A GBP Net Accumulation = N/A (provided minimum holding is maintained)
Initial, redemption and switching charges*:	Nil

*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.

SUB-FUND OVERVIEW (Continued)

Annual management charges £28,342.38** per annum plus:
Class A - 0.30% (per annum)

**The fixed element of this fee shall be increased annually on 1 May (from 1 May 2025) in line with the rate of inflation (calculated in accordance with the Consumer Price Index).

At its discretion and subject to the regulations and any other applicable laws, rules, regulations or guidance, the AFM can rebate some or all of its annual management charge to the Sub-fund for the benefit of shareholders.

INVESTMENT ADVISER'S REVIEW

During the period from the 30 June 2023 to 30 June 2024 the fund returned 14.92% (Class A GBP Net Accumulation) in comparison with the IA Mixed Investment 40-85% Shares sector which returned 11.82%. The fund had a good year and delivered solid outperformance versus its reference benchmark.

It has been a difficult few years for investors with persistently high inflation and interest rates hampering returns. Inflation has been stubborn and therefore central banks have not been able to cut interest rates as quickly as investors had hoped. The result is that returns from many yielding assets, such as bonds, property and infrastructure have been poor for a while.

Last year we wrote that we thought the long period of negative sentiment was providing some exceptional opportunities. We are pleased that the fund has had a much better year with almost a 15% return, but performance has still been mixed. Whilst some of our investment trust holdings have done very well others have yet to deliver. The fund has also been helped by the strong performance of US equity markets which has been supported by excitement about artificial intelligence. Polar Capital Technology Trust PLC was a very strong performer rising 50% in the period.

The strongest performer was the Schiehallion Fund Ltd. This trust's focus is on private companies but it owns many large businesses like SpaceX, Stripe and ByteDance (the owner of TikTok). We bought this holding when it was hugely out of favour last year and trading on a huge discount. The shares have rallied 115% since early November last year.****

Another star performer was once again Doric Nimrod Air Two Ltd (DNA2) which returned 47% for the second year in a row.** The trust owns and leases A380 aircraft to Emirates. As we had anticipated Emirates bought two A380s from the trust at the end of last year when their leases came to an end. This capital was then returned to investors. The leases on the funds remaining five aircraft come to an end later this year and we hope for a similar outcome. The fund has taken its proceeds from the sale and significantly increased its position in Doric Nimrod Air Three Ltd (DNA3) which is a similar trust but whose leases end later. We still believe the trusts are both undervalued as we believe Emirates will need these aircraft to make up for delays to the Boeing 777X programme.

Having been one of the funds worst performers last year, one of the funds best performer was Round Hill Music Royalty Fund Limited, which was bid for at a 67% premium to its share price. Hipnosis Songs Fund Limited was the funds other music royalty trust holding. We bought into this name last year after it became very out of favour. Happily the trust was bid for as well and we were able to sell out of our holding for a very good return.

At the end of last year the fund bought quite a big position in GCP Infrastructure Investments Ltd, a position it had previously sold out of at a much higher share price. The fund was able to buy the trust on a very high discount and its share price has subsequently rallied around 35%. It still remains on over a 20% discount and continues to pay an excellent income.

The fund's equity funds generally performed well with Fidelity Index US (+26%), T. Rowe Price OEIC Global Focused Growth Equity (+26%) and Polar Capital Global Insurance (+21%) being the best performers.

In the fund's bond positions Jonathan Golan's Man GLG Sterling Corporate Bond continued its truly exceptional performance, delivering a 26% return. Artemis Corporate Bond (+12%) and Man GLG High Yield (+11%) were solid.** We sold our short dated US treasury ETF and reduced our US inflation-linked bond ETF to redeploy the proceeds into higher conviction ideas. The fund's absolute return holding, Man GLG Absolute Value, had a very strong year returning 16%.

Artemis UK Select was a new position which replaced JOHCM UK Dynamic after the manager announced he would be leaving to join Jupiter. The fund also added Schroder Global Recovery to increase its exposure to value, TB Evenlode Global Equity, a newer fund focused on higher quality companies and Rathbone Global Opportunities, one of our favourite growth funds. Fidelity Global Special Situations was exited following the manager's decision to retire. Other new positions included commodities ETFs and a defence ETF focusing on defence companies and cyber security stocks. We are concerned about heightened geo-political tension and these positions have been added into the fund to hedge against some scenarios.

One of the biggest drags on the funds has been its renewable energy positions with Greencoat UK Wind PLC (-3%) and Bluefield Solar Income Fund Ltd (-5%) both underperforming.** These funds continue to pay high growing dividends and they remain on very high discount levels. We are confident in these positions and we think they will do a lot better if interest rates come down.

The fund's REIT positions have also generally struggled although Target Healthcare REIT Ltd (+16%) recovered quite well from an extreme level after it fell heavily the previous year when we added to it. Our GP surgery owner, Assura PLC has been a disappointment with a -4% total return.** Its share price has continued to fall despite strong results and an increasing dividend. This is now one of our highest conviction positions and we have continued to add to it on weakness.

Overall we are pleased to deliver a better year of performance and we still think there is huge potential in some of the investment trust positions which have been left behind. We hope that if rates eventually fall this will help some of our bond, property and infrastructure holdings. The fund has delivered 48.23% since launch relative to 34.97% for the average fund in the IA Mixed Investment 40-85% Shares sector.***

INVESTMENT ADVISER'S REVIEW (Continued)

Chelsea Portfolio Management Services Limited Investment Adviser to the Fund 07 August 2024

* FE Funds Info VT Chelsea Managed Balanced Growth vs IA Mixed Investment 40-85% Shares total return in sterling 30/06/2023-30/06/2024 and 05/06/2017-30/06/2024

**FE Funds Info performance total return in sterling 30/06/2023-30/06/2024

***FE Funds Info performance total return in sterling 05/06/2017-30/06/2024

****FE Funds Info The Schiehallion Fund total return in sterling 02/11/2023-28/06/2024

PERFORMANCE RECORD

Financial Highlights

Class A GBP Net Accumulation

	Year ended 30 June 2024	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	128.9819	130.5499	139.0564
Return before operating charges	20.2444	(0.0368)	(6.6732)
Operating charges (note 1)	(0.9980)	(1.5312)	(1.8333)
Return after operating charges *	19.2464	(1.5680)	(8.5065)
Closing net asset value per share	148.2283	128.9819	130.5499
Retained distributions on accumulated shares	4.1418	3.2205	2.0952
*after direct transactions costs of:	0.0554	0.1168	0.0539
Performance			
Return after charges	14.92%	(1.20%)	(6.12%)
Other information			
Closing net asset value	£47,238,658	£41,417,547	£39,474,372
Closing number of shares	31,868,863	32,111,136	30,237,008
Operating charges (note 2)	0.72%	1.18%	1.36%
Direct transaction costs	0.04%	0.09%	0.04%
Prices			
Highest share price	149.8559	138.8012	147.2273
Lowest share price	126.4429	123.7176	129.6935

1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.

2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the open-ended funds the Sub-fund holds. Note, the 2023 and 2022 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 June 2023: ranked 5). The Sub-fund is ranked '5' because its volatility has been measured as relatively high. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO SUMMARY

As at 30 June 2024

Holdings	Value £	% of net assets
Collective Investment Schemes (30.06.2023: 41.65%)		
688,334 Artemis Corporate Bond	737,482	1.57%
1,224,603 Artemis UK Select	1,612,190	3.42%
602,302 Fidelity Index US	2,765,470	5.87%
324,346 Fidelity Asia Pacific Opportunities	919,521	1.95%
4,753 RWC Global Emerging Markets	1,014,519	2.15%
589,432 FTF Martin Currie European Unconstrained	1,029,738	2.19%
3,863 Man GLG High Yield Opportunities	438,380	0.93%
1,108,730 Man GLG Absolute Value	1,811,665	3.85%
845,502 Man GLG Sterling Corporate Bond	842,374	1.79%
324,200 MI Chelverton UK Equity Growth	1,098,855	2.33%
74,424 Polar Capital Global Insurance	922,573	1.96%
252,372 Rathbone Global Opportunities	1,091,987	2.32%
1,212,628 Schroder Global Recovery	1,339,954	2.84%
660,460 IFSL Evenlode Global Equity	1,026,883	2.18%
80,445 T Rowe Price OEIC Global Focused Growth Equity	2,090,756	4.44%
585,597 WS Guinness Global Equity Income	939,181	1.99%
	19,681,528	41.78%
Exchange Traded Commodities (30.06.2023: 3.78%)		
7,422 Invesco Physical Markets PLC	1,320,596	2.80%
	1,320,596	2.80%
Exchange Traded Funds (30.06.2023: 10.28%)		
83,750 Future of Defence UCITS ETF	700,568	1.49%
37,570 Invesco US Treasury Bond 7-10 Year UCITS ETF	1,046,027	2.22%
31,637 Invesco UK Gilts UCITS ETF	945,472	2.01%
15,331 Invesco US Treasury Bond 7-10 Year UCITS ETF	513,742	1.09%
153,000 iShares MSCI World Energy Sector UCITS ETF	865,215	1.84%
214,749 iShares \$ TIPS UCITS ETF	1,039,278	2.21%
52,920 iShares \$ Treasury Bond 20+yr UCITS ETF	167,201	0.35%
	5,277,503	11.21%
Investment Trusts (30.06.2023: 30.73%)		
139,155 Baillie Gifford Japan Trust PLC	1,006,091	2.14%
225,149 Baillie Gifford US Growth Trust PLC	451,424	0.96%
154,519 Blackrock World Mining Trust PLC	873,032	1.85%
1,137,453 Bluefield Solar Income Fund Ltd	1,203,425	2.55%
805,358 Doric Nimrod Air Two Ltd	982,537	2.09%
1,897,679 Doric Nimrod Air Three Ltd	1,005,770	2.13%
1,561,550 GCP Infrastructure Investments Ltd	1,257,048	2.67%
1,144,488 Greencoat UK Wind PLC	1,519,880	3.23%
40,802 European Opportunities Trust PLC	360,690	0.77%
2,116,538 Chrysalis Investments Ltd	1,587,404	3.37%
62,142 Polar Capital Technology Trust PLC	2,050,686	4.35%
725,000 Sequoia Economic Infrastructure Income Fund Ltd	571,300	1.21%
70,849 Smithson Investment Trust	970,631	2.06%
598,848 Schiehallion Fund Ltd	454,271	0.96%
1,379,300 SDCL Energy Efficiency Income Trust PLC	918,614	1.95%
156,414 TR Property Investment Trust PLC	482,537	1.02%
	15,695,340	33.31%
Real Estate Investment Trusts (30.06.2023: 8.94%)		
2,947,014 Assura PLC	1,181,163	2.51%
1,015,530 Life Science REIT PLC	340,203	0.72%
1,406,039 Supermarket Income REIT PLC	1,023,596	2.17%
1,121,702 Target Healthcare REIT Ltd	885,021	1.88%
	3,429,983	7.28%
Portfolio of investments (30.06.2023: 95.38%)	45,404,950	96.38%
Net other assets (30.06.2023: 4.62%)	1,706,194	3.62%
	47,111,144	100.00%

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	14,036,647
Artemis UK Select	1,444,000
Schroder Global Recovery	1,306,000
GCP Infrastructure Investments Ltd	1,045,063
Rathbone Global Opportunities	979,000
TB Evenlode Global Equity	979,000
iShares MSCI World Energy Sector UCITS ETF	902,639
SDCL Energy Efficiency Income Trust PLC	851,316
Blackrock World Mining Trust PLC	836,495
Invesco US Treas Bd 7-10 Year UCITS ETF	717,038
Future of Defence UCITS ETF	705,861
Various other purchases	4,270,235

	£
Total sales for the year (note 14)	13,018,969
Fidelity Global Special Situations	1,842,004
Fundsmith Equity	1,746,987
Round Hill Music Royalty Fund Limited	1,313,092
Hipgnosis Songs Fund Ltd	1,209,106
JOHCM UK Dynamic	1,088,210
iShares \$ Treasury Bond 1-3yr UCITS ETF	782,037
Janus Henderson Strategic Bond	639,219
iShares UK Gilts 0-5yr UCITS ETF	630,546
Invesco Physical Markets PLC	523,829
Target Healthcare REIT Ltd	514,237
Various other sales	2,729,702

The above transactions represents all the purchases and sales during the year.

STATEMENT OF TOTAL RETURN

For the year ended 30 June

		2024		2023	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		4,775,217		(1,510,491)
Revenue	3	1,556,677		1,186,654	
Expenses	4	(197,445)		(180,994)	
Interest payable and similar charges	6	<u>-</u>		<u>-</u>	
Net revenue before taxation		1,359,232		1,005,660	
Taxation	5	<u>(82,324)</u>		<u>(20,136)</u>	
Net revenue after taxation			<u>1,276,908</u>		<u>985,524</u>
Total return before distributions			6,052,125		(524,967)
Finance costs: distributions	6		<u>(1,313,459)</u>		<u>(999,838)</u>
Changes in net assets attributable to shareholders from investment activities			<u>4,738,666</u>		<u>(1,524,805)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 June

	2024	2023
	£	£
Opening net assets attributable to shareholders	41,323,428	39,418,719
Amounts receivable on creation of shares	5,705,234	6,492,347
Amounts payable on cancellation of shares	(5,971,492)	(4,075,352)
Accumulation dividends retained	1,315,308	1,012,519
Changes in net assets attributable to shareholders from investment activities (see above)	<u>4,738,666</u>	<u>(1,524,805)</u>
Closing net assets attributable to shareholders	<u>47,111,144</u>	<u>41,323,428</u>

BALANCE SHEET

As at	Notes	30.06.2024		30.06.2023	
		£	£	£	£
Assets					
Investment assets			45,404,950		39,416,947
Current assets					
Debtors	7	91,100		606,465	
Cash and bank balances	8	<u>1,998,131</u>		<u>1,649,692</u>	
Total current assets			<u>2,089,231</u>		<u>2,256,157</u>
Total assets			47,494,181		41,673,104
Current liabilities					
Bank overdraft	8	-		(40,241)	
Creditors	9	<u>(383,037)</u>		<u>(309,435)</u>	
Total current liabilities			<u>(383,037)</u>		<u>(349,676)</u>
Net assets attributable to shareholders			<u>47,111,144</u>		<u>41,323,428</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on pages 7 and 8.

2 Net capital gains/(losses)	2024	2023
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	4,775,257	(1,508,909)
Transaction charges	(1,085)	(980)
Rebates from underlying holdings	1,067	847
Foreign exchange (losses)	(22)	(1,449)
Total net capital gains/(losses)	<u>4,775,217</u>	<u>(1,510,491)</u>

3 Revenue	2024	2023
	£	£
Non-taxable dividends	948,678	795,371
Interest on non-derivative securities	283,007	201,097
Property income distributions (PIDs)	220,129	121,824
Rebates from underlying holdings	8,388	14,516
Bank interest	96,475	53,846
Total revenue	<u>1,556,677</u>	<u>1,186,654</u>

4 Expenses	2024	2023
	£	£

**Payable to the Authorised Fund Manager,
associates of the Authorised Fund Manager,
and agents of either of them:**

Annual management charge	<u>158,573</u>	<u>147,158</u>
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**Payable to the depositary, associates of the
depositary, and agents of either of them:**

Depositary fee	17,926	18,000
Safe custody fee	<u>3,260</u>	<u>3,719</u>
	<u>21,186</u>	<u>21,719</u>

Other expenses:

Audit fee	9,098	7,351
Other expenses	<u>8,588</u>	<u>4,766</u>
	<u>17,686</u>	<u>12,117</u>

Total expenses	<u>197,445</u>	<u>180,994</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2024 £	2023 £
(a) Analysis of charge in the year		
UK corporation tax	82,324	20,136
Total tax charge for the year (note 5b)	<u>82,324</u>	<u>20,136</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2023: 20.00%) The differences are explained below:		
Net revenue before taxation	1,359,232	1,005,660
Corporation tax at 20.00% (2023: 20.00%)	271,846	201,132
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(189,736)	(159,075)
Tax effect of rebates in capital	214	169
Management expenses (utilised)	-	(22,090)
Total tax charge for the year (note 5a)	<u>82,324</u>	<u>20,136</u>

(c) **Provision for deferred taxation**

At 30 June 2024 there is a potential deferred tax asset of £Nil (30 June 2023: £Nil) in relation to surplus management expenses.

6 Finance costs	2024 £	2023 £
Interim dividend distribution	574,597	409,204
Final dividend distribution	740,711	603,315
	<u>1,315,308</u>	<u>1,012,519</u>
Add: Revenue deducted on cancellation of shares	48,826	26,656
Deduct: Revenue received on issue of shares	(50,675)	(39,337)
	<u>1,313,459</u>	<u>999,838</u>
Net distribution for the year	1,313,459	999,838
Interest payable and similar charges	-	-
Total finance costs	<u>1,313,459</u>	<u>999,838</u>
Reconciliation of distributions		
Net revenue after taxation	1,276,908	985,524
Equalisation on collective investment scheme income	6,423	-
Balance brought forward	(9,104)	5,210
Balance carried forward	39,232	9,104
Net distribution for the year	<u>1,313,459</u>	<u>999,838</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.06.2024	30.06.2023
	£	£
Amounts receivable on unsettled trades	-	475,954
Amounts receivable on creation of shares	4,512	43,236
Accrued revenue:		
Non-taxable dividends	43,491	49,228
Interest on non-derivative securities	11,495	7,216
Property income distributions (PIDs)	24,755	20,434
Rebates from underlying holdings	6,372	9,737
Prepayments	475	660
Total debtors	91,100	606,465

8 Cash and bank balances	30.06.2024	30.06.2023
	£	£
Cash and bank balances	1,998,131	1,649,692
Bank overdraft	-	(40,241)

9 Creditors	30.06.2024	30.06.2023
	£	£
Amounts payable on unsettled trades	-	227,157
Amounts payable on cancellation of shares	262,446	37,834
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	24,880	12,479
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary's fees	1,377	1,479
Safe custody and other custodian charges	2,905	3,320
	4,282	4,799
UK corporation tax	82,324	20,136
Audit fee	8,068	6,769
Other accrued expenses	1,037	261
Total creditors	383,037	309,435

10 Risk management

In pursuing its investment objective as stated on page 42, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

10 Risk management (Continued)

Market price risk (Continued)

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 June 2024 would have increased/decreased by £4,540,495 (30 June 2023: £3,941,695).

Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Sterling	1,706,194	1,892,196	43,904,652	37,337,631	45,610,846	39,229,827
Euro	-	93	-	-	-	93
US Dollars	-	14,192	1,500,298	2,079,316	1,500,298	2,093,508
Total	1,706,194	1,906,481	45,404,950	39,416,947	47,111,144	41,323,428

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets will affect the Sub-fund by £150,030 (30 June 2023: £209,360).

Interest rate risk

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the Sub-fund on a regular basis. In addition any cash deposits in the Sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

The table below details the interest rate risk profile at the balance sheet date:

	30.06.2024	30.06.2023
	£	£
Financial assets floating rate	1,998,131	1,649,692
Financial assets interest bearing instruments	5,729,956	6,140,949
Financial assets non-interest bearing instruments	39,766,094	33,882,463
Financial liabilities non-interest bearing instruments	(383,037)	(309,435)
Financial liabilities floating rate	-	(40,241)
	47,111,144	41,323,428

At 30 June 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £4,995 (30 June 2023: £4,024).

10 Risk management (Continued)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 June 2024 are payable either within one year or on demand.

Liquidity risk

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

Credit risk

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the AFM as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund.

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to unobservable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

- Level 1: Unadjusted quoted price in an active market for an identical instrument;
- Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
- Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.06.2024		30.06.2023	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	25,723	-	22,203	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	19,682	-	17,214	-
Total	45,405	-	39,417	-

11 Shares held

Class A GBP Net Accumulation

Opening Shares at 01.07.2023	32,111,136
Shares issued during the year	4,133,615
Shares cancelled during the year	(4,375,888)
Shares converted during the year	-
Closing Shares as at 30.06.2024	31,868,863

12 Contingent assets and liabilities

At 30 June 2024, the Sub-fund had no contingent liabilities or commitments (30 June 2023: £nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 28 June 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 28 June 2024	Price at 28 October 2024
Class A GBP Net Accumulation	148.2283p	153.1024p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2024		2023	
	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	14,020,816		19,821,083	
Commissions	2,644	0.02%	15,497	0.08%
Taxes & levies	13,187	0.09%	21,098	0.11%
Total purchase costs	<u>15,831</u>	<u>0.11%</u>	<u>36,595</u>	<u>0.19%</u>
Total purchases including transaction costs	<u>14,036,647</u>		<u>19,857,678</u>	

Analysis of total sale costs

	£	% of total sales	£	% of total sales
Sales in the year before transaction costs	13,020,617		14,304,976	
Commissions	(1,628)	(0.01%)	(1,259)	(0.01%)
Taxes & levies	(20)	(0.00%)	(66)	(0.00%)
Total sale costs	<u>(1,648)</u>	<u>(0.01%)</u>	<u>(1,325)</u>	<u>(0.01%)</u>
Total sales net of transaction costs	<u>13,018,969</u>		<u>14,303,651</u>	

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the year:

	2024		2023	
	£	% of average net asset value	£	% of average net asset value
Commissions	4,272	0.01%	16,756	0.04%
Taxes & levies	13,207	0.03%	21,164	0.05%
	<u>17,479</u>	<u>0.04%</u>	<u>37,920</u>	<u>0.09%</u>

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 June 2024 is 0.38% (30 June 2023: 0.37%).

16 Related Party transactions

Valu-Trac Investment Management Limited, as AFM is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9.

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

Group 2: Shares purchased on or after 01 July 2023 and on or before 31 December 2023

Class A GBP Net Accumulation	Net Revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.8176p	-	1.8176p	1.3417p
Group 2	0.8221p	0.9955p	1.8176p	1.3417p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 January 2024

Group 2: Shares purchased on or after 01 January 2024 and on or before 30 June 2024

Class A GBP Net Accumulation	Net Revenue 30.08.2024	Equalisation	Distribution 30.08.2024	Distribution 31.08.2023
Group 1	2.3242p		2.3242p	1.8788p
Group 2	0.9250p	1.3992p	2.3242p	1.8788p

Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 61.27% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 38.73% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Chelsea Managed Aggressive Growth
Size of Sub-fund	£47,649,625
Launch date	05 June 2017
Investment objective and policy	<p>The investment object of the VT Chelsea Managed Aggressive Growth fund is to generate capital growth over the long term (5 years).</p> <p>The Sub-fund is expected to follow an aggressive strategy with investment primarily (70% +) through collective investment schemes (including those managed or operated by the AFM) so as to provide a high level of exposure (up to 100%) to higher risk assets such as equities and lower level of exposure to lower risk assets such as cash. There may also be indirect exposures to commodities (and from time to time other alternative asset classes such as infrastructure) through collective investment schemes (including exchange traded funds).</p> <p>The Sub-fund may also invest directly in other transferable securities, equities, bonds, money market instruments, cash and near cash.</p> <p>There will be no particular emphasis on any industrial, geographical or economic sector.</p>
Benchmark	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against performance of the IA Global Sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
Derivatives	The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Accounting dates	30 June and 31 December
Distribution dates	31 August and last day of February
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Minimum investment*	
Lump sum subscription:	Class A GBP Net Accumulation = £1,000
Top-up:	Class A GBP Net Accumulation = £500
Holding:	Class A GBP Net Accumulation = £1,000
Redemption:	Class A GBP Net Accumulation = N/A (provided minimum holding is maintained)
Switching:	Class A GBP Net Accumulation = N/A (provided minimum holding is maintained)

SUB-FUND OVERVIEW (Continued)

Initial, redemption and switching charges*: Nil

*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Annual management charges £27,710.46** per annum plus:
Class A - 0.30% (per annum)

**The fixed element of this fee shall be increased annually on 1 May (from 1 May 2025) in line with the rate of inflation (calculated in accordance with the Consumer Price Index).

At its discretion and subject to the regulations and any other applicable laws, rules, regulations or guidance, the AFM can rebate some or all of its annual management charge to the Sub-fund for the benefit of shareholders.

INVESTMENT ADVISER'S REVIEW

During the period from the 30 June 2023 to 30 June 2024 the fund returned 17.64% (Class A GBP Net Accumulation) in comparison with the IA Flexible sector which returned 11.78% and the IA Global Sector which returned 14.89%.* The fund had a good year and delivered solid outperformance versus its reference benchmark.

It has been a difficult few years for investors with persistently high inflation and interest rates hampering returns. Inflation has been stubborn and therefore central banks have not been able to cut interest rates as quickly as investors had hoped. The result is that returns from many yielding assets, such as bonds, property and infrastructure have been poor for a while.

Last year we wrote that we thought the long period of negative sentiment was providing some exceptional opportunities. We are pleased that the fund has had a much better year with over a 17% return. The fund has been helped by the strong performance of US equity markets which has been supported by excitement about artificial intelligence. Polar Capital Technology was a very strong performer rising 50% in the period. However, the strongest performer was the Schiehallion Fund Ltd. This trusts focus is on private companies but it owns many large businesses like SpaceX, Stripe and ByteDance (the owner of TikTok). We added further to this holding when it was hugely out of favour last year and trading on a huge discount. The trust is up 66% in the period.

Another star performer was once again Doric Nimrod Air Two Ltd (DNA2) which returned 47% for the second year in a row.** The trust owns and leases A380 aircraft to Emirates. As we had anticipated Emirates bought two A380s from the trust at the end of last year when their leases came to an end. This capital was then returned to investors. The leases on the funds remaining five aircraft come to an end later this year and we hope for a similar outcome. The fund has taken its proceeds from the sale and significantly increased its position in Doric Nimrod Air Three Ltd (DNA3) which is a similar trust but whose leases end later. We still believe the trusts are both undervalued as we believe Emirates will need these aircraft to make up for delays to the Boeing 777X programme.

We bought Hipgnosis Songs Fund Limited last year after it became very out of favour and had a lot of negative press surrounding it. Happily the trust was bid for as well and we were able to sell out of our holding for a very good return.

At the end of last year the fund bought a small position in GCP Infrastructure Investments Ltd, a position it had previously sold out of at a much higher share price. The fund was able to buy the trust on a very high discount and its share price has subsequently rallied around 35%. It still remains on over a 20% discount and continues to pay an excellent income.

The fund's equity funds generally performed well with Fidelity Index US (+26%), HSBC American Index (+26%), BlackRock Global Unconstrained (+26%), Polar Capital Global Insurance (+21%), Polar Capital Biotechnology (+21%) and Rathbone Global Opportunities (+20%) being the best performers.**

Artemis UK Select and Slater Growth were new positions as the fund increased its UK weight. Both have got off to a strong start since they were purchased. We replaced the existing Indian funds with Chikara Indian Subcontinent.

Fidelity Global Special Situations was exited following the manager's decision to retire. Other new positions included commodities ETFs and a defence ETF focusing on defence companies and cyber security stocks. We are concerned about heightened geo-political tension and these positions have been added into the fund to hedge against some scenarios.

The funds large position in Chrysalis Investments Ltd has done well since we significantly increased our position at 65p late last year. The trust has been quite volatile but is significantly above our last purchase price. There was some disappointment with the trust's holding in WeFox but this has been offset by very strong performance from Starling Bank and the expected future IPO of Klarna. We think the trust remains very good value on around a 40% discount.

Overall we are pleased to deliver a better year of performance and we still think there is huge potential in some of the investment trust positions which have been left behind. Smaller companies have continued to underperform their larger peers but we are hopeful this may change if interest rates start to fall as long as the global economy can achieve a soft landing.

Chelsea Portfolio Management Services Limited Investment Adviser to the Fund 07 August 2024

* FE Funds Info VT Chelsea Managed Aggressive Growth vs IA Global vs IA Flexible total return in sterling 30/06/2023-30/06/2024

**FE Funds Info performance total return in sterling 30/06/2023-30/06/2024

PERFORMANCE RECORD

Financial Highlights

Class A GBP Net Accumulation

	Year ended 30 June 2024	Year ended 30 June 2023	Year ended 30 June 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	138.6326	133.6586	158.3433
Return before operating charges	25.7355	6.5941	(23.0349)
Operating charges (note 1)	(1.2823)	(1.6201)	(1.6498)
Return after operating charges *	24.4532	4.9740	(24.6847)
Closing net asset value per share	163.0858	138.6326	133.6586
Retained distributions on accumulated shares	2.2053	1.4372	0.6532
*after direct transactions costs of:	0.0603	0.0272	0.0730
Performance			
Return after charges	17.64%	3.72%	(15.59%)
Other information			
Closing net asset value	£47,775,025	£40,085,132	£36,906,550
Closing number of shares	29,294,419	28,914,656	27,612,546
Operating charges (note 2)	0.85%	1.19%	1.13%
Direct transaction costs	0.04%	0.02%	0.05%
Prices			
Highest share price	164.3706	146.8542	169.8720
Lowest share price	131.4566	130.5811	130.0662

1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.

2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the open-ended funds the Sub-fund holds. Note, the 2023 and 2022 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

Risk Profile

Based on past data, the Sub-fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 June 2023: ranked 6). The Sub-fund is ranked '6' because its volatility has been measured as significant. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO SUMMARY

As at 30 June 2024

Holdings		Value £	% of net assets
Collective Investment Schemes (30.06.2023: 60.81%)			
636,598	Artemis UK Select	838,083	1.76%
367,832	BlackRock European Dynamic	1,096,962	2.30%
755,676	BlackRock Global Unconstrained Equity	1,444,828	3.03%
65,050	Chikara Indian Subcontinent	812,601	1.71%
744,440	Fidelity Index US	3,418,095	7.17%
35,185	Granahan US Focused Growth	451,072	0.95%
192,554	HSBC American Index	2,365,834	4.97%
512,695	Fidelity Asia Pacific Opportunities	1,453,491	3.05%
177,715	Marlborough European Multi-Cap	1,342,175	2.82%
437,449	MI Chelverton UK Equity Growth	1,482,708	3.11%
36,777	M&G Japan	1,385,789	2.91%
727,191	Ninety One Global Environment	1,101,912	2.31%
109,721	Polar Capital Global Insurance	1,360,118	2.85%
45,632	Polar Capital Biotechnology	1,681,999	3.53%
332,677	Rathbone Global Opportunities	1,439,461	3.02%
5,418	RWC Global Emerging Markets	1,156,506	2.43%
1,692,940	Schroder Global Recovery	1,870,698	3.93%
106,615	Slater Growth	769,645	1.62%
806,420	IFSL Evenlode Global Equity	1,253,822	2.63%
667,509	WS Guinness Global Equity Income	1,070,551	2.25%
		27,796,350	58.35%
Exchange Traded Commodities (30.06.2023: 1.73%)			
3,573	Invesco Physical Markets PLC	635,744	1.33%
		635,744	1.33%
Exchange Traded Funds (30.06.2023: 0.44%)			
113,656	Future of Defence UCITS ETF	950,732	2.00%
50,050	iShares \$ Treasury Bond 20+yr UCITS ETF	158,133	0.33%
154,000	iShares MSCI World Energy Sector UCITS ETF	870,870	1.83%
		1,979,735	4.16%
Investment Trusts (30.06.2023: 30.71%)			
184,063	Baillie Gifford Japan Trust PLC	1,330,775	2.79%
608,883	Baillie Gifford US Growth Trust PLC	1,220,810	2.56%
222,000	Baillie Gifford Shin Nippon PLC	249,528	0.52%
832,900	Bluefield Solar Income Fund Ltd	881,208	1.85%
155,569	Blackrock World Mining Trust PLC	878,965	1.84%
824,929	Doric Nimrod Air Two Ltd	1,006,413	2.11%
1,838,434	Doric Nimrod Air Three Ltd	974,370	2.04%
459,700	GCP Infrastructure Investments Ltd	370,059	0.78%
81,249	European Opportunities Trust PLC	718,241	1.51%
3,252,272	Chrysalis Investments Ltd	2,439,204	5.12%
77,699	Polar Capital Technology Trust PLC	2,564,067	5.38%
1,085,373	SDCL Energy Efficiency Income Trust PLC	722,858	1.52%
83,297	Smithson Investment Trust	1,141,169	2.39%
1,687,196	Schiehallion Fund Ltd	1,279,865	2.69%
172,939	TR Property Investment Trust PLC	533,517	1.12%
		16,311,049	34.22%
Portfolio of investments (30.06.2023: 93.69%)		46,722,878	98.06%
Net other assets (30.06.2023: 6.31%)		926,747	1.94%
		47,649,625	100.00%

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	11,472,228
Future of Defence UCITS ETF	955,846
iShares MSCI World Energy Sector UCITS ETF	908,538
Blackrock World Mining Trust PLC	842,209
Artemis UK Select	811,000
Slater Growth	708,000
Chikara Indian Subcontinent	700,000
Polar Capital Global Insurance	632,000
SDCL Energy Efficiency Income Trust PLC	604,425
Doric Nimrod Air Three Ltd	570,605
Hipgnosis Songs Fund Ltd	532,901
Various other purchases	4,206,704

	£
Total sales for the year (note 14)	8,801,633
Hipgnosis Songs Fund Ltd	1,412,112
Fidelity Global Special Situations	894,176
Merian UK Dynamic Equity	706,525
Fidelity Index US	534,000
HSBC American Index	534,000
Doric Nimrod Air Two Ltd	498,576
Stewart Investors Indian Subcontinent Sustainability Fund	468,116
Alquity SICAV - Alquity Indian Subcontinent	432,801
European Opportunities Trust PLC	394,817
Fidelity China Special Situations PLC	394,602
Various other sales	2,531,908

The above transactions represents all the purchases and sales during the year.

STATEMENT OF TOTAL RETURN

For the year ended 30 June

		2024		2023	
	Notes	£	£	£	£
Income					
Net capital gains	2		6,390,432		957,067
Revenue	3	812,240		586,950	
Expenses	4	(195,019)		(174,733)	
Interest payable and similar charges	6	-		-	
Net revenue before taxation		617,221		412,217	
Taxation	5	-		-	
Net revenue after taxation			617,221		412,217
Total return before distributions			7,007,653		1,369,284
Finance costs: distributions	6		(639,400)		(401,206)
Changes in net assets attributable to shareholders from investment activities			6,368,253		968,078

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 June

	2024	2023
	£	£
Opening net assets attributable to shareholders	39,977,775	36,833,879
Amounts receivable on creation of shares	4,391,053	5,344,507
Amounts payable on cancellation of shares	(3,729,221)	(3,580,096)
Accumulation dividends retained	641,765	411,407
Changes in net assets attributable to shareholders from investment activities (see above)	6,368,253	968,078
Closing net assets attributable to shareholders	47,649,625	39,977,775

BALANCE SHEET

As at	Notes	30.06.2024		30.06.2023	
		£	£	£	£
Assets					
Investment assets			46,722,878		37,449,773
Current assets					
Debtors	7	61,319		120,272	
Cash and bank balances	8	<u>1,447,978</u>		<u>2,774,726</u>	
Total current assets			<u>1,509,297</u>		<u>2,894,998</u>
Total assets			48,232,175		40,344,771
Current liabilities					
Creditors	9	(582,550)		(48,464)	
Bank overdraft	8	<u>-</u>		<u>(318,532)</u>	
Total current liabilities			<u>(582,550)</u>		<u>(366,996)</u>
Net assets attributable to shareholders			<u>47,649,625</u>		<u>39,977,775</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on pages 7 and 8.

2 Net capital gains	2024	2023
	£	£
The net capital gains comprise:		
Non-derivative securities gains	6,390,733	960,598
Transaction charges (custodian)	(939)	(431)
Rebates from underlying holdings	638	688
Foreign exchange (losses)	-	(3,788)
Total net capital gains	<u>6,390,432</u>	<u>957,067</u>

3 Revenue	2024	2023
	£	£
Non-taxable dividends	712,723	524,600
Interest on non-derivative securities	6,602	11,896
Rebates from underlying holdings	11,523	22,908
Bank interest	81,392	27,546
Total revenue	<u>812,240</u>	<u>586,950</u>

4 Expenses	2024	2023
	£	£

**Payable to the Authorised Fund Manager,
associates of the Authorised Fund Manager,
and agents of either of them:**

Annual management charge	<u>155,696</u>	<u>140,194</u>
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**Payable to the depositary, associates of the
depositary, and agents of either of them:**

Depositary fee	17,926	18,000
Safe custody fee	<u>3,533</u>	<u>3,793</u>
	21,459	21,793

Other expenses:

Audit fee	9,098	7,351
Other expenses	<u>8,766</u>	<u>5,395</u>
	17,864	12,746

Total expenses	<u>195,019</u>	<u>174,733</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2024 £	2023 £
(a) Analysis of charge in the year		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2023: 20.00%) The differences are explained below:		
Net revenue before taxation	617,221	412,217
Corporation tax at 20.00% (2023: 20.00%)	123,444	82,443
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(142,545)	(104,920)
Tax effect of rebates in capital	128	138
Management expenses not utilised	18,973	22,339
Total tax charge for the year (note 5a)	-	-

(c) **Provision for deferred taxation**

At 30 June 2024 there is a potential deferred tax asset of £152,024 (30 April 2023: £133,051) in relation to surplus management expenses.

6 Finance costs	2024 £	2023 £
Interim dividend distribution	236,197	84,907
Final dividend distribution	405,568	326,500
	641,765	411,407
Add: Revenue deducted on cancellation of shares	15,986	10,412
Deduct: Revenue received on issue of shares	(18,351)	(20,613)
Net distribution for the year	639,400	401,206
Interest payable and similar charges	-	-
Total finance costs	639,400	401,206
Reconciliation of distributions		
Net revenue after taxation	617,221	412,217
Equalisation on collective investment scheme income	10,208	-
Balance brought forward	13,253	2,242
Balance carried forward	(1,282)	(13,253)
Net distribution for the year	639,400	401,206

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.06.2024	30.06.2023
	£	£
Amounts receivable on creation of shares	6,717	19,101
Accrued revenue:		
Non-taxable dividends	40,600	32,002
Rebates from underlying holdings	13,508	68,509
Prepayments	494	660
Total debtors	61,319	120,272

8 Cash and bank balances	30.06.2024	30.06.2023
	£	£
Cash and bank balances	1,447,978	2,774,726
Bank overdraft	-	(318,532)

9 Creditors	30.06.2024	30.06.2023
	£	£
Amounts payable on unsettled trades	251,329	20,232
Amounts payable on cancellation of shares	292,221	4,318
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	25,208	11,999
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary's fees	1,377	1,479
Safe custody and other custodian charges	4,324	3,399
	5,701	4,878
Audit fee	8,068	6,769
Other accrued expenses	23	268
Total creditors	582,550	48,464

10 Risk management

In pursuing its investment objective as stated on page 58, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity For the year ended 30 June 2024 would have increased/decreased by £4,672,288 (30 June 2023: £3,744,977).

10 Risk management (Continued)

Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt. A portion of the net assets of the Sub-fund is denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Sterling	926,747	2,528,002	45,443,013	36,832,805	46,369,760	39,360,807
US Dollars	-	-	1,279,865	616,968	1,279,865	616,968
Total	926,747	2,528,002	46,722,878	37,449,773	47,649,625	39,977,775

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets will affect the Sub-fund by £127,987 (30 June 2023: £61,697).

Interest rate risk

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the Sub-fund on a regular basis. In addition any cash deposits in the Sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

The table below details the interest rate risk profile at the balance sheet date:

	30.06.2024	30.06.2023
	£	£
Financial assets floating rate	1,447,978	2,774,726
Financial assets interest bearing instruments	158,133	174,174
Financial assets non-interest bearing instruments	46,626,064	37,395,871
Financial liabilities non-interest bearing instruments	(582,550)	(48,464)
Financial liabilities floating rate	-	(318,532)
	47,649,625	39,977,775

At 30 June 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £3,620 (30 June 2023: £6,140).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 June 2024 are payable either within one year or on demand.

Liquidity risk

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

10 Risk management (Continued)

Credit risk

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the AFM as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related.

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to unobservable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.06.2024		30.06.2023	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	18,927	-	13,146	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	27,796	-	24,304	-
Total	46,723	-	37,450	-

11 Shares held

Class A GBP Net Accumulation

Opening Shares at 01.07.2023	28,914,656
Shares issued during the year	2,965,493
Shares cancelled during the year	(2,585,730)
Shares converted during the year	-
Closing Shares as at 30.06.2024	29,294,419

12 Contingent assets and liabilities

At 30 June 2024, the Sub-fund had no contingent liabilities or commitments (30 June 2023: £nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 28 June 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 28 June 2024	Price at 28 October 2024
Class A GBP Net Accumulation	163.0858p	166.4190p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transactions costs

	2024		2023	
	£	% of total purchases	£	% of total purchases
Analysis of total purchase costs				
Purchases in the year before transaction costs	11,458,450		10,622,292	
Commissions	2,320	0.02%	2,576	0.02%
Taxes & levies	11,458	0.10%	2,968	0.03%
Total purchase costs	<u>13,778</u>	<u>0.12%</u>	<u>5,544</u>	<u>0.05%</u>
Total purchases including transaction costs	<u>11,472,228</u>		<u>10,627,836</u>	
Analysis of total sale costs				
	£	% of total sales	£	% of total sales
Sales in the year before transaction costs	8,803,115		9,520,335	
Commissions	(1,464)	(0.02%)	(1,238)	(0.01%)
Taxes & levies	(18)	(0.00%)	(24)	(0.00%)
Total sale costs	<u>(1,482)</u>	<u>(0.02%)</u>	<u>(1,262)</u>	<u>(0.01%)</u>
Total sales net of transaction costs	<u>8,801,633</u>		<u>9,519,073</u>	

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the year:

	2024		2023	
	£	% of average net asset value	£	% of average net asset value
Commissions	3,784	0.01%	3,814	0.01%
Taxes & levies	11,476	0.03%	2,992	0.01%
	<u>15,260</u>	<u>0.04%</u>	<u>6,806</u>	<u>0.02%</u>

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 June 2024 is 0.54% (30 June 2023: 0.57%).

16 Related Party transactions

Valu-Trac Investment Management Limited, as AFM is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9.

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

Group 2: Shares purchased on or after 01 July 2023 and on or before 31 December 2023

Class A GBP Net Accumulation	Net Revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	0.8208p	-	0.8208p	0.3080p
Group 2	0.4665p	0.3543p	0.8208p	0.3080p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 January 2024

Group 2: Shares purchased on or after 01 January 2024 and on or before 30 June 2024

Class A GBP Net Accumulation	Net Revenue 30.08.2024	Equalisation	Distribution 30.08.2024	Distribution 31.08.2023
Group 1	1.3845p	-	1.3845p	1.1292p
Group 2	0.5224p	0.8621p	1.3845p	1.1292p

Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 89.01% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 10.99% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

INFORMATION FOR INVESTORS

Taxation

Within the Company, VT Chelsea Managed Monthly Income, VT Chelsea Managed Cautious Growth and VT Chelsea Managed Balanced Growth will pay corporation tax on its profits for the year ended 30 June 2024, while VT Chelsea Managed Aggressive Growth will pay no corporation tax on its profits for the year ended 30 June 2024. Capital gains within the whole Company will not be taxed.

Individual shareholders

Income tax: Tax-free annual dividend allowance now standing at £1,000 (2024/2025). UK resident shareholders are now subject to new, higher rates of tax on dividend income in excess of the annual allowance. UK resident shareholders are subject to tax on dividend income in excess of the annual allowance.

Capital gains tax:

Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £6,000 (2024/2025) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Corporate shareholders

Companies resident for tax purposes in the UK which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at a rate of 20% and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

The above information on taxation is only a general summary, and shareholders should consult their own tax advisors in relation to their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

Issue and redemption of shares

Valu-Trac Investment Management Limited is the AFM and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during 8.30am to 5.30pm. Instructions may be given by email to the below email address or by sending an application form to the Registrar. Application forms are available from the Registrar. (E-mail:chelsea@valu-trac.com).

The price of shares will be determined by reference to a valuation of the Company's net assets at 12 noon on each dealing day.

The AFM has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the AFM will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the AFM may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the AFM of a request for redemption.

The most recent issue and redemption prices are available from the AFM.

Assessment of Value

The AFM conducts an assessment of value for the Sub-funds each year. The assessment of value reports are available on the AFM's website.

Task Force on Climate-related Financial Disclosures ("TCFD") reports

The AFM is required to prepare and publish a product TCFD report for each Sub-fund along with an entity level TCFD report. The latest reports can be obtained from https://www.valu-trac.com/administration-services/tcfd_reports.

INFORMATION FOR INVESTORS (Continued)

Remuneration disclosure

The AFM is subject to a remuneration policy which meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive (UCITS) as set out in SYSC 19E of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the AFM compliance with its duty to act in the best interests of the funds it manages.

The AFM has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

The AFM is required to disclose the total remuneration it pays to its staff during the financial year, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a fund or the AFM itself. This includes executives, senior risk and compliance staff and certain senior managers.

28 May 2024	Number of staff	Fixed remuneration	Variable remuneration	Total remuneration
Senior Management and members of the governing body	9	£753,640	-	£753,640
Other material risk takers	4	£312,684	-	£312,684
All other staff	103	£3,409,068	-	£3,409,068
Total	116	£4,475,392	-	£4,475,392
Total severance payments		-	-	-

Further information is available in the AFM's Remuneration Policy document which can be obtained from www.valu-trac.com. A paper copy of the remuneration policy is available on request from the registered office of the Authorised Fund Manager free of charge.

CORPORATE DIRECTORY

Authorised Fund Manager & Registrar	<p>Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: chelsea@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
Director	Valu-Trac Investment Management Limited as AFM
Investment Adviser to 04 July 2024	<p>Chelsea Portfolio Management Services Limited St James Hall Moore Park Road Fulham London SW6 2JS</p>
Investment Adviser from 05 July 2024	<p>Chelsea Financial Services PLC St James Hall Moore Park Road Fulham London SW6 2JS</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Depositary	<p>NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Auditor	<p>Johnston Carmichael LLP Strathlossie House Kirkhill Avenue Elgin IV30 8DE</p>