

**VALU-TRAC INVESTMENT FUNDS ICVC  
(Sub-funds VT Castlebay UK Equity Fund,  
VT Protean Capital Elder Fund and VT Protean Capital PROCSI CoRE  
Fund)**

**Interim Report and Financial Statements (Unaudited)  
For the six months ended 31 December 2023**

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## COMPANY OVERVIEW

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### Type of Company

Valu-Trac Investment Funds ICVC (company number IC000953) (the Company) is an investment company with variable capital under regulation 12 (Authorisation) of the Open Ended Investment Companies (OEIC) Regulations 2001 (SI2001/1228). The Company was incorporated and authorised by the Financial Conduct Authority (FCA) on 26 June 2012.

The Company is an umbrella company comprising three Sub-funds, VT Castlebay UK Equity Fund, VT Protean Capital Elder Fund and VT Protean Capital PROCSI CoRE Fund. The Company is a UCITS scheme and each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company. The Authorised Fund Manager (AFM) of the OEIC is Valu-Trac Investment Management Limited.

## 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/(expenses) and net capital gains 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

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<b>Name of Sub-fund</b>	VT Castlebay UK Equity Fund
<b>Size of Sub-fund</b>	£174,222,635
<b>Launch date</b>	28 January 2015
<b>Investment objective and policy</b>	<p>The objective of the Sub-fund is to preserve capital and generate income and capital growth over the long term.</p> <p>The Sub-fund will aim to meet its investment objective by investing primarily in a portfolio of UK companies listed on recognised stock exchanges. The Sub-fund may also invest in overseas equities, transferable securities, money market instruments, deposits and cash and near cash. There will be no particular emphasis on any industrial or economic sector.</p>
<b>Derivatives</b>	It is not proposed that derivatives be used by the Sub-fund.
<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 and income over the long term (5+ years)).
<b>Ex-distribution dates</b>	30 June, 30 September, 31 December and 31 March
<b>Distribution dates</b>	31 August, 30 November, 28 February and 31 May
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.
<b>Share classes</b>	Class A, Class B, Class C
<b>Types of shares</b>	Net income and net accumulation
<b>Minimum investment*</b> Lump sum subscription:	Class A Net Income/Net Accumulation = £10,000 Class B Net Income/Net Accumulation = £2,000,000 Class C Net Income/Net Accumulation = £20,000,000
Top-up:	Class A Net Income/Net Accumulation = £1,000 Class B Net Income/Net Accumulation = £100,000 Class C Net Income/Net Accumulation = £1,000,000
Holding:	Class A Net Income/Net Accumulation = £10,000 Class B Net Income/Net Accumulation = £2,000,000 Class C Net Income/Net Accumulation = £20,000,000
Redemption:	Class A Net Income/Net Accumulation = £1,000 Class B Net Income/Net Accumulation = £100,000 Class C Net Income/Net Accumulation = £1,000,000
Switching:	N/A - provided minimum holding is maintained
<b>Initial, redemption and switching charges</b>	Nil

\*The AFM may waive the minimum levels at its discretion.

## SUB-FUND OVERVIEW (Continued)

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### Annual management charges

The annual management charges (which include the management fee) are £20,000 plus:

Class A Net Income/Net Accumulation = 1.00%

Class B Net Income/Net Accumulation = 0.80%

Class C Net Income/Net Accumulation = 0.60%

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant share class (plus VAT if applicable).

### Cap on ongoing charges

The Investment Manager has, with the agreement of the AFM, undertaken that if the total ongoing charges (OCF) of the Sub-fund (as calculated at the end of the relevant accounting period but excluding underlying fund holding charges and dealing costs from EMX and Calastone) exceeds 1.00% in the case of Class A shares, 0.80% in the case of the Class B shares and 0.60% in the case of Class C shares, the Investment Manager shall reimburse the Sub-fund for an amount which, when deducted from the operating costs incurred by the Sub-fund during the relevant accounting period, would result in the Sub-fund having a total OCF equal to the stated AMC for each share class e.g. 1.00% in the case of Class A shares, 0.80% in the case of the Class B shares and 0.60% in the case of Class C shares in the relevant accounting period.

### Introduction

On the 28th November 2023, a long life came to an end with the passing of a fascinating, wise man. He was a month short of his 100th birthday—a century of time that has encompassed unimaginable change. It is not an exaggeration to say that this person has left his mark on the world. Through his wit and 'wordly wisdom' he has influenced our own investment philosophy, more than any other individual. So, it seems only right to acknowledge the passing of Charles Thomas Munger. Known to many simply as 'Charlie', he is probably best known as the business partner of Warren Buffett. Charlie was born in Nebraska, Omaha on 1st January 1924.

We continue to question our beliefs and assumptions, particularly when new evidence comes to light. For example, for many years we didn't own a discretionary retailer like Next plc. We were concerned about the variability of demand in this sector and also the discretionary nature of demand. However, their capital efficient, anti-fragile business model trumps such considerations. They have revised up their financial expectations five times over the last nine months! It is difficult over this shorter time period to disaggregate the difference between cyclical trends—an improving consumer backdrop with rising real wages and disinflation; against the structural advantages derived from its business model. Over a longer time frame, however, the latter aspect will likely drive the greater part of Next's future value creation.

Charlie Munger is famous for his 'wordly wisdom' and his 'uncommon common sense'. If we were to highlight two of the most important aspects of his thinking that have shaped the investment world—'mental models' and 'Quality compounders' would be the top two. Over the last nine years we have written many times about how we use mental models to make sense of the world. Charlie Munger has been our main influence in this area. Ideas, such as 'Inversion' have shaped our valuation analysis. The principle that the 'Map is not the Territory' helps us to understand that company accounts are reductionist in nature—reducing millions of transactions to one revenue number for each company a year! It helps us question what is lost in this process and how these 'big numbers' could be manipulated. Thirdly, the power of incentives is a crucial model to understand. As Munger regularly said, 'show me the incentive, I'll show you the outcome!' We use this idea to understand whether management teams and employees are aligned to our interests as long-term shareholders. The benefits of this mental model thinking can be enhanced further when multiple mental models are used together. Munger called this the 'Lollapalooza effect' — the total being greater than the sum of its parts. In short, the more we think using mental models the better able we are to question our assumptions and continue to see our investment process evolve.

The second idea of 'Quality compounders' has been seminal to the investment success of Berkshire Hathaway over recent decades. Initially, Warren Buffett was a great disciple of Ben Graham as one of his students at Columbia business school.

Ben Graham was a proponent of deep value investing in the 1930s, during the Great Depression. At that time, many businesses were selling for less than the value of their liquidated assets. As Buffett started investing, he adopted this approach with great success. Yet, it was Munger who showed Buffett the investing way. As Warren said of Charlie, 'the blueprint he gave me was simple—forget what you know about buying fair businesses at wonderful prices; instead buy wonderful businesses at fair prices.' At the heart of this assertion lies a protection against what we term 'the equivalency trap'. It is easy, but wrong, to equate one year of earnings with another year of earnings. This approach would suggest that a business priced at 10 years of earnings (10x Price/earnings) is necessarily cheaper than one trading on 11 years of earnings.

This ignores the capital required to generate these respective earnings, the ability for companies to reinvest retained earnings and it also ignores the rate at which this can be done. This last point will ring loudly in the ears of our fellow investors, with whom we have met over the last decade, as it describes the 'Mungerism' we have quoted and described the most—that over the long term a stock's share price return effectively reflects the underlying returns the business makes.

## INVESTMENT MANAGER'S REVIEW (Continued)

### Investment Activity:

#### Cost analysis

VT Castlebay UK Equity Fund 01 Jan23 -31 Dec23	
Discretionary commission	£2,402
Fund Flow Commission	£14,156
Total Commission Paid	£16,558
Commission as % of NAV	0.01%
Transaction Taxes	£71,965
Total Transactional costs	£88,523
Total Costs as % of NAV	0.05%
<b>Turnover 2023</b>	<b>8%</b>

Since we launched our fund nearly 9 years ago, we have paid all the 'ongoing fund costs' as a rebate from our investment management fee. This cost increases as the fund grows and to the end of December 2023 the rebate for the year amounted to just over £108k.

We have also published details of the transaction costs which are not included in the 'ongoing charges figure' and are paid by our fellow shareholders. Transaction costs arise when additional money is invested in the fund and is invested in existing or new shareholdings, or when investors divest some or all their shareholding and fund positions are reduced. These costs would be incurred if fund investors bought or sold their own shareholdings instead of the fund.

The total commission paid for investing the money into and out of the fund amounted to £14k and the discretionary commission (investment related decisions) amounted to £2k. Stamp duty was incurred for the majority of the purchases and accounted for an additional £72k. The total Transaction costs amounted to £88.5k or 0.05% of the value of the fund.

#### Turnover

VT Castlebay UK Equity fund turnover	
<b>Average Turnover</b>	<b>10%</b>
Turnover 2023	8%
Turnover 2022	0%
Turnover 2021	7%
Turnover 2020	15%
Turnover 2019	19%
Turnover 2018	12%
Turnover 2017	16%
Turnover 2016	5%
*Turnover 2015	10%

\* since launch 28/01/15. Turnover is calculated as purchases or sales (whichever is less) divided by the average NAV of fund.

Transactions also occur if we want to make changes to the portfolio, based on our investment analysis and we either add to or reduce existing positions, or sell positions to add new positions. The level of transactions in a portfolio can be measured by the Turnover figure. There are several ways of calculating turnover, with ours calculated as Purchases or Sales, (whichever value is less), divided by the average Net Asset Value of the fund.

You will see from the table that our turnover in 2023 was 8% with our annualised turnover now at 10%. This compares with our peers, in the UK All Companies sector, which have an average turnover of around 80% each year. What this means in practice is that our competitors are selling 80% of the companies in their portfolios each year and buying new ones in their place. Each of these transactions incur commission costs and stamp duty for UK stock purchases. This strikes us as more akin to gambling on stock prices than investing. We prefer to invest in companies, not share prices; and this is reflected in an implied average holding period of a decade for the businesses we own.

The table illustrates a consistently low level of turnover in the fund over the last 9 years.

We remain focused on ensuring that all costs incurred in the fund by Castlebay are tightly controlled and fair to all parties. During the six month period we reduced our exposure to Colgate Palmolive in order to fund further investment in Estee Lauder Companies Inc. Estee Lauder's share price had been weak due to a longer lock-down in China. This impacted the revenues, profits and returns in travel retail. In spite of this we believe that the long term brands of Estee Lauder remain in place and therefore the share price weakness represented a good time to deploy further capital.

## INVESTMENT MANAGER'S REVIEW (Continued)

### Performance:

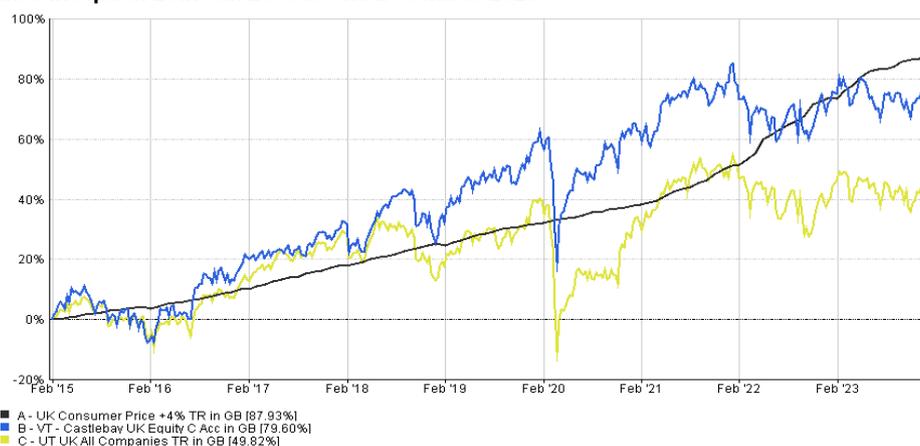
As inflation took off and the age of 'free money' ended in 2022 there was a strong market rotation into low nominal valuation, low quality businesses.

Over the last three years our collection of Quality businesses has had its own bear market. It appears to us that many of our companies' shares have returned to long term shareholders—the rightful owners. This has provided a compelling investment opportunity due to the operational excellence demonstrated since Covid, by our companies; and also the extremely attractive valuations on which these businesses are now being offered to us. Over the last five years we generated a return of 40%. Our fund continues to generate a very strong return on equity; produce consistently high stable margins; yet still is trading on an attractive free cashflow yield of 4.7%.

	6m end Dec 23	2023	2022	2021	2020	2019	2018	2017	2016	2015 <sup>^</sup>	Launch
VT Castlebay UK Equity Fund <sup>1</sup>	5.3%	4.8%	-6.8%	13.3%	2.4%	23.5%	-1.8%	11.0%	18.6%	-0.8%	79.6%
CPI +4% <sup>*</sup>	2.5%	8.1%	14.9%	9.6%	4.7%	5.4%	6.2%	7.1%	5.6%	4.2%	87.9% <sup>*</sup>
IA UK All Companies <sup>2</sup>	5.3%	7.5%	-8.5%	17.2%	-6.3%	21.8%	-10.7%	13.8%	11.2%	0.9%	49.8%

<sup>1</sup>C Share Class Acc (source: FE 2023). C shares have a min investment of €10M. A shares (1% OCF) and B shares (min €2M 0.8% OCF) are available. Castlebay UK Equity fund inception 28/01/15. <sup>2</sup>IA All Companies sector (source FE 2021) <sup>^</sup>2015 Performance since fund launch 28/01/15 to end December 2015. <sup>\*</sup>CPI+4% to 29/12/23 (source FE 2023)

### Performance since Inception 28th Jan 2015 to end December 2023



28/01/2015 - 29/12/2023 Data from FE fundinfo2024

Castlebay Investment Partners LLP  
Investment Manager to the Fund  
19 February 2024

## PERFORMANCE RECORD

### Financial Highlights

	Six months ended 31 December 2023	Year ended 30 June 2023	Year ended 30 June 2022
<b>Class A Net Income</b>			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	125.6524	123.2470	137.4360
Return before operating charges	7.0247	7.8947	(8.4218)
Operating charges (note 1)	(0.6518)	(1.2694)	(1.3034)
Return after operating charges *	6.3729	6.6253	(9.7252)
Distribution on income shares	(2.0836)	(4.2199)	(4.4638)
Closing net asset value per share	129.9417	125.6524	123.2470
*after direct transactions costs of:	0.0383	0.1742	0.1825
Performance			
Return after charges	5.07%	5.38%	(7.08%)
Other information			
Closing net asset value	£2,098,043	£2,509,582	£4,874,218
Closing number of shares	1,614,602	1,997,242	3,954,837
Operating charges (note 2)	1.02%	1.02%	1.00%
Direct transaction costs	0.03%	0.14%	0.14%
Prices			
Highest share price	131.3939	135.5354	144.8451
Lowest share price	121.8312	119.5358	120.3954
<b>Class B Net Income</b>			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	129.2742	126.6894	140.9944
Return before operating charges	7.0985	8.1248	(8.6475)
Operating charges (note 1)	(0.5391)	(1.0495)	(1.0707)
Return after operating charges *	6.5594	7.0753	(9.7182)
Distribution on income shares	(2.1429)	(4.4905)	(4.5868)
Closing net asset value per share	133.6907	129.2742	126.6894
*after direct transactions costs of:	0.0394	0.1792	0.1874
Performance			
Return after charges	5.07%	5.58%	(6.89%)
Other information			
Closing net asset value	£2,377,507	£7,713,121	£8,772,059
Closing number of shares	1,778,363	5,966,483	6,924,068
Operating charges (note 2)	0.82%	0.82%	0.80%
Direct transaction costs	0.03%	0.14%	0.14%
Prices			
Highest share price	135.1733	139.3473	148.7444
Lowest share price	125.3016	122.7955	123.7508

**PERFORMANCE RECORD (continued)**

**Financial Highlights (Continued)**

	<b>Six months ended 31 December 2023</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
<b>Class C Net Income</b>			
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	96.0253	93.7491	104.1261
Return before operating charges	5.4075	6.0330	(6.3922)
Operating charges (note 1)	(0.3031)	(0.5883)	(0.5936)
Return after operating charges *	5.1044	5.4447	(6.9858)
Distribution on income shares	(1.5939)	(3.1685)	(3.3912)
Closing net asset value per share	99.5358	96.0253	93.7491
*after direct transactions costs of:	0.0293	0.1328	0.1385
Performance			
Return after charges	5.32%	5.81%	(6.71%)
Other information			
Closing net asset value	£34,317,008	£13,842,312	£10,386,946
Closing number of shares	34,477,066	14,415,278	11,079,519
Operating charges (note 2)	0.62%	0.62%	0.60%
Direct transaction costs	0.03%	0.14%	0.14%
Prices			
Highest share price	100.6221	103.4756	109.9604
Lowest share price	93.2440	91.0814	91.5682
	<b>Six months ended 31 December 2023</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
<b>Class A Net Accumulation</b>			
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	162.4276	154.1790	166.2739
Return before operating charges	9.1730	9.8633	(10.4926)
Operating charges (note 1)	(0.8496)	(1.6147)	(1.6023)
Return after operating charges *	8.3234	8.2486	(12.0949)
Closing net asset value per share	170.7510	162.4276	154.1790
Retained distributions on accumulated shares	2.7033	5.3438	5.4687
*after direct transactions costs of:	0.0500	0.2216	0.2243
Performance			
Return after charges	5.12%	5.35%	(7.27%)
Other information			
Closing net asset value	£4,756,793	£5,476,991	£13,270,296
Closing number of shares	2,785,807	3,371,959	8,607,072
Operating charges (note 2)	1.02%	1.02%	1.00%
Direct transaction costs	0.03%	0.14%	0.14%
Prices			
Highest share price	171.7896	173.5444	177.6324
Lowest share price	159.2211	151.2796	149.2552

**PERFORMANCE RECORD (continued)**

**Financial Highlights (Continued)**

	<b>Six months ended 31 December 2023</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
<b>Class B Net Accumulation</b>			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	148.8945	140.9441	151.6801
Return before operating charges	8.4007	9.1387	(9.5655)
Operating charges (note 1)	(0.6264)	(1.1883)	(1.1705)
Return after operating charges *	7.7743	7.9504	(10.7360)
Closing net asset value per share	156.6688	148.8945	140.9441
Retained distributions on accumulated shares	2.4790	4.9258	4.9924
*after direct transactions costs of:	0.0458	0.2029	0.2048
<b>Performance</b>			
Return after charges	5.22%	5.64%	(7.08%)
<b>Other information</b>			
Closing net asset value	£25,305,165	£28,943,807	£31,185,751
Closing number of shares	16,152,016	19,439,140	22,126,327
Operating charges (note 2)	0.82%	0.82%	0.80%
Direct transaction costs	0.03%	0.14%	0.14%
<b>Prices</b>			
Highest share price	157.6095	159.0410	162.2277
Lowest share price	145.9601	138.3750	136.4325
<b>Class C Net Accumulation</b>			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	170.5102	161.0581	172.9904
Return before operating charges	9.6314	10.4800	(10.9302)
Operating charges (note 1)	(0.5427)	(1.0279)	(1.0021)
Return after operating charges *	9.0887	9.4521	(11.9323)
Closing net asset value per share	179.5989	170.5102	161.0581
Retained distributions on accumulated shares	2.8401	5.5734	5.6998
*after direct transactions costs of:	0.0525	0.2321	0.2338
<b>Performance</b>			
Return after charges	5.33%	5.87%	(6.90%)
<b>Other information</b>			
Closing net asset value	£105,582,382	£107,227,596	£53,206,451
Closing number of shares	58,787,873	62,886,330	33,035,554
Operating charges (note 2)	0.62%	0.62%	0.60%
Direct transaction costs	0.03%	0.14%	0.14%
<b>Prices</b>			
Highest share price	180.6634	182.0627	185.1909
Lowest share price	167.1570	158.2214	155.8908

## PERFORMANCE RECORD (continued)

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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.

### **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 weekly historical data indicates that it has experienced relatively high rises and falls in market prices historically. Please note that even the lowest risk class can lose money and that extreme market circumstances can mean you suffer severe losses in all cases.

## PORTFOLIO SUMMARY

As at 31 December 2023

Holding	Value £	% of net assets
<b>Equities (30.06.2023: 97.51%)</b>		
13,336 Accenture PLC	3,679,988	2.11%
308,192 Admiral Group PLC	8,305,774	4.77%
3,145 AutoZone Inc	6,339,525	3.64%
447,191 Avon Protection PLC	3,734,045	2.14%
61,448 Bioventix PLC	2,580,816	1.48%
312,665 British American Tobacco PLC	7,178,788	4.12%
394,042 Burberry Group PLC	5,589,486	3.21%
95,601 Colgate-Palmolive Co	5,944,427	3.41%
404,092 Compass Group PLC	8,692,019	4.99%
174,916 Craneware PLC	3,008,555	1.73%
129,050 Croda International PLC	6,547,997	3.76%
288,666 Diageo PLC	8,261,621	4.74%
1,974,252 Domino's Pizza Group PLC	7,438,982	4.27%
414,476 Dunelm Group PLC	4,559,236	2.62%
63,036 Edwards Lifesciences Corp	3,794,421	2.18%
30,480 Estee Lauder Companies Inc	3,530,274	2.03%
318,952 Imperial Brands PLC	5,765,057	3.31%
133,279 InterContinental Hotels Group PLC	9,481,468	5.44%
202,517 Intertek Group PLC	8,629,249	4.95%
125,590 Next PLC	10,233,073	5.87%
102,414 Nichols PLC	1,136,795	0.65%
52,553 Novo Nordisk A/S	4,282,301	2.46%
1,327,164 Pagegroup PLC	6,489,832	3.73%
148,641 Reckitt Benckiser Group PLC	8,080,125	4.64%
304,895 Relx PLC	9,476,137	5.44%
256,719 Unilever PLC	9,763,024	5.60%
473,193 Victrex PLC	7,235,121	4.15%
<b>Total equities (30.06.2023: 97.51%)</b>	<b>169,758,136</b>	<b>97.44%</b>
<b>Other net assets (30.06.2023: 2.49%)</b>	<b>4,464,499</b>	<b>2.56%</b>
<b>Total net assets</b>	<b>174,222,635</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the period</b>	<b>10,676,909</b>
Admiral Group PLC	517,733
British American Tobacco PLC	906,411
Burberry Group PLC	962,705
Compass Group PLC	1,024,909
Croda International PLC	617,483
Diageo PLC	647,476
Estee Lauder Companies Inc	1,504,359
Intertek Group PLC	713,413
Reckitt Benckiser Group PLC	949,040
Unilever PLC	1,112,721
Other various purchases	1,720,659

	£
<b>Total sales for the period</b>	<b>8,909,603</b>
Admiral Group PLC	1,612,831
Colgate-Palmolive Co	985,918
Compass Group PLC	387,335
Imperial Brands PLC	466,809
InterContinental Hotels Group PLC	1,023,744
Intertek Group PLC	585,454
Next PLC	612,775
Novo Nordisk A/S	906,316
Reckitt Benckiser Group PLC	694,697
Relx PLC	941,405
Other various sales	692,319

The above transactions represent the top ten purchases and all the sales during the period.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 December	2023		2022	
	£	£	£	£
Income				
Net capital gains		6,575,135		6,637,435
Revenue	2,792,643		2,461,631	
Expenses	(601,374)		(579,831)	
Interest payable and similar charges	-		(2)	
Net revenue before taxation	2,191,269		1,881,798	
Taxation	(21,884)		(21,730)	
Net revenue after taxation		2,169,385		1,860,068
Total return before distributions		8,744,520		8,497,503
Finance costs: distributions		(2,702,000)		(2,394,829)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>6,042,520</b>		<b>6,102,674</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 December	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	165,531,798	121,503,727
Amounts receivable on creation of shares	28,868,420	49,735,756
Amounts payable on cancellation of shares	(28,454,965)	(14,794,526)
Dividends reinvested	2,234,862	2,089,849
Dilution levies	-	76,319
Changes in net assets attributable to shareholders from investment activities (see above)	6,042,520	6,102,674
<b>Closing net assets attributable to shareholders</b>	<b>174,222,635</b>	<b>164,713,799</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 30 June 2023 was £161,531,798.

## BALANCE SHEET

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As at	31.12.2023		30.06.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		169,758,136		161,403,850
<b>Current assets</b>				
Debtors	792,134		1,556,454	
Cash and bank balances	<u>4,257,720</u>		<u>4,351,946</u>	
<b>Total current assets</b>		<u>5,049,854</u>		<u>5,908,400</u>
<b>Total assets</b>		<u>174,807,990</u>		<u>167,312,250</u>
<b>Current liabilities</b>				
<b>Creditors</b>				
Distribution payable on income shares	(196,287)		(221,777)	
Other creditors	<u>(389,068)</u>		<u>(1,558,675)</u>	
<b>Total current liabilities</b>		<u>(585,355)</u>		<u>(1,780,452)</u>
<b>Net assets attributable to shareholders</b>		<u>174,222,635</u>		<u>165,531,798</u>

### Accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds 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.

The accounting policies applied are consistent with those in the Annual Financial Statements for the period ended 30 June 2023 and are described in those financial statements.

## DISTRIBUTION TABLES

### Q1 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 30 September 2023

<b>Class A Net Income</b>	<b>Net Revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Distribution 30.11.2023</b>	<b>Distribution 30.11.2022</b>
Group 1	1.4258p	-	1.4258p	1.4102p
Group 2	0.6923p	0.7335p	1.4258p	1.4102p

<b>Class B Net Income</b>	<b>Net Revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Distribution 30.11.2023</b>	<b>Distribution 30.11.2022</b>
Group 1	1.4662p	-	1.4662p	1.6018p
Group 2	1.0849p	0.3813p	1.4662p	1.6018p

<b>Class C Net Income</b>	<b>Net Revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Distribution 30.11.2023</b>	<b>Distribution 30.11.2022</b>
Group 1	1.0903p	-	1.0903p	1.0241p
Group 2	0.6414p	0.4489p	1.0903p	1.0241p

<b>Class A Net Accumulation</b>	<b>Net Revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Distribution 30.11.2023</b>	<b>Distribution 30.11.2022</b>
Group 1	1.8432p	-	1.8432p	1.7642p
Group 2	1.1978p	0.6454p	1.8432p	1.7642p

<b>Class B Net Accumulation</b>	<b>Net Revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Distribution 30.11.2023</b>	<b>Distribution 30.11.2022</b>
Group 1	1.6900p	-	1.6900p	1.6478p
Group 2	1.2124p	0.4776p	1.6900p	1.6478p

<b>Class C Net Accumulation</b>	<b>Net Revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Distribution 30.11.2023</b>	<b>Distribution 30.11.2022</b>
Group 1	1.9358p	-	1.9358p	1.8220p
Group 2	1.0929p	0.8429p	1.9358p	1.8220p

**DISTRIBUTION TABLES (Continued)**

**Q2 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 December 2023

<b>Class A Net Income</b>	<b>Net Revenue 28.02.2024</b>	<b>Equalisation</b>	<b>Distribution 28.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.6578p	-	0.6578p	0.6064p
Group 2	0.4809p	0.1769p	0.6578p	0.6064p

<b>Class B Net Income</b>	<b>Net Revenue 28.02.2024</b>	<b>Equalisation</b>	<b>Distribution 28.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.6767p	-	0.6767p	0.6231p
Group 2	0.3785p	0.2982p	0.6767p	0.6231p

<b>Class C Net Income</b>	<b>Net Revenue 28.02.2024</b>	<b>Equalisation</b>	<b>Distribution 28.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.5036p	-	0.5036p	0.4623p
Group 2	0.1983p	0.3053p	0.5036p	0.4623p

<b>Class A Net Accumulation</b>	<b>Net Revenue 28.02.2024</b>	<b>Equalisation</b>	<b>Distribution 28.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.8601p	-	0.8601p	0.7674p
Group 2	0.4997p	0.3604p	0.8601p	0.7674p

<b>Class B Net Accumulation</b>	<b>Net Revenue 28.02.2024</b>	<b>Equalisation</b>	<b>Distribution 28.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.7890p	-	0.7890p	0.7021p
Group 2	0.4730p	0.3160p	0.7890p	0.7021p

<b>Class C Net Accumulation</b>	<b>Net Revenue 28.02.2024</b>	<b>Equalisation</b>	<b>Distribution 28.02.2024</b>	<b>Distribution 28.02.2023</b>
Group 1	0.9043p	-	0.9043p	0.8030p
Group 2	0.6856p	0.2187p	0.9043p	0.8030p

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Protean Capital Elder Fund
<b>Size of Sub-fund</b>	£80,876,845
<b>Launch date</b>	30 August 2017
<b>Investment objective and policy</b>	<p>The objective of the Sub-fund is to generate income, with the potential for capital growth over the long term.</p> <p>The Sub-fund will aim to meet its investment objective by investing primarily in a mixture of transferable securities (which may include debt instruments and structured notes issued by major global financial institutions), financial derivative instruments and government bonds.</p> <p>The Sub-fund may also invest in collective investment schemes, money market instruments, debentures, fixed interest securities, deposits and cash and near cash.</p> <p>Derivatives (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) may be used for purposes of meeting the Sub-fund's investment objectives and efficient portfolio management purposes and are expected to form a significant part of the Sub-fund's portfolio.</p> <p>There will be no particular emphasis on any geographic or industrial sector but there will be significant credit exposure to particular financial institutions through the use of swaps.</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 income generated (as well as some capital growth) over the long term (5+ years))
<b>Ex-distribution dates</b>	30 June, 30 September, 31 December and 31 March
<b>Distribution dates</b>	31 August, 30 November, 28 February and 31 May
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.
<b>Minimum investment*</b>	
Lump sum subscription:	Class A Income/Accumulation = £2,000,000 Class I Income/Accumulation = £100
Top-up:	Class A Income/Accumulation = £100,000 Class I Income/Accumulation = £10
Holding:	Class A Income/Accumulation = £2,000,000 Class I Income/Accumulation = £100
Redemption:	Classes A and I Income/Accumulation = N/A provided minimum holding is maintained
Switching:	Classes A and I Income/Accumulation = N/A provided minimum holding is maintained

Class I shares are intended for clients of investment advisors who have a connection with Investec.

\*The AFM may waive the minimum levels at its discretion.

**Initial, redemption and switching charges** Nil

### Annual management charges

The annual management charges (which include the management fee) are £30,000 per annum plus 0.50% (per annum) of the net asset value of the Sub-fund (plus VAT if applicable) for the Class A shares and 0.80% for the Class I shares.

The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 July each year (from 1 July 2018). In the event of negative inflation, the fixed element of the fee will remain unchanged.

## INVESTMENT MANAGER'S REVIEW

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The fund's objective is to generate income, with the potential for capital growth over the long term. The fund aims to meet its investment objective by investing primarily in a mixture of transferable securities, financial derivative instruments and government bonds. Under current market conditions, the investment manager, Protean Capital LLP, anticipates annual income of 4.50% to 5.00%, with annual capital growth of 2% to 4% over the longer term<sup>1</sup>.

The investment manager is pleased to report that the fund's performance over the period under review was in line with its objectives. The fund's A Net Accumulation Share Class NAV benefitted from its exposure to European, American and Asian equity indices, increasing from 119.2232p to 126.3276p (5.96%). Narrowing credit spread and slight decreases in equity index volatility and have contributed positively to the NAV. The fund's short duration profile limited the impact of medium-term interest rate decreases, while an up-tick in the overnight interest rate increased the interest accrued in the fund's bond portfolio. The fund's A Net Accumulation Share Class' 260-day volatility was 2.69% as of 29th December 2023<sup>2</sup>.

The manager maintained a focus on income-generating assets while limiting the risk exposure of the fund. To achieve this, the manager constructed the portfolio such that:

- > high-quality issuers were used for both physical and derivative positions.
- > no asset was based upon more than two underlying equity indices to restrict correlation exposure.
- > swap positions and FRNs helped reduce the overall duration of the portfolio.

These assets generated the expected level of income, allowing the fund's A Net Income Share Class to announce dividends of 1.11p and 1.125p in Q3 2022 and Q4 2022 respectively<sup>3</sup>, meeting the investment objective's distribution targets. The manager feels the current level of income is protected against all but the most negative market conditions.

Point-to-point, the fund's AUM decreased from £90,716,446 to £80,876,845 in the period under review<sup>4</sup>.

Protean Capital LLP  
Investment Manager to the Fund  
25 January 2024

1 Note: This is a guide and is not guaranteed.

2 Source: Bloomberg

3 Source: Bloomberg

4 Source: Protean Capital

## PERFORMANCE RECORD

### Financial Highlights

	Year ended 30 June 2023	Year ended 30 June 2023	Year ended 30 June 2022
<b>Class A Income</b>			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	93.3636	90.4322	98.4675
Return before operating charges	5.8153	7.8470	(3.2443)
Operating charges (note 1)	(0.2945)	(0.5606)	(0.5667)
Return after operating charges *	5.5208	7.2864	(3.8110)
Distribution on income shares	(2.2350)	(4.3550)	(4.2243)
Closing net asset value per share	96.6494	93.3636	90.4322
*after direct transactions costs of:	0.0095	0.0092	0.0094
Performance			
Return after charges	5.91%	8.06%	(3.87%)
Other information			
Closing net asset value	£53,865,588	£64,727,009	£65,525,263
Closing number of shares	55,732,959	69,326,811	72,457,912
Operating charges (note 2)	0.62%	0.61%	0.60%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	97.7097	95.0168	99.5233
Lowest share price	92.8549	87.8689	90.4322
<b>Class A Accumulation</b>			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	119.2232	110.1195	114.6929
Return before operating charges	7.4850	9.8032	(3.8990)
Operating charges (note 1)	(0.3806)	(0.6995)	(0.6744)
Return after operating charges *	7.1044	9.1037	(4.5734)
Closing net asset value per share	126.3276	119.2232	110.1195
Retained distributions on accumulated shares	2.8695	5.3934	4.9993
*after direct transactions costs of:	0.0123	0.0115	0.0112
Performance			
Return after charges	5.96%	8.27%	(3.99%)
Other information			
Closing net asset value	£26,361,408	£25,816,309	£17,837,592
Closing number of shares	20,867,495	21,653,755	16,198,395
Operating charges (note 2)	0.62%	0.61%	0.60%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	126.3276	119.2232	117.1926
Lowest share price	118.5737	108.3158	109.4614

**PERFORMANCE RECORD (continued)**

**Financial Highlights (Continued)**

Class I Income	Period 01 July 2023 to 06 September 2023 <sup>^</sup>	Year ended 30 June 2023	Year ended 30 June 2022
	GBp	GBp	GBp
Changes in net assets per share			
Opening net asset value per share	102.9761	100.1119	109.3344
Return before operating charges	(2.3878)	8.6003	(3.5975)
Operating charges (note 1)	(0.1743)	(0.9241)	(0.9425)
Return after operating charges *	(2.5621)	7.6762	(4.5400)
Distribution on income shares	-	(4.8120)	(4.6825)
Closing net asset value per share	100.4140	102.9761	100.1119
*after direct transactions costs of:	0.0102	0.0102	0.0105
Performance			
Return after charges	(2.49%)	7.67%	(4.15%)
Other information			
Closing net asset value	-	£32,409	£88,550
Closing number of shares	-	31,472	88,451
Operating charges (note 2)	0.92%	0.91%	0.90%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	104.6539	104.9213	110.4446
Lowest share price	102.4092	97.1988	100.1119
	<b>Period 18 December 2023 to 31 December 2023<sup>^</sup></b>		
Class I Income			
Changes in net assets per share	GBp		
Opening net asset value per share	100.0000		
Return before operating charges	0.7313		
Operating charges (note 1)	(0.0328)		
Return after operating charges *	0.6985		
Distribution on income shares	(0.2845)		
Closing net asset value per share	100.4140		
*after direct transactions costs of:	0.0100		
Performance			
Return after charges	0.70%		
Other information			
Closing net asset value	£477,324		
Closing number of shares	475,356		
Operating charges (note 2)	0.92%		
Direct transaction costs	0.01%		
Prices			
Highest share price	100.6327		
Lowest share price	100.0000		

<sup>^</sup>share class closed 06 September 2023 following full redemption of shares. Reopened on 18 December 2023 at 100p per share.

**PERFORMANCE RECORD (continued)**

<b>Class I Accumulation</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	120.0664	111.2406	116.2145
Return before operating charges	7.5345	9.8782	(3.9504)
Operating charges (note 1)	(0.5683)	(1.0524)	(1.0235)
Return after operating charges *	6.9662	8.8258	(4.9739)
Closing net asset value per share	127.0326	120.0664	111.2406
Retained distributions on accumulated shares	2.8874	5.4397	5.0570
*after direct transactions costs of:	0.0124	0.0116	0.0114
Performance			
Return after charges	5.80%	7.93%	(4.28%)
Other information			
Closing net asset value	£421,843	£405,040	£457,368
Closing number of shares	332,075	337,346	411,152
Operating charges (note 2)	0.92%	0.91%	0.90%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	127.0326	120.0801	118.5672
Lowest share price	119.4054	109.3347	110.6879

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 Open Ended Investment Company held within the Sub-fund's holdings.

**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 monthly historical data indicates that it has experienced average rises and falls in market prices historically. Please note that even the lowest risk class can lose money and that extreme market circumstances can mean you suffer severe losses in all cases.

## PORTFOLIO SUMMARY

Holding	As at 31 December 2023	Value £	% of net assets
<b>Structured Notes (30.06.2023: 41.80%)</b>			
3,500,000	Barclays FTSE Income Note 06/28	3,246,601	4.01%
1,800,000	BBVA Dual Index Income Note 12/25	1,743,660	2.16%
2,150,000	BBVA Dual Index Income Note 06/27	1,965,100	2.43%
3,000,000	CACIB FTSE Income Note 05/28	2,766,300	3.42%
1,500,000	CIBC Dual Index Income Note 12/25	1,414,400	1.75%
2,000,000	Citigroup Dual Index Income Note 09/24	1,958,600	2.42%
1,000,000	Citigroup Dual Index Income Note 07/25	974,200	1.20%
2,500,000	GS Dual Index Income Note 06/28	2,241,500	2.77%
2,000,000	JP Morgan Dual Index Note 10/24	1,974,494	2.44%
2,400,000	Morgan Stanley Dual Index Note 07/25	2,320,080	2.87%
1,300,000	SocGen Dual Index Income Note 12/24	1,262,820	1.56%
3,550,000	UBS Dual Index Income Note 12/23	3,496,395	4.32%
2,400,000	CIBC Dual Index Income Note 02/24	2,393,183	2.96%
2,000,000	Morgan Stanley Dual Index Income Note R 04/25	1,933,792	2.39%
1,900,000	Morgan Stanley Dual Index Income Note S 04/25	1,843,752	2.28%
1,500,000	Citigroup Dual Index Growth Note 02/27	1,705,650	2.11%
1,500,000	Citigroup Dual Index Growth Note 02/27	1,796,400	2.22%
2,000,000	Credit Agricole UKX 67K Digital Call 06/2029	2,120,600	2.62%
		37,157,527	45.93%
<b>Warrants (30.06.2023: 2.65%)</b>			
20,000	SocGen FTSE Growth Warrant 07/24	716,200	0.89%
19,940	SocGen Eurostoxx Growth Warrant 09/24	1,293,109	1.60%
19,398	SocGen FTSE Growth Warrant 09/24	387,766	0.48%
		2,397,075	2.97%
<b>Bonds (30.06.2023: 51.88%)</b>			
2,000,000	Clydesdale Covered Bond 01/27	1,983,400	2.45%
2,500,000	HSBC Bond 08/27	2,486,875	3.07%
2,500,000	Lloyds Bank Covered Bond 11/27	2,510,750	3.10%
2,500,000	Nationwide BS Covered Bond 04/26	2,505,850	3.10%
2,500,000	Santander UK Covered Bond 01/28	2,508,000	3.10%
2,500,000	TSB Covered Bond 09/28	2,498,250	3.09%
2,000,000	Yorkshire BS Covered Bond 01/27	1,986,580	2.46%
2,000,000	Bank of Montreal Covered Bond 12/25	2,003,520	2.48%
2,000,000	Bank of Nova Scotia Covered Bond 06/26	2,018,780	2.50%
2,000,000	Barclays Bond 06/25	1,999,421	2.47%
1,000,000	Citigroup Bond 07/26	961,156	1.19%
2,000,000	CBA Covered Bond 11/28	2,022,820	2.50%
2,000,000	National Australia Covered Bond 12/25	2,016,000	2.49%
2,000,000	NBC Covered Bond 05/26	2,015,800	2.49%
2,500,000	RBC Covered Bond 01/28	2,502,250	3.09%
2,000,000	Toronto Dominion Covered Bond 04/25	1,998,040	2.47%
2,000,000	WestPac Covered Bond 01/23=8	2,002,420	2.48%
		36,019,912	44.53%
<b>ETF's (30.06.2023: 2.17%)</b>			
		-	-
<b>Swaps (30.06.2023: 1.78%)</b>			
1,750,000	OTC - FTSE Nikkei Swap 04/25	1,462,300	1.81%
1,700,000	OTC - S&P Eurostoxx Income Swap 12/25	54,400	0.07%
363	OTC - S&P Swap 01/22	-	-
2,000,000	OTC - Eurostoxx Call Swap 06/29	222,596	0.28%
2,063,612	OTC - Eurostoxx Swap 08/24	62,424	0.08%
3,053,433	OTC - FTSE Swap 08/24	113,163	0.14%
		1,914,883	2.38%

PORTFOLIO SUMMARY (Continued)

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As at 31 December 2023	Value £	% of net assets
Total investments (30.06.2023: 100.28%)	77,489,397	95.81%
Other net assets (30.06.2023: (0.28%))	3,387,448	4.19%
<b>Total net assets</b>	<b>80,876,845</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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<b>Total purchases for the period</b>	<b>£</b> <b>2,512,582</b>
TSB Covered Bond 09/28	2,512,582

<b>Total sales for the period</b>	<b>£</b> <b>15,630,255</b>
TSB Covered Bond 02/24	2,273,549
iShares Short Dated Bond UCITS ETF	2,049,825
Yorkshire BS Covered Bond 11/24	2,030,311
Santander UK Covered Bond 11/24	2,004,650
Deutsche Pfandbriefbank Covered Bond 04/24	2,002,956
Skipton BS Covered Bond 02/24	1,518,760
Citigroup Bond 07/26	777,570
RBC Covered Bond 10/26	506,107
Clydesdale Covered Bond 03/26	504,129
Yorkshire BS Covered Bond 01/27	499,361
Other Sales	1,463,037

The above transactions represent all the purchases and top ten sales during the period

## STATEMENT OF TOTAL RETURN

For the six months ended 31 December	2023		2022	
	£	£	£	£
Income				
Net capital gains		2,983,925		535,343
Revenue	2,139,988		2,436,084	
Expenses	(275,396)		(257,134)	
Interest payable and similar charges	<u>(1,619)</u>		<u>(6,561)</u>	
Net revenue before taxation	1,862,973		2,172,389	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>1,862,973</u>		<u>2,172,389</u>
Total return before distributions		4,846,898		2,707,732
Finance costs: distributions		<u>(2,049,351)</u>		<u>(1,951,837)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>2,797,547</u>		<u>755,895</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 December	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	90,716,446	83,921,719
Amounts receivable on creation of shares	9,833,624	3,489,233
Amounts payable on cancellation of shares	(23,130,791)	(6,881,414)
Dividends reinvested	660,019	400,560
Changes in net assets attributable to shareholders from investment activities (see above)	2,797,547	755,895
<b>Closing net assets attributable to shareholders</b>	<u>80,876,845</u>	<u>81,685,993</u>

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 30 June 2023 was £90,716,446.

## BALANCE SHEET

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As at	31.12.2023		30.06.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		77,489,397		91,011,493
<b>Current assets</b>				
Debtors	2,474,398		639,161	
Cash and bank balances	<u>3,591,576</u>		<u>1,805,975</u>	
<b>Total current assets</b>		<u>6,065,974</u>		<u>2,445,136</u>
<b>Total assets</b>		<u>83,555,371</u>		<u>93,456,629</u>
<b>Investment liabilities</b>		-		(41,743)
<b>Current liabilities</b>				
<b>Creditors</b>				
Distribution payable on income shares	(628,348)		(773,406)	
Bank overdraft	(1,710,000)		(1,470,000)	
Other creditors	<u>(340,178)</u>		<u>(455,034)</u>	
<b>Total current liabilities</b>		<u>(2,678,526)</u>		<u>(2,698,440)</u>
<b>Net assets attributable to shareholders</b>		<u>80,876,845</u>		<u>90,716,446</u>

### Accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds 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.

The accounting policies applied are consistent with those in the Annual Financial Statements for the period ended 30 June 2022 and are described in those financial statements.

## DISTRIBUTION TABLES

### Q1 Interim interest 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 30 September 2023

<b>Class A Income</b>	<b>Net revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Interest distribution 30.11.2023</b>	<b>Interest distribution 30.11.2022</b>
Group 1	1.1100p	-	1.1100p	1.0700p
Group 2	0.7183p	0.3917p	1.1100p	1.0700p

<b>Class A Accumulation</b>	<b>Net revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Interest distribution 30.11.2023</b>	<b>Interest distribution 30.11.2022</b>
Group 1	1.4175p	-	1.4175p	1.3029p
Group 2	0.1285p	1.2890p	1.4175p	1.3029p

<b>Class I Income</b>	<b>Net revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Interest distribution 30.11.2023</b>	<b>Interest distribution 30.11.2022</b>
Group 1	0.0000p	-	0.0000p	1.1839p
Group 2	0.0000p	-	0.0000p	1.1839p

<b>Class I Accumulation</b>	<b>Net revenue 30.11.2023</b>	<b>Equalisation</b>	<b>Interest distribution 30.11.2023</b>	<b>Interest distribution 30.11.2022</b>
Group 1	1.4268p	-	1.4268p	1.3156p
Group 2	1.4268p	-	1.4268p	1.3156p

### Q2 Interim interest 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 December 2023

<b>Class A Income</b>	<b>Net revenue 28.02.2024</b>	<b>Equalisation</b>	<b>Interest distribution 28.02.2024</b>	<b>Interest distribution 28.02.2023</b>
Group 1	1.1250p	-	1.1250p	1.0700p
Group 2	0.4344p	0.6906p	1.1250p	1.0700p

<b>Class A Accumulation</b>	<b>Net revenue 28.02.2024</b>	<b>Equalisation</b>	<b>Interest distribution 28.02.2024</b>	<b>Interest distribution 28.02.2023</b>
Group 1	1.4520p	-	1.4520p	1.3178p
Group 2	0.3378p	1.1142p	1.4520p	1.3178p

<b>Class I Income</b>	<b>Net revenue 28.02.2024</b>	<b>Equalisation</b>	<b>Interest distribution 28.02.2024</b>	<b>Interest distribution 28.02.2023</b>
Group 1	0.2845p	-	0.2845p	1.1830p
Group 2	0.2313p	0.0532p	0.2845p	1.1830p

<b>Class I Accumulation</b>	<b>Net revenue 28.02.2024</b>	<b>Equalisation</b>	<b>Interest distribution 28.02.2024</b>	<b>Interest distribution 28.02.2023</b>
Group 1	1.4606p	-	1.4606p	1.3296p
Group 2	1.4606p	-	1.4606p	1.3296p

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Protean Capital PROCSI CoRE Fund
<b>Size of Sub-fund</b>	£4,806,114
<b>Launch date</b>	30 May 2018
<b>Investment objective and policy</b>	<p>The objective of the Sub-fund is to generate capital growth over the medium to long term (5 to 7 years)</p> <p>The Sub-fund will aim to meet its investment objective primarily through entering into one or more swaps each of which will provide exposure to a financial index. The financial indices to which the swaps are linked will provide exposure to multiple asset classes such as global equities, global fixed income and commodities. The swaps will be supported by the Sub-fund's other direct investments in a diversified portfolio which is expected to consist of transferable securities (including ETFs and potentially equities), other financial derivative instruments and government bonds.</p> <p>The Sub-fund may also invest in collective investment schemes, money market instruments, debentures, fixed interest securities, deposits and cash and near cash.</p> <p>Derivatives (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) may be used for purposes of meeting the Sub-fund's investment objectives and efficient portfolio management purposes and are expected to form a significant part of the Sub-fund's portfolio.</p> <p>There will be no particular emphasis on any geographic or industrial 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 long term (5-7 years)).
<b>Ex-distribution dates</b>	30 June
<b>Distribution dates</b>	31 August
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.
<b>Minimum investment*</b>	
Lump sum subscription:	Class A Accumulation = £2,000,000
Top-up:	Class A Accumulation = £100,000
Holding:	Class A Accumulation = £2,000,000
Redemption:	Class A Accumulation = N/A provided minimum holding is maintained
Switching:	Class A Accumulation = N/A provided minimum holding is maintained

\*The AFM may waive the minimum levels at its discretion.

### Annual management charges

The annual management charges (which include the management fee) are £30,000 per annum plus 0.5% (per annum) of the net asset value of the Sub-fund (plus VAT if applicable). The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year (from 1 January 2019). In the event of negative inflation, the fixed element of the fee will remain unchanged.

## INVESTMENT MANAGER'S REVIEW

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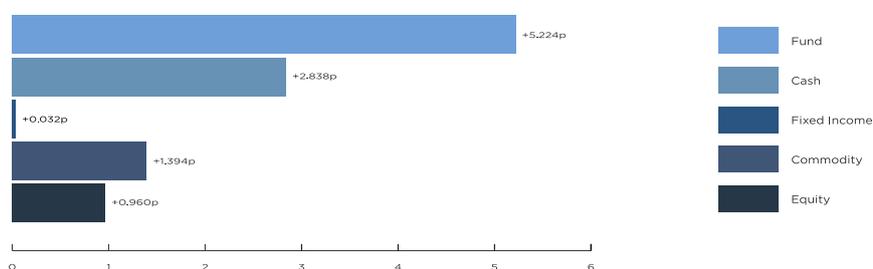
The fund's objective is to generate capital growth over the medium to long term. The fund aims to meet its investment objective primarily through entering into one or more swaps, each of which provides exposure to multiple asset classes including global equities, global fixed income and commodities. Under current market conditions, the manager anticipates annual capital growth of 5% to 7% over the medium to longer term. The swaps are supported by the fund's other direct investments in a diversified portfolio of fixed income instruments.

The fund's performance over the period under review was in line with its objectives given market moves. The fund's A Net Accumulation Share Class NAV increased from 108.8167p to 114.0403p (4.80%), while its 260-day volatility as of December 29th was 3.66%.

The fund's performance benefitted from its exposure to a globally diversified, risk-managed multi-asset strategy. The strategy provides exposure to equities, fixed income and commodities, rebalanced to maintain a constant risk profile. The manager maintained a portfolio of higher credit quality corporate bonds, with 89.56% of holdings rated Aaa by Moody's as of December 29th.

Cash (+2.838p), commodities (+1.394p) and equities (+0.960) drove the positive performance in the fund's A Net Accumulation Share Class NAV over the period. Fixed Income had a slight positive contribution (+0.032p).

Performance Contributions to NAV (30/06/2023 – 29/12/2023)



Point-to-point, the fund's AUM decreased from £6,502,659 to £4,806,114 in the period under review.

Protean Capital LLP  
Investment Manager to the Fund  
25 January 2024

1 Note: This is a guide and is not guaranteed.

## PERFORMANCE RECORD

### Financial Highlights

<b>Class A Accumulation</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	108.8167	106.4723	107.3324
Return before operating charges	5.5635	2.9687	(0.1759)
Operating charges (note 1)	(0.3399)	(0.6243)	(0.6842)
Return after operating charges *	5.2236	2.3444	(0.8601)
Closing net asset value per share	114.0403	108.8167	106.4723
Retained distributions on accumulated shares	-	-	-
*after direct transactions costs of:	-	0.032	-
Performance			
Return after charges	4.80%	2.20%	(0.80%)
Other information			
Closing net asset value	£4,811,987	£6,506,425	£51,497,413
Closing number of shares	4,219,549	5,979,250	48,366,951
Operating charges (note 2)	0.61%	0.58%	0.64%
Direct transaction costs	0.00%	0.03%	0.00%
Prices			
Highest share price	114.3464	109.3938	108.9403
Lowest share price	108.8719	104.1850	105.9931

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.

### Risk Profile

Based on past data, the Sub-fund is ranked a '3' 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 '3'). The Sub-fund is ranked 'a 3' because monthly historical data indicates that it has experienced low to medium rises and falls in market prices historically. Please note that even the lowest risk class can lose money and that extreme market circumstances can mean you suffer severe losses in all cases.

PORTFOLIO SUMMARY

As at 31 December 2023		
Holding	Value £	% of net assets
<b>Structured Notes (30.06.2023: 4.65%)</b>		
	-	-
<b>Bonds (30.06.2023: 89.29%)</b>		
500,000 Virgin Money Covered Bond 03/24	500,470	10.41%
500,000 Coventry BS Covered Bond 01/25	500,590	10.42%
500,000 HSBC Covered Bond 08/27	497,375	10.35%
500,000 NWIDE GBP SONIA + 0.60% 04/2026	501,170	10.43%
500,000 Santander UK Covered Bond 11/24	500,905	10.42%
500,000 Skipton BS Covered Bond 02/24	500,250	10.41%
500,000 Yorkshire BS Covered Bond 11/24	500,850	10.42%
300,000 Commonwealth Bank of Australia Covered Bond 01/25	300,165	6.25%
300,000 National Australia Covered Bond 02/25	299,997	6.24%
200,000 Royal Bank of Canada Covered Bond 10/26	202,030	4.20%
	<b>4,303,802</b>	<b>89.55%</b>
<b>Swaps (30.06.2023: 1.47%)</b>		
11,075 OTC - PROCSI Multi-CoRE Swap	-	-
<b>Total investments (30.06.2023: 95.41%)</b>	<b>4,303,802</b>	<b>89.55%</b>
<b>Other net assets (30.06.2023: 4.59%)</b>	<b>502,312</b>	<b>10.45%</b>
<b>Total net assets</b>	<b>4,806,114</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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<b>Total purchases for the period</b>	<b>£</b> <b>506,078</b>
Skipton BS Covered Bond 02/24	506,078

<b>Total sales for the period</b>	<b>£</b> <b>2,002,645</b>
TSB Covered Bond 02/24	502,968
UK GILT 22/07/2023	500,000
Deutsche Pfandbriefbank Covered Bond 09/23	500,000
Citigroup Bond 07/26	195,300
BMO GBP SONIA + 0.65% 12/2025	304,377

The above transactions represent all the purchases and the top ten sales during the period

## STATEMENT OF TOTAL RETURN

For the six months ended 31 December	2023		2022	
	£	£	£	£
Income				
Net capital gains/(losses)		276,486		(287,198)
Revenue	43,568		652,799	
Expenses	(49,404)		(161,068)	
Interest payable and similar charges	<u>(813)</u>		<u>(558,935)</u>	
Net expenses before taxation	(6,649)		(67,204)	
Taxation	<u>-</u>		<u>-</u>	
Net expenses after taxation		<u>(6,649)</u>		<u>(67,204)</u>
Total return before distributions		269,837		(354,402)
Finance costs: distributions		<u>(385)</u>		<u>(4)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>269,452</u>		<u>(354,406)</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 December	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	6,502,663	51,497,408
Amounts receivable on creation of shares	77,976	2,581,250
Amounts payable on cancellation of shares	(2,043,977)	(4,560,951)
Dilution levies	-	(354,406)
Changes in net assets attributable to shareholders from investment activities (see above)	269,452	49,163,301
<b>Closing net assets attributable to shareholders</b>	<u>4,806,114</u>	<u>51,497,408</u>

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 30 June 2023 was £6,502,659

## BALANCE SHEET

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As at	31.12.2023		30.06.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		4,303,802		6,203,682
<b>Current assets</b>				
Debtors	95,991		59,194	
Cash and bank balances	<u>441,728</u>		<u>336,226</u>	
<b>Total current assets</b>		<u>537,719</u>		<u>395,420</u>
<b>Total assets</b>		<u>4,841,521</u>		<u>6,599,102</u>
<b>Investment liabilities</b>		-		-
<b>Current liabilities</b>				
<b>Creditors</b>				
Other creditors	(35,407)		(53,164)	
Bank overdraft	<u>-</u>		<u>(43,279)</u>	
<b>Total current liabilities</b>		<u>(35,407)</u>		<u>(96,443)</u>
<b>Net assets attributable to shareholders</b>		<u>4,806,114</u>		<u>6,502,659</u>

### Accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds 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.

The accounting policies applied are consistent with those in the Annual Financial Statements for the period ended 30 June 2022 and are described in those financial statements.

### Distribution

The Sub-fund did not distribute in the six month period ended 31 December 2023 (period ended 31 December 2022: nil distribution).

## INFORMATION FOR INVESTORS

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### Taxation

The Company will pay no corporation tax on its profits For the six months ended 31 December 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. However, 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.

### Corporate shareholders

Companies resident for tax purposes in the UK which hold shares should note that OEIC dividend 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 normal business hours. Instructions may be given by email to the below email addresses or by sending an application form to the Registrar. Application forms are available from the Registrar.

For VT Castlebay UK Equity Fund: [castlebay@valu-trac.com](mailto:castlebay@valu-trac.com)

For VT Protean Capital Elder Fund and VT Protean Capital PROCSI CoRE Fund: [protean@valu-trac.com](mailto:protean@valu-trac.com)

The price of shares will be determined by reference to a valuation of the Company's net assets at 12.00 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. Settlement is due four business days after the trade date shown on 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 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.

**CORPORATE DIRECTORY**

<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 : castlebay@valu-trac.com  : protean@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority  Registered in England No 2428648</p>
<b>Director</b>	<p>Valu-Trac Investment Management Limited as AFM</p>
<b>Investment Manager</b>	<p>For VT Castlebay UK Equity Fund:  Castlebay Investment Partners LLP  14 Sandyford Place  Glasgow  G3 7NB</p> <p>For VT Protean Capital Elder Fund and VT Protean Capital PROCSI CoRE Fund:  Protean Capital LLP  Hazelwood House  53 New Oxford Street  London  WC1A 1BL</p> <p>All authorised and regulated by the Financial Conduct Authority</p>
<b>Depositary</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>