

**VT GREYSTONE ICVC**  
**(Sub-funds VT Greystone Balanced Managed Fund and VT Greystone**  
**Global Growth Fund)**

**Annual Report and Financial Statements for the year ended 30 September 2024**

## CONTENTS

---

	<b>Page</b>
Company Overview	1
Statement of Authorised Fund Manager's (AFM's) Responsibilities	2
Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of VT Greystone ICVC	3
Independent Auditor's Report to the Shareholders of VT Greystone ICVC (Sub-funds VT Greystone Balanced Managed Fund and VT Greystone Global Growth Fund)	4
Accounting policies	7
Investment Manager's Foreword	8
 <b>VT Greystone Balanced Managed Fund</b>	
Sub-fund Overview	11
Investment Manager's Review	12
Performance Record	13
Portfolio Statement	15
Summary of Material Portfolio Changes	16
Statement of Total Return	17
Statement of Changes in Net Assets Attributable to Shareholders	17
Balance Sheet	18
Notes to the financial statements	19
Distribution Tables	25
 <b>VT Greystone Global Growth Fund</b>	
Sub-fund Overview	26
Investment Manager's Review	28
Performance Record	29
Portfolio Statement	31
Summary of Material Portfolio Changes	32
Statement of Total Return	33
Statement of Changes in Net Assets Attributable to Shareholders	33
Balance Sheet	34
Notes to the financial statements	35
Distribution Tables	41
 Information for Investors	42
Corporate Directory	44

## COMPANY OVERVIEW

---

**Type of Company** VT Greystone ICVC (the 'Company') is an investment company (company number IC000403) with variable capital incorporated in England and Wales under the Open Ended Investment Company Regulations 2001 (SI2001/1228).

The Company was incorporated and authorised by the Financial Conduct Authority on 26 September 2005.

The Company is a UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company.

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

---

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

- > comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, 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; and
- > prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

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

## DIRECTOR'S STATEMENT

---

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

Jonathan Sim MA CA

Jonathan M. Child CA

Valu-Trac Investment Management Limited  
Authorised Fund Manager

Date

## STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT GREYSTONE ICVC

---

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited  
01 October 2024

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT GREYSTONE ICVC (SUB-FUNDS VT GREYSTONE BALANCED MANAGED FUND AND VT GREYSTONE GLOBAL GROWTH FUND)**

---

**Opinion**

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

In our opinion the financial statements:

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

**Basis for Opinion**

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

**Conclusions Relating to Going Concern**

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

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

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

**Other Information**

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

We have nothing to report in this regard.

**Opinion on Other Matters Prescribed by the COLL Regulations**

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

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

**Responsibilities of the Authorised Fund Manager**

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

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

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

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

- > management override of controls.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT GREYSTONE ICVC (SUB-FUNDS VT GREYSTONE BALANCED MANAGED FUND AND VT GREYSTONE GLOBAL GROWTH FUND) (Continued)**

---

***Extent to which the audit is considered capable of detecting irregularities, including fraud (Continued)***

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

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

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

**Use of Our Report**

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

Johnston Carmichael LLP  
Chartered Accountants  
Statutory Auditor  
Elgin

Date



## ACCOUNTING POLICIES

---

### For the year ended 30 September 2024

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

- (a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.
- (b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The AFM believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.
- (c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis.
- (d) Distributions on collectives are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. Rebate income from underlying holdings is recognised on an accruals basis and is allocated to revenue or capital being determined by the allocation of the expense in the underlying funds. Excess Reportable Income is recognised once reported by the relevant funds. Equalisation on distributions from collectives is treated as capital. All equalisation on distributions from collectives is then reallocated to revenue, for distribution purposes.
- (e) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 8:30am on 30 September 2024 with reference to quoted bid prices from reliable external sources. Unlisted collective investment schemes are valued at the closing bid price for dual priced funds and the closing single price for single priced funds.
- (f) All transactions in foreign currencies are converted into Sterling at the rate of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 30 September 2024.

- (g) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

- (h) In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-funds, is intended to cover dealing spread on assets bought and sold and certain charges such as applicable dealing taxes and brokers commission not included in the mid-market value of the Sub-funds used for Net Asset Value (NAV) calculations, which could have a diluting effect on the performance of the Sub-funds.
- (i) VT Greystone Balanced Managed Sub-fund issues Accumulation and Income shares and VT Greystone Global Growth Sub-fund issues Income shares. The Sub-funds go ex dividend semi-annually and pay any income available to the shareholders two months in arrears, as a dividend distribution. Any revenue deficit at the year end is funded from capital.

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

For the treatment of expenses revert to policy 'c'.

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

### Economic and Market Commentary

Rollercoaster of a year...

England football fans endured emotional highs and lows during Euro 2024 in Germany this summer. Despite reaching successive finals, the men's team were beaten again, this time by an all-conquering Spanish side. Let's hope they can go one better at the World Cup across the Atlantic in 2026. Investors also suffered a stomach clenching rollercoaster ride over the summer as unexpected interest rate rises and economic growth scares tested the nerves of the most experienced fund managers.

The VT Greystone funds stood up to the volatility and defended capital when asset prices fell, but also kept pace as markets rallied. Strategic asset allocation by the investment team over the last few years set the framework, but more recent active trading in reaction to valuation opportunities has also benefited portfolios. All funds are delivering solid returns so far this calendar year and have provided decent absolute returns over the twelve month financial year reporting period.

As is customary with our reviews, we will look forward and assess the risk and opportunities that our team foresee on the horizon, but firstly we must look back over the review period and offer context to the extreme and historic levels of volatility to both the downside, but also upside in stock, bond and currency markets.

A particularly bruising period took place in late July and early August when the Bank of Japan unexpectedly hiked interest rates and triggered a massive spike (in the strength) of the Japanese Yen and a consequential unwinding of the so called 'carry trade'. These kinds of trades are only undertaken by more speculative types of investors, such as hedge funds borrowing from a low-interest rate economy (Japan) to invest in a market with higher rates of return, usually America. This strategy only works if volatility in asset markets remains low, if it does not, then the consequences can be very costly for those caught on the wrong side of the trade.

The investment committee (IC) has been discussing these events in great depth at our monthly, interim and main IC meetings. We have been trimming positions, taking profits and adding to better valued opportunities over the summer months. The fund is currently more diversified than they have ever been. We believe this is prudent as the future seems relatively opaque even though it is possible to paint both; a bullish (positive) and bearish (negative) outlook for economies and markets dependent on which data points one chooses to focus on.

Market commentators and investors talk of a 'hard' or 'soft' landing for economies. In the event of a hard landing, a deep recession would ensue whereby businesses fail, defaults on loans from individuals and firms spike higher, unemployment jumps, share prices and riskier corporate bonds fall in value. Defensive assets do well, such as government bonds, the US Dollar and gold.

In the event of a soft landing, the economy does not enter a recession, or if it does, only briefly and very mildly. The UK entered a mild recession last year, shrinking in Q3 and Q4<sup>3</sup>. However, all focus is really on the largest and most important economy, namely the USA, which is over seven times<sup>4</sup> the size of our economy and has a stock market that is more than thirteen times larger<sup>5</sup>.

The old economic saying, "If the US sneezes, the rest of the world catches a cold", still holds true due to its sheer size and dominance in trade and investment markets.

Should a soft landing occur, stewarded by Federal Reserve chairman, Jerome Powell, then asset prices look relatively well supported. The rate of economic expansion will slow, but not go into reverse, stock and corporate bond markets will perform well, the US Dollar will weaken and returns from government bonds will be respectable but relatively muted compared to riskier assets.

To increase the likelihood of a soft landing, interest rate setters in the US, UK and Europe have all reduced borrowing costs during the review period. Japan is on a different economic path after suffering deflation for decades, it now has rising prices again, this is causing Japan's central bank headaches and policy messaging has been confusing at best.

Due to a lack of meaningful macro-economic data published over the summer for investors to analyse, data that was released particularly in America, has been pored over and scrutinised more closely than usual. All investors are trying to understand how the US economy and therefore asset prices will perform over coming quarters.

## INVESTMENT MANAGER'S FOREWORD (Continued)

---

The Greystone investment team read widely, speak to many fund managers, market strategists, then make their own decisions on portfolio positioning based on sound investment theory and experience. In reference to the economic landing scenarios, a specialist fixed interest manager we recently invested with, noted that of late; government bond markets had been pricing in the hard landing scenario and equity markets were pricing in a soft landing. Our manager has broad perspective on risk and opportunities, particularly in bond markets as she invests across the corporate credit rating spectrum, from the riskiest high yield sub investment grade bonds to the most defensive high-quality blue-chip names.

Our investment committee leans more towards the soft-landing camp, but we still have several defensive positions and hedges in the portfolios that will offset risk, should we be wrong. This is done through having more sensitivity to interest rate movements, should economic conditions deteriorate more quickly than anticipated, causing central banks to cut base rates rapidly. In this scenario, we would benefit from capital appreciation from the bond positions. In the meantime, we are paid to wait, with our UK sovereign debt fund offering a yield of 4.1%<sup>6</sup> and our investment grade corporate debt funds delivering 5.7%<sup>7</sup>, whilst our high yield emerging market bond fund offers 7.6%<sup>8</sup>.

However, as already briefly mentioned, the review period was characterised by our profit taking from both equities and bonds. As an investment theme, exposure to the largest and most profitable large cap US technology businesses has delivered solid returns for us. These types of businesses have been the standout performers so far this year. Nevertheless, we believe it appropriate to bank profits and rotate into other strategies that offer better value, such as UK and global equity income. We still have some exposure to these so called 'Magnificent 7' giant blue-chip US stocks, but have broadened our exposure and reduced concentration.

Some caution seems prudent at this juncture particularly in relation to exposure to US technology companies. For example, one of the most important days in the calendar for markets is the earnings results for computer chip designer, Nvidia. Despite revenue more than doubling in Q2, from a year earlier, its share price fell when earnings were released, as investor expectations had been even higher. Prior to the latest profit announcement on August 28th, Nvidia had a market capitalisation of over \$3trln<sup>9</sup>. The following Tuesday, the shares fell over 9%<sup>10</sup> reducing market capitalisation by \$278bln<sup>10</sup> the largest monetary one-day decline in history. However, at the time of writing in late September, the share price has still more than doubled so far this calendar year.

Moreover, a recently launched investigation by the US Department of Justice into Nvidia's antitrust practices, strengthened the argument to reduce exposure.

We also took profits on both ends of the fixed interest spectrum. Reducing cash at the defensive end because we believe we can generate higher returns from short dated government bonds over the next few years as cash rates fall. We also took profits and cut exposure to high yield and emerging market debt and rotated into less risky short dated investment grade corporate credit.

Pivoting from portfolios to politics, the UK general election went the way pollsters had predicted, but despite the Labour government's commanding majority, bond markets will curtail any urge from the Chancellor to increase government spending after the chaos caused by Liz Truss and Kwasi Kwarteng's unfunded budget only a few years ago. Much is anticipated of the forthcoming Autumn statement from Rachel Reeves on 30th October.

Looking forward, we know that a potential short term market event is the US Presidential election. Polls are tight, but currently, markets do not seem overly concerned by either candidate. Investors are watching the campaign closely though, as are we. Neither is perceived as something particularly new, as Trump is a former President, and markets have seen his type of policies before, and Harris is viewed as a continuity candidate for the Democrats.

Moreover, it seems unlikely that either party will control all branches of government and therefore the next President will have to negotiate with Congress to get laws passed. Nevertheless, the investment team discuss the various scenarios with our specialist active managers, who will be in a position to take advantage of valuation opportunities should they occur due to any political uncertainty.

European elections, particularly in Germany are starting to draw attention from investors, because hard right political parties are gaining traction. The general election next year will be highly contested, and the result could be unpredictable. Germany is struggling with higher energy costs, low consumer confidence and contracting industrial production. A slowdown in China and development of Chinese domestic car brands has affected the demand for German cars. Consequently, Volkswagen are threatening to close one of its German plants for the first time in its near 90-year history.

Looking forward, what we do know is that economies are normalising after the pandemic shock. Following huge monetary and fiscal stimulus, that created massive inflationary problems, and the subsequent aggressive hiking of interest rates to combat price rises, investors are now pricing in more stable future economic conditions.

## INVESTMENT MANAGER'S FOREWORD (Continued)

---

Furthermore, despite the tragic events in Ukraine and the Middle East, commodity prices, notably, energy, food and industrial metals have fallen from their peaks. Central banks in the USA and Europe are now more worried about jobs than inflation (although public sector wage inflation is troubling UK policy makers). Japan is out of step with other major central banks and is hiking rates when others are cutting, but the amount of future rate hikes may be more muted than the market has priced in, due to subdued economic activity.

Looking further forward, market expectations for future reductions in interest rates has led to the un-inverting of major sovereign yield curves between 2 years to 15 years maturity. This has led to the shape of the curve reverting to how it should look in normal times whereby, investors demand higher levels of yield for lending for longer periods of time.

Despite concerns about slowing economic activity, leading economies are still expected to grow next year with the USA leading the way with an expansion of 1.7%<sup>11</sup>, higher than the predictions for the Eurozone (+1.3%)<sup>11</sup>, Japan (+1.2%)<sup>11</sup> and the UK (+1.3%)<sup>11</sup>.

To wrap up, we seem to be entering a period of relative economic orthodoxy, but also bouts of greater market volatility. Monetary policy is reverting to more standard parameters, but fiscal policy is constrained. Consumer spending is ticking up and leading indicators suggest business confidence is in expansionary territory. However, we at Greystone know to expect the unexpected. This is why within our multi asset funds we have ballast to our equity positions via sovereign bonds and alternative investment strategies. Whilst diversification across geography, investment style, industrial sector and currency, aids in dampening idiosyncratic risk within the Global equity fund.

The above are the views and opinions of the Greystone Investment Committee and are correct at the time of writing. All data is correct as at 30.09.2024. Fund performance data relates to R Acc share class.

References: 1 Nikkei, 2 The Guardian, 3 ONS, 4 World Bank, 5 World Federation of Exchanges, 6 Allianz, 7 Rathbones, 8 Cap Group, 9 Marketwatch, 10 nbcnews, 11 JP Morgan

## SUB-FUND OVERVIEW

---

<b>Name of Sub-fund</b>	VT Greystone Balanced Managed Fund
<b>Size of Sub-fund</b>	£56,949,256
<b>Investment objective and policy</b>	<p>The objective of the Sub-fund is to provide capital growth and some income over the medium to long term (7 years).</p> <p>The Sub-fund aims to achieve its objective by investing in a diversified portfolio of collective investments schemes providing indirect exposure to different asset types (which may include those managed and/or operated by the AFM or Investment Manager) selected from the global market place.</p> <p>The Sub-fund will be managed within the constraints of the IA (Investment Association) Mixed Investment 40% - 85% Shares Sector and as such there is expected to be a balance between exposure to higher risk assets such as equities, defensive assets such as bonds and cash and alternative assets such as absolute return strategies and commodities (using exchange traded commodities).</p> <p>The Sub-fund may also invest directly in equities, fixed income, money market instruments, deposits, cash and near cash. The Sub-fund will be actively managed.</p> <p>Save as noted above the Sub-fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.</p> <p>The Sub-fund does not intend to have an interest in immovable or tangible movable property.</p>
<b>Benchmark</b>	<p>The Sub-fund's performance may be assessed against its constraining benchmark, being the IA Mixed Investment 40-85% Shares sector. The investment manager will use discretion to vary the weightings. The constraining benchmark has been selected because the investment manager is constrained by reference to the value, price or components of that benchmark as stated in the investment objective and policy.</p>
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Share class</b>	The Sub-fund currently has two share classes, Income R Shares and Accumulation R Shares
<b>Ex-distribution dates</b>	31 March and 30 September
<b>Distribution dates</b>	31 May and 30 November
<b>Individual Savings Account (ISA)</b>	The Company is a qualifying investment for inclusion in an ISA
<b>Minimum investment*</b>	
<b>Lump sum subscription:</b>	Accumulation R / Income R = £1,000
<b>Top-up:</b>	Accumulation R / Income R = £1,000
<b>Holding:</b>	Accumulation R / Income R = £1,000
<b>Redemption:</b>	Accumulation R / Income R = £1,000
<b>Regular savings plan (all classes):</b>	£100 per month
<b>AFM preliminary charges</b>	Accumulation R / Income R 0%
<b>Annual management charge</b>	Accumulation R / Income R 0.75%

\*The above limits may be waived at the discretion of the AFM.

## INVESTMENT MANAGER'S REVIEW

---

### Performance Summary

The fund delivered 14.15% (Accumulation R share) versus the Investment Association (IA) Mixed Investment 40-85% Shares sector average 13.84%. (Data for the period 30th September 2023 to 30th September 2024 Data compiled from Refinitiv Lipper for Investment Management).

### Fund Review & Outlook

Interest rates and the speed and magnitude of future cuts by central bankers were the key theme that investors focused on at the end of the review period. However, back in early August markets were spooked by poor job creation numbers and a slowdown in the US economy along with an unexpected interest rise by the Bank of Japan. This led to huge volatility in currency and equity markets, particularly in Japan where massive levels of borrowing in Japanese Yen were unwound in a matter of days.

Politics in Europe and the UK received attention from investors over the Summer months. The US Presidential election on November 5th is the biggest political event of the year and will cause some volatility in asset markets.

Fixed interest was a solid contributor over the period as markets factored in size and length of this interest rate cutting cycle. Bond yields and prices are inversely correlated. When bond yields fall, prices rise. Consequently, our bond funds with greater sensitivity to movement in interest rates, expressed as 'modified duration', performed better than those with less. Although all our managers made money over the period.

A core investment grade corporate bond fund was the standout performer over the period, exposure to bank and insurance company debt was the key reason. Our short-dated sovereign and investment grade corporate bond funds lagged peers. However, they still comfortably outperformed cash, and this is where we topped up the holding from during the period, because we expect cash rates to fall further this year and in 2025.

UK equities contributed positively. The standout performer was our multi-cap UK equity income manager, an overweight position to domestically focused mid and small cap businesses was the key reason. The laggard over the period was a core large cap equity income manager, he still posted low double-digit returns. Despite the UK offering value versus other geographies and relative to history, investors, domestic and foreign, have shied away from the UK for some several years. Political stability at home coupled with stretched valuations abroad may help change investors' minds.

The vast majority of our overseas equity holdings delivered high teens in terms of percentage returns. The standout performers were our high growth US and technology focused managers as the excitement surrounding the potential investment returns from artificial intelligence persisted. The laggard was our core emerging markets fund, stock picking in India and China was the key detractor relative to peers but our manager still delivered mid-single digit returns.

Global and Asian equity income strategies delivered for us over the period. Global equity income is a theme we have been adding to as we believe the capital discipline needed to pay dividend and maintain a strong balance sheet is the type of investment that will prosper in coming quarters as market returns broaden out from the technology sector.

Despite huge levels of volatility our Japanese managers also posted solid double digit returns for the period.

All our alternative investment strategies delivered positive returns, led by our asset backed fixed interest fund but all our UK market neutral funds contributed positively too, with our more recent purchases outperforming longer held positions.

Foundation Investment Management Ltd  
Investment Manager to the Fund  
18 November 2024

## PERFORMANCE RECORD

### Financial Highlights

Accumulation R Shares	Year ended 30 September 2024	Year ended 30 September 2023	Year ended 30 September 2022
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	227.1292	215.5130	258.8604
Return before operating charges	35.3999	14.7368	(40.0268)
Operating charges (note 1)	(3.2589)	(3.1206)	(3.3206)
Return after operating charges*	32.1410	11.6162	(43.3474)
Closing net asset value per share	259.2702	227.1292	215.513
Retained distributions on accumulated shares	3.7813	2.8978	0.4426
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	14.15%	5.39%	(16.75%)
Other information			
Closing net asset value	£51,902,235	£53,219,956	£60,053,806
Closing number of shares	20,018,587	23,431,580	27,865,509
Operating charges (note 2)	1.34%	1.41%	1.40%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	259.4013	234.9019	267.1933
Lowest share price	221.9134	209.1685	213.4435

Income R Shares	Year ended 30 September 2024	Year ended 30 September 2023	Year ended 30 September 2022
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	189.6954	182.3162	219.4291
Return before operating charges	29.4746	12.4448	(33.9298)
Operating charges (note 1)	(2.7002)	(2.6227)	(2.8122)
Return after operating charges*	26.7744	9.8221	(36.7420)
Distribution on income shares	(3.1470)	(2.4429)	(0.3709)
Closing net asset value per share	213.3228	189.6954	182.3162
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	14.11%	5.39%	(16.74%)
Other information			
Closing net asset value	£5,080,715	£5,859,865	£7,540,062
Closing number of shares	2,381,702	3,089,092	4,135,705
Operating charges (note 2)	1.34%	1.41%	1.40%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	214.6882	198.7185	226.4927
Lowest share price	185.3389	176.9489	180.9007

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

### **Risk Profile**

Based on past data, the Sub-fund is ranked a 5 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 September 2023: ranked 5). The Sub-fund is ranked 5 because weekly historical performance data indicates that relatively high rises and falls would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.



## PORTFOLIO STATEMENT

As at 30 September 2024

	Value £	% of net assets
<b>Collective Investment Schemes (30.09.2023: 98.11%)</b>		
792,131 Allianz Gilt Yield	1,140,590	2.01
1,911,716 Allianz UK Equity Income Fund	2,278,574	4.00
2,780 Arcus Japan Relative Institutional	612,578	1.08
859,439 Aviva Investors Global Equity Income	1,728,847	3.04
92,540 BlackRock Emerging Markets	569,821	1.00
344,737 BlackRock European Dynamic Fund	1,088,852	1.91
368 BlueBox Global Technology Fund	584,584	1.03
106,574 CG UK Global High Income Opportunities	1,142,478	2.01
33,464 CIM Dividend Income	585,285	1.03
36,126 CT Real Estate Equity Market Neutral Fund	566,463	0.99
500,379 Fidelity Index Japan	1,118,848	1.96
505,010 Fiera Atlas Global Companies	598,144	1.05
819,425 FP Octopus UK Multi Cap Income	1,134,494	1.99
768,677 Invesco Tactical Bond (UK)	2,268,595	3.98
1,882,860 JPM Europe (ex-UK) Research Enhanced Index Equity	2,854,416	5.01
1,820,297 JPM Global Equity Income	2,309,957	4.06
1,644,857 JPM US Research Enhanced Index	3,422,947	6.01
440,320 Jupiter Asian Income	1,134,220	1.99
59,883 WS Canlife North American	1,711,483	3.01
220,134 WS Canlife UK Equity Income	1,709,957	3.00
4,561 Man GLG Alpha Select Alternative	569,803	1.00
1,662,774 Jupiter Global Macro Bond Fund	2,279,497	4.00
334,825 MI Chelverton UK Equity Growth	1,121,699	1.97
341,597 Premier Miton European Opportunities	1,140,251	2.00
240,404 Rathbone Ethical Bond	565,358	0.99
1,461,472 Royal London Diversified Asset-Backed Securities	2,282,819	4.01
1,014,720 Royal London Global Equity Income Fund	1,713,863	3.01
837,782 Royal London Sustainable Leaders Trust	2,835,892	4.98
6,284 Smead US Value UCITS Fund	1,691,107	2.97
802,399 TM Tellworth UK Select	1,137,802	2.00
163,101 UBS US Growth	559,223	0.98
6,502 Vanguard Emerging Markets Stock Index	1,764,290	3.10
8,225 Vanguard FTSE UK All Share Index Unit Trust	2,314,069	4.06
14,846 Vanguard Global Bond Index	2,291,611	4.02
14,855 Vanguard Global Short-Term Bond	1,693,595	2.97
621,111 VT Woodhill UK Equity Strategic Fund*	567,254	1.00
189,701 Waverton Sterling Bond	1,697,252	2.98
498,453 WS Canlife Short Duration Corporate Bond	565,097	0.99
377,421 WS Guinness Global Equity Income	573,755	1.01
	<b>55,925,370</b>	<b>98.20</b>
<b>Portfolio of investments (30.09.2023: 98.11%)</b>	<b>55,925,370</b>	<b>98.20</b>
<b>Net other assets (30.09.2023: 1.89%)</b>	<b>1,023,886</b>	<b>1.80</b>
	<b>56,949,256</b>	<b>100.00</b>

\* Related security due to the AFM of the Sub-fund also being the AFM of this holding

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

---

	£
<b>Total purchases for the year (note 14)</b>	<b>13,886,418</b>
Aviva Investors Global Equity Income	2,960,000
Royal London Diversified Asset-Backed Securities	1,795,000
Royal London Global Equity Income Fund	1,744,000
TM Tellworth UK Select	1,141,000
JPM US Research Enhanced Index	1,140,000
Allianz UK Equity Income Fund	630,000
WS Canlife Short Duration Corporate Bond	595,000
Fidelity Index Japan	590,000
Rathbone Ethical Bond	585,000
VT Woodhill UK Equity Strategic Fund	585,000
Other purchases	2,121,418

	£
<b>Total sales for the year (note 14)</b>	<b>23,757,195</b>
Royal London Global Equity Income Fund	2,862,000
BlueBox Global Technology Fund	1,618,000
Man GLG Alpha Select Alternative	1,523,000
Waverton Sterling Bond	1,462,000
Fiera Atlas Global Companies	1,336,753
Aviva Investors Global Equity Income	1,290,000
Seilern America	1,265,984
Vanguard FTSE UK All Share Index Unit Trust	1,045,000
JPM Global Equity Income	1,036,000
UBS US Growth	903,000
Other sales	9,415,458

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

## STATEMENT OF TOTAL RETURN

For the year ended 30 September

	Notes	2024	2023
		£	£
Income			
Net capital gains	2	6,797,335	3,023,120
Revenue	3	1,459,907	1,078,109
Expenses	4	(484,337)	(534,545)
Interest payable and similar charges	6	(11,318)	(122)
Net revenue before taxation		964,252	543,442
Taxation	5	-	-
Net revenue after taxation		964,252	543,442
Total return before distributions		7,761,587	3,566,562
Finance costs: distributions	6	(906,839)	(829,161)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>6,854,748</b>	<b>2,737,401</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September

	2024	2023
	£	£
<b>Opening net assets attributable to shareholders</b>	59,049,969	67,557,930
Amounts receivable on creation of shares	2,145,277	1,870,513
Amounts payable on cancellation of shares	(11,898,756)	(13,822,847)
Dilution levies	967	212
Accumulation distributions retained	797,051	706,760
Changes in net assets attributable to shareholders from investment activities (see above)	6,854,748	2,737,401
<b>Closing net assets attributable to shareholders</b>	<b>56,949,256</b>	<b>59,049,969</b>

## BALANCE SHEET

As at	Notes	30.09.2024		30.09.2023	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investment assets			55,925,370		57,936,190
<b>CURRENT ASSETS</b>					
Debtors	7	630,371		155,902	
Cash and bank balances	8	956,066		1,137,682	
<b>Total current assets</b>			<u>1,586,437</u>		<u>1,293,584</u>
<b>Total assets</b>			57,511,807		59,229,774
<b>CURRENT LIABILITIES</b>					
Creditors	9	(533,034)		(138,241)	
Distribution payable on income shares		<u>(29,517)</u>		<u>(41,564)</u>	
<b>Total current liabilities</b>			<u>(562,551)</u>		<u>(179,805)</u>
<b>Net assets attributable to shareholders</b>			<u>56,949,256</u>		<u>59,049,969</u>

## NOTES TO THE FINANCIAL STATEMENTS

---

For the year ended 30 September 2024

### 1 Accounting policies

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

### 2 Net capital gains

	2024	2023
	£	£
The net capital gains comprise:		
Non-derivative securities gains	6,782,108	3,001,396
Foreign exchange (losses)/gains	(242)	5,120
Transaction charges	(1,764)	(898)
Rebates from underlying holdings	17,233	17,502
Total net capital gains	<u>6,797,335</u>	<u>3,023,120</u>

### 3 Revenue

	2024	2023
	£	£
Non-taxable dividends	821,946	641,889
Interest from non-derivative securities	551,714	394,305
Rebates from underlying holdings	10,204	2,496
Bank interest	76,043	39,419
Total revenue	<u>1,459,907</u>	<u>1,078,109</u>

### 4 Expenses

	2024	2023
	£	£
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	440,301	482,761
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	21,093	23,137
Safe custody fee	6,264	6,842
	<u>27,357</u>	<u>29,979</u>
<b>Other expenses:</b>		
Audit fee	9,385	9,710
Other expenses	7,294	12,095
	<u>16,679</u>	<u>21,805</u>
Total expenses	<u>484,337</u>	<u>534,545</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 Taxation

	2024 £	2023 £
<b>(a) Analysis of charge in the year</b>		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2023: 20.00%)		
The differences are explained below:		
Net revenue before UK corporation tax	964,252	543,442
Corporation tax at 20.00% (2023: 20.00%)	192,850	108,688
<b>Effects of:</b>		
Revenue not subject to UK corporation tax	(164,390)	(128,377)
Tax effect of rebates in capital	3,447	3,500
Excess management expenses (utilised)/not utilised	(31,907)	16,189
Total tax charge for the year (note 5a)	-	-

### (c) Provision for deferred taxation

At 30 September 2024 there is a potential deferred tax asset of £1,238,223 (30 September 2023: £1,270,131) in relation to surplus management expenses.

### 6 Finance costs

	2024 £	2023 £
Interim dividend distribution	546,106	371,958
Final dividend distribution	329,237	416,586
	875,343	788,544
Add: Revenue deducted on cancellation of shares	41,688	45,643
Deduct: Revenue received on issue of shares	(10,192)	(5,026)
<b>Net distribution for the year</b>	906,839	829,161
Interest payable and similar charges	11,318	122
<b>Total finance costs</b>	918,157	829,283
<b>Reconciliation of distributions</b>		
Net revenue after taxation	964,252	543,442
Equalisation from collectives allocated to revenue	47,267	246,512
Balance brought forward	37,360	76,567
Balance carried forward	(142,040)	(37,360)
<b>Net distribution for the year</b>	906,839	829,161

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>£</b>	<b>£</b>
Amounts receivable on creation of shares	39,221	181
Amounts receivable on unsettled trades	423,000	38,000
Accrued revenue:		
Non taxable dividends receivable	125,161	87,025
Interest from non-derivative securities receivable	35,789	20,697
Rebates from underlying holdings	7,109	9,909
Prepayments	91	90
Total debtors	<u>630,371</u>	<u>155,902</u>
<b>8 Cash and bank balances</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	<u>956,066</u>	<u>1,137,682</u>
<b>9 Creditors</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellation of shares	477,649	82,744
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	36,270	35,832
<b>Amounts payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary charges	1,750	1,723
Safe custody and other custodian charges	6,709	7,809
	<u>8,459</u>	<u>9,532</u>
<b>Other expenses:</b>		
Audit fee	9,360	8,975
Other accrued expenses	1,296	1,158
	<u>10,656</u>	<u>10,133</u>
Total creditors	<u>533,034</u>	<u>138,241</u>

## 10 Risk Management

In pursuing its investment objective as stated on page 11, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

### Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributed to ordinary shareholders and equity for the year to 30 September 2024 would have increased/decreased by £5,592,537 (30 September 2023: £5,793,619 ).

### Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value.

Where the Sub-fund invests in non-sterling assets, the investment adviser allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

This risk is not actively managed.

The table below shows the direct foreign currency risk profile:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
GBP	1,023,886	1,113,779	53,023,542	52,055,784	54,047,428	53,169,563
USD	-	-	2,289,250	5,268,718	2,289,250	5,268,718
JPY	-	-	612,578	611,688	612,578	611,688
Total	1,023,886	1,113,779	55,925,370	57,936,190	56,949,256	59,049,969

A 10% change in the Pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £290,183 on the net assets of the Sub-fund (30 September 2023: £588,041).



## 10 Risk Management (Continued)

### Interest rate risk

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

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

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

	30.09.2024	30.09.2023
	£	£
Financial assets floating rate	956,066	1,137,682
Financial assets interest bearing instruments	16,496,695	15,420,982
Financial assets non-interest bearing instruments	40,059,046	42,671,110
Financial liabilities non-interest bearing instruments	(562,551)	(179,805)
Financial liabilities floating rate	-	-
	<b>56,949,256</b>	<b>59,049,969</b>

At 30 September 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £2,390 (30 September 2023: £2,844).

### Maturity of financial liabilities

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

### Liquidity risk

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

### Credit risk

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

### Fair value disclosure

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

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

### Valuation Technique.

	30.09.2024		30.09.2023	
Valuation Technique	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	55,925	-	57,936	-
Total	55,925	-	57,936	-

# 11 Shares Held

R Shares	Accumulation	Income
<b>Opening Shares at 01.10.2023</b>	<b>23,431,580</b>	<b>3,089,092</b>
Shares issued during the year	848,009	24,363
Shares cancelled during the year	(4,261,002)	(731,753)
Shares converted during the year	-	-
<b>Closing Shares as at 30.09.2024</b>	<b>20,018,587</b>	<b>2,381,702</b>

# 12 Contingent assets and liabilities

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

# 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 30 September 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 30 Sept 2024	Price at 27 January 2025
Accumulation R Shares	259.2702p	267.7293p
Income R Shares	213.3228p	220.3008p

# 14 Direct transactions costs

For both the current and prior year, the Sub-fund purchases and sales did not incur any trading commissions, taxes or levies. Therefore the direct transaction costs on purchases, sales and overall are all 0.00%.

# 15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2024 is 0.11% (30 September 2023: 0.10%).

# 16 Related Party transactions

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

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

As noted in the portfolio summary, the Sub-fund held shares in related holdings. The income received from related holdings during the year was £10,916 (30 September 2023: £nil).

## DISTRIBUTION TABLES

### Interim distribution in pence per share

Group 1: Shares purchased prior to 01 October 2023

Group 2: Shares purchased on or after 01 October 2024 and on or before 31 March 2023

Accumulation R Shares	Net Revenue 31.05.2024	Equalisation	Distribution 31.05.2024	Distribution 31.05.2023
Group 1	2.2841p	-	2.2841p	1.2973p
Group 2	0.8627p	1.4214p	2.2841p	1.2973p

Income R Shares	Net Revenue 31.05.2024	Equalisation	Distribution 31.05.2024	Distribution 31.05.2023
Group 1	1.9077p	-	1.9077p	1.0974p
Group 2	0.6168p	1.2909p	1.9077p	1.0974p

### Final distribution in pence per share

Group 1: Shares purchased on or prior to 01 April 2024

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

Accumulation R Shares	Net Revenue 29.11.2024	Equalisation	Distribution 29.11.2024	Distribution 30.11.2023
Group 1	1.4972p	-	1.4972p	1.6005p
Group 2	0.6004p	0.8968p	1.4972p	1.6005p

Income R Shares	Net Revenue 29.11.2024	Equalisation	Distribution 29.11.2024	Distribution 30.11.2023
Group 1	1.2393p	-	1.2393p	1.3455p
Group 2	0.0374p	1.2019p	1.2393p	1.3455p

### Information for corporate shareholders

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

- i) 56.70% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 43.30% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

## SUB-FUND OVERVIEW

---

<b>Name of Sub-fund</b>	VT Greystone Global Growth Fund
<b>Size of Sub-fund</b>	£76,160,961
<b>Investment objective and policy</b>	<p>The investment objective of the Sub-fund is to achieve capital growth over the long term (10 years).</p> <p>The Sub-fund aims to achieve its objective through exposure of at least 80% to a portfolio of equities throughout the world. This exposure will primarily (at least 70%) be indirect through investment in collective investments schemes (which may include those managed and/or operated by the AFM or Investment Manager), however a limited amount of direct equities may also be used. Exposure to UK equities (that is those companies which are established and/or listed in the UK) is expected to be up to a maximum of 20%.</p> <p>The Sub-fund may also invest in fixed income, money market instruments, deposits, cash and near cash. The Sub-fund will be actively managed.</p> <p>Save as noted above the Sub-fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.</p> <p>The Sub-fund does not intend to have an interest in immovable or tangible movable property.</p>
<b>Performance comparator</b>	<p>The IA Global (the "Sector") may be used as a comparator for this Sub-fund over the long term (10 years).</p> <p>The performance of the Sub-fund can be compared against that of the Sector. This Sector has been selected as it is considered that this sector most closely reflects the investments which the Fund will make (and its risk/return objectives) at the current time.</p> <p>For the avoidance of doubt, the Investment Manager is not bound or influenced by the Sector when making its decisions and can make investments that are not included in the Sector.</p>
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Share class</b>	The Sub-fund currently has two share class, Accumulation R Shares and Accumulation A Shares*.
<p>*Class A shares are only available to certain staff members of the investment manager and their connected persons at the AFM's discretion.</p>	
<b>Ex-distribution dates</b>	31 March and 30 September
<b>Distribution dates</b>	31 May and 30 November
<b>Individual Savings Account (ISA)</b>	The Company is a qualifying investment for inclusion in an ISA

## SUB-FUND OVERVIEW (Continued)

---

### Minimum investment\*

<b>Lump sum subscription:</b>	Accumulation R = £1,000 Accumulation A = £5,000,000
<b>Top-up:</b>	Accumulation R = £1,000 Accumulation A = £100,000
<b>Holding:</b>	Accumulation R = £1,000 Accumulation A = £5,000,000
<b>Redemption:</b>	Accumulation R = £1,000 Accumulation A = £100,000
<b>Regular savings plan:</b>	Accumulation R = £100 per month Accumulation A = £100,000 per month

\*The above limits may be waived at the discretion of the AFM.

<b>AFM preliminary charges</b>	R Accumulation = 0% A Accumulation = 0%
--------------------------------	--

<b>Annual management charge</b>	R Accumulation = 0.75% A Accumulation = 0%
---------------------------------	---

## INVESTMENT MANAGER'S REVIEW

---

### Performance Summary

The fund delivered 17.48% (Accumulation R Share) over the review period versus the Investment Association (IA) Global sector average 16.42%. (Data for the period 30th September 2023 to 30th September 2024 Data compiled from Refinitiv Lipper for Investment Management).

### Fund Review & Outlook

Markets fretted over weaker than expected job creation numbers in August along with a surprise interest hike in Japan. This caused record levels of volatility in Japan with share prices and currency exchange rates moving wildly as hedge funds attempted to unwind large leveraged positioning. This situation calmed down pretty much as soon as it occurred, but it was an indication of how tetchy markets are over what the future may bring.

An interest rate cutting cycle in the US, UK and Europe has commenced because inflation is close to target and economies are slowing, but there are pockets of stubborn inflation, particularly in the UK with public sector wage increases causing an eyebrow to be raised at the Bank of England.

Turning to the fund, our US technology focused high growth managers were the standout contributors over the period, driven by investor expectations for higher profits generated by the uptake of artificial intelligence by the wider economy. Over the review period we took profits and trimmed our positions to these types of funds, rotating into global equity income funds that offer a solid dividend yield and invest in businesses with robust cashflows and balance sheets.

The laggard was our core emerging markets fund, stock picking in India and China was the key detractor relative to peers but our manager still delivered mid single digit positive returns.

On the continent, European managers with exposure to mid cap growth companies fared better than large cap value due to enthusiasm over the uptake of artificial intelligence and the demand for computer chips.

In Asia, both of our income managers produced excellent returns. China and exposure to emerging Asia delivered slightly better returns than investment in developed Asia and Australasia.

Despite enormous levels of volatility over in Japan, both our active and passive managers delivered double digit returns as investors were encouraged by an uptick in economic growth in the country after years of stagnation.

We topped up exposure to large cap UK income funds after taking profits from our US technology positions. The UK offers value relative to history and other geographies along with solid dividend yields.

All funds, in all regions made money over the period.

Foundation Investment Management Ltd  
Investment Manager to the Fund  
18 November 2024

## PERFORMANCE RECORD

### Financial Highlights

	Year ended 30 September 2024	Year ended 30 September 2023	Year ended 30 September 2022
<b>Accumulation R Shares</b>			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	398.4076	377.7340	455.5636
Return before operating charges	75.5034	26.1066	(72.2048)
Operating charges (note 1)	(5.8487)	(5.4330)	(5.6248)
Return after operating charges*	69.6547	20.6736	(77.8296)
Closing net asset value per share	468.0623	398.4076	377.7340
Retained distributions on accumulated shares	3.4435	1.9970	-
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	17.48%	5.47%	(17.08%)
Other information			
Closing net asset value	£75,840,622	£75,975,232	£85,305,444
Closing number of shares	16,203,104	19,069,724	22,583,472
Operating charges (note 2)	1.35%	1.40%	1.35%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	469.6884	413.4180	481.5243
Lowest share price	384.8136	361.6139	353.3924
<b>Accumulation A Shares</b>			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	94.0915	88.5549	106.0059
Return before operating charges	17.8923	6.1302	(16.8673)
Operating charges (note 1)	(0.6164)	(0.5936)	(0.5837)
Return after operating charges*	17.2759	5.5366	(17.4510)
Closing net asset value per share	111.3674	94.0915	88.5549
Retained distributions on accumulated shares	1.5950	1.1484	0.0026
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	18.36%	6.25%	(16.46%)
Other information			
Closing net asset value	£386,221	£326,308	£302,654
Closing number of shares	346,799	346,799	341,769
Operating charges (note 2)	0.60%	0.65%	0.60%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	111.5803	97.4170	112.1548
Lowest share price	90.9353	84.8072	82.6768

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

### **Risk Profile**

Based on past data, the Sub-fund is ranked a 6 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 September 2023: ranked 6). The Sub-fund is ranked because weekly historical performance data indicates that significant rises and falls in prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.



## PORTFOLIO STATEMENT

As at 30 September 2024

		Value £	% of net assets
<b>Collective Investment Schemes (30.09.2023: 98.11%)</b>			
7,240	Arcus Japan Relative Institutional	1,595,346	2.09
1,285,154	Allianz UK Equity Income Fund	1,531,775	2.01
1,134,555	Aviva Investors Global Equity Income	2,282,270	3.00
109,235	Baillie Gifford American	1,555,506	2.04
253,673	BlackRock Emerging Markets	1,562,013	2.05
698,230	BlackRock European Dynamic Fund	2,205,363	2.90
485	BlueBox Global Technology Fund	769,108	1.01
88,974	CIM Dividend Income	1,556,155	2.04
995,290	Fidelity Index Japan	2,225,468	2.92
1,917,137	Fiera Atlas Global Companies	2,270,694	2.98
4,850	Granahan US SMID Select Fund	724,668	0.95
452,870	Invesco Global ex UK Enhanced Index Fund	2,287,628	3.00
895,762	Jupiter Asian Income	2,307,394	3.03
2,996,994	JPM Europe (ex-UK) Research Enhanced Index Equity	4,543,444	5.97
3,002,743	JPM Global Equity Income	3,810,481	5.00
2,207,868	JPM US Research Enhanced Index	4,594,573	6.03
134,720	WS Canlife North American	3,850,364	5.06
1,889,452	WS Lightman European	3,024,635	3.97
194,486	WS Canlife UK Equity Income	1,510,731	1.98
264,496	Legal & General US Index	3,062,861	4.02
7,459	Lyrical Value Fund (LUX) – U.S. Value Equity Strategy	2,304,455	3.03
433,312	MI Chelverton UK Equity Growth	1,451,639	1.91
110,140	Polen Capital Focus U.S. Growth	1,529,402	2.01
681,544	Premier Miton European Opportunities	2,274,995	2.99
1,813,263	Royal London Global Equity Income Fund	3,062,601	4.02
679,638	Royal London Sustainable Leaders Trust	2,300,574	3.02
3,941	Seilern America	1,522,617	2.00
11,197	Smead US Value UCITS Fund	3,012,973	3.96
11,873	Vanguard Emerging Markets Stock Index	3,221,705	4.23
2,828	Vanguard FTSE UK All Share Index Unit Trust	795,633	1.04
3,175	Vanguard US Equity Index	3,009,361	3.95
451,111	UBS US Growth	1,546,724	2.03
994,778	WS Guinness Global Equity Income	1,512,262	1.99
		<b>74,815,418</b>	<b>98.23</b>
<b>Portfolio of investments (30.09.2023: 98.11%)</b>		<b>74,815,418</b>	<b>98.23</b>
<b>Net other assets (30.09.2023: 1.89%)</b>		<b>1,345,543</b>	<b>1.77</b>
		<b>76,160,961</b>	<b>100.00</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

---

	£
<b>Total purchases for the year (note 14)</b>	<b>13,850,076</b>
Aviva Investors Global Equity Income	3,865,000
Royal London Global Equity Income Fund	3,055,000
Invesco Global ex UK Enhanced Index Fund	2,275,000
WS Guinness Global Equity Income	1,505,000
Fidelity Index Japan	915,000
WS Canlife UK Equity Income	745,000
CIM Dividend Income	740,000
Smead US Value UCITS Fund	309,622
BlueBox Global Technology Fund	210,000
Fiera Atlas Global Companies	145,454
Other purchases	85,000

	£
<b>Total sales for the year (note 14)</b>	<b>26,516,746</b>
Royal London Global Equity Income Fund	3,695,000
BlueBox Global Technology Fund	2,350,002
UBS US Growth	2,290,000
Seilern America	1,786,181
Aviva Investors Global Equity Income	1,660,000
JPM Global Equity Income	1,360,000
Fiera Atlas Global Companies	1,286,408
Baillie Gifford American	1,175,000
JPM US Research Enhanced Index	980,000
Matthews Asia ex Japan Total Return Equity	771,107
Other sales	9,163,048

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

## STATEMENT OF TOTAL RETURN

For the year ended 30 September 2024

	Notes	2024	2023
		£	£
Income			
Net capital gains	2	11,757,702	4,278,759
Revenue	3	1,228,282	987,211
Expenses	4	(625,726)	(683,397)
Interest payable and similar charges	6	(14,750)	-
Net revenue before taxation		587,806	303,814
Taxation	5	-	-
Net revenue after taxation		587,806	303,814
Total return before distributions		12,345,508	4,582,573
Finance costs: distributions	6	(618,522)	(432,966)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>11,726,986</b>	<b>4,149,607</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2024

	2024	2023
	£	£
<b>Opening net assets attributable to shareholders</b>	76,241,536	85,537,707
Amounts receivable on creation of shares	3,271,197	3,508,671
Amounts payable on cancellation of shares	(15,678,459)	(17,362,436)
Dilution levies	2,069	356
Accumulation distributions retained	597,632	407,631
Changes in net assets attributable to shareholders from investment activities (see above)	11,726,986	4,149,607
<b>Closing net assets attributable to shareholders</b>	<b>76,160,961</b>	<b>76,241,536</b>

**BALANCE SHEET**

As at		30.09.2024		30.09.2023	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investment assets			74,815,418		74,803,879
<b>CURRENT ASSETS</b>					
Debtors	7	285,453		111,227	
Cash and bank balances	8	<u>1,434,252</u>		<u>1,633,936</u>	
<b>Total current assets</b>			<u>1,719,705</u>		<u>1,745,163</u>
<b>Total assets</b>			76,535,123		76,549,042
<b>CURRENT LIABILITIES</b>					
Creditors	9	(344,597)		(307,506)	
Bank overdraft	8	<u>(29,565)</u>		<u>-</u>	
<b>Total current liabilities</b>			<u>(374,162)</u>		<u>(307,506)</u>
<b>Net assets attributable to shareholders</b>			<u>76,160,961</u>		<u>76,241,536</u>

## NOTES TO THE FINANCIAL STATEMENTS

---

For the year ended 30 September 2024

### 1 Accounting policies

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

### 2 Net capital gains

	2024	2023
	£	£
The net capital gains comprise:		
Non-derivative securities gains	11,742,602	4,246,837
Foreign exchange gains	159	2,274
Transaction charges	(1,176)	(828)
Rebates from underlying holdings	16,117	30,476
Total net capital gains	11,757,702	4,278,759

### 3 Revenue

	2024	2023
	£	£
Non-taxable dividends	1,106,664	934,172
Rebates from underlying holdings	28,716	5,861
Bank interest	92,902	47,178
Total revenue	1,228,282	987,211

### 4 Expenses

	2024	2023
	£	£
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	572,969	623,094
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	27,709	29,922
Safe custody fee	8,162	8,826
	35,871	38,748
<b>Other expenses:</b>		
Audit fee	9,385	9,710
Other expenses	7,501	11,845
	16,886	21,555
Total expenses	625,726	683,397

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 Taxation

	2024	2023
	£	£
<b>(a) Analysis of charge in the year</b>		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-

### (b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company % (2023: 20.00%)

The differences are explained below:

Net revenue before UK corporation tax	587,806	303,814
Corporation tax at % (2023: 20.00%)	117,561	60,763
<b>Effects of:</b>		
Revenue not subject to UK corporation tax	(221,333)	(186,834)
Tax effect of rebates in capital	3,224	6,094
Excess management expenses not utilised	100,548	119,977
Total tax charge for the year (note 5a)	-	-

### (c) Provision for deferred taxation

At 30 September 2024 there is a potential deferred tax asset of £2,128,911 (30 September 2023: £2,028,363) in relation to surplus management expenses.

### 6 Finance costs

	2024	2023
	£	£
Interim dividend distribution	568,996	213,055
Final dividend distribution	28,636	194,576
	597,632	407,631
Add: Revenue deducted on cancellation of shares	26,458	30,605
Deduct: Revenue received on issue of shares	(5,568)	(5,270)
<b>Net distribution for the year</b>	618,522	432,966
Interest payable and similar charges	14,750	-
<b>Total finance costs</b>	633,272	432,966
<b>Reconciliation of distributions</b>		
Net revenue after taxation	587,806	303,814
Equalisation from collectives allocated to revenue	39,864	260,117
Balanced brought forward	130,965	-
Balanced carried forward	(140,113)	(130,965)
<b>Net distribution for the year</b>	618,522	432,966

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>7 Debtors</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>£</b>	<b>£</b>
Amounts receivable on creation of shares	88,458	1,017
Amounts receivable on unsettled trades	70,000	-
Accrued revenue:		
Non taxable dividends receivable	117,566	99,449
Interest from non-derivative securities receivable	943	943
Rebates from underlying holdings	8,405	9,728
Prepayments	81	90
Total debtors	<u>285,453</u>	<u>111,227</u>
<b>8 Cash and bank balances</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	1,434,252	1,633,936
Bank overdraft	<u>(29,565)</u>	<u>-</u>
<b>9 Creditors</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellation of shares	275,921	236,917
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	47,716	48,301
<b>Amounts payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary charges	2,312	2,262
Safe custody and other custodian charges	7,864	9,886
	<u>10,176</u>	<u>12,148</u>
<b>Other expenses:</b>		
Audit fee	9,360	8,975
Other accrued expenses	1,424	1,165
	<u>10,784</u>	<u>10,140</u>
Total creditors	<u>344,597</u>	<u>307,506</u>

## 10 Risk Management

In pursuing its investment objective as stated on page 26, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

### Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributed to ordinary shareholders and equity for the year to 30 September 2024 would have increased/decreased by £7,481,542 (30 September 2023: £7,480,388).

### Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value.

Where the Sub-fund invests in non-sterling assets, the investment adviser allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk. This risk is not actively managed.

The table below shows the direct foreign currency risk profile:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
GBP	1,342,740	1,437,657	62,579,932	60,176,856	63,922,672	61,614,513
USD	2,803	-	10,640,140	13,068,788	10,642,943	13,068,788
JPY	-	-	1,595,346	1,558,235	1,595,346	1,558,235
Total	1,345,543	1,437,657	74,815,418	74,803,879	76,160,961	76,241,536

A 10% change in the Pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £1,223,829 on the net assets of the Sub-fund (30 September 2023: £1,462,702).



**10 Risk Management (Continued)****Interest rate risk**

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

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

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

	30.09.2024	30.09.2023
	£	£
Financial assets floating rate	1,434,252	1,633,936
Financial assets interest bearing instruments	-	-
Financial assets non-interest bearing instruments	75,100,871	74,915,106
Financial liabilities non-interest bearing instruments	(344,597)	(307,506)
Financial liabilities floating rate	(29,565)	-
	<b>76,160,961</b>	<b>76,241,536</b>

At 30 September 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £3,511 (30 September 2023: £4,085).

**Maturity of financial liabilities**

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

**Liquidity risk**

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

**Credit risk**

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

**Fair value disclosure**

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

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

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

Level 3: Valuation techniques using unobservable inputs.

**Valuation Technique.**

	30.09.2024		30.09.2023	
Valuation Technique	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	74,815	-	74,804	-
Total	74,815	-	74,804	-

## 11 Shares Held

### Accumulation R Shares

<b>Opening Shares at 01.10.2023</b>	<b>19,069,724</b>
Shares issued during the year	743,083
Shares cancelled during the year	(3,609,703)
Shares converted during the year	-
<b>Closing Shares as at 30.09.2024</b>	<b>16,203,104</b>

### Accumulation A Shares

<b>Opening Shares at 01.10.2023</b>	<b>346,799</b>
Shares issued during the year	-
Shares cancelled during the year	-
Shares converted during the year	-
<b>Closing Shares as at 30.09.2024</b>	<b>346,799</b>

## 12 Contingent assets and liabilities

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

## 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 30 September 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 30 September 2024	Price at 27 January 2024
Accumulation R Shares	468.0623p	503.5983p
Accumulation A Shares	111.3674p	120.1158p

## 14 Direct transactions costs

For both the current and prior year, the Sub-fund purchases and sales did not incur any trading commissions, taxes or levies. Therefore the direct transaction costs on purchases, sales and overall are all 0.00%.

## 15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2024 is 0.16% (30 September 2023: 0.16%).

## 16 Related Party transactions

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

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

## DISTRIBUTION TABLES

### Interim distribution in pence per share

Group 1: Shares purchased prior to 01 October 2023

Group 2: Shares purchased on or after 01 October 2023 and on or before 31 March 2024

Accumulation R Shares	Net Revenue 31.05.2024	Equalisation	Distribution 31.05.2024	Distribution 31.05.2023
Group 1	3.2766p	-	3.2766p	0.9872p
Group 2	1.8449p	1.4317p	3.2766p	0.9872p

Accumulation A Shares	Net Revenue 31.05.2024	Equalisation	Distribution 31.05.2024	Distribution 31.05.2023
Group 1	1.1372p	-	1.1372p	0.5704p
Group 2	1.1372p	-	1.1372p	0.5704p

### Final distribution in pence per share

Group 1: Shares purchased on or prior to 01 April 2024

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

Accumulation R Shares	Net Revenue 29.11.2024	Equalisation	Distribution 29.11.2024	Distribution 30.11.2023
Group 1	0.1669p	-	0.1669p	1.0098p
Group 2	0.0628p	0.1041p	0.1669p	1.0098p

Accumulation A Shares	Net Revenue 29.11.2024	Equalisation	Distribution 29.11.2024	Distribution 30.11.2023
Group 1	0.4578p	-	0.4578p	0.5780p
Group 2	0.4578p	-	0.4578p	0.5780p

### Information for corporate shareholders

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

- i) 90.10% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 9.90% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

## INFORMATION FOR INVESTORS

---

### Taxation

The Company will pay no corporation tax on its profits for the year to 30 September 2024 and capital gains within the Company will not be taxed.

### Individual shareholders

**Income tax:** Tax-free annual dividend allowance now standing at £500 (2024/25). UK resident shareholders are subject to 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 £3,000 (2024/25) 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 20.00% 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 from 8:30am to 5:30pm. Instructions may be given by email to the below email address or by sending an application form to the Registrar. Application forms are available from the Registrar. (Email: [greystone@valu-trac.com](mailto:greystone@valu-trac.com)).

The price of shares will be determined by reference to a valuation of the Company's net assets at 08:30am 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.

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 AFM may at its discretion accept subscriptions lower than the minimum amount.

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

### Assessment of Value

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

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

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

## INFORMATION FOR INVESTORS (Continued)

### Remuneration

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

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

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

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

Date: 28 May 2024	Number of staff	Fixed remuneration	Variable remuneration	Total remuneration
Senior Management and members of the governing body	9	753,640	-	753,640
Other material risk takers	4	312,684	-	312,684
All other staff	103	3,409,068	-	3,409,068
Total	116	4,475,392	-	4,475,391
Total severance payments		-	-	-

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

## CORPORATE DIRECTORY

---

<b>Authorised Fund Manager, &amp; Registrar</b>	<p>Valu-Trac Investment Management Limited Orton Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: greystone@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
<b>Investment Manager</b>	<p>Foundation Investment Management Ltd Foundation House Scott Drive Altrincham Cheshire WA15 8AB</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Depository</b>	<p>NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Auditor</b>	<p>Johnston Carmichael LLP Strathlossie House Kirkhill Avenue Elgin IV30 8DE</p>