

THE DISCOVERY FUND

**(Sub-funds Discovery Balanced Fund, Discovery Growth Fund
and Discovery Cautious Fund)**

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

CONTENTS PAGE

	Page
Company Overview	1
Statement of the Authorised Fund Manager's (AFM's) Responsibilities	2
Discovery Balanced Fund	
Sub-fund Overview	3
Investment Adviser's Review	5
Performance Record	6
Portfolio Statement	10
Summary of Material Portfolio Changes	11
Statement of Total Return	12
Statement of Changes in Net Assets Attributable to Shareholders	12
Balance Sheet	13
Distribution Tables	14
Discovery Growth Fund	
Sub-fund Overview	15
Investment Adviser's Review	17
Performance Record	18
Portfolio Statement	21
Summary of Material Portfolio Changes	22
Statement of Total Return	23
Statement of Changes in Net Assets Attributable to Shareholders	23
Balance Sheet	24
Discovery Cautious Fund	
Sub-fund Overview	25
Investment Adviser's Review	27
Performance Record	28
Portfolio Statement	30
Summary of Material Portfolio Changes	31
Statement of Total Return	32
Statement of Changes in Net Assets Attributable to Shareholders	32
Balance Sheet	33
Distribution Tables	34
Information for Investors	35
Corporate Directory	36

COMPANY OVERVIEW

Type of Company:

The Company is an investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC000365. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes Sourcebook ("COLL") issued by the FCA. Each Sub-fund would be a UCITS scheme if they had separate authorisation orders.

The Company has currently three sub-funds available for investment, Discovery Balanced Fund, Discovery Growth Fund and Discovery Cautious Fund.

Shareholders are not liable for the debts of the Company.

A shareholder is not liable to make any further payment to the Company after they have paid the price on the purchase of the shares.

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 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 gains/(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

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

Name of Sub-fund	Discovery Balanced Fund
Size of Sub-fund	£90,925,116
Launch date	21 March 2005
Sub-fund objective and policy	<p>The objective of the Sub-fund is to provide returns through a combination of capital growth and income over a market cycle (5 years).</p> <p>The Sub-fund will primarily gain exposure indirectly via eligible collective investment schemes and other collective investment vehicles (for example, investment companies, exchange traded funds) to a range of eligible assets such as transferable securities (shares (including investment trusts), debentures, government and public securities, warrants or certificates representing certain securities), money market instruments, deposits, cash, property and commodities to provide diversification. The Sub-fund may also invest directly in such eligible assets (excluding property and commodities). Derivatives will be used only for the purpose of Efficient Portfolio Management.</p> <p>The Sub-fund will be constructed based on the Investment Manager's assessment of the broader economic outlook as well as the absolute and relative attractiveness of different asset classes. This analysis, combined with the view on the potential risk profile and relative risk-adjusted returns of asset classes will determine the current asset allocation of the Sub-fund.</p> <p>Typically, the Sub-fund is likely to have a balanced exposure to underlying equities and commodities, on the one hand, and underlying cash, fixed interest and property assets on the other.</p> <p>The Investment Manager will use a wide range of assets and asset classes to provide a diversified investment approach and will actively alter the weights of the component parts where necessary with a view to achieving the investment objective. The Sub-fund might have the ability to be fully invested in one class of asset, but in reality, due to creating a diversified investment solution, it will be exposed to numerous managers, geographies, asset classes and styles.</p>
Performance comparator	<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 the performance of the IA Mixed Investment 40-85% Shares, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 January, 30 April, 31 July and 31 October
Distribution dates	31 March, 30 June, 30 September and 31 December
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Share class information

Share class	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Monthly savings available	Minimum redemption	Initial charge
A Sterling Net Income Shares*	£3,000	£1,000	£3,000	Yes	£1,000	5%
B Sterling Net Income Shares*	£3,000	£1,000	£3,000	Yes	£1,000	0%
C Sterling Net Income Shares**	£5,000,000	£500,000	£5,000,000	Yes	£500,000	0%
A Sterling Net Accumulation Shares	£3,000	£1,000	£3,000	Yes	£1,000	5%
B Sterling Net Accumulation Shares	£3,000	£1,000	£3,000	Yes	£1,000	0%
C Sterling Net Accumulation Shares**	£5,000,000	£500,000	£5,000,000	Yes	£500,000	0%
US \$ Net Accumulation Shares	\$5,000	\$1,500	\$5,000	Yes	\$1,500	5%
Euro Net Accumulation Shares	€ 5,000	€ 1,500	€ 5,000	Yes	€ 1,500	5%

* A Class shares closed to investment since 12 June 2023

** C Class shares are available only to investors with a separate arrangement with the AFM or the Investment Manager.

Annual management charges to 11 June 2023

The annual management charge is as follows £25,000[^] plus:

In respect of the A shares, it is equal to 1.45% per annum of the net asset value of the A shares.

In respect of the B shares, it is equal to 0.70% per annum of the net asset value of the B shares.

In respect of the C shares, it is equal to 0.40% per annum of the net asset value of the C shares.

In respect of the US \$ shares, it is equal to 1.55% per annum of the net asset value of the US \$ shares.

In respect of the Euro shares, it is equal to 1.55% per annum of the net asset value of the Euro 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 January each year (from 1 January 2020). In the event of negative inflation, the fixed element of the fee will remain unchanged.

Annual management charges from 12 June 2023

The annual management charge is as follows £53,431^{**} plus:

A variable fee based on the Net Asset Value of the Sub-fund as follows

- Up to £100 million – 1.5 bps (0.015%) per annum
- £100 million to £250 million – 0.75 bps (0.0075%) per annum
- £250 million to £500 million – 0.50 bps (0.0050%) per annum
- thereafter – 0.25 bps (0.0025%) per annum

In respect of the B shares, it is equal to 0.70% per annum of the net asset value of the B shares.

In respect of the C shares, it is equal to 0.40% per annum of the net asset value of the C shares.

In respect of the US \$ shares, it is equal to 1.55% per annum of the net asset value of the US \$ shares.

In respect of the Euro shares, it is equal to 1.55% per annum of the net asset value of the Euro 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 January each year (from 1 January 2024). In the event of negative inflation, the fixed element of the fee will remain unchanged.

Investment adviser rebate

The Investment Adviser of the Sub-fund had undertaken to absorb any costs that would otherwise cause the C shares to have ongoing charges in excess of 0.80%. This rebate arrangement ceased on 03 March 2023.

The most recent six months have seen bouts of excess. Excess both from an enthusiastic as well as a pessimistic perspective. Some markets are delivering returns as if the global economy is operating as smoothly as a finely crafted Swiss clock, whereas others are in full denial and are preparing for economic Armageddon. When capital markets are like this, navigating the investing landscape is very tricky. For instance, a year or so ago, market commentators discussing the Chinese markets opening up from their (some said) “draconian” Covid clampdown restrictions would boost the global economy. The country has more than a billion consumers and they were going to spend like there was no tomorrow. This in turn would boost one of the largest economies in the world, creating demand locally which would then improve sentiment globally and therefore the world would benefit. In the last six months, the average fund investing in the Chinese Markets has fallen by almost 15% (source: FEFundInfo – sector UT China/Greater China).

At the other end of the league table, the tech heavy NASDAQ 100 index saw its value rise by more than a quarter in the six months to 31 July. The US has seen interest rates rise significantly over the last year or so and although inflation is falling, it is still significantly higher than the 2% number the Federal Reserve are targeting and further rate rises are not off the cards. The US economy is slowing; the property market is struggling; taxes are rising in a number of states and although unemployment levels are relatively low, consensus forecasts are calling for this number to rise which ultimately raises questions as to why an index comprised of fast growing companies has performed like it has done.

There are a couple of specific factors driving the Nasdaq higher – the hype around AI (Artificial Intelligence) has driven the share price of Nvidia – one of the major beneficiaries – from a little over \$225 per share to just less than \$500 in the last six months (source: Yahoo! Finance) which has had a big impact on the index. The share price rises of six other stocks – collectively being called the “magnificent 7” (which also includes Meta (the parent of Facebook), Microsoft, Apple, Alphabet (the parent of Google) Tesla and Amazon) have accounted for the majority of the rise of the index.

The Japanese Yen has depreciated by more than 10% in the last six months, whereas the Nikkei 225 Index has been a strong performer. Global bonds have struggled, with the majority registering losses. In market conditions like these, risks abound everywhere. For instance, the average fund in the UK Gilt sector, a perceived “low risk” asset class lost almost 6%, yet the average fund in the UK Smaller Companies sector, a perceived “high risk” asset class lost slightly less.

Looking forward the contradictory signals are likely to continue for the markets. Central Bankers are now deciding the future direction of interest rates through being “data dependent.” Many investors are asking “should I invest at all when I can 5% interest on my cash for no risk” and it seems a logical question especially considering the uncertainty in markets at the moment. But, if your time horizon is long-enough, taking some risk (whether that be equity or fixed income or commodity) has been rewarded even if there are degrees of short-term pain.

In the six months to 31 July, the VT Discovery Balanced fund saw its unit price (C Share accumulation units) rise by 0.81%. The comparator index – UT Mixed Investment 40-85% shares rose by 1.00%.

During the review period, two holdings left the portfolio and two new assets were introduced, so the number of holdings remained steady at twenty-nine. The fund welcomed a new strategic corporate bond fund (managed by Premier Miton) to the fold, and the long-held Fidelity Emerging Markets fund was replaced by an Emerging Markets fund overseen by Vanguard which we believe will add more consistent value to the VT Discovery Balanced portfolio over the medium to longer term.

Geographically, the exposure to Europe rose in line with the changes to the asset allocation guidelines and Japan was cut back, as was the allocation to funds managed with a “global” mandate. From a fixed income perspective, the allocation to global sovereign debt funds was cut, as was investment grade credit whereas the allocation to “strategic” bonds rose quite significantly.

The list that follows is not exhaustive, but at the fund level a number of changes were made, with the following seeing their allocation fall over the most recent six month time periods: Allianz Strategic Bond, Fidelity Asia Pacific Opportunities, L&G ESG Corporate Bond ETF, Man GLG Japan CoreAlpha. The beneficiaries were Martin Currie European Unconstrained, Gresham House UK Multi Cap Income, Fidelity Index World, Lightman European.

Hawksmoor Investment Management Limited
Investment Adviser to the Fund
21 September 2023

PERFORMANCE RECORD

Financial Highlights

		Period 01 February 2022 to 12 June 2023	Year ended 31 January 2023	Year ended 31 January 2022
A Sterling Net Income Shares				
Changes in net assets per share	GBP	GBP	GBP	
Opening net asset value per share	108.83	117.86	117.40	
Return before operating charges	(0.27)	(3.99)	5.06	
Operating charges (note 1)	(0.78)	(2.20)	(2.34)	
Return after operating charges *	(1.05)	(6.19)	2.72	
Distributions on income shares	(1.28)	(2.84)	(2.26)	
Closing net asset value per share	106.50	108.83	117.86	
*after direct transactions costs of:		-	-	-
Performance				
Return after charges	(0.96%)	(5.25%)	2.31%	
Other information				
Closing net asset value	-	£663,281	£921,046	
Closing number of shares	-	609,466	781,468	
Operating charges (note 2)	2.00%	1.94%	1.99%	
Direct transaction costs	0.00%	0.00%	0.00%	
Prices				
Highest share price	111.09	119.92	124.84	
Lowest share price	105.47	101.72	116.77	

^Share class closed on 12 June 2023 following mandatory conversion of shares

		Six months ended 31 July 2023	Year ended 31 January 2023	Year ended 31 January 2022
B Sterling Net Income Shares				
Changes in net assets per share	GBP	GBP	GBP	
Opening net asset value per share	118.47	127.33	125.86	
Return before operating charges	1.51	(4.32)	5.46	
Operating charges (note 1)	(0.74)	(1.46)	(1.57)	
Return after operating charges *	0.77	(5.78)	3.89	
Distributions on income shares	(2.11)	(3.08)	(2.42)	
Closing net asset value per share	117.13	118.47	127.33	
*after direct transactions costs of:		-	-	-
Performance				
Return after charges	0.65%	(4.54%)	3.09%	
Other information				
Closing net asset value	£3,506,353	£2,849,282	£3,119,934	
Closing number of shares	2,993,587	2,405,150	2,450,263	
Operating charges (note 2)	1.25%	1.19%	1.24%	
Direct transaction costs	0.00%	0.00%	0.00%	
Prices				
Highest share price	120.95	129.57	134.65	
Lowest share price	113.79	110.48	125.29	

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

		Period 01 February 2022 to 12 June 2023	Year ended 31 January 2023	Year ended 31 January 2022
A Sterling Net Accumulation Shares				
Changes in net assets per share		GBp	GBp	GBp
	Opening net asset value per share	202.26	213.10	208.73
	Return before operating charges	(0.52)	(6.82)	8.57
	Operating charges (note 1)	(1.46)	(4.03)	(4.20)
	Return after operating charges *	(1.98)	(10.85)	4.37
	Closing net asset value per share	200.28	202.26	213.10
	Retained distributions on accumulated shares	2.38	5.19	4.04
	*after direct transactions costs of:	-	-	-
Performance				
	Return after charges	(0.98%)	(5.09%)	2.09%
Other information				
	Closing net asset value	-	£1,566,449	£2,050,523
	Closing number of shares	-	774,490	962,216
	Operating charges (note 2)	2.00%	1.94%	1.99%
	Direct transaction costs	0.00%	0.00%	0.00%
Prices				
	Highest share price	206.45	216.83	225.72
	Lowest share price	196.36	187.11	207.63

^Share class closed on 12 June 2023 following mandatory conversion of shares

		Six months ended 31 July 2023	Year ended 31 January 2023	Year ended 31 January 2022
B Sterling Net Accumulation Shares				
Changes in net assets per share		GBp	GBp	GBp
	Opening net asset value per share	157.73	164.94	160.35
	Return before operating charges	2.03	(5.29)	6.61
	Operating charges (note 1)	(0.99)	(1.92)	(2.02)
	Return after operating charges *	1.04	(7.21)	4.59
	Closing net asset value per share	158.77	157.73	164.94
	Retained distributions on accumulated shares	2.82	4.03	3.11
	*after direct transactions costs of:	-	-	-
Performance				
	Return after charges	0.66%	(4.37%)	2.86%
Other information				
	Closing net asset value	£3,362,406	£2,431,263	£3,112,375
	Closing number of shares	2,117,809	1,541,448	1,886,942
	Operating charges (note 2)	1.25%	1.19%	1.24%
	Direct transaction costs	0.00%	0.00%	0.00%
Prices				
	Highest share price	161.03	167.84	174.43
	Lowest share price	153.28	145.59	159.63

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

		Six months ended 31 July 2023	Year ended 31 January 2023	Year ended 31 January 2022
C Sterling Net Income Shares				
Changes in net assets per share		GBp	GBp	GBp
	Opening net asset value per share	111.92	119.76	117.90
	Return before operating charges	1.43	(4.01)	5.08
	Operating charges (note 1)	(0.53)	(0.93)	(0.95)
	Return after operating charges *	0.90	(4.94)	4.13
	Distribution on income shares	(1.99)	(2.90)	(2.27)
	Closing net asset value per share	110.83	111.92	119.76
	*after direct transactions costs of:	-	-	-
Performance				
	Return after charges	0.80%	(4.12%)	3.50%
Other information				
	Closing net asset value	£864,326	£839,824	£913,113
	Closing number of shares	779,864	750,374	762,449
	Operating charges (note 2)	0.95%	0.80%	0.80%
	Direct transaction costs	0.00%	0.00%	0.00%
Prices				
	Highest share price	114.28	121.87	126.54
	Lowest share price	107.65	104.25	117.44

		Six months ended 31 July 2023	Year ended 31 January 2023	Year ended 31 January 2022
C Sterling Net Accumulation Shares				
Changes in net assets per share		GBp	GBp	GBp
	Opening net asset value per share	135.52	141.09	136.58
	Return before operating charges	1.75	(4.47)	5.62
	Operating charges (note 1)	(0.65)	(1.11)	(1.11)
	Return after operating charges *	1.10	(5.57)	4.51
	Closing net asset value per share	136.62	135.52	141.09
	Retained distributions on accumulated shares	2.42	3.47	2.65
	*after direct transactions costs of:	-	-	-
Performance				
	Return after charges	0.81%	(3.95%)	3.30%
Other information				
	Closing net asset value	£83,249,487	£86,251,087	£87,431,130
	Closing number of shares	60,933,313	63,646,331	61,968,084
	Operating charges (note 2)	0.95%	0.80%	0.80%
	Direct transaction costs	0.00%	0.00%	0.00%
Prices				
	Highest share price	138.37	143.57	149.07
	Lowest share price	131.76	124.94	136.06

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

		Period to 06 July 2021 [^]
Euro Net Accumulation Shares		
Changes in net assets per share		EURc
	Opening net asset value per share	231.04
	Return before operating charges	24.89
	Operating charges (note 1)	(5.04)
	Return after operating charges *	19.85
	Closing net asset value per share	250.89
	Retained distributions on accumulated shares	2.00
	*after direct transactions costs of:	-
Performance	Return after charges	8.59%
Other information	Closing net asset value	-
	Closing number of shares	-
	Operating charges (note 2)	2.09%
	Direct transaction costs	0.00%
Prices	Highest share price	250.89
	Lowest share price	232.43

[^]Share class fully redeemed on 06 July 2021.

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 underlying 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 (31 January 2023 ranked: 4). The Sub-fund is ranked 4 because volatility has been measured as average.

PORTFOLIO STATEMENT

As at 31 July 2023

Holding	Value £	% of net assets
Collective Investment Scheme (31.01.2023: 74.55%)		
2,802,500 Allianz Strategic Bond	2,526,734	2.77
2,317,500 Artemis Corporate Bond	2,274,626	2.50
1,500,000 BNY Mellon Global Infrastructure Income	1,359,000	1.49
632,975 Fidelity Asia Pacific Opportunities	1,824,866	2.01
6,767,500 Fidelity Index UK	11,032,379	12.13
2,673,000 Fidelity Index US	9,935,541	10.93
1,361,000 Fidelity Index World	3,911,514	4.30
767,000 Fidelity Index Japan	1,553,942	1.71
1,597,500 Franklin UK Equity Income	4,044,870	4.45
6,402,611 Legal & General UK Mid Cap Index	3,819,157	4.20
1,935,000 Legal & General Global Inflation Linked Bond Index	1,141,650	1.26
1,195,000 Legal & General Global Infrastructure Index	920,270	1.01
2,090,000 LF Lightman European	3,051,400	3.36
1,610,000 FTF Martin Currie European Unconstrained	2,645,230	2.91
2,520,000 LF Gresham House UK Multi Cap Income Fund	4,079,880	4.49
957,500 Man GLG Japan CoreAlpha	2,320,023	2.55
3,960,000 Man GLG Sterling Corporate Bond	3,886,344	4.27
2,275,000 Premier Miton Strategic Monthly income Bond Fund	2,302,300	2.53
3,215,000 Royal London Short Duration Global High Yield Bond	3,604,980	3.96
238,500 The SEI Liquid Alternative Fund	3,172,050	3.49
12,575 Vanguard Global Emerging Markets	2,685,488	2.95
	72,092,244	79.27
Exchange Traded Funds (31.01.2022: 19.80%)		
41,175 JPM GBP Ultra-Short Income UCITS ETF	4,313,081	4.74
274,500 L&G ESG GBP Corporate Bond UCITS ETF	2,104,866	2.31
25,050 Lyxor Core FTSE Actuaries UK Gilts(DR)UCITS ETF	2,529,048	2.78
193,250 WisdomTree Global Quality Dividend Growth UCITS ETF	5,298,914	5.83
	14,245,909	15.66
Investments Trusts (31.01.2023: 4.52%)		
765,455 Blackstone / GSO Loan Financing Ltd	433,310	0.48
112,500 Cordiant Digital Infrastructure Ltd (SUB SHS)	4,500	0.00
1,657,500 Cordiant Digital Infrastructure Ltd	1,326,000	1.46
2,755,000 Hipgnosis Songs Fund Ltd	2,181,960	2.41
	3,945,770	4.35
REITs (31.01.2023: 0.89%)		
1,170,000 Alternative Income REIT PLC	732,420	0.82
	732,420	0.82
Portfolio of investments (31.01.2023: 99.76%)	91,016,343	100.10
Net other assets (31.01.2023: 0.24%)	(91,227)	(0.10)
	90,925,116	100.00

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the period	18,159,336
Fidelity Emerging Markets	2,628,870
Fidelity Index US	1,839,053
Vanguard Total International Bond Index Fund	1,625,741
Lyxor Core FTSE Actuaries UK Gilts(DR)UCITS ETF	1,287,367
WisdomTree Global Quality Dividend Growth UCITS ETF	1,221,138
Allianz Strategic Bond	1,220,640
TwentyFour Corporate Bond	1,154,488
Man GLG Japan CoreAlpha	1,003,170
Fidelity Index UK	863,183
Fidelity Index World	829,368
Various other sales	4,486,318

	£
Total Purchases for the period	14,351,243
Royal London Short Duration Global High Yield Bond	3,725,899
Vanguard Global Emerging Markets	2,507,017
Premier Miton Strategic Monthly Income Bond Fund	2,294,250
LF Lightman European	1,074,304
Fidelity Index US	1,047,442
FTF Martin Currie European Unconstrained	995,510
LF Gresham House UK Multi Cap Income Fund	525,137
Legal & General UK Mid Cap Index	507,948
Fidelity Index World	431,488
Lyxor Core FTSE Actuaries UK Gilts(DR)UCITS ETF	309,228
Various other purchases	933,020

The above represents the top 10 sales and purchases during the period.

STATEMENT OF TOTAL RETURN**For the six months ended 31 July (unaudited)**

	2023	2022
	£	£
Income		
Net capital (losses)	(886,139)	(5,970,894)
Revenue	1,802,749	1,554,942
Expenses	(256,041)	(256,626)
Interest payable and similar charges	<u>(538)</u>	<u>(132)</u>
Net revenue before taxation	1,546,170	1,298,184
Taxation	<u>(318)</u>	<u>-</u>
Net revenue after taxation	<u>1,545,852</u>	<u>1,298,184</u>
Total return before distributions	659,713	(4,672,710)
Finance costs: distributions	<u>(1,666,813)</u>	<u>(1,485,473)</u>
Changes in net assets attributable to shareholders from investment activities	<u>(1,007,100)</u>	<u>(6,158,183)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the six months ended 31 July (unaudited)**

	2023	2022
	£	£
Opening net assets attributable to shareholders	94,545,657	97,525,329
Amounts receivable on creation of shares	3,628,668	7,402,835
Amounts payable on cancellation of shares	(7,794,586)	(5,096,422)
Dividend reinvested	1,552,477	1,418,483
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(1,007,100)</u>	<u>(6,158,183)</u>
Closing net assets attributable to shareholders	<u>90,925,116</u>	<u>95,092,042</u>

The Investment Association SORP requires 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 January 2023 was £94,545,657.

BALANCE SHEET

As at (unaudited)

	31.07.2023		31.01.2023	
	£	£	£	£
ASSETS				
Investment assets		91,016,343		94,320,443
Current assets				
Debtors	319,572		1,170,789	
Cash and bank balances	2,621,255		916,193	
Total current assets		2,940,827		2,086,982
Total assets		93,957,170		96,407,425
LIABILITIES				
Current liabilities				
Distribution payable on income shares	(26,651)		(31,160)	
Bank overdraft	(2,392,159)		(1,044,262)	
Creditors	(613,244)		(786,346)	
Total current liabilities		(3,032,054)		(1,861,768)
Net assets attributable to shareholders		90,925,116		94,545,657

Accounting policies

The accounting policies applied are consistent with those of the financial statements for the year ended 31 January 2023 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. The functional currency is Sterling.

DISTRIBUTION TABLES

Q1 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 February 2023

Group 2 : Shares purchased 01 February 2023 to 30 April 2023

Payment date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
30.06.2023	group 1	A Sterling Net Income	1.2795p	-	1.2795p	0.9127p
30.06.2023	group 2	A Sterling Net Income	0.7068p	0.5727p	1.2795p	0.9127p
30.06.2023	group 1	B Sterling Net Income	1.3938p	-	1.3938p	0.9875p
30.06.2023	group 2	B Sterling Net Income	1.2995p	0.0943p	1.3938p	0.9875p
30.06.2023	group 1	C Sterling Net Income	1.3173p	-	1.3173p	0.9237p
30.06.2023	group 2	C Sterling Net Income	0.0000p	1.3173p	1.3173p	0.9237p
30.06.2023	group 1	A Sterling Net Accumulation	2.3778p	-	2.3778p	1.6535p
30.06.2023	group 2	A Sterling Net Accumulation	2.3778p	-	2.3778p	1.6535p
30.06.2023	group 1	B Sterling Net Accumulation	1.8558p	-	1.8558p	1.2815p
30.06.2023	group 2	B Sterling Net Accumulation	0.5056p	1.3502p	1.8558p	1.2815p
30.06.2023	group 1	C Sterling Net Accumulation	1.5950p	-	1.5950p	1.1069p
30.06.2023	group 2	C Sterling Net Accumulation	0.5981p	0.9969p	1.5950p	1.1069p

Q2 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 May 2023

Group 2 : Shares purchased 01 May 2023 to 31 July 2023

Payment date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
29.09.2023	group 1	A Sterling Net Income	-	-	-	0.8193p
29.09.2023	group 2	A Sterling Net Income	-	-	-	0.8193p
29.09.2023	group 1	B Sterling Net Income	0.7143p	-	0.7143p	0.8876p
29.09.2023	group 2	B Sterling Net Income	0.0652p	0.6491p	0.7143p	0.8876p
29.09.2023	group 1	C Sterling Net Income	0.6756p	-	0.6756p	0.8362p
29.09.2023	group 2	C Sterling Net Income	0.5654p	0.1102p	0.6756p	0.8362p
29.09.2023	group 1	A Sterling Net Accumulation	-	-	-	1.4959p
29.09.2023	group 2	A Sterling Net Accumulation	-	-	-	1.4959p
29.09.2023	group 1	B Sterling Net Accumulation	0.9623p	-	0.9623p	1.1611p
29.09.2023	group 2	B Sterling Net Accumulation	0.4748p	0.4875p	0.9623p	1.1611p
29.09.2023	group 1	C Sterling Net Accumulation	0.8278p	-	0.8278p	0.9945p
29.09.2023	group 2	C Sterling Net Accumulation	0.4086p	0.4192p	0.8278p	0.9945p

SUB-FUND OVERVIEW

Name of Sub-fund	Discovery Growth Fund
Size of Sub-fund	£34,762,533
Launch date	23 October 2006
Sub-fund objective and policy	<p>The objective of the Sub-fund is to provide capital growth over a market cycle (5 years).</p> <p>The Sub-fund will primarily gain exposure indirectly via eligible collective investment schemes and other collective investment vehicles (for example, investment companies, exchange traded funds) to a range of eligible assets such as transferable securities (shares (including investment trusts), debentures, government and public securities, warrants or certificates representing certain securities), money market instruments, deposits, cash, property and commodities to provide diversification. The Sub-fund may also invest directly in such eligible assets (excluding property and commodities). Derivatives will be used only for the purpose of Efficient Portfolio Management.</p> <p>The Sub-fund will be constructed based on the Investment Manager's assessment of the broader economic outlook as well as the absolute and relative attractiveness of different asset classes. This analysis, combined with the view on the potential risk profile and relative risk-adjusted returns of asset classes will determine the current asset allocation of the Sub-fund.</p> <p>Typically, the Sub-fund is likely to have greater exposure to higher risk assets such as underlying equities and commodities with a view to achieving higher growth, and less exposure to underlying cash, fixed interest and property assets, than other funds in the range.</p> <p>The Investment Manager will use a wide range of assets and asset classes to provide a diversified investment approach and will actively alter the weights of the component parts where necessary with a view to achieving the investment objective. The Sub-fund might have the ability to be fully invested in one class of asset, but in reality, due to creating a diversified investment solution, it will be exposed to numerous managers, geographies, asset classes and styles.</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 the performance of the IA Flexible Investment sector, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 January
Distribution dates	31 March
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)**Share class information**

Share class	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Monthly savings available	Minimum redemption	Initial charge
A Sterling Net Accumulation Shares*	£3,000	£1,000	£3,000	Yes	£1,000	5%
B Sterling Net Accumulation Shares	£3,000	£1,000	£3,000	Yes	£1,000	0%
C Sterling Net Accumulation Shares**	£5,000,000	£500,000	£5,000,000	Yes	£500,000	0%
US \$ Net Accumulation Shares	\$5,000	\$1,500	\$5,000	Yes	\$1,500	5%
Euro Net Accumulation Shares	€ 5,000	€ 1,500	€ 5,000	Yes	€ 1,500	5%

* A Class shares closed to investment since 12 June 2023

** C Class shares are available only to investors with a separate arrangement with the AFM or the Investment Manager.

Annual management charges to 11 June 2023

The annual management charge is as follows £25,000[^] plus:

In respect of the A shares, it is equal to 1.45% per annum of the net asset value of the A shares.

In respect of the B shares, it is equal to 0.70% per annum of the net asset value of the B shares.

In respect of the C shares, it is equal to 0.40% per annum of the net asset value of the C shares.

In respect of the US \$ and Euro shares, it is equal to 1.55% per annum of the net asset value of the US \$ shares or Euro 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 January each year (from 1 January 2020). In the event of negative inflation, the fixed element of the fee will remain unchanged.

Annual management charges from 12 June 2023

The annual management charge is as follows £53,431^{**} plus:

A variable fee based on the Net Asset Value of the Sub-fund as follows

- Up to £100 million – 1.5 bps (0.015%) per annum
- £100 million to £250 million – 0.75 bps (0.0075%) per annum
- £250 million to £500 million – 0.50 bps (0.0050%) per annum
- thereafter – 0.25 bps (0.0025%) per annum

In respect of the B shares, it is equal to 0.70% per annum of the net asset value of the B shares.

In respect of the C shares, it is equal to 0.40% per annum of the net asset value of the C shares.

In respect of the US \$ shares, it is equal to 1.55% per annum of the net asset value of the US \$ shares.

In respect of the Euro shares, it is equal to 1.55% per annum of the net asset value of the Euro 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 January each year (from 1 January 2024). In the event of negative inflation, the fixed element of the fee will remain unchanged.

Investment adviser rebate

The Investment Adviser of the Sub-fund had undertaken to absorb any costs that would otherwise cause the C shares to have ongoing charges in excess of 0.80%. This rebate arrangement ceased on 03 March 2023.

The most recent six months have seen bouts of excess. Excess both from an enthusiastic as well as a pessimistic perspective. Some markets are delivering returns as if the global economy is operating as smoothly as a finely crafted Swiss clock, whereas others are in full denial and are preparing for economic Armageddon. When capital markets are like this, navigating the investing landscape is very tricky. For instance, a year or so ago, market commentators discussing the Chinese markets opening up from their (some said) "draconian" Covid clampdown restrictions would boost the global economy. The country has more than a billion consumers and they were going to spend like there was no tomorrow. This in turn would boost one of the largest economies in the world, creating demand locally which would then improve sentiment globally and therefore the world would benefit. In the last six months, the average fund investing in the Chinese Markets has fallen by almost 15% (source: FEFundInfo – sector UT China/Greater China).

At the other end of the league table, the tech heavy NASDAQ 100 index saw its value rise by more than a quarter in the six months to 31 July. The US has seen interest rates rise significantly over the last year or so and although inflation is falling, it is still significantly higher than the 2% number the Federal Reserve are targeting and further rate rises are not off the cards. The US economy is slowing; the property market is struggling; taxes are rising in a number of states and although unemployment levels are relatively low, consensus forecasts are calling for this number to rise which ultimately raises questions as to why an index comprised of fast growing companies has performed like it has done.

There are a couple of specific factors driving the Nasdaq higher – the hype around AI (Artificial Intelligence) has driven the share price of Nvidia – one of the major beneficiaries – from a little over \$225 per share to just less than \$500 in the last six months (source: Yahoo! Finance) which has had a big impact on the index. The share price rises of six other stocks – collectively being called the "magnificent 7" (which also includes Meta (the parent of Facebook), Microsoft, Apple, Alphabet (the parent of Google) Tesla and Amazon) have accounted for the majority of the rise of the index.

The Japanese Yen has depreciated by more than 10% in the last six months, whereas the Nikkei 225 Index has been a strong performer. Global bonds have struggled, with the majority registering losses. In market conditions like these, risks abound everywhere. For instance, the average fund in the UK Gilt sector, a perceived "low risk" asset class lost almost 6%, yet the average fund in the UK Smaller Companies sector, a perceived "high risk" asset class lost slightly less.

Looking forward the contradictory signals are likely to continue for the markets. Central Bankers are now deciding the future direction of interest rates through being "data dependent." Many investors are asking "should I invest at all when I can 5% interest on my cash for no risk" and it seems a logical question especially considering the uncertainty in markets at the moment. But, if your time horizon is long-enough, taking some risk (whether that be equity or fixed income or commodity) has been rewarded even if there are degrees of short-term pain.

In the most recent six months, two holdings were redeemed from the VT Discovery Growth fund and one new holding introduced, so the number of assets held in the portfolio fell from twenty-seven to twenty-six. The new holding – Vanguard Global Emerging Markets (introduced in May) is an actively managed fund investing in the developing equity markets of the world. One of the funds that was removed was an Emerging Markets fund, so in essence this was a like-for-like switch. Our thought process was that the investment approach undertaken by Vanguard was potentially superior than the existing process as the market conditions are undergoing change. The Vanguard fund now accounts for roughly 7% of the total assets.

In the six months to 31 July, the VT Discovery Growth fund saw its unit price (C Share accumulation units) rise by 1.82%, comfortably outpacing the comparator index – UT Flexible Investments which rose by 0.87%.

From an asset allocation perspective, the exposure to Asia and Japan has fallen with the allocation to UK, US and Global Emerging Market assets rising. Exposure to investment grade debt rose during the period too. At fund level, a number of funds saw their weights change, although this list is not exhaustive. Funds which witnessed their allocation fall: WisdomTree Quality Dividend Growth, Man GLG Japan Core Alpha, Fidelity Asia Pacific Opportunities. On the other hand, Man GLG Sterling Corporate Bond, Fidelity Index UK, Fidelity Index US, Fidelity Index World saw their exposure higher at the end of the review period compared to six month earlier.

Hawksmoor Investment Management Limited
Investment Adviser to the Fund
21 September 2023

PERFORMANCE RECORD

Financial Highlights

	Period 01 February 2022 to 12 June 2023	Year ended 31 January 2023	Year ended 31 January 2022
A Sterling Net Accumulation Shares			
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	164.75	170.39	166.81
Return before operating charges	1.19	(2.24)	7.36
Operating charges (note 1)	(1.23)	(3.40)	(3.78)
Return after operating charges *	(0.04)	(5.64)	3.58
Closing net asset value per share	164.71	164.75	170.39
Retained distributions on accumulation shares	-	0.13	-
*after direct transactions costs of:	-	-	0.07
Performance			
Return after charges	(0.03%)	(3.31%)	2.14%
Other information			
Closing net asset value	-	£101,010	£163,474
Closing number of shares	-	61,311	95,943
Operating charges (note 2)	2.07%	2.03%	2.24%
Direct transaction costs	0.00%	0.00%	0.04%
Prices			
Highest share price	169.09	174.85	182.60
Lowest share price	158.81	151.64	166.24

^Share class closed on 12 June 2023 following mandatory conversion of shares

	Six months ended 31 July 2023	Year ended 31 January 2023	Year ended 31 January 2022
B Sterling Net Accumulation Shares			
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	189.38	194.40	188.91
Return before operating charges	5.11	(2.55)	8.35
Operating charges (note 1)	(1.27)	(2.46)	(2.86)
Return after operating charges *	3.85	(5.01)	5.49
Closing net asset value per share	193.23	189.38	194.40
Retained distributions on accumulation shares	-	1.55	1.14
*after direct transactions costs of:	-	-	0.08
Performance			
Return after charges	2.03%	(2.58%)	2.90%
Other information			
Closing net asset value	£1,679,303	£1,680,352	£1,799,451
Closing number of shares	869,048	887,270	925,666
Operating charges (note 2)	1.32%	1.28%	1.49%
Direct transaction costs	0.00%	0.00%	0.04%
Prices			
Highest share price	194.41	199.53	208.04
Lowest share price	182.74	173.92	188.41

PERFORMANCE RECORD (Continued)
Financial Highlights (Continued)

		Six months ended 31 July 2023	Year ended 31 January 2023	Year ended 31 January 2022
US \$ Net Accumulation Shares				
Changes in net assets per share		USDc	USDc	USDc
	Opening net asset value per share	187.85	211.49	212.00
	Return before operating charges	13.48	(19.38)	4.44
	Operating charges (note 1)	(2.10)	(4.25)	(4.95)
	Return after operating charges	11.38	(23.64)	(0.51)
	Closing net asset value per share	199.23	187.85	211.49
	Retained distributions on accumulation shares	-	-	-
	*after direct transactions costs of:	-	-	0.08
Performance				
	Return after charges	6.06%	(11.18%)	(0.24%)
Other information				
	Closing net asset value	\$29,302	\$27,629	\$31,105
	Closing number of shares	14,708	14,708	14,708
	Operating charges (note 2)	2.17%	2.13%	2.34%
	Direct transaction costs	0.00%	0.00%	0.04%
Prices				
	Highest share price	199.82	219.68	231.95
	Lowest share price	177.89	156.24	211.49

		Six months ended 31 July 2023	Year ended 31 January 2023	Year ended 31 January 2022
C Sterling Net Accumulation Shares				
Changes in net assets per share		GBp	GBp	GBp
	Opening net asset value per share	155.91	158.55	153.28
	Return before operating charges	3.63	(1.38)	6.52
	Operating charges (note 1)	(0.80)	(1.26)	(1.25)
	Return after operating charges *	2.84	(2.64)	5.27
	Closing net asset value per share	158.75	155.91	158.55
	Retained distributions on accumulated shares	-	2.70	1.77
	*after direct transactions costs of:	-	-	0.06
Performance				
	Return after charges	1.82%	(1.66%)	3.44%
Other information				
	Closing net asset value	£33,079,042	£33,457,576	£28,376,286
	Closing number of shares	20,837,562	21,459,289	17,897,321
	Operating charges (note 2)	1.01%	0.80%	0.80%
	Direct transaction costs	0.00%	0.00%	0.04%
Prices				
	Highest share price	160.07	162.74	169.49
	Lowest share price	150.52	142.98	152.96

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 underlying holdings.

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 (31 January 2023 ranked: 5). The Sub-fund has been classed as 5 because its volatility has been measured as relatively high.

PORTFOLIO STATEMENT

As at 31 July 2023

Holding	Value £	% of net assets
Collective Investment Scheme (31.01.2023: 83.91%)		
890,500 Artemis Corporate Bond	874,026	2.51
328,750 AXA Framlington Health	1,324,205	3.81
210,161 Fidelity Asia Pacific Opportunities	605,895	1.74
377,500 Fidelity Index Japan	764,815	2.20
2,585,000 Fidelity Index UK	4,214,067	12.12
426,500 Fidelity Index World	1,225,761	3.53
1,284,500 Fidelity Index US	4,774,487	13.73
565,500 Franklin UK Equity Income	1,431,846	4.12
102,700 HSBC European Index	1,280,114	3.68
2,302,000 Legal & General UK Mid Cap Index	1,373,143	3.95
1,132,500 Legal & General Global Inflation Linked Bond Index	668,175	1.92
665,000 Legal & General Global Infrastructure Index	512,117	1.47
517,500 LF Lightman European	755,550	2.17
413,500 FTF Martin Currie European Unconstrained	679,381	1.95
348,500 Legal & General Pacific Index	774,716	2.23
611,000 LF Gresham House UK Multi Cap Income Fund	989,209	2.85
319,250 Premier Miton Global Infrastructure	411,194	1.18
580,000 Man GLG Japan CoreAlpha	1,405,340	4.04
2,037,500 Man GLG Sterling Corporate Bond	1,999,603	5.75
266,500 M&G Global Listed Infrastructure	428,612	1.23
99,000 The SEI Liquid Alternative Fund	1,316,700	3.79
11,500 Vanguard Global Emerging Markets	2,455,913	7.06
	30,264,869	87.03
Exchange Traded Funds (31.01.2023: 13.51%)		
5,675 JPM GBP Ultra-Short Income UCITS ETF	594,455	1.71
118,750 L&G ESG GBP Corporate Bond UCITS ETF	910,574	2.62
71,500 WisdomTree Global Quality Dividend Growth UCITS ETF	1,960,530	5.65
	3,465,559	9.98
Investments Trust (31.01.2023: 2.00%)		
702,000 Augmentum Fintech PLC	726,570	2.10
	726,570	2.10
Portfolio of investments (31.01.2023: 99.42%)	34,456,998	99.11
Net other assets (31.01.2023: 0.58%)	305,535	0.89
	34,762,533	100.00

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the period	8,187,184
Fidelity Emerging Markets	1,589,658
Fidelity Index World	983,296
WisdomTree Global Quality Dividend Growth UCITS ETF	979,102
Fidelity Index US	696,665
Man GLG Japan CoreAlpha	608,110
Fidelity Index Japan	517,238
Lyxor Core FTSE Actuaries UK Gilts(DR)UCITS ETF	500,413
iShares Overseas Government Bond Index	398,040
Liontrust Special Situations Fund	378,952
Fidelity Index UK	199,537
Various been sales	1,336,173

	£
Total Purchases for the period	6,901,155
Vanguard Global Emerging Markets	2,308,776
Fidelity Index World	866,322
Fidelity Index US	712,844
Man GLG Sterling Corporate Bond	643,497
Legal & General UK Mid Cap Index	371,888
HSBC European Index	313,500
Artemis Corporate Bond	276,023
Fidelity Index UK	234,682
L&G ESG GBP Corporate Bond UCITS ETF	172,647
Legal & General Global Inflation Linked Bond Index	161,893
Various been purchases	839,085

The above represents the top 10 sales and purchases during the period.

STATEMENT OF TOTAL RETURN**For the six months ended 31 July (unaudited)**

	2023	2022
	£	£
Income		
Net capital gains/(losses)	120,393	(1,591,813)
Revenue	633,204	436,171
Expenses	(112,910)	(98,230)
Interest payable and similar charges	(224)	(164)
Net revenue before taxation	520,070	337,777
Taxation	-	-
Net revenue after taxation	520,070	337,777
Total return before distributions	640,463	(1,254,036)
Finance costs: distributions	174	25,050
Changes in net assets attributable to shareholders from investment activities	640,637	(1,228,986)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the six months ended 31 July (unaudited)**

	2023	2022
	£	£
Opening net assets attributable to shareholders	35,240,781	30,369,894
Amounts receivable on creation of shares	1,302,610	5,598,647
Amounts payable on cancellation of shares	(2,416,464)	(691,825)
Dividend reinvested	(5,031)	-
Changes in net assets attributable to shareholders from investment activities (see above)	640,637	(1,228,986)
Closing net assets attributable to shareholders	34,762,533	34,047,730

The Investment Association SORP requires 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 January 2023 was £35,240,781.

BALANCE SHEET

As at (unaudited)

	31.07.2023		31.01.2023	
	£	£	£	£
ASSETS				
Investment assets		34,456,998		35,036,324
Current assets				
Debtors	295,929		175,521	
Cash and bank balances	<u>762,929</u>		<u>194,594</u>	
Total current assets		<u>1,058,858</u>		<u>370,115</u>
Total assets		<u>35,515,856</u>		<u>35,406,439</u>
LIABILITIES				
Current liabilities				
Bank overdraft	(700,883)		(42,319)	
Creditors	<u>(52,440)</u>		<u>(123,339)</u>	
Total current liabilities		<u>(753,323)</u>		<u>(165,658)</u>
Net assets attributable to shareholders		<u>34,762,533</u>		<u>35,240,781</u>

Accounting policies

The accounting policies applied are consistent with those of the financial statements for the year ended 31 January 2023 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. The functional currency is Sterling.

Distribution

The Sub-fund did not distribute in the six month period ending 31.07.2023 (six months ending 31.07.2022: nil distribution)

SUB-FUND OVERVIEW

Name of Sub-fund	Discovery Cautious Fund
Size of Sub-fund	£52,282,194
Launch date	27 March 2019
Sub-fund objective and policy	<p>The objective of the Sub-fund is to provide returns through a combination of capital growth and income over a market cycle (5 years).</p> <p>The Sub-fund will primarily gain exposure indirectly via eligible collective investment schemes and other collective investment vehicles (for example, investment companies, exchange traded funds) to a range of eligible assets such as transferable securities (shares (including investment trusts), debentures, government and public securities, warrants or certificates representing certain securities), money market instruments, deposits, cash, property and commodities to provide diversification. The Sub-fund may also invest directly in such eligible assets (excluding property and commodities). Derivatives will be used only for the purpose of Efficient Portfolio Management.</p> <p>The Sub-fund will be constructed based on the Investment Manager's assessment of the broader economic outlook as well as the absolute and relative attractiveness of different asset classes. This analysis, combined with the view on the potential risk profile and relative risk-adjusted returns of asset classes will determine the current asset allocation of the Sub-fund.</p> <p>Typically, the Sub-fund is likely to take a cautious approach and have greater exposure to underlying cash, fixed interest and property assets, and less exposure to underlying equities and commodities, than other funds in the range.</p> <p>The Investment Manager will use a wide range of assets and asset classes to provide a diversified investment approach and will actively alter the weights of the component parts where necessary with a view to achieving the investment objective. The Sub-fund might have the ability to be fully invested in one class of asset, but in reality, due to creating a diversified investment solution, it will be exposed to numerous managers, geographies, asset classes and styles.</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 the performance of the IA Mixed Investment 20-60% Shares, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 January, 30 April, 31 July and 31 October
Distribution dates	31 March, 30 June, 30 September and 31 December
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)**Share class information**

Share class	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Monthly savings available	Minimum redemption	Initial charge
US \$ Net Accumulation Shares	\$5,000	\$1,500	\$5,000	Yes	\$1,500	5%
Euro Net Accumulation Shares	€ 5,000	€ 1,500	€ 5,000	Yes	€ 1,500	5%
A Sterling Net Income Shares*	£3,000	£1,000	£3,000	Yes	£1,000	5%
B Sterling Net Income Shares	£3,000	£1,000	£3,000	Yes	£1,000	0%
C Sterling Net Income Shares**	£5,000,000	£500,000	£5,000,000	Yes	£500,000	0%
A Sterling Net Accumulation Shares*	£3,000	£1,000	£3,000	Yes	£1,000	5%
B Sterling Net Accumulation Shares	£3,000	£1,000	£3,000	Yes	£1,000	0%
C Sterling Net Accumulation Shares**	£5,000,000	£500,000	£5,000,000	Yes	£500,000	0%
D Sterling Net Accumulation Shares	£8,000,000	£1,000,000	£8,000,000	Yes	£1,000	0%

* A Class shares closed to investment since 12 June 2023

** C Class shares are available only to investors with a separate arrangement with the AFM or the Investment Manager.

Annual management charges from 11 June 2023

The annual management charge is as follows £25,000[^] plus:

In respect of the A shares, it is equal to 1.45% per annum of the net asset value of the A shares.

In respect of the B shares, it is equal to 0.70% per annum of the net asset value of the B shares.

In respect of the C shares, it is equal to 0.40% per annum of the net asset value of the C shares.

In respect of the D shares, it is equal to 0.25% per annum of the net asset value of the C shares.

In respect of the US \$ shares, it is equal to 1.55% per annum of the net asset value of the US \$ shares.

In respect of the Euro shares, it is equal to 1.55% per annum of the net asset value of the Euro 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 January each year (from 1 January 2020). In the event of negative inflation, the fixed element of the fee will remain unchanged.

Annual management charges from 12 June 2023

The annual management charge is as follows £53,431^{**} plus:

A variable fee based on the Net Asset Value of the Sub-fund as follows

- Up to £100 million – 1.5 bps (0.015%) per annum
- £100 million to £250 million – 0.75 bps (0.0075%) per annum
- £250 million to £500 million – 0.50 bps (0.0050%) per annum
- thereafter – 0.25 bps (0.0025%) per annum

In respect of the B shares, it is equal to 0.70% per annum of the net asset value of the B shares.

In respect of the C shares, it is equal to 0.40% per annum of the net asset value of the C shares.

In respect of the US \$ shares, it is equal to 1.55% per annum of the net asset value of the US \$ shares.

In respect of the Euro shares, it is equal to 1.55% per annum of the net asset value of the Euro 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 January each year (from 1 January 2024). In the event of negative inflation, the fixed element of the fee will remain unchanged.

Investment adviser rebate

The Investment Adviser of the Sub-fund had undertaken to absorb any costs that would otherwise cause the C shares to have ongoing charges in excess of 0.80%. This rebate arrangement ceased on 03 March 2023.

INVESTMENT ADVISER'S REVIEW

The most recent six months have seen bouts of excess. Excess both from an enthusiastic as well as a pessimistic perspective. Some markets are delivering returns as if the global economy is operating as smoothly as a finely crafted Swiss clock, whereas others are in full denial and are preparing for economic Armageddon. When capital markets are like this, navigating the investing landscape is very tricky. For instance, a year or so ago, market commentators discussing the Chinese markets opening up from their (some said) "draconian" Covid clampdown restrictions would boost the global economy. The country has more than a billion consumers and they were going to spend like there was no tomorrow. This in turn would boost one of the largest economies in the world, creating demand locally which would then improve sentiment globally and therefore the world would benefit. In the last six months, the average fund investing in the Chinese Markets has fallen by almost 15% (source: FEFundInfo – sector UT China/Greater China).

At the other end of the league table, the tech heavy NASDAQ 100 index saw its value rise by more than a quarter in the six months to 31 July. The US has seen interest rates rise significantly over the last year or so and although inflation is falling, it is still significantly higher than the 2% number the Federal Reserve are targeting and further rate rises are not off the cards. The US economy is slowing; the property market is struggling; taxes are rising in a number of states and although unemployment levels are relatively low, consensus forecasts are calling for this number to rise which ultimately raises questions as to why an index comprised of fast growing companies has performed like it has done.

There are a couple of specific factors driving the Nasdaq higher – the hype around AI (Artificial Intelligence) has driven the share price of Nvidia – one of the major beneficiaries – from a little over \$225 per share to just less than \$500 in the last six months (source: Yahoo! Finance) which has had a big impact on the index. The share price rises of six other stocks – collectively being called the "magnificent 7" (which also includes Meta (the parent of Facebook), Microsoft, Apple, Alphabet (the parent of Google) Tesla and Amazon) have accounted for the majority of the rise of the index.

The Japanese Yen has depreciated by more than 10% in the last six months, whereas the Nikkei 225 Index has been a strong performer. Global bonds have struggled, with the majority registering losses. In market conditions like these, risks abound everywhere. For instance, the average fund in the UK Gilt sector, a perceived "low risk" asset class lost almost 6%, yet the average fund in the UK Smaller Companies sector, a perceived "high risk" asset class lost slightly less.

Looking forward the contradictory signals are likely to continue for the markets. Central Bankers are now deciding the future direction of interest rates through being "data dependent." Many investors are asking "should I invest at all when I can 5% interest on my cash for no risk" and it seems a logical question especially considering the uncertainty in markets at the moment. But, if your time horizon is long-enough, taking some risk (whether that be equity or fixed income or commodity) has been rewarded even if there are degrees of short-term pain.

In the six months to 31 July, the fund (C share accumulation units) saw the unit price fall by 0.27%. The comparator index – UT Mixed Investment 20% to 60% shares fell by 0.33%.

In the reporting period, the number of holdings in the VT Discovery Cautious fund hasn't changed and remained steady at twenty-eight, although two new holdings have been introduced and two long-held assets removed. The fund altered the fixed income exposure and increased the exposure towards more domestic debt at the expense of international sovereign debt and increased the allocation to strategic corporate debt and shorter-dated high yield funds, albeit not significantly.

From an asset allocation viewpoint, apart from the mentions above although the fund increased the allocation to European funds and cut exposure to global managers. Japan was trimmed and the UK market rose a little.

Apart from the introduction of the Premier Miton Strategic Monthly Income Bond fund and Vanguard Global Emerging Markets which took place in March and May respectively, some of the changes made saw the allocation to the Allianz Strategic Bond and iShares ESG Overseas Corporate Bond Index cut, whereas the exposure to Fidelity Index UK, Martin Currie European Unconstrained and Royal London Short Duration Global High Yield Bond rise.

Hawksmoor Investment Management Limited
Investment Adviser to the Fund
21 September 2023

PERFORMANCE RECORD

Financial Highlights

		Six months ended 31 July 2023	Year ended 31 January 2023	Year ended 31 January 2022
C Sterling Net Income Shares				
Changes in net assets per share		GBp	GBp	GBp
	Opening net asset value per share	97.55	103.92	102.47
	Return before operating charges	0.17	(3.28)	4.16
	Operating charges (note 1)	(0.44)	(0.81)	(0.83)
	Return after operating charges *	(0.27)	(4.09)	3.33
	Distributions on income shares	(1.30)	(2.28)	(1.88)
	Closing net asset value per share	95.98	97.55	103.92
	*after direct transactions costs of:	-	-	0.01
Performance				
	Return after charges	(0.27%)	(3.94%)	3.25%
Other information				
	Closing net asset value	£530,763	£575,432	£408,494
	Closing number of shares	552,977	589,899	393,068
	Operating charges (note 2)	0.90%	0.80%	0.80%
	Direct transaction costs	0.00%	0.00%	0.01%
Prices				
	Highest share price	99.10	105.33	108.99
	Lowest share price	93.75	91.83	101.65

		Six months ended 31 July 2023	Year ended 31 January 2023	Year ended 31 January 2022
C Sterling Net Accumulation Shares				
Changes in net assets per share		GBp	GBp	GBp
	Opening net asset value per share	104.75	109.14	105.65
	Return before operating charges	0.19	(3.54)	4.35
	Operating charges (note 1)	(0.47)	(0.86)	(0.86)
	Return after operating charges *	(0.28)	(4.39)	3.49
	Closing net asset value per share	104.47	104.75	109.14
	Retained distributions on accumulation shares	1.43	2.36	1.95
	*after direct transactions costs of:	-	0.00	0.01
Performance				
	Return after charges	(0.27%)	(4.03%)	3.30%
Other information				
	Closing net asset value	£43,516,474	£46,741,953	£45,885,413
	Closing number of shares	41,655,644	44,622,641	42,041,436
	Operating charges (note 2)	0.90%	0.80%	0.80%
	Direct transaction costs	0.00%	0.00%	0.01%
Prices				
	Highest share price	106.42	110.62	113.97
	Lowest share price	101.39	97.48	104.81

PERFORMANCE RECORD (Continued)**Financial Highlights (Continued)**

	Six months ended 31 July 2023	Year ended 31 January 2023	Year ended 31 January 2022
D Sterling Net Accumulation Shares			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	108.04	112.41	108.71
Return before operating charges	0.18	(3.60)	4.48
Operating charges (note 1)	(0.40)	(0.77)	(0.78)
Return after operating charges *	(0.22)	(4.37)	3.70
Closing net asset value per share	107.82	108.04	112.41
Retained distributions on accumulation shares	1.45	2.50	2.01
*after direct transactions costs of:	-	-	0.01
Performance			
Return after charges	(0.20%)	(3.89%)	3.40%
Other information			
Closing net asset value	£8,248,120	£8,264,611	£8,598,917
Closing number of shares	7,649,577	7,649,577	7,649,577
Operating charges (note 2)	0.75%	0.70%	0.71%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	109.76	113.93	117.36
Lowest share price	104.64	100.49	107.84

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 underlying 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 (31 January 2023 ranked: 4). The Sub-fund is ranked 4 because simulated monthly historical performance data indicates that average rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 31 July 2023

Holding	Value £	% of net assets
Collective Investments Scheme (31.01.2023: 72.25%)		
11,785 AQR Global Risk Parity UCITS	1,503,059	2.87
2,163,500 Allianz Strategic Bond	1,950,612	3.74
2,039,000 Artemis Corporate Bond	2,001,279	3.83
889,000 BNY Mellon Global Infrastructure Income	805,434	1.55
5,385,000 Fidelity Index UK	6,497,541	12.43
955,500 Fidelity Index US	3,551,594	6.80
420,000 Fidelity Index World	1,207,080	2.31
1,650,000 Franklin UK Equity Income	2,611,950	5.00
803,000 HSBC Sterling Corporate Bond Index	645,692	1.24
523,500 iShares Overseas Corporate Bond Index	635,771	1.22
1,037,500 JPM Global Macro Opportunities	1,585,300	3.04
3,846,000 Legal & General Global Inflation Linked Bond Index	1,881,848	3.60
915,000 LF Lightman European	1,335,900	2.56
997,500 LF Gresham House UK Multi Cap Income Fund	1,614,953	3.09
830,000 Legal & General Global Infrastructure Index	639,183	1.23
801,500 FTF Martin Currie European Unconstrained	1,316,865	2.52
723,000 Man GLG Japan CoreAlpha	1,751,829	3.35
2,995,000 Man GLG Sterling Corporate Bond	2,939,293	5.61
1,575,000 Premier Miton Strategic Monthly Income Bond Fund	1,593,900	3.04
1,480,000 Royal London Short Duration Global High Yield Bond	1,659,524	3.16
158,000 The SEI Liquid Alternative Fund	2,101,400	4.01
4,850 Vanguard Global Emerging Markets	1,035,755	1.97
	40,865,762	78.17
Exchange Trade Funds (31.01.2023: 26.00%)		
38,150 JPM GBP Ultra-Short Income UCITS ETF	3,996,212	7.64
269,250 L&G ESG GBP Corporate Bond UCITS ETF	2,064,609	3.95
25,850 Lyxor Core FTSE Actuaries UK Gilts(DR)UCITS ETF	2,609,814	4.99
72,750 WisdomTree Global Quality Dividend Growth UCITS ETF	1,994,805	3.82
	10,665,440	20.40
Investment Trusts (31.01.2023: 1.26%)		
56,250 Cordiant Digital Infrastructure Ltd (SUB SHS)	2,250	-
748,932 Tufton Oceanic Assets Ltd	564,608	1.08
	566,858	1.08
Portfolio of investments (31.01.2023: 99.51%)	52,098,060	99.65
Net other assets (31.01.2023: 0.49%)	184,134	0.35
	52,282,194	100.00

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the period	12,763,095
Vanguard Total International Bond Index Fund	1,652,752
Fidelity Index US	1,319,366
Fidelity Emerging Markets	918,778
WisdomTree Global Quality Dividend Growth UCITS ETF	900,539
Man GLG Japan CoreAlpha	800,835
L&G ESG GBP Corporate Bond UCITS ETF	709,778
iShares Overseas Corporate Bond Index	680,635
Premier Miton Strategic Monthly Income Bond Fund	677,605
Fidelity Index UK	668,286
Allianz Strategic Bond	593,659
Various other sales	3,840,862
	£
Total purchases for the period	9,965,625
Premier Miton Strategic Monthly Income Bond Fund	1,776,800
Royal London Short Duration Global High Yield Bond	1,617,469
Vanguard Global Emerging Markets	972,353
Fidelity Index US	853,380
FTF Martin Currie European Unconstrained	741,235
Legal & General Global Infrastructure Index	675,281
Fidelity Index UK	540,123
Fidelity Index World	530,611
LF Lightman European	355,035
Legal & General Global Inflation Linked Bond Index	343,720
Various other purchases	1,559,618

The above represents the top 10 sales and purchases during the period.

STATEMENT OF TOTAL RETURN

For the six months ended 31 July (unaudited)

	2023	2022
	£	£
Income		
Net capital (losses)	(720,291)	(3,001,636)
Revenue	857,204	736,177
Expenses	(144,565)	(133,974)
Interest payable and similar charges	(394)	(56)
Net revenue before taxation	712,245	602,147
Taxation	(55,255)	(16,030)
Net revenue after taxation	656,990	586,117
Total return before distributions	(63,301)	(2,415,519)
Finance costs: distributions	(726,391)	(651,620)
Changes in net assets attributable to shareholders from investment activities	(789,692)	(3,067,139)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 31 July (unaudited)

	2023	2022
	£	£
Opening net assets attributable to shareholders	55,480,787	54,871,659
Amounts receivable on creation of shares	541,927	5,945,844
Amounts payable on cancellation of shares	(3,661,244)	(2,705,262)
Dividend reinvested	710,416	651,397
Changes in net assets attributable to shareholders from investment activities (see above)	(789,692)	(3,067,139)
Closing net assets attributable to shareholders	52,282,194	55,696,499

The Investment Association SORP requires 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 January 2022 was £55,480,787.

BALANCE SHEET

As at (unaudited)

	31.07.2023		31.01.2023	
	£	£	£	£
ASSETS				
Investment assets		52,098,060		55,207,000
Current assets				
Debtors	149,590		157,038	
Cash and bank balances	623,013		342,264	
Total current assets		772,603		499,302
Total assets		52,870,663		55,706,302
LIABILITIES				
Current liabilities				
Distribution payable on income shares	(3,410)		(3,825)	
Bank overdraft	(370,248)		(50,910)	
Creditors	(214,811)		(170,780)	
Total current liabilities		(588,469)		(225,515)
Net assets attributable to shareholders		52,282,194		55,480,787

Accounting policies

The accounting policies applied are consistent with those of the financial statements for the year ended 31 January 2023 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. The functional currency is Sterling.

DISTRIBUTION TABLES

Q1 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 February 2023

Group 2 : Shares purchased 01 February 2023 to 30 April 2023

Payment date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
30.06.2023	group 1	C Sterling Net Accumulation	0.7390p	-	0.7390p	0.4927p
30.06.2023	group 2	C Sterling Net Accumulation	0.3780p	0.3610p	0.7390p	0.4927p
30.06.2023	group 1	C Sterling Net Income	0.6881p	-	0.6881p	0.4649p
30.06.2023	group 2	C Sterling Net Income	0.4631p	0.2250p	0.6881p	0.4649p
30.06.2023	group 1	D Sterling Net Accumulation	0.7624p	-	0.7624p	0.5091p
30.06.2023	group 2	D Sterling Net Accumulation	0.7624p	-	0.7624p	0.5091p

Q2 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 May 2023

Group 2 : Shares purchased 01 May 2022 to 31 July 2023

Payment date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
29.09.2023	group 1	C Sterling Net Accumulation	0.6669p	-	0.6669p	0.7456p
29.09.2023	group 2	C Sterling Net Accumulation	0.3634p	0.3035p	0.6669p	0.7456p
29.09.2023	group 1	C Sterling Net Income	0.6167p	-	0.6167p	0.7074p
29.09.2023	group 2	C Sterling Net Income	0.0988p	0.5179p	0.6167p	0.7074p
29.09.2023	group 1	D Sterling Net Accumulation	0.6882p	-	0.6882p	0.7684p
29.09.2023	group 2	D Sterling Net Accumulation	0.6882p	-	0.6882p	0.7684p

INFORMATION FOR INVESTORS

Distribution

Distributions of the revenue of the Company will be made to shareholders on or before 31 March each year and interim allocations of revenue on or before 30 June, 30 September and 31 December for Discovery Balanced Fund and for Discovery Cautious Fund. For Discovery Growth Fund distribution is annually on 31 March.

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.

Taxation

The Company will pay no corporation tax on its profits in the company for the period ended 31 July 2023. Capital gains within the Company will not be taxed.

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 prevailing rates 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 between 8.30am and 5.30pm. 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 Discovery Balanced Fund, Discovery Growth Fund and Discovery Cautious Fund; discovery@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.

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. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

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.

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: discovery@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
Investment Adviser	<p>Hawksmoor Investment Management Limited 17 Dix's Field Exeter EX1 1QA</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Depository	<p>NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised regulated by the Financial Conduct Authority</p>
Auditor	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>