

VT MUNRO-SMART BETA FUND
(Sub-fund VT Munro Smart-Beta UK Fund)

Annual Report and Financial Statements
For the year ended 31 January 2024

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COMPANY OVERVIEW

Type of Company: VT Munro Smart-Beta Fund (“the Company”) is an authorized open-ended investment company with variable capital (“ICVC”) further to a Financial Services Authority (“FSA”) (predecessor of the FCA) authorization order dated 18 July 2007. The Company is incorporated under registration number IC000551. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook (“COLL”) issued by the Financial Conduct Authority (“FCA”).

The Company has been set up as an umbrella company. The Company has currently one Sub-fund available for investment, VT Munro Smart-Beta UK Fund (“the Sub-fund”).

The AFM is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Company consist predominantly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, have been used in the preparation of these accounts and applicable accounting standards have been followed.

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

The Instrument of Incorporation can be inspected at the office of the AFM.

The Company has no directors other than the AFM.

The base currency of the Company is UK sterling.

Copies of the Prospectus and Key Investor Information Document are available free of charge from the AFM.

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 (losses) for the year. In preparing these financial statements the Authorised Fund Manager is required to:

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

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

DIRECTOR'S STATEMENT

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

Jonathan M. Child CA

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Fund Manager

Date

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT MUNRO SMART-BETA FUND

For the year ended 31 January 2024

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
01 February 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT MUNRO SMART-BETA FUND (SUB-FUND VT MUNRO SMART-BETA UK FUND)

Opinion

In our opinion, VT Munro Smart-Beta Fund financial statements:

> give a true and fair view of the financial position of the Company and of the sub-fund as at 31 January 2024 and of the net revenue and the net capital (losses) on the scheme property of the Company and of the sub-fund for the year then ended; and

> have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation. VT Munro Smart-Beta Fund is an Open Ended Investment Company ('OEIC') with one sub-fund. The financial statements of the Company comprise the financial statements of the sub-fund.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 January 2024; the statement of total return, and the statement of changes in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies; and notes to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions Relating to Going Concern

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 or the sub-fund's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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. However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or the sub-fund's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information 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. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 for the financial statements and the audit

Responsibilities of the Authorised Fund Manager

As explained more fully in the Statement of Authorised Fund Managers' Responsibilities, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine 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 and the sub-fund'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 or terminate the Company or sub-fund, 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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-fund and judgements and assumptions made by management in their significant accounting estimates. Audit procedures performed included:

- > Discussions with the Authorised Fund Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- > Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- > Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT MUNRO SMART-BETA FUND (SUB-FUND VT MUNRO SMART-BETA UK FUND)(continued)

Use of this Report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on matters required by the Collective Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- >proper accounting records have not been kept; or
- >the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Stuart McMartin B.Sc. FCA (senior statutory auditor)

for and on behalf of Frame Kennedy Ltd
Chartered Accountants and Statutory Auditors
Metropolitan House, 31-33 High Street
Inverness, IV1 1HT

ACCOUNTING POLICIES

For the year ended 31 January 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. All expenses are then reallocated to capital, net of any tax effect for distribution purposes.
- (d) Distributions on equities and trusts are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. The sponsors rebate is calculated and accrued for daily and credited to revenue each day, and then reallocated to capital, net of any tax effect for distribution purposes.
- (e) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.
- (f) Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case. Where the receipt of a special dividend results in a significant reduction in the capital value or where the distribution arises from an underlying capital event such as a merger or disposal these would typically be deemed as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividend would typically be recognised as revenue. Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.
- (g) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 12 noon on 31 January 2024 with reference to quoted bid prices from reliable external sources.
- (h) All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting year are translated at the exchange rates at the closing valuation point on 31 January 2024.
- (i) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (j) 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.
- (k) The Sub-fund currently issues Accumulation & Income shares. The Sub-fund goes ex dividend monthly and pays any income available to the shareholder 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 year 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 has elapsed.

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

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

SUB-FUND OVERVIEW

Name of Sub-fund	VT Munro Smart-Beta UK Fund
Size of Sub-fund	£47,354,499
Launch date	22 July 2007
Sub-fund objective and policy	<p>The objective of the VT Munro Smart-Beta UK Fund (the "Sub-fund") is to replicate the performance (before fund fees and expenses) of the Elston Smart-Beta UK Dividend Index[^].</p> <p>The Sub-fund will invest at least 80% in a portfolio of UK securities listed on the London Stock Exchange that as far as practically possible consist of the component securities of the Elston Smart-Beta UK Dividend Index (the "Benchmark Index").</p> <p>In seeking to achieve the objective the Sub-fund intends to use sampling techniques (as opposed to fully replicating the Benchmark Index), and it is therefore not expected that the Sub-fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings within the Benchmark Index. This could be down to construction constraints (i.e. compliance with UK UCITS rules), turnover constraints (where the manager considers it is in the best interests of investors not to change the holdings of assets to track the index); and liquidity management considerations (which may mean that the Sub-fund holds some cash which the Benchmark Index may not to ensure adequate liquidity)</p> <p>As the Sub-fund seeks to replicate the performance of the Benchmark Index (before fund fees and expenses) it is heavily influenced by the Benchmark Index with weightings of the Sub-fund being continuously compared to the weightings of the Benchmark Index, and an annualised tracking error will be targeted of <3%, when using consistent valuation points of the Sub-fund and the Benchmark Index (12pm).</p> <p>The Sub-fund may also invest in money market instruments, cash and deposits.</p> <p>It is the AFM's intention that derivatives be used for hedging purposes using efficient portfolio management style techniques (although use of derivatives is expected to be limited). The Sub fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p> <p>The Sub-fund is passively managed.</p> <p>The Sub-fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Annual accounting date	31 January
Interim accounting dates	Last day of each month
Annual income allocation date	31 March
Interim income allocation dates	Last day of each month
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.
Share Classes:	Income Shares and Accumulation Shares in X Class

[^] The Elston Smart-Beta UK Dividend index is a Sterling based total return index, comprising approximately 300 of the largest dividend paying stocks (excluding Investment Trusts) that are quoted on the London Stock Exchange. While the full universe is initially determined by market capitalisation, the investible universe is reweighted based on expected dividend pay-out. Further information on the composition of the index can be found at: <https://www.elstonsolutions.co.uk/our-indices.html>. The Sub-fund aims to replicate the performance of the Elston Smart-Beta UK Dividend index (before fund fees and expenses) but will not necessarily be invested in all the constituents.

SUB-FUND OVERVIEW (Continued)

Minimum investment*

Lump sum subscription:	X Class Shares = £250
Top-up:	X Class Shares = £100
Holding:	X Class Shares = £250
Redemption:	X Class Shares = Nil

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

Annual management charges

The management charge in respect of the X Class Shares is 0.50% per annum of the Net Asset Value of the X Class Shares.

INVESTMENT MANAGER'S REVIEW

Investment Activities

The fund is managed to replicate the Elston Smart-Beta UK Dividend Index as closely as possible, having regard for costs. At the end of the period, it was invested across 201 companies which accounted for 99.9% of the forecast dividend income of the Index. The fund continues to follow the process of investing in large and medium sized companies listed on the London Stock Exchange, in line with each stock's contribution to the total forecasted dividend payout for the group as a whole. Elston Consulting is the benchmark administrator of this Index.

The investment management process is designed to minimize tracking error, mitigate frictional trading costs and exploit volatility. New money is allocated to securities which are underweight relative to their position in the index.

Subscriptions to the fund of £33,003,080 exceeded redemptions of £10,171,117 to give a net inflow of £22,831,963. The fund did decrease by £1,200,112 from investment activities, overall, the fund increased in size by £23,042,471, from £24,312,028 to £47,354,499.

During the period the fund distributed £1,577,727 to investors. This was a large increase on the £490,776 distributed in the same period last year, largely because of the increased fund size. The dividend yield on the X Income share class at the period end was 5.16% which compares to 4.67% at the end of January 2023, this increase is due in part to the increase in dividend payout of the funds holdings and a slight decrease the share class price.

Throughout this period the cash position held by the fund was kept as low as possible to ensure the fund was as fully invested as possible relative to the index following full deployment of investor inflows and allowing for accrued income held in the fund.

Purchases totalling £33,073,926 were made into 234 companies, the top 10 are listed on page 19.

Redemptions, and corporate actions, and changes to the index caused the fund to sell shares in 152 names totalling £9,422,503. The top 10 sales are also listed on page 19.

Trading was therefore confined to investing new funds as per the index and accepting takeover offers and raising cash to meet redemptions.

Investment Performance

Over the period under review the X Accumulation shares decreased slightly in value by -0.13%. This is below the rise of +1.27% in the Elston Smart-Beta UK Dividend Index which it seeks to replicate, giving a gross underperformance of -1.40%. However, the cost of running the fund is 0.87% (for the X Accumulation shares) meaning that in gross terms it underperformed the benchmark by -0.53%. In the period, direct transaction costs were 0.53%. This means that the fund delivered, on a gross basis, exactly the return of the underlying index over the period.

The performance of the fund and strategy performed broadly in line with traditional UK Equity benchmarks, and the UK Equity Income peer group.

As mentioned above, the current dividend yield of the fund is 5.16% which would place it at the top of the UK All Companies Sector, according to Trustnet.

The concept of "smart-beta" indexing is to use an alternative index weighting scheme that is different to the traditional market-capitalisation weighted approach. The aim of using an alternative weighting scheme is to capture the returns of an asset class ("beta"), in this case the UK stock market, but with some additional return potential by utilising an alternative ("smart") weighting scheme, for example by emphasising a particular factor exposure. The factor focus for this index and fund is yield factor from dividends which in the UK market can also be a proxy for value factor.

Investment Strategy

There was no change in the investment strategy of the fund which is to track the Elston Smart-Beta UK Dividend Index. This index methodology allocates weights to shares in proportion to their contribution to the total cash dividend forecast for this index. This alternative weighting scheme is why it is considered a "smart-beta" based approach, when compared to traditional "beta", characterised by market-capitalisation weighting schemes.

The fundamental dividend tracking process captures this effect by focusing solely on forecast dividend flows and ignoring capital values. As far as we know this makes it unique.

An index-tracking, or "passive" fund, is relatively straightforward and relatively cost-effective to run, as most of the complexity takes place within the index methodology. Many of the costs at this stage are fixed and this makes it very well placed to take advantage of economies of scale as the fund grows. The manager and sponsor are keen to pass those benefits through to the investor and intends to reduce the AMC and/or the OCF as the fund grows in size. The OCF has therefore reduced significantly over the last few years, as the fund has scaled, and is expected to decline further as the fund continues to scale.

Valu-Trac Investment Management Limited
Investment Manager of the Fund
23 February 2024

PERFORMANCE RECORD

Financial Highlights

Class A Net Income	Period 1 February	Year ended 31
	2022 to 20 September 2022 [^]	January 2022
Changes in net assets per share	GBP	GBP
Opening net asset value per share	79.9674	69.3414
Return before operating charges	0.0733	16.3605
Operating charges (note 1)	(1.0265)	(1.7618)
Return after operating charges*	(0.9532)	14.5987
Distributions on income shares	(2.9472)	(3.9727)
Closing net asset value per share	76.0670	79.9674
*after direct transactions costs of:	0.6631	0.0373
Performance		
Return after charges	(1.19%)	21.05%
Other information		
Closing net asset value	-	£21,182
Closing number of shares	-	26,488
Operating charges (note 2)	2.07%	2.36%
Direct transaction costs	0.85%	0.05%
Prices		
Highest share price	82.4000	81.6802
Lowest share price	73.9538	69.3139

[^] share class was closed on 20th September 2022.

Class X Net Income	Year ended 31 January 2024	Year ended 31 January 2023	Year ended 31 January 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	92.7398	90.1418	77.4552
Return before operating charges	0.5717	7.9034	18.2798
Operating charges (note 1)	(0.7861)	(0.9784)	(1.1397)
Return after operating charges*	(0.2144)	6.9250	17.1402
Distributions on income shares	(4.5439)	(4.3270)	(4.4536)
Closing net asset value per share	87.9815	92.7398	90.1418
*after direct transactions costs of:	0.4789	0.7772	0.0419
Performance			
Return after charges	(0.23%)	7.68%	22.13%
Other information			
Closing net asset value	£6,083,727	£6,591,746	£3,905,195
Closing number of shares	6,914,776	7,107,782	4,332,282
Operating charges (note 2)	0.87%	1.07%	1.36%
Direct transaction costs	0.53%	0.85%	0.05%
Prices			
Highest share price	89.9184	93.9584	92.0455
Lowest share price	84.2275	81.0457	77.4330

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class A Net Accumulation	Period 1 February	Year ended 31
	2022 to 20 September 2022 [^]	January 2022
Changes in net assets per share	GBP	GBP
Opening net asset value per share	143.4683	117.9804
Return before operating charges	0.1018	28.5730
Operating charges (note 1)	(1.8760)	(3.0851)
Return after operating charges*	(1.7742)	25.4879
Closing net asset value per share	141.6941	143.4683
Retained distributions on accumulated shares	5.3460	6.9184
*after direct transactions costs of:	1.2119	0.0654
Performance		
Return after charges	(1.24%)	21.60%
Other information		
Closing net asset value	-	£38,025
Closing number of shares	-	26,504
Operating charges (note 2)	2.07%	2.36%
Direct transaction costs	0.85%	0.05%
Prices		
Highest share price	150.3688	146.2094
Lowest share price	133.8548	117.9337

[^] share class was closed on 20th September 2022.

Class X Net Accumulation	Year ended 31	Year ended 31	Year ended 31
	January 2023	January 2023	January 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	175.4399	162.5302	132.4211
Return before operating charges	1.3060	14.7178	32.1148
Operating charges (note 1)	(1.5254)	(1.8081)	(2.0057)
Return after operating charges*	(0.2194)	12.9097	30.1091
Closing net asset value per share	175.2205	175.4399	162.5302
Retained distributions on accumulated shares	8.7900	8.0186	7.7943
*after direct transactions costs of:	0.9293	1.4364	0.0737
Performance			
Return after charges	(0.13%)	7.94%	22.74%
Other information			
Closing net asset value	£41,284,772	£17,726,631	£1,974,333
Closing number of shares	23,561,613	10,104,104	1,214,749
Operating charges (note 2)	0.87%	1.07%	1.36%
Direct transaction costs	0.53%	0.85%	0.05%
Prices			
Highest share price	178.0835	177.8286	165.5875
Lowest share price	163.7704	151.7632	132.3831

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.

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 Document (31 January 2023: ranked 6). The Sub-fund is ranked 6 because weekly historical performance data indicates that it has experienced significant rises and falls in market prices historically. The higher the rank, the greater the potential reward but the greater the risk of losing money

PORTFOLIO SUMMARY

As at 31 January 2024

Holding Investment	Market value £	% of total net assets
Equities (31.01.2023: 96.50%)		
550 4imprint Group PLC	30,414	0.06%
78,000 ABRDN PLC	131,936	0.28%
7,500 Admiral Group PLC	189,299	0.40%
76,900 Airtel Africa PLC	85,743	0.18%
8,750 AJ Bell PLC	27,299	0.06%
25,950 Anglo American PLC	488,534	1.03%
8,500 Antofagasta PLC	148,239	0.31%
27,500 Ashmore Group PLC	58,079	0.12%
3,800 Ashtead Group PLC	199,043	0.42%
10,600 Associated British Foods PLC	250,160	0.53%
19,050 AstraZeneca PLC	2,010,156	4.24%
6,800 Auto Trader Group PLC	49,749	0.11%
115,600 Aviva PLC	502,282	1.06%
34,950 B&M European Value Retail SA	183,418	0.39%
5,510 Babcock International Group PLC	24,971	0.05%
46,000 BAE Systems PLC	546,710	1.15%
10,500 Balfour Beatty PLC	35,049	0.07%
2,020 Bank of Georgia Group PLC	76,962	0.16%
493,700 Barclays PLC	741,439	1.57%
18,900 Barratt Developments PLC	101,002	0.21%
10,000 Beazley PLC	54,500	0.12%
1,540 Bellway PLC	42,258	0.09%
2,500 Berkeley Group Holdings PLC	120,375	0.25%
4,100 Bodycote PLC	26,240	0.06%
459,150 BP PLC	2,147,904	4.54%
5,850 Breedon Group PLC	21,265	0.04%
13,800 Bridgepoint Group PLC	37,232	0.08%
124,250 British American Tobacco PLC	2,939,755	6.21%
5,250 Britvic PLC	46,305	0.10%
323,550 BT Group PLC	365,126	0.77%
3,800 Bunzl PLC	123,082	0.26%
7,950 Burberry Group PLC	104,900	0.22%
950 Burford Capital Ltd	11,600	0.02%
2,250 Bytes Technology Group PLC	14,726	0.03%
3,400 Carnival PLC	39,950	0.08%
21,300 Centamin PLC	20,608	0.04%
93,200 Centrica PLC	127,777	0.27%
3,900 Chemring Group PLC	13,709	0.03%
550 Clarkson PLC	19,470	0.04%
6,800 Close Brothers Group PLC	36,788	0.08%
26,450 Coats Group PLC	19,097	0.04%
21,850 Compass Group PLC	478,297	1.01%
1,750 Computacenter PLC	50,855	0.11%
22,850 ConvaTec Group PLC	55,160	0.12%
700 Cranswick PLC	28,014	0.06%
1,600 Croda International PLC	76,976	0.16%
200 CVS Group PLC	3,368	0.01%
1,850 DCC PLC	106,153	0.22%
34,250 Diageo PLC	976,468	2.06%
1,250 Diploma PLC	40,900	0.09%
56,800 Direct Line Insurance Group PLC	94,856	0.20%
6,350 Diversified Energy Company PLC	58,738	0.12%
6,100 Dominos Pizza Group PLC	21,240	0.04%
30,800 Dowlais Group Plc	27,923	0.06%
29,500 Dr. Martens PLC	26,078	0.06%
10,900 Drax Group PLC	55,154	0.12%
42,950 DS Smith PLC	121,334	0.26%

PORTFOLIO SUMMARY (Continued)

As at 31 January 2024			% of total net
Holding	Investment	Market value £	assets
	4,250 Dunelm Group PLC	46,155	0.10%
	12,100 easyJet plc	66,816	0.14%
	7,100 RS Group PLC	56,317	0.12%
	5,000 Endeavour Mining PLC	70,000	0.15%
	11,300 Energean PLC	109,102	0.23%
	6,080 Entain PLC	58,283	0.12%
	37,625 EVRAZ plc*	-	0.00%
	7,500 Experian PLC	247,875	0.52%
	1,000 Fevertree Drinks PLC	10,280	0.02%
	11,650 FirstGroup PLC	19,723	0.04%
	9,360 Fresnillo PLC	49,589	0.10%
	170 Future PLC	1,213	0.00%
	750 Games Workshop Group PLC	74,325	0.16%
	850 Gamma Communications PLC	10,115	0.02%
	2,300 GB Group PLC	6,385	0.01%
	4,550 Genuit Group PLC	19,110	0.04%
	600 Genus PLC	13,692	0.03%
	239,450 Glencore PLC	1,002,457	2.12%
	89,450 GSK plc	1,406,333	2.97%
	1,400 Greggs PLC	37,072	0.08%
	92,650 HALEON PLC	299,537	0.63%
	2,000 Halma PLC	43,560	0.09%
	26,950 Harbour Energy PLC	75,730	0.16%
	15,850 Hargreaves Lansdown PLC	121,221	0.26%
	32,860 Hays PLC	32,285	0.07%
	3,150 Hikma Pharmaceuticals PLC	60,858	0.13%
	900 Hill & Smith Holdings PLC	16,956	0.04%
	5,700 Hiscox Ltd	58,653	0.12%
	7,400 Howden Joinery Group PLC	59,526	0.13%
	674,200 HSBC Holdings PLC	4,207,008	8.88%
	12,100 IG Group Holdings PLC	86,455	0.18%
	2,604 IMI PLC	44,086	0.09%
	40,850 Imperial Brands PLC	780,644	1.65%
	10,750 Inchcape PLC	73,960	0.16%
	17,600 Informa PLC	137,984	0.29%
	1,750 InterContinental Hotels Group PLC	131,985	0.28%
	8,000 Intermediate Capital Group PLC	141,520	0.30%
	46,000 International Consolidated Airlines Group SA	68,379	0.14%
	2,350 Intertek Group PLC	106,408	0.22%
	25,600 Investec PLC	133,376	0.28%
	152,750 ITV PLC	91,528	0.19%
	52,300 J Sainsbury PLC	142,465	0.30%
	18,350 JD Sports Fashion PLC	21,708	0.05%
	1,200 Jet2 PLC	15,984	0.03%
	400 John Wood Group PLC	640	0.00%
	4,550 Johnson Matthey PLC	73,778	0.16%
	13,800 Just Group PLC	11,702	0.02%
	1,800 Kainos Group PLC	20,448	0.04%
	47,950 Kingfisher PLC	106,449	0.22%
	13,100 Lancashire Holdings Ltd	77,618	0.16%
	264,390 Legal & General Group PLC	676,838	1.43%
	2,090,150 Lloyds Banking Group PLC	892,703	1.89%
	3,750 London Stock Exchange Group PLC	336,750	0.71%
	114,350 M&G PLC	258,317	0.55%
	35,900 Man Group PLC	84,760	0.18%
	23,200 Marks and Spencer Group PLC	57,675	0.12%
	4,120 Marshalls PLC	11,585	0.02%
	8,350 Melrose Industries PLC	49,415	0.10%
	23,950 Mitie Group PLC	24,669	0.05%
	8,590 Mondi PLC	121,686	0.26%

PORTFOLIO SUMMARY (Continued)

As at 31 January 2024

Holding Investment	Market value £	% of total net assets
12,350 Moneysupermarket.Com Group PLC	30,949	0.07%
108,700 National Grid PLC	1,136,459	2.40%
328,650 Natwest Group PLC	746,693	1.58%
1,800 Next PLC	153,684	0.32%
14,550 OSB Group PLC	65,359	0.14%
300 Oxford Instruments PLC	6,570	0.01%
10,850 Pagegroup PLC	49,997	0.11%
6,650 Paragon Banking Group PLC	47,082	0.10%
9,050 Pearson PLC	88,038	0.19%
8,550 Pennon Group PLC	59,423	0.13%
7,200 Persimmon PLC	105,012	0.22%
10,500 Pets at Home Group PLC	29,652	0.06%
52,760 Phoenix Group Holdings	268,759	0.57%
26,950 Prudential PLC	222,930	0.47%
8,250 Qinetiq Group PLC	29,453	0.06%
36,750 Quilter PLC	37,963	0.08%
13,700 Reckitt Benckiser Group PLC	786,380	1.66%
8,200 Redde Northgate PLC	28,905	0.06%
4,719 Redrow PLC	28,408	0.06%
19,950 Relx PLC	657,752	1.39%
950 Renew Holdings PLC	8,265	0.02%
1,000 Renishaw PLC	35,800	0.08%
26,200 Rentokil Initial PLC	107,315	0.23%
6,800 Rightmove PLC	38,094	0.08%
52,500 Rio Tinto PLC	2,896,425	6.12%
21,400 Rolls-Royce Holdings PLC	65,163	0.14%
10,250 Rotork PLC	32,144	0.07%
11,000 RWS Holdings PLC	26,620	0.06%
18,550 International Distributions Services PLC	51,105	0.11%
10,200 Sage Group PLC	120,258	0.25%
2,900 Savills PLC	29,087	0.06%
42,800 Schroders PLC	173,169	0.37%
12,650 Serco Group PLC	21,935	0.05%
20,900 Serica Energy PLC	44,684	0.09%
7,350 Severn Trent PLC	187,425	0.40%
145,550 Shell plc	3,596,541	7.59%
39,300 Sirius Real Estate Ltd	35,586	0.08%
2,650 Smart Metering Systems PLC	25,175	0.05%
12,950 Smith & Nephew PLC	140,637	0.30%
4,800 Smiths Group PLC	79,392	0.17%
3,350 Softcat PLC	48,475	0.10%
1,200 Spectris PLC	44,376	0.09%
600 Spirax-Sarco Engineering PLC	59,928	0.13%
10,100 Spirent Communications plc	12,150	0.03%
19,880 SSE PLC	332,592	0.70%
11,050 SSP Group PLC	24,818	0.05%
19,700 St. James's Place PLC	127,420	0.27%
49,350 Standard Chartered PLC	298,074	0.63%
6,750 Tate & Lyle PLC	41,951	0.09%
114,950 Taylor Wimpey PLC	170,011	0.36%
2,250 Telecom Plus PLC	31,995	0.07%
161,650 Tesco PLC	469,108	0.99%
29,200 TP ICAP PLC	55,422	0.12%
4,000 Travis Perkins PLC	31,480	0.07%
53,800 Unilever PLC	2,088,785	4.41%
17,250 United Utilities Group PLC	181,384	0.38%
2,000 Victrex PLC	27,080	0.06%
42,300 Virgin Money UK PLC	66,876	0.14%
7,300 Vistry Group PLC	73,438	0.16%

PORTFOLIO SUMMARY (Continued)

As at 31 January 2024

Holding Investment	Market value £	% of total net assets
1,575,350 Vodafone Group PLC	1,048,395	2.21%
2,950 Weir Group PLC	54,383	0.11%
2000 WH Smith PLC	24,120	0.05%
2,750 Whitbread PLC	98,918	0.21%
29,500 WPP PLC	229,510	0.48%
Total Equities	45,431,333	95.94%
Investment trusts (31.01.2023: 0.67%)		
13,850 3i Group PLC	346,112	0.73%
REIT (31.01.2023: 2.31%)		
111,460 Assura PLC	49,600	0.10%
4,050 Big Yellow Group PLC	46,373	0.10%
26,800 British Land Company PLC	102,054	0.22%
2,100 Derwent London PLC	44,604	0.09%
11,700 Grainger PLC	30,280	0.06%
3,950 Great Portland Estates PLC	16,227	0.03%
124,600 Hammerson PLC	33,468	0.07%
21,900 Land Securities Group PLC	146,248	0.31%
29,750 Londonmetric Property PLC	57,388	0.12%
56,490 LXi REIT PLC	59,653	0.13%
46,500 Primary Health Properties PLC	44,826	0.09%
4,450 Safestore Holdings PLC	36,624	0.08%
21,300 SEGRO PLC	186,844	0.39%
26,050 Shaftesbury Capital PLC	34,594	0.07%
44,800 Supermarket Income REIT PLC	35,885	0.08%
46,600 Tritax Big Box REIT PLC	77,636	0.16%
7,950 Unite Group PLC	80,693	0.17%
14,250 Urban Logistics Reit PLC	17,613	0.04%
5,200 Workspace Group PLC	26,936	0.06%
	1,127,546	2.38%
Portfolio of investments (31.01.2023: 99.48%)	46,904,991	99.05%
Net other assets (31.01.2023: 0.52%)	449,508	0.95%
	47,354,499	100.00%

* Suspended security

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	33,073,926
HSBC Holdings PLC	2,764,019
Shell plc	2,479,034
British American Tobacco PLC	2,356,653
Rio Tinto PLC	2,130,197
BP PLC	1,542,387
Unilever PLC	1,373,392
AstraZeneca PLC	1,351,247
Glencore PLC	1,343,859
GSK plc	907,577
Vodafone Group PLC	902,711
Other various purchases	15,922,850

	£
Total sales for the year (note 14)	9,422,503
Glencore PLC	1,510,105
HSBC Holdings PLC	930,595
Rio Tinto PLC	669,112
Shell plc	605,102
British American Tobacco PLC	270,046
BP PLC	244,979
Natwest Group PLC	242,286
Anglo American PLC	240,861
AstraZeneca PLC	240,807
Vodafone Group PLC	204,625
Other various sales	4,263,985

The above transactions represent the top 10 purchases and sales during the year.

STATEMENT OF TOTAL RETURN

For the year ended 31 January

		2024		2023	
	Notes	£	£	£	£
Income					
Net capital (losses)/gains	2		(946,215)		1,438,568
Revenue	3	1,643,821		494,021	
Expenses	4	(317,384)		(128,294)	
Interest payable and similar charges	6	-		(16)	
Net revenue before taxation		1,326,437		365,711	
Taxation	5	(2,607)		(54)	
Net revenue after taxation			1,323,830		365,657
Total return before distributions			377,615		1,804,225
Finance costs: distributions	6		(1,577,727)		(490,776)
Changes in net assets attributable to shareholders from investment activities			(1,200,112)		1,313,449

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January

	2024	2023
	£	£
Opening net assets attributable to shareholders	24,312,028	5,937,548
Amounts receivable on creation of shares	33,003,080	21,667,482
Amounts payable on cancellation of shares	(10,171,117)	(4,887,901)
Accumulation dividends retained	1,345,196	226,839
Dilution levies	65,424	54,611
Changes in net assets attributable to shareholders from investment activities (see above)	(1,200,112)	1,313,449
Closing net assets attributable to shareholders	47,354,499	24,312,028

BALANCE SHEET

As at	Notes	31.01.2024		31.01.2023	
		£	£	£	£
Assets					
Investment assets			46,904,991		24,184,561
Current assets					
Debtors	7	561,413		227,290	
Cash and bank balances	8	<u>249,025</u>		<u>113,200</u>	
Total current assets			<u>810,438</u>		<u>340,490</u>
Total assets			47,715,429		24,525,051
Current Liabilities					
Creditors	9	(311,380)		(176,279)	
Distribution payable on income shares		<u>(49,550)</u>		<u>(36,744)</u>	
Total current liabilities			<u>(360,930)</u>		<u>(213,023)</u>
Net assets attributable to shareholders			<u>47,354,499</u>		<u>24,312,028</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2024

1 Accounting policies

The Company's financial statements have been prepared in accordance with the policies noted on page 7.

2 Net capital (losses)/gains	2024	2023
	£	£
The net capital (losses)/gains comprise:		
Non-derivative securities (losses)/gains	(917,298)	1,449,062
Transaction charges (custodian)	(28,916)	(10,691)
Currency (losses)/gains	(1)	197
Total net capital (losses)/gains	<u>(946,215)</u>	<u>1,438,568</u>

3 Revenue	2024	2023
	£	£
Non-taxable dividends	1,543,463	484,211
Interest distributions	-	39
Property income distributions (PID)	30,212	8,581
Sponsors rebate	61,583	275
Bank interest	8,563	915
Total revenue	<u>1,643,821</u>	<u>494,021</u>

4 Expenses	2024	2023
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>79,980</u>	<u>52,720</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	16,521	19,479
Safe custody fee	1,310	571
	<u>17,831</u>	<u>20,050</u>
Other expenses:		
Audit fee	3,420	2,760
Elston license fee	189,254	38,560
Other expenses	26,899	14,204
	<u>219,573</u>	<u>55,524</u>
Total expenses	<u>317,384</u>	<u>128,294</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2024	2023
	£	£
(a) Analysis of charge in the year		
Overseas withholding tax	2,607	54
Total tax charge for the year (note 5b)	<u>2,607</u>	<u>54</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment Sub-fund 20.00% (2023: 20.00%)		
The differences are explained below:		
Net revenue before UK corporation tax	1,326,437	365,711
Corporation tax at 20.00% (2023: 20.00%)	<u>265,287</u>	<u>73,142</u>
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(308,692)	(96,842)
Current year expenses not utilised	43,405	23,700
Overseas withholding tax	2,607	54
Total tax charge for the year (note 5a)	<u>2,607</u>	<u>54</u>

(c) **Provision for deferred taxation**

At 31 January 2024 there is a potential deferred tax asset of £192,416 (31 January 2023: £149,011) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs	2024	2023
	£	£
Interim dividend distributions	1,593,426	499,104
Final dividend distribution	<u>29,798</u>	<u>22,850</u>
	1,623,224	521,954
Add: Revenue deducted on cancellation of shares	17,854	7,930
Deduct: Revenue received on issue of shares	<u>(63,351)</u>	<u>(39,108)</u>
Net distribution for the year	1,577,727	490,776
Interest payable and similar charges	-	16
Total finance costs	<u>1,577,727</u>	<u>490,792</u>
Reconciliation of distributions		
Net revenue after taxation	1,323,830	365,657
Expenses paid from capital (less sponsors rebate)	255,801	128,019
Relief on expenses allocated to capital	(7,755)	(1,904)
Balance brought forward	(1,904)	(2,900)
Balance carried forward	7,755	1,904
Net distribution for the year	<u>1,577,727</u>	<u>490,776</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.01.2024	31.01.2023
	£	£
Amounts receivable on creation of shares	393,352	130,807
Amounts receivable for unsettled trades	-	36,186
Accrued revenue:		
Non-taxable dividends receivable	163,073	57,471
Property income distributions receivable	1,316	675
Sponsors rebate receivable	3,500	275
Prepayments	172	1,876
Total debtors	561,413	227,290
8 Cash and bank balances	31.01.2024	31.01.2023
	£	£
Cash and bank balances	249,025	113,200
9 Creditors	31.01.2024	31.01.2023
	£	£
Amounts payable on cancellation of shares	143,054	7,126
Amounts payable for unsettled trades	113,523	115,264
Payable to the AFM, associates of the AFM and agents of either of them:		
Annual management charge	7,213	7,014
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	1,627	3,058
Safe custody and other custodian charges	14,116	11,545
	15,743	14,603
Other expenses:		
Audit fee	3,000	2,400
Elston license fee	25,421	24,472
Other accrued expenses	3,426	5,400
Total creditors	311,380	176,279

10 Risk management

In pursuing its investment objective as stated on page 8, 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.

10 Risk management (Continued)

Market price risk

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

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

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

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2024 would have increased/decreased by £4,690,499 (31 January 2023: £2,418,456).

Foreign currency risk

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

The Sub-fund had no significant exposure to foreign currency during the year.

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 Company 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 Company on a regular basis. In addition any cash deposits in the Company 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:

	31.01.2024	31.01.2023
	£	£
Financial assets floating rate	249,025	113,200
Financial assets interest bearing instruments	-	-
Financial assets non-interest bearing instruments	47,466,404	24,411,851
Financial liabilities non-interest bearing instruments	(360,930)	(213,023)
Financial liabilities floating rate	-	-
	47,354,499	24,312,028

At 31 January 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 Company would increase or decrease by approximately £623 (31 January 2023: £283).

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.

10 Risk management (Continued)

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 un-observable 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	31.01.2024		31.01.2023	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Unadjusted quoted price in an active market for an identical instrument	46,905	-	24,185	-
Level 3: Valuation techniques using unobservable inputs.	-	-	-	-
Total	46,905	-	24,185	-

The EVRAZ plc investment is fair valued at nil at the year-end. The FTSE 100 index stock was been suspended after the Government placed the company's largest investor, Roman Abramovich, on the UK sanctions list. The Financial Conduct Authority (FCA) said it had paused trading of the London-listed stock "to protect investors" while it sought to clarify how sanctions will impact the FTSE 100 company, the AFM Fair Value Pricing Committee decided that that a fair value of zero was appropriate.

11 Shares held

	Class X	
	Income	Accumulation
Opening Shares at 01.02.2023	7,107,782	10,104,104
Shares issued during the year	2,503,699	17,977,607
Shares cancelled during the year	(2,696,705)	(4,520,098)
Shares converted during the year	-	-
Closing Shares as at 31.01.2024	6,914,776	23,561,613

12 Contingent assets and liabilities

At 31 January 2024, the Sub-fund had no contingent liabilities or commitments

13 Post balance sheet events

As indicated in the accounting policies in page 7, the investments have been valued at the closing valuation point on 31 January 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price as at 31 January 2024	Price as at 28 May 2024
Class X Net Income	87.9815p	95.4713p
Class X Accumulation	175.2205p	193.5910p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2024		2023	
Analysis of total purchase costs	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	32,905,455		20,678,359	
Commissions	16,228	0.05%	12,100	0.06%
Taxes and levies	152,243	0.46%	91,979	0.44%
Total purchase costs	<u>168,471</u>	<u>0.51%</u>	<u>104,079</u>	<u>0.50%</u>
Total purchases including transaction costs	<u>33,073,926</u>		<u>20,782,438</u>	

Analysis of total sale costs

	£	% of total sales	£	% of total sales
Sales in the year before transaction costs	9,427,210		3,297,020	
Commissions	(4,479)	(0.05%)	(1,480)	(0.04%)
Taxes and levies	(228)	(0.00%)	(83)	(0.00%)
Total sale costs	<u>(4,707)</u>	<u>(0.05%)</u>	<u>(1,563)</u>	<u>(0.04%)</u>
Total sales net of transaction costs	<u>9,422,503</u>		<u>3,295,457</u>	

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

	2024	% of average	2023	% of average
	£	net asset value	£	net asset value
Commissions	20,707	0.06%	13,580	0.11%
Taxes and levies	152,471	0.47%	92,062	0.74%
	<u>173,178</u>	<u>0.53%</u>	<u>105,642</u>	<u>0.85%</u>

15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 January 2024 is 0.06% (31 January 2023: 0.05%).

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. Amounts received from the AFM and its associates are disclosed in note 3. Amounts due from the AFM and its associates at the balance sheet date are disclosed in note 7.

DISTRIBUTION TABLES

Month 1 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 February 2023

Group 2: Shares purchased on or after 01 February 2023 and on or before 28 February 2023

Payment Date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
28/04/2023	Group 1	A Net Income	-	-	-	0.2728p
28/04/2023	Group 2	A Net Income	-	-	-	0.2728p
28/04/2023	Group 1	X Net Income	0.3420p	-	0.3420p	0.3077p
28/04/2023	Group 2	X Net Income	0.2479p	0.0941p	0.3420p	0.3077p
28/04/2023	Group 1	A Net Accumulation	-	-	-	0.4895p
28/04/2023	Group 2	A Net Accumulation	-	-	-	0.4895p
28/04/2023	Group 1	X Net Accumulation	0.6470p	-	0.6470p	0.5548p
28/04/2023	Group 2	X Net Accumulation	0.2513p	0.3957p	0.6470p	0.5548p

Month 2 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 March 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
31/05/2023	Group 1	A Net Income	-	-	-	0.9895p
31/05/2023	Group 2	A Net Income	-	-	-	0.9895p
31/05/2023	Group 1	X Net Income	0.8541p	-	0.8541p	1.1167p
31/05/2023	Group 2	X Net Income	0.3136p	0.5405p	0.8541p	1.1167p
31/05/2023	Group 1	A Net Accumulation	-	-	-	1.7821p
31/05/2023	Group 2	A Net Accumulation	-	-	-	1.7821p
31/05/2023	Group 1	X Net Accumulation	1.6227p	-	1.6227p	2.0204p
31/05/2023	Group 2	X Net Accumulation	0.6257p	0.9970p	1.6227p	2.0204p

Month 3 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 April 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
30/06/2023	Group 1	A Net Income	-	-	-	0.4131p
30/06/2023	Group 2	A Net Income	-	-	-	0.4131p
30/06/2023	Group 1	X Net Income	0.2856p	-	0.2856p	0.4666p
30/06/2023	Group 2	X Net Income	0.1397p	0.1459p	0.2856p	0.4666p
30/06/2023	Group 1	A Net Accumulation	-	-	-	0.7530p
30/06/2023	Group 2	A Net Accumulation	-	-	-	0.7530p
30/06/2023	Group 1	X Net Accumulation	0.5475p	-	0.5475p	0.8546p
30/06/2023	Group 2	X Net Accumulation	0.3504p	0.1971p	0.5475p	0.8546p

DISTRIBUTION TABLES (Continued)

Month 4 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 May 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
30/06/2023	Group 1	A Net Income	-	-	-	0.0593p
30/06/2023	Group 2	A Net Income	-	-	-	0.0593p
31/07/2023	Group 1	X Net Income	0.5365p	-	0.5365p	0.0656p
31/07/2023	Group 2	X Net Income	0.1685p	0.3680p	0.5365p	0.0656p
30/06/2023	Group 1	A Net Accumulation	-	-	-	0.0901p
30/06/2023	Group 2	A Net Accumulation	-	-	-	0.0901p
31/07/2023	Group 1	X Net Accumulation	1.0316p	-	1.0316p	0.1759p
31/07/2023	Group 2	X Net Accumulation	0.3464p	0.6852p	1.0316p	0.1759p

Month 5 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 June 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
31/08/2023	Group 1	A Net Income	-	-	-	0.2237p
31/08/2023	Group 2	A Net Income	-	-	-	0.2237p
31/08/2023	Group 1	X Net Income	0.2793p	-	0.2793p	0.2531p
31/08/2023	Group 2	X Net Income	0.0979p	0.1814p	0.2793p	0.2531p
31/08/2023	Group 1	A Net Accumulation	-	-	-	0.4102p
31/08/2023	Group 2	A Net Accumulation	-	-	-	0.4102p
31/08/2023	Group 2	X Net Accumulation	0.5404p	-	0.5404p	0.4662p
31/08/2023	Group 2	X Net Accumulation	0.1733p	0.3671p	0.5404p	0.4662p

Month 6 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
29/09/2023	Group 1	A Net Income	-	-	-	0.1336p
29/09/2023	Group 2	A Net Income	-	-	-	0.1336p
29/09/2023	Group 1	X Net Income	0.1603p	-	0.1603p	0.1513p
29/09/2023	Group 2	X Net Income	0.0969p	0.0634p	0.1603p	0.1513p
29/09/2023	Group 1	A Net Accumulation	-	-	-	0.2457p
29/09/2023	Group 2	A Net Accumulation	-	-	-	0.2457p
29/09/2023	Group 2	X Net Accumulation	0.3111p	-	0.3111p	0.2795p
29/09/2023	Group 2	X Net Accumulation	0.0759p	0.2352p	0.3111p	0.2795p

DISTRIBUTION TABLES (Continued)

Month 7 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 August 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
31/10/2023	Group 1	A Net Income	-	-	-	0.8552p
31/10/2023	Group 2	A Net Income	-	-	-	0.8552p
31/10/2023	Group 1	X Net Income	1.0009p	-	1.0009p	0.9693p
31/10/2023	Group 2	X Net Income	0.6418p	0.3591p	1.0009p	0.9693p
31/10/2023	Group 1	A Net Accumulation	-	-	-	1.5754p
31/10/2023	Group 2	A Net Accumulation	-	-	-	1.5754p
31/10/2023	Group 2	X Net Accumulation	1.9462p	-	1.9462p	1.7940p
31/10/2023	Group 2	X Net Accumulation	0.8147p	1.1315p	1.9462p	1.7940p

Month 8 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 September 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
30/11/2023	Group 1	X Net Income	0.2280p	-	0.2280p	0.3738p
30/11/2023	Group 2	X Net Income	0.1703p	0.0577p	0.2280p	0.3738p
30/11/2023	Group 2	X Net Accumulation	0.4486p	-	0.4486p	0.6990p
30/11/2023	Group 2	X Net Accumulation	0.3565p	0.0921p	0.4486p	0.6990p

Month 9 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 October 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2023	Equalisation 2023	Distribution 2023	Distribution 2022
29/12/2023	Group 1	X Net Income	0.0888p	-	0.0888p	0.0961p
29/12/2023	Group 2	X Net Income	0.0372p	0.0516p	0.0888p	0.0961p
29/12/2023	Group 2	X Net Accumulation	0.1752p	-	0.1752p	0.1808p
29/12/2023	Group 2	X Net Accumulation	0.0089p	0.1663p	0.1752p	0.1808p

Month 10 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 November 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
31/01/2024	Group 1	X Net Income	0.5228p	-	0.5228p	0.3107p
31/01/2024	Group 2	X Net Income	0.2061p	0.3167p	0.5228p	0.3107p
31/01/2024	Group 2	X Net Accumulation	1.0318p	-	1.0318p	0.5849p
31/01/2024	Group 2	X Net Accumulation	0.5543p	0.4775p	1.0318p	0.5849p

DISTRIBUTION TABLES (Continued)

Month 11 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 December 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
29/02/2024	Group 1	X Net Income	0.1902p	-	0.1902p	0.1726p
29/02/2024	Group 2	X Net Income	0.1266p	0.0636p	0.1902p	0.1726p
29/02/2024	Group 2	X Net Accumulation	0.3777p	-	0.3777p	0.3261p
29/02/2024	Group 2	X Net Accumulation	0.2930p	0.0847p	0.3777p	0.3261p

Month 12 Final Distribution in pence per share

Group 1: Shares purchased prior to 01 January 2023

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

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
28/03/2024	Group 1	X Net Income	0.0554p	-	0.0554p	0.0435p
28/03/2024	Group 2	X Net Income	0.0112p	0.0442p	0.0554p	0.0435p
28/03/2024	Group 2	X Net Accumulation	0.1102p	-	0.1102p	0.0824p
28/03/2024	Group 2	X Net Accumulation	0.0587p	0.0515p	0.1102p	0.0824p

Information for corporate shareholders

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

- i) 93.89% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 6.11% 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 31 January 2024 and capital gains within the Company will not be taxed.

Individual shareholders

Income tax: Tax-free annual dividend allowance now standing at £1,000 (2023/24). UK resident shareholders are now subject to new, higher rates of tax on dividend income in excess of the annual allowance. UK resident shareholders are subject to tax on dividend income in excess of the annual allowance.

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £6,000 (2023/24) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Corporate shareholders

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

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

Issue and redemption of shares

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

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

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

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

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

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

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the AFM of a request for redemption. The 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 Company each year. The assessment of value reports are available on the AFM's website.

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.

28 May 2023	Number of Beneficiaries	Fixed Remuneration	Variable Remuneration Paid	Total Remuneration Paid
Total remuneration paid by the AFM during the year	86	£ 3,462,948	£ nil	£ 3,462,948
Remuneration paid to employees of the AFM who have a material impact on the risk profile of the UK UCITS	18	£ 1,043,732	£ nil	£ 1,043,732
Senior Management	14	£ 779,584	£ nil	£ 779,584
Control Functions	4	£ 264,148	£ nil	£ 264,148
Employees receiving total remuneration that takes them into the same remuneration brackets as senior management and risk takers	0	£ -	£ nil	£ -

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

CORPORATE DIRECTORY

Authorised Fund Manager & Registrar	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: Smartbeta@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Director	Valu-Trac Investment Management Limited as AFM
Depositary	NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ Authorised and regulated by the Financial Conduct Authority
Auditor	Frame Kennedy Ltd Metropolitan House, 31-33 High Street Inverness IV1 1HT