

**VT PLAIN ENGLISH FINANCE FUNDS ICVC  
(SUB-FUND VT PEF GLOBAL MULTI-ASSET FUND)**

**Interim Report and Financial Statements (Unaudited)  
For the six months ended 30 June 2023**

## CONTENTS

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	Page
Company Overview	1
Statement of the Authorised Fund Manager's (AFM's) Responsibilities	2
<b>VT PEF Global Multi-Asset Fund</b>	
Sub-fund Overview	3
Investment Manager's Review	4
Performance Record	5
Portfolio Statement	6
Summary of Material Portfolio Changes	7
Statement of Total Return	8
Statement of Changes in Net Assets Attributable to Shareholders	8
Balance Sheet	9
Distribution Tables	10
Information for Investors	11
Corporate Directory	12

## COMPANY OVERVIEW

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### Type of Company

VT Plain English Finance Funds ICVC (the 'Company') is an investment company (company number IC0001096) with variable capital incorporated in England and Wales under the Open Ended Investment Company Regulations 2001 (SI2001/1228).

The Company was incorporated and authorised by the Financial Conduct Authority on 22 August 2017.

The company is a UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). 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.

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

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The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Fund Manager to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenue and net capital losses for the period. 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, generally accepted accounting principles 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

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

David E. Smith CA

Valu-Trac Investment Management Limited  
Authorised Fund Manager

Date

## SUB-FUND OVERVIEW

<b>Name of Sub-fund</b>	VT PEF Global Multi-Asset Fund
<b>Size of Sub-fund</b>	£9,897,881
<b>Launch date</b>	26 September 2017
<b>Sub-fund objective and policy</b>	<p>The investment objective of the VT PEF Global Multi-Asset Fund is to provide capital growth over the medium to long term.</p> <p>The Sub-fund will aim to meet its objectives primarily by using Exchange Traded Funds to provide indirect exposure to a broad selection of asset classes which may include equities, fixed income, commodities, real estate and infrastructure in different jurisdictions throughout the world.</p> <p>The Sub-fund may also invest directly in transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash.</p> <p>There will be no particular emphasis on any industrial, geographic or economic sector.</p>
<b>Benchmark</b>	The Sub-fund does not have a specific benchmark. However, the performance of the Sub-fund can be assessed by considering whether the objective is achieved (i.e. whether there has been capital growth over the medium to long term (3- 5 years)).
<b>Derivatives</b>	Derivatives may be used for efficient portfolio management purposes.
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	30 June, 31 December
<b>Distribution dates</b>	31 August, last day of February
<b>Individual Savings Account (ISA)</b>	The Company is a qualifying investment for inclusion in an ISA.
<b>Share Classes</b>	<p>Class A (Accumulation)</p> <p>Class I (Accumulation)^</p> <p>^The Class I (Accumulation) is available but not currently active.</p>
<b>Minimum investment*</b>	
Lump sum subscription:	<p>Class A (Accumulation) - £100</p> <p>Class I (Accumulation) - £1,000,000</p>
Top-up:	<p>Class A (Accumulation) - £100</p> <p>Class I (Accumulation) - £1,000</p>
Holding:	<p>Class A (Accumulation) - £100</p> <p>Class I (Accumulation) - £1,000,000</p>
Redemption:	N/A (provided minimum holding is maintained)
Switching:	N/A (provided minimum holding is maintained)
<b>Initial, redemption and switching charges*</b>	Nil
*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.	
<b>Annual management charges</b>	
The annual management charges are:	<p>Class A (Accumulation) = 0.90%</p> <p>The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class (plus VAT if applicable).</p>

## INVESTMENT MANAGER'S REVIEW

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From the 1st of January to the 30th of June 2023 the PEF Global Multi-Asset Fund was down 1.51%.

The first six months of 2023 were certainly eventful. Inflation continued to be a key theme as was the policy response, with interest rates significantly rising all over the world other than in Japan. March saw the worst US banking crisis since the Global Financial Crisis of 2008, with Silicon Valley Bank, Silvergate, Signature and First Republic Bank all failing. Geopolitical risks continued to dominate headlines too, with the ongoing war in Ukraine, China's COVID crisis and fears around their stance on Taiwan and a fair bit else besides. All of which contributed to a fairly volatile first quarter for many financial markets.

A countervailing theme by the end of the first half year, however, was growing excitement about AI, arguably catalysed by the arrival of ChatGPT late in 2022. Largely as a result of that investment theme, US equity markets were up significantly by the end of June driven almost entirely by the "magnificent seven" of Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla. These stocks were all up between 35% and 180% in the first half or 70% in aggregate, adding several trillion of notional "value" to equity markets as a result.

Industry commentators continue to articulate their concerns about the concentration risk inherent in this reality. Should the big tech gold rush come to an end at some point it is hard to see how equity markets will enjoy the same level of support experienced whilst this winner takes all boom for a small number of such disproportionately highly valued stocks has run and run.

With the volatility in March, our signals took the fund out of a number of risk assets leaving us defensively positioned with about 60% of our capital in cash or cash-equivalent risk free assets. The fund then gradually added risk positions back on during April, May, and June.

It is perhaps worth noting that rising interest rates are helpful for our strategy. When our trend-following signals cause us to sell out of a given risk asset to protect against a fall, that capital is then kept in cash or a cash-equivalent risk-free asset (RFA) and will, therefore, earn the prevailing interest rate on that cash or RFA. With structurally higher interest rates, our fund should therefore earn a higher return when defensively positioned than has been the case since launch, with such historically low interest rates over that time. We hope this will pay dividends (literally and figuratively) going forwards assuming the likelihood of structurally higher interest rates for some time to come.

More generally, we would repeat what we have said in previous reports – the fact that the VT PEF Global Multi-Asset Fund uses an entirely formulaic and rules-based approach to investing. The fund employs two primary investment techniques when allocating capital:

First, we believe in true diversification, sometimes described as "the only free lunch in investment". That is to say, diversification by asset class and by geography rather than by owning a large number of just one asset class (for example just shares or just bonds) or country or region as many funds do.

We have a fixed target allocation to a wide basket of asset classes and geographical regions. These target allocations are matter of record as are the specific underlying Exchange Traded Funds with which we gain exposure to the different silos (please see our Fund Overview document here for more details: <https://plainenglishfinance.co.uk/funds/>). When fully invested, the fund will have about 45% exposure to equities, 30% to fixed income and 25% to alternatives split across commodities, real estate, and infrastructure.

The second of our primary investment techniques is formula-based trend following. Each month we consider a simple backward looking moving average with respect to each individual silo, entirely agnostically, to decide whether to remain in that asset or whether to sell out of the position and place that capital in cash or a cash equivalent risk-free asset to protect against a potential significant fall in the price of that asset.

Our belief is that the combination of these two investment techniques provides significant capital protection for our investors and can also capture upside in trending markets. We continue to hope that it will also be able to deliver upside in the long run, and crucially from a higher base of preserved capital, as and when markets enjoy a relatively sustained period of upward momentum with lower volatility.

Andrew Craig  
Plain English Finance Limited  
Investment Manager to the Fund  
07 August 2023

Data source: Refinitiv

## PERFORMANCE RECORD

### Financial Highlights

#### Class A (Accumulation)

	Six months ended 30 June 2023	Year ended 31 December 2022	Year ended 31 December 2021
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	99.4357	102.3627	97.2666
Return before operating charges	(0.8107)	(1.5995)	6.4037
Operating charges (note 1)	(0.6908)	(1.3275)	(1.3076)
Return after operating charges *	(1.5015)	(2.9270)	5.0961
Closing net asset value per share	97.9342	99.4357	102.3627
Retained distributions on accumulated shares	0.1843	-	0.3938
*after direct transactions costs of:	-	-	0.0717
Performance			
Return after charges	(1.51%)	(2.86%)	5.24%
Other information			
Closing net asset value	£9,901,461	£11,179,411	£11,943,531
Closing number of shares	10,110,318	11,242,850	11,667,856
Operating charges (note 2)	1.40%	1.32%	1.31%
Direct transaction costs	0.00%	0.00%	0.07%
Prices			
Highest share price	101.9878	102.5361	103.5442
Lowest share price	97.4634	98.4587	95.7536

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 together with the ongoing charges included within the underlying holdings held within the Sub-fund.

#### 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 (31 December 2022: ranked 3). The Sub-fund is ranked '4' monthly historical performance data indicates that it has experienced average rises and falls in market prices historically.

## PORTFOLIO STATEMENT

As at 30 June 2023

Investment	Holding	Market value £	% of total net assets
<b>Exchange Traded Funds (31.12.2022: 94.78%)</b>			
HSBC EURO STOXX 50 UCITS ETF	10,358	418,360	4.23%
Amundi Prime Japan UCITS ETF	18,701	396,040	4.00%
Invesco FTSE 100 UCITS ETF	5,270	395,830	4.00%
Invesco S&P 500 UCITS ETF	609	410,489	4.15%
iShares Core MSCI EM IMI UCITS ETF	41,412	988,090	9.98%
HSBC MSCI Emerging Markets UCITS ETF	124,626	983,611	9.94%
Xtrackers S&P Global Infrastructure Swap UCITS ETF	11,819	489,898	4.95%
db x-trackers II Sterling Cash UCITS ETF	3,323	606,381	6.13%
Lyxor Smart Cash - UCITS ETF	601	644,416	6.51%
iShares UK Gilts 0-5yr UCITS ETF	9,018	1,112,731	11.24%
Lyxor FTSE Actuaries UK Gilts 0-5Y (DR) UCITS ETF	65,114	1,058,428	10.69%
iShares Ultrashort Bond UCITS ETF	6,422	644,961	6.52%
		<b>8,149,235</b>	<b>82.34%</b>
<b>Exchange Traded Commodities (31.12.2022: 0.00%)</b>			
iShares Physical Gold ETC	16,780	492,157	4.97%
		<b>492,157</b>	<b>4.97%</b>
<b>Portfolio of investments (31.12.2022: 94.78%)</b>		<b>8,641,392</b>	<b>87.31%</b>
<b>Other net assets (31.12.2022: 5.22%)</b>		<b>1,256,489</b>	<b>12.69%</b>
		<b>9,897,881</b>	<b>100.00%</b>



## SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
<b>Total sales for the period</b>	<b>15,954,333</b>
Lyxor Smart Cash - UCITS ETF	1,900,599
db x-trackers II Sterling Cash UCITS ETF	1,849,924
Lyxor FTSE Actuaries UK Gilts 0-5Y (DR) UCITS ETF	1,398,646
iShares UK Gilts 0-5yr UCITS ETF	1,347,841
iShares Ultrashort Bond UCITS ETF	1,298,884
iShares Core Corporate Bond UCITS ETF	1,267,007
iShares Core MSCI EM IMI UCITS ETF	1,114,775
HSBC MSCI Emerging Markets UCITS ETF	1,103,341
Xtrackers MSCI World Minimum Volatility UCITS ETF	1,054,683
iShares High Yield Corp Bond UCITS ETF	676,256
Various other sales	2,942,377
	£
<b>Total purchases for the period</b>	<b>14,130,023</b>
HSBC MSCI Emerging Markets UCITS ETF	2,130,999
iShares Core MSCI EM IMI UCITS ETF	2,130,163
iShares Core Corporate Bond UCITS ETF	1,297,932
Lyxor FTSE Actuaries UK Gilts 0-5Y (DR) UCITS ETF	900,522
iShares Ultrashort Bond UCITS ETF	900,456
iShares UK Gilts 0-5yr UCITS ETF	900,406
db x-trackers II Sterling Cash UCITS ETF	900,377
Lyxor Smart Cash - UCITS ETF	899,623
Invesco S&P 500 UCITS ETF	827,094
iShares \$ Corporate Bond UCITS ETF	640,887
Various other purchases	2,601,564

The above transactions represent the top ten sale and purchase transactions during the period.

## STATEMENT OF TOTAL RETURN

For the six months ended 30 June (unaudited)

	2023	2022
	£	£
Income		
Net capital (losses)	(157,872)	(232,345)
Revenue	97,270	12,825
Expenses	(67,204)	(70,924)
Interest payable and similar charges	<u>(1,138)</u>	<u>(438)</u>
Net revenue/(expenses) before taxation	28,928	(58,537)
Taxation	<u>-</u>	<u>-</u>
Net revenue/(expenses) after taxation	<u>28,928</u>	<u>(58,537)</u>
Total return before distributions	(128,944)	(290,882)
Finance costs: distributions	<u>(19,627)</u>	<u>100</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>	<b><u>(148,571)</u></b>	<b><u>(290,782)</u></b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 30 June (unaudited)

	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	11,162,952	11,930,256
Amounts receivable on creation of shares	817,917	1,594,622
Amounts payable on cancellation of shares	(1,953,509)	(1,193,978)
Accumulation dividends retained	18,638	-
Dividend levies	454	
Changes in net assets attributable to shareholders from investment activities (see above)	(148,571)	(290,782)
<b>Closing net assets attributable to shareholders</b>	<b><u>9,897,881</u></b>	<b><u>12,040,118</u></b>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The company net asset value as at 31 December 2022 was £11,162,952.

## BALANCE SHEET

As at	30.06.2023	31.12.2022
		£ £
<b>ASSETS</b>		
Investment assets	8,641,392	10,579,865
<b>Current assets</b>		
Debtors	5,970	24,169
Cash and bank balances	1,396,164	782,640
<b>Total current assets</b>	1,402,134	806,809
<b>Total assets</b>	10,043,526	11,386,674
<b>CURRENT LIABILITIES</b>		
<b>Creditors</b>		
Bank overdraft	(100,394)	(107,977)
Other creditors	(45,251)	(115,745)
<b>Total current liabilities</b>	(145,645)	(223,722)
<b>Net assets attributable to shareholders</b>	9,897,881	11,162,952

### Accounting Policies

The accounting policies applied are consistent with those of the financial statements for the year ended 31 December 2022 and are described in those financial statements.

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.

## DISTRIBUTION TABLES

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### Interim distribution in pence per share

Group 1: Shares purchased prior to 01 January 2023

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

<b>Class A (Accumulation)</b>	<b>Net revenue 31.08.2023</b>	<b>Equalisation</b>	<b>Distribution 31.08.2023</b>	<b>Distribution 31.08.2022</b>
Group 1	0.1843p	-	0.1843p	-
Group 2	0.0740p	0.1103p	0.1843p	-

## INFORMATION FOR INVESTORS

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### Taxation

The Company will pay no corporation tax on its profits for the period ended 30 June 2023 and capital gains within the Company will not be taxed.

### Individual shareholders

**Income tax:** Tax-free annual dividend allowance now standing at £1,000 (2023/24). 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. The first £6,000 (2023/24) 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.

### Debts of the ICVC fund

Unit holders of the ICVC are not liable for the debts of the ICVC.

### 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 normal business hours (8.30am to 5.30pm). Instructions may be given by email to (pef.gmaf@valu-trac.com) or by sending an application form to the Registrar. Application forms are available from the Registrar.

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

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. Settlement is due by the purchaser T+4 days from the date of the contract note and should be made to the AFM's dealing account.

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 no 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.

## CORPORATE DIRECTORY

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<b>Authorised Fund Manager &amp; Registrar</b>	<p>Valu-Trac Investment Management Limited Mains of Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: pef.gmaf@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
<b>Director</b>	Valu-Trac Investment Management Limited as AFM
<b>Investment Manager</b>	<p>Plain English Finance Limited Stag Gates House 63/64 The Avenue Southampton Hampshire SO17 1XS</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Depository</b>	<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>
<b>Auditor</b>	<p>Johnston Carmichael LLP Commerce House South Street Elgin IV30 1JE</p>