

**VT SORBUS VECTOR FUNDS ICVC**

**(SUB-FUNDS VT SORBUS VECTOR FUND 1, VT SORBUS ETHICS FUND,  
VT SHAHEEN GLOBAL, VT BLACKWOOD PRIME & VT BLACKWOOD  
KEYSTONE)**

**Interim Report and Financial Statements (Unaudited)  
For the six-month period ended 31 March 2024**

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## COMPANY OVERVIEW

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**Type of Company:**

VT Sorbus Vector Funds ICVC (the 'Company') is an investment company (company number IC001059) 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 10 March 2016.

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

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

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

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

### DIRECTOR'S STATEMENT

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

David E. Smith CA

Valu-Trac Investment Management Limited  
Authorised Fund Manager

Date

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Sorbus Vector Fund 1
<b>Size of Sub-fund</b>	£41,779,383
<b>Launch date</b>	21 April 2016
<b>Sub-fund objective and policy</b>	<p>The investment objective of the VT Sorbus Vector Fund 1 is to generate income and capital growth.</p> <p>The Sub-fund will aim to meet its objectives by investing primarily (at least 70%) in a small number of UK equities (many of which are likely to have a small market capitalisation) which the investment manager considers to be undervalued. In addition to investing in equities, the Sub-fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash.</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>
<b>Derivatives</b>	The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	30 September and 31 March
<b>Distribution dates</b>	30 November and 31 May
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.
<b>Minimum Investment*</b>	
Lump Sum Subscription	Class A = £1,000 Class B = N/A
Top-Up	Class A = N/A Class B = N/A
Holding	Class A = £1,000 Class B = N/A
Redemption:	N/A (provided minimum holding is maintained)
Switching	N/A (provided minimum holding is maintained)
Initial and redemption charges	Nil
Performance fee	Details of the performance fee are disclosed on page 17 Note I (k).

\*The AFM may at its discretion waive or discount the initial charges and accept subscriptions and/or holdings lower than the minimum amount.

Note: Class B shares are only available to the employees (and their connected persons) of the investment manager of the Sub-fund.

## SUB-FUND OVERVIEW (Continued)

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### Annual management charges to 09 May 2024

£20,000\* per annum plus:  
Class A = 0.75%  
Class B = 0.00%

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

\*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2017). In the event of negative inflation, the fixed element of the fee will remain unchanged.

### Annual management charges from 10 May 2024

£46,317.24\*\* per annum plus:  
Class A = 0.75%  
Class B = 0.00%  
Plus:  
- Up to £100 million Net Asset Value – 0.015% (per annum)  
- next £100 million to £250 million Net Asset Value – 0.0075% (per annum)  
- next £250 million to £500 million Net Asset Value – 0.005% (per annum)  
- remaining above £500 million Net Asset Value– 0.0025% (per annum)

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

\*\*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2024). In the event of negative inflation, the fixed element of the fee will remain unchanged.

## INVESTMENT MANAGER'S REVIEW

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Over the first six months of this accounting year SORBUS VECTOR A (Net Income) generated a total return of (3.97%). This compares to 7.05% on the benchmark, the MSCI UK IMI All Companies Index.

This is a deeply disappointing outcome.

The performance of VECTOR has been driven in large part by four companies: Burberry Group PLC (cost the fund (1.40%)), PZ Cussons PLC (cost the fund (1.3%)), Eco Animal Health Group PLC (cost the fund (1.18%)) and Reckitt Benckiser Group PLC (cost the fund (1.12%)).

Starting with Burberry, the company has experienced weak trading and issued its second profit warning in January. Its share price has also been impacted by growing concerns of slowdowns at Burberry's rivals, LVMH and Kering. Despite the short term troubles facing the company, Burberry is a global luxury brand - particularly in its iconic outerwear franchise - with a strong track record of long term growth. The company is currently trading on around 5x EV/EBITDA compared to a 10 year average of around 11x and it is also offering a dividend yield of 4.9%. This is a terrific investment opportunity and, once the short term trading issues dissipate, we expect this holding to deliver excellent value for the fund.

PZ Cussons released its interim results on 7<sup>th</sup> February. The company has been adversely impacted by the devaluation of the Nigerian Naira, which fell by 51% between 31 May 2023 and 2 December 2023. The devaluation of the currency is the result of market reforms by the Nigerian government to remove its currency peg. Nigeria represented around 35% of PZ Cussons revenue in 2023. This currency movement led to losses for PZ Cussons and the need to cut its dividend. This is an annoying feature and known risk of exposure to emerging market currencies, but they are not fundamental value drivers. Despite these short term difficulties PZ Cussons continues to possess high quality brands and underlying growth remains robust.

For Reckitt Benckiser we experienced two sets of bad news. First, annual revenue was reduced by £55m for 2023. This was due to compliance issues in two middle eastern markets, where trade spend had been underreported. While Reckitts claims the incidents were isolated and that they have dealt with the individuals involved, this has damaged the credibility of management. Second, Reckitts had an adverse ruling in a lawsuit relating to its baby formula - it is vigorously contesting the ruling but again it damages perceptions.

Reckitts currently trades around 13x earnings compared to a five year average of around 19x. We expect revenue growth will resume for the company and at these prices we are happy to remain investors.

Eco Animal Health has one high quality product, Aivlosin. Aivlosin is an antibiotic used in the treatment of respiratory and gastrointestinal diseases in pigs and poultry. Aivlosin is highly cash generative for the company. Eco Animal Health generated £17m from its operating activities in 2023. With around £16m of cash on its balance sheet the company has an enterprise value of around £50m. At current prices the share price would therefore seem a bargain. The pain for investors is that the company has been spending large amounts of its profits for the last 5 years on research and development - with the company yet to demonstrate any benefits.

At current prices we continue to see a high-quality business at a cheap price. If a larger competitor were to launch a takeover offer for Eco Animal Health they could easily strip out R&D and improve distribution. We would expect a valuation for the company in such a situation to be a multiple of the current price.

There have been positives over the last six months. AG Barr produced an excellent set of results in its annual results and we have been busy deploying cash into a number of new holdings. These were: Ashtead Technologies, Cranswick, Dominoes and Games Workshop.

Ashtead Technologies in particular has been an excellent addition to the fund, being one of the largest contributors to performance over the last six months (adding 0.8%). Ashtead Technologies is a subsea rental and solutions provider covering survey, robotics and mechanical solutions for the global offshore energy/wind sector. It is the largest player in a highly fragmented market. This is an excellent dynamic. It is gaining market share at the same time as the market is growing. Even with its recent performance we consider the company to be in the foothills of what it can achieve.

We finish the period with 6.75% of the portfolio in cash. We see more reasons to be optimistic today as investors than we have been for some time. There are a number of potential opportunities on our radar and we expect to be making further changes to the portfolio over the next six months.

Sorbus Partners LLP  
Investment Manager to the Fund  
31 March 2024



## PERFORMANCE RECORD

### Financial Highlights

#### A (Net Income)

	Period ended 31 March 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	180.8602	176.9592	210.3284
Return before operating charges	(6.3959)	9.4313	(29.2477)
Operating charges (note 1)	(0.7849)	(1.6460)	(1.6348)
Return after operating charges *	(7.1808)	7.7853	(30.8826)
Distributions on income shares	(1.7944)	(3.8843)	(2.4866)
Closing net asset value per share	171.8850	180.8602	176.9592
*after direct transactions costs of:	0.1587	0.0716	0.2517
Performance			
Return after charges	(3.97%)	4.40%	(14.68%)
Other information			
Closing net asset value	£38,649,933	£42,999,085	£43,728,336
Closing number of shares	22,485,919	23,774,769	24,710,965
Operating charges (note 2)	0.89%	0.92%	0.84%
Performance fee	0.00%	0.00%	0.00%
Direct transaction costs	0.09%	0.04%	0.13%
Prices			
Highest share price	179.9186	197.4917	209.6153
Lowest share price	169.8399	175.3868	176.9592

#### B (Net Income)

	Period ended 31 March 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	191.4034	187.2957	222.6786
Return before operating charges	(6.7845)	10.0450	(31.0124)
Operating charges (note 1)	(0.1307)	(0.3219)	(0.1845)
Return after operating charges *	(6.9152)	9.7231	(31.1969)
Distributions on income shares	(2.5894)	(5.6154)	(4.1860)
Closing net asset value per share	181.8988	191.4034	187.2957
*after direct transactions costs of:	0.1680	0.0757	0.2665
Performance			
Return after charges	(3.61%)	5.19%	(14.01%)
Other information			
Closing net asset value	£3,355,828	£3,899,129	£4,124,423
Closing number of shares	1,844,887	2,037,127	2,202,091
Operating charges (note 2)	0.14%	0.17%	0.09%
Direct transaction costs	0.09%	0.04%	0.13%
Prices			
Highest share price	190.4187	209.2262	222.1199
Lowest share price	179.8444	185.7120	187.2957

## PERFORMANCE RECORD (Continued)

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1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.

2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the open-end funds the Sub-fund holds. Note, the 2023 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

### **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 6 because historical performance data indicates that it has experienced significant rises and falls in market prices historically.

## PORTFOLIO STATEMENT

As at 31 March 2024

Holding	Value £	% of net assets
<b>Equites (30.09.2023: 85.16%)</b>		
371,000 A.G.Barr PLC	2,148,089	5.15%
361,500 Anglo-Eastern Plantations PLC	2,516,040	6.03%
578,300 Anpario PLC	1,301,175	3.12%
236,800 Ashtead Technology Holdings PLC	1,776,000	4.25%
151,820 Burberry Group PLC	1,856,759	4.44%
43,400 Cranswick PLC	1,775,060	4.25%
70,600 Diageo PLC	2,075,993	4.97%
385,400 Dialight PLC	635,910	1.52%
470,000 Dominos Pizza Group PLC	1,642,180	3.93%
182,700 Dunelm Group PLC	2,046,240	4.90%
1,800,900 ECO Animal Health Group PLC	1,494,747	3.58%
172,970 Fevertree Drinks PLC	2,053,154	4.91%
239,448 Focusrite PLC	778,206	1.86%
17,200 Games Workshop Group PLC	1,707,100	4.09%
1,287,000 Hostelworld Group PLC	2,039,895	4.88%
20,600 London Stock Exchange Group PLC	1,949,584	4.67%
1,300,000 ME Group International PLC	2,152,800	5.15%
21,350 Nestle SA	1,788,672	4.28%
212,000 Nichols PLC	2,018,240	4.83%
1,205,600 PZ Cussons PLC	1,087,451	2.60%
35,650 Reckitt Benckiser Group PLC	1,605,676	3.84%
49,400 Unilever PLC	1,956,981	4.68%
	<b>38,405,952</b>	<b>91.93%</b>
<b>Investment Trusts (30.09.2023: 4.29%)</b>		
700 Lindsell Train Investment Trust PLC	551,600	1.32%
	<b>551,600</b>	<b>1.32%</b>
	<b>38,957,552</b>	<b>93.25%</b>
<b>Portfolio of investments (30.09.2023: 89.45%)</b>		
	<b>2,821,831</b>	<b>6.75%</b>
<b>Net other assets (30.09.2023: 10.55%)</b>		
	<b>41,779,383</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the period</b>	<b>8,165,919</b>
Cranswick PLC	1,777,193
Games Workshop Group PLC	1,670,198
Dominos Pizza Group PLC	1,639,427
Ashtead Technology Holdings PLC	1,488,045
Burberry Group PLC	879,155
Hostelworld Group PLC	474,560
Fevertree Drinks PLC	237,341
	£
<b>Total sales for the period</b>	<b>8,631,593</b>
Hargreaves Lansdown PLC	1,816,203
Unilever PLC	1,369,524
Lindsell Train Investment Trust PLC	1,318,368
Reckitt Benckiser Group PLC	1,092,211
Diageo PLC	821,814
A.G.Barr PLC	414,658
London Stock Exchange Group PLC	289,554
Nestle SA	218,469
Dunelm Group PLC	191,172
ECO Animal Health Group PLC	184,829
Other various sales	914,791

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

## STATEMENT OF TOTAL RETURN

For the six month period ended 31 March

	2024		2023	
	£	£	£	£
Income				
Net capital (losses)/gains		(2,308,263)		3,208,123
Revenue	662,304		553,551	
Expenses	(184,953)		(197,333)	
Interest payable and similar charges	-		-	
Net revenue before taxation	477,351		356,218	
Taxation	-		-	
Net revenue after taxation		477,351		356,218
Total return before distributions		(1,830,912)		3,564,341
Finance costs: distributions		(477,351)		(356,217)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>(2,308,263)</b>		<b>3,208,124</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 31 March

	2024	2023
	£	£
<b>Opening net assets attributable to shareholders</b>	46,653,122	47,530,535
Amounts receivable on creation of shares	4,046,445	9,270,478
Amounts payable on cancellation of shares	(6,619,220)	(7,242,840)
Dilution levies	7,299	43,853
Changes in net assets attributable to shareholders from investment activities (see above)	(2,308,263)	3,208,124
<b>Closing net assets attributable to shareholders</b>	<b>41,779,383</b>	<b>52,810,150</b>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Sub-fund net asset value as at 30 September 2023 was £46,653,122.

## BALANCE SHEET

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As at	31.03.2024		30.09.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		38,957,552		41,729,902
<b>Current assets</b>				
Debtors	181,214		117,250	
Cash and bank balances	<u>3,283,578</u>		<u>5,616,749</u>	
<b>Total current assets</b>		<u>3,464,792</u>		<u>5,733,999</u>
<b>Total assets</b>		<u>42,422,344</u>		<u>47,463,901</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Creditors	(191,377)		(118,060)	
Bank overdraft	(320)		-	
Distribution payable on income shares	<u>(451,264)</u>		<u>(692,719)</u>	
<b>Total current liabilities</b>		<u>(642,961)</u>		<u>(810,779)</u>
<b>Net assets attributable to shareholders</b>		<u>41,779,383</u>		<u>46,653,122</u>

### Accounting policies

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

## DISTRIBUTION TABLES

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### Interim distributions in pence per share

Group 1: Shares purchased prior to 01 October 2023

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

<b>A (Net Income)</b>	<b>Net revenue 31.05.2024</b>	<b>Equalisation</b>	<b>Distribution 31.05.2024</b>	<b>Distribution 31.05.2023</b>
Group 1	1.7944p	-	1.7944p	1.2721p
Group 2	0.7754p	1.0190p	1.7944p	1.2721p

<b>B (Net Income)</b>	<b>Net revenue 31.05.2024</b>	<b>Equalisation</b>	<b>Distribution 31.05.2024</b>	<b>Distribution 31.05.2023</b>
Group 1	2.5894p	-	2.5894p	2.0966p
Group 2	2.3415p	0.2479p	2.5894p	2.0966p

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Sorbus Ethics Fund
<b>Size of Sub-fund</b>	£9,220,513
<b>Launch date</b>	01 July 2019
<b>Sub-fund objective and policy</b>	<p>The investment objective of the VT Sorbus Ethics Fund is to provide a total return through a combination of capital growth and income over the long term (5 years +).</p> <p>The Sub-fund will aim to meet its objectives by investing predominantly (at least 80%) in companies which pass the following two filters:</p> <p>(1) No investment will have material revenue exposure (more than 10%) to: the manufacture or supply of weapons; extraction of oil, gas and consumable fuels; metals and minerals; the sale or manufacture of tobacco; casinos and gambling or pornography;</p> <p>(2) No investments will be selected unless the Investment Manager considers there to be potential, in the Investment Manager's opinion, for that investment to provide an attractive rate of return (with those which are not considered to offer this being excluded from the investment universe).</p> <p>When making investment decisions, the Investment Manager will also consider whether, based on the Investment Manager's assessments of a company's own commitments (i.e. in its policies and procedures, such as CSR statements) as confirmed by the Investment Manager's own research and ongoing monitoring through assessment of third party sources such as media statements and journals be considered, through its actions and business to: (i) promote positive change in the spirit of at least two of the United Nations Sustainable Development Goals (SDG); and (ii) otherwise demonstrate positive attributes such as good governance and commitment to diversity.</p> <p>The Sub-fund may also invest (up to 20%) in other equities, bonds (investment grade and sub-investment grade) and collective investment schemes (including those managed or operated by the AFM) which do not satisfy the commitment noted in the paragraph above. There will also be exposure, indirectly, to various other asset classes including property and alternative assets such as commodities. The Sub-fund may also invest in money market instruments, deposits, cash and near cash.</p> <p>The Investment Manager undertakes ongoing monitoring, using sources such as reports and accounts, online media, social media and journals to monitor investments on an ongoing basis and if an investment would no longer pass through any of the filters it would be expected to be sold.</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>
<b>Derivatives:</b>	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>



## SUB-FUND OVERVIEW (Continued)

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**Performance Comparator:** The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.

However, the performance of the Sub-fund can be compared to that of the IA Flexible Investment sector (the "Index").

The performance of the Sub-fund can be compared against that of the Index. This benchmark has been selected as it is considered that the Index most closely reflects the risk/return objectives of the Sub-fund at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the Index when making its decisions and can make investments that are not included in the Index.

**Authorised Fund Manager (AFM)** Valu-Trac Investment Management Limited

**Ex-distribution dates** 30 September and 31 March

**Distribution dates** 30 November and 31 May

**Individual Savings Account (ISA)** The Sub-fund is a qualifying investment for inclusion in an ISA.

**Minimum Investment\***

Lump Sum Subscription Class A = £1,000

Top-Up Class A = N/A

Holding Class A = £1,000

Redemption: N/A (provided minimum holding is maintained)

Switching N/A (provided minimum holding is maintained)

Initial and redemption charges Nil

\*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.

**Annual management charges to  
09 May 2024**

£21,000\* per annum plus:

Class A = 1.00%.

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class.

\*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2020). In the event of negative inflation, the fixed element of the fee will remain unchanged.

**Annual management charges  
from 10 May 2024**

£30,000\*\* per annum plus:

Class A = 1.00%.

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

\*\*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2024)). In the event of negative inflation, the fixed element of the fee will remain unchanged.

## INVESTMENT MANAGER'S REVIEW

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Over the first half of the reporting year SORBUS ETHICS has returned 8.81% on a total return (including dividends) basis. For comparison the IA Flexible sector has returned 9.75%.

Over the last six months there have been greater reasons for optimism as an investor than we have been seeing for some time.

No central banker now says that inflation is transitory or interest rates will rapidly revert to zero. The late response to inflation by central bankers in 2021 has meant it is now stickier (it has become wage inflation which is hard to shift). Interest rates have yet to come down despite the price of fuel and food easing out of the system, so persistent inflation appears better hemmed in and markets and central banks are demonstrably less self-deluded about its existence.

Looking at economic growth, we can say with confidence that over 50% of US GDP growth is supported by deficit spending. This is unsavoury and (classically) unsustainable. But so what? If we look at the politics, neither Biden nor Trump has any desire to reign back deficit spending. This means that we can expect at least another 5 years of deficit spending. Outside the cohort of the "Magnificent seven" (Amazon, Apple, Tesla, Alphabet (Google), Meta (Facebook), Nvidia and Microsoft), US valuations appear acceptable in this context.

There remain risks, China is grappling with disinflation and a property bubble, stemming from the misallocation of capital in a command economy. Europe is either zero growth or recession with a war on its border.

The economic data, however, is becoming more consistent, with the distortions from lockdowns and government interventions receding. In short we must conclude that markets are pricing these risks more effectively. As such we have been increasing the equity allocation within the SORBUS ETHICS fund. It now stands around 88% of the fund .

We have added to the fund's US equity exposure through investments into smaller companies. Smaller companies grow faster than larger companies over the long term. They do poorly in rising interest rate environments but can do particularly well in falling interest rate environments. With interest rate rises behind us it is a good time to build the fund's smaller company exposure in the US. We have done this through a holding in the iShares MSCI USA Small Cap ESG Enhanced UCITS ETF fund.

In emerging markets we have removed the fund's exposure to China but overall increased the exposure to the asset class through a mixture of active and passive investments. In particular we have added a small exposure to an Indian equity fund (Nomura India Equity). India has the potential for rapid economic growth in the coming decades, backed by one of the world's youngest populations. The Nomura India Equity Fund has a long track record of navigating the Indian stock market.

To fund these trades we have reduced the cash position to around 2.2%, sold the UK government bond holding (UK gilt 1% 22/04/2024) and halved the gold exposure (via the Royal Mint Physical Gold ETC) to 4%.

Sorbus Partners LLP  
Investment Manager to the Fund  
31 March 2024

## PERFORMANCE RECORD

### Financial Highlights

#### A (Income)

	Period ended 31 March 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	122.0640	116.2163	133.9649
Return before operating charges	11.9627	7.9803	(15.7346)
Operating charges (note 1)	(1.2076)	(2.1326)	(2.0140)
Return after operating charges *	10.7551	5.8477	(17.7486)
Distributions on income shares	(0.6455)	-	-
Closing net asset value per share	132.1736	122.0640	116.2163
*after direct transactions costs of:	0.0744	0.0715	0.1126
Performance			
Return after charges	8.81%	5.03%	(13.25%)
Other information			
Closing net asset value	£9,227,210	£8,600,016	£8,334,293
Closing number of shares	6,981,129	7,045,496	7,171,365
Operating charges (note 2)	1.90%	1.79%	1.61%
Direct transaction costs	0.06%	0.06%	0.09%
Prices			
Highest share price	132.6183	127.6515	138.2302
Lowest share price	119.7134	114.1933	116.2163

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 monthly historical performance data indicates that it has experienced relatively high rises and falls in market prices historically.

## PORTFOLIO STATEMENT

As at 31 March 2024

Holding	Value £	% of net assets
<b>Collective Investment Schemes (30.09.2023: 5.07%)</b>		
232,358 Janus Henderson UK Absolute Return	456,351	4.95%
1,942 Nomura Funds Ireland – India Equity Fund	300,895	3.26%
	<b>757,246</b>	<b>8.21%</b>
<b>Equities (30.09.2023: 13.84%)</b>		
13,800 ASOS PLC	53,171	0.58%
3,780 Associated British Foods PLC	93,933	1.02%
830 AstraZeneca PLC	88,827	0.96%
6,700 Auto Trader Group PLC	46,659	0.51%
3,935 Burberry Group PLC	48,125	0.52%
2,960 Diageo PLC	87,039	0.94%
2,495 Experian PLC	85,803	0.93%
2,215 Fanuc Corp	48,859	0.53%
4,120 Fevertree Drinks PLC	48,904	0.53%
5,000 GSK plc	85,400	0.93%
25,815 HALEON PLC	85,667	0.93%
2,165 Halma PLC	50,618	0.55%
14,415 HSBC Holdings PLC	89,805	0.97%
5,980 Informa PLC	49,885	0.54%
2,660 IMI PLC	48,518	0.53%
174,560 Lloyds Banking Group PLC	90,230	0.98%
915 London Stock Exchange Group PLC	86,596	0.94%
10,925 Ocado Group PLC	50,113	0.54%
4,860 Pearson PLC	50,738	0.55%
1,650 Reckitt Benckiser Group PLC	74,316	0.81%
2,485 Relx PLC	85,310	0.93%
8,700 Rightmove PLC	47,833	0.52%
3,950 Sage Group PLC	49,731	0.54%
12,575 Schroders PLC	46,980	0.51%
7,900 Smith & Nephew PLC	79,237	0.86%
3,045 Smiths Group PLC	50,029	0.54%
475 Spirax-Sarco Engineering PLC	47,548	0.52%
2,215 Unilever PLC	87,747	0.95%
2,392 Vestas Wind Systems A/S	52,700	0.57%
	<b>1,910,321</b>	<b>20.73%</b>
<b>Exchange Traded Funds (30.09.2023: 47.16%)</b>		
1,710 Amundi MSCI Europe SRI UCITS ETF	121,188	1.31%
21,930 Amundi MSCI Emerging Ex China ESG Leaders Select UCITS ETF	772,704	8.38%
67,655 Amundi S&P 500 Equal Weight ESG Leaders UCITS ETF	661,130	7.17%
3,130 iShares MSCI USA Small Cap ESG Enhanced UCITS ETF	1,269,255	13.77%
10,435 iShares Agribusiness UCITS ETF	382,756	4.15%
24,555 Invesco MSCI USA ESG Universal Screened UCITS ETF	1,539,599	16.70%
15,190 UBS ETF - MSCI Japan Socially Responsible UCITS ETF	287,091	3.11%
16,110 Xtrackers MSCI Japan ESG UCITS ETF	285,115	3.09%
18,345 Xtrackers S&P 500 Equal Weight ESG UCITS ETF	651,431	7.07%
	<b>5,970,269</b>	<b>64.75%</b>

## PORTFOLIO STATEMENT (Continued)

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<b>Exchange Traded Commodities (30.09.2023: 0.00%)</b>		
21,795 The Royal Mint Physical Gold ETC Securities	378,197	4.10%
	<hr/>	<hr/>
	378,197	4.10%
<b>Bonds (30.09.2023: 17.27%)</b>		
	<hr/>	<hr/>
	-	-
<b>Portfolio of investments (30.09.2023: 91.52%)</b>		
	<hr/>	<hr/>
	9,016,033	97.79%
<b>Net other assets (30.09.2023: 8.48%)</b>		
	<hr/>	<hr/>
	204,480	2.21%
	<hr/>	<hr/>
	9,220,513	100.00%

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the period</b>	<b>4,842,949</b>
iShares MSCI USA Small Cap ESG Enhanced UCITS ETF	1,222,816
Invesco MSCI USA ESG Universal Screened UCITS ETF	810,620
Amundi MSCI Emerging Ex China ESG Leaders Select UCITS ETF	771,619
UK T Bill 0% 15/07/2024	612,846
Nomura Funds Ireland – India Equity Fund	297,230
UK T Bill 0% 29/07/2024	254,424
Lyxor Net Zero 2050 S&P 500 Climate PAB (DR) UCITS ETF	106,130
IMI PLC	47,925
iShares Agribusiness UCITS ETF	42,900
Reckitt Benckiser Group PLC	39,798
Other various purchases	636,641

	£
<b>Total sales for the period</b>	<b>4,474,634</b>
Amundi S&P 500 Climate Net Zero Ambition PAB UCITS ETF	801,292
UK T Bill 0.00% 15/07/2024	617,109
UK T Bill 0.00% 15/01/2024	612,500
UK GILT 0.125% 31/01/2024	520,492
The Royal Mint Physical Gold ETC Securities	412,579
UBS ETF - MSCI Emerging Markets Socially Responsible UCITS ETF	390,083
Xtrackers MSCI Emerging Markets ESG UCITS ETF	387,932
UK GILT 1.00% 22/04/2024	372,062
UK T Bill 0.00% 29/07/2024	255,614
Hargreaves Lansdown PLC	47,175
Other various sales	57,796

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

## STATEMENT OF TOTAL RETURN

For the six month period ended 31 March

	2024		2023	
	£	£	£	£
Income				
Net capital gains		754,907		616,530
Revenue	74,652		55,590	
Expenses	(73,114)		(69,378)	
Interest payable and similar charges	<u>(1,759)</u>		<u>-</u>	
Net expenses before taxation	(221)		(13,788)	
Taxation	<u>-</u>		<u>(91)</u>	
Net expenses after taxation		<u>(221)</u>		<u>(13,879)</u>
Total return before distributions		754,686		602,651
Finance costs: distributions		<u>(45,361)</u>		<u>-</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>709,325</u>		<u>602,651</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 31 March

	2024	2023
	£	£
<b>Opening net assets attributable to shareholders</b>	8,594,899	8,324,507
Amounts receivable on creation of shares	18,340	-
Amounts payable on cancellation of shares	(102,051)	(96,793)
Changes in net assets attributable to shareholders from investment activities (see above)	<u>709,325</u>	<u>602,651</u>
<b>Closing net assets attributable to shareholders</b>	<u>9,220,513</u>	<u>8,830,365</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Sub-fund net asset value as at 30 September 2023 was £8,594,899.

## BALANCE SHEET

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As at	31.03.2024		30.09.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		9,016,033		7,866,368
<b>Current assets</b>				
Debtors	9,637		7,546	
Cash and bank balances	<u>783,673</u>		<u>876,601</u>	
<b>Total current assets</b>		<u>793,310</u>		<u>884,147</u>
<b>Total assets</b>		<u>9,809,343</u>		<u>8,750,515</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Creditors	(381,829)		(19,582)	
Distribution Payable on Income shares	(45,063)		-	
Bank overdraft	<u>(161,938)</u>		<u>(136,034)</u>	
<b>Total current liabilities</b>		<u>(588,830)</u>		<u>(155,616)</u>
<b>Net assets attributable to shareholders</b>		<u>9,220,513</u>		<u>8,594,899</u>

### Accounting policies

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.



## DISTRIBUTION TABLES

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### Interim distributions in pence per share

Group 1: Shares purchased prior to 01 October 2023

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

<b>A (Income)</b>	<b>Net revenue 31.05.2024</b>	<b>Equalisation</b>	<b>Distribution 31.05.2024</b>	<b>Distribution 31.05.2023</b>
Group 1	0.6455p	-	0.6455p	-
Group 2	0.6455p	-	0.6455p	-

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Shaheen Global
<b>Size of Sub-fund</b>	£12,738,420
<b>Launch date</b>	16 February 2021
<b>Sub-fund objective and policy</b>	<p>The investment objective of the VT Shaheen Global is to provide a total return through a combination of capital growth and income over the long term (5 years +). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a 5 year, or any, period.</p> <p>The Sub-fund will aim to meet its objectives by primarily (70% +) investing directly, or indirectly via collective investment schemes (including those managed or operated by the AFM and Investment Manager, including other sub-funds of the Company) and ETFs, in a diversified portfolio of equities and bonds. The allocation between direct and indirect exposure to such asset classes will vary depending on the manager's assessment as to the appropriate asset mix based on market conditions and at times the level of indirect exposure may be high. There will also be exposure, indirectly to various other asset classes including property and alternative assets such as commodities as permitted by the rules. Exposure to equities may be up to 100%.</p> <p>The Sub-fund may also invest directly in money market instruments, deposits, cash and near cash.</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>
<b>Derivatives</b>	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>
<b>Performance Comparator:</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, the performance of the Sub-fund can be compared to that of the IA Flexible Sector (the "Index").</p> <p>The performance of the Sub-fund can be compared against that of the Index. This benchmark has been selected as it is considered that the Index most closely reflects the risk/return objectives of the Sub-fund at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the Index when making its decisions and can make investments that are not included in the Index.</p>
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	30 September and 31 March
<b>Distribution dates</b>	30 November and 31 May
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

## SUB-FUND OVERVIEW (Continued)

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### Minimum Investment\*

Lump Sum Subscription	Class A & Class B = £500,000
Top-Up	Class A & Class B = £100,000
Holding	Class A & Class B = £500,000
Redemption:	N/A (provided minimum holding is maintained)
Switching	N/A (provided minimum holding is maintained)
Initial and redemption charges	5%

\*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion

Note: Class A Shares are only available to certain clients of the Investment Manager or at the AFM's discretion). Class B shares not launched.

### Annual management charges to 09

<b>May 2024</b>	£21,500* per annum plus
	Class A = 0.00%.
	Class B = 1.00%.

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

\*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2021). In the event of negative inflation, the fixed element of the fee will remain unchanged.

### Annual management charges from 10 May 2024

£30,000** per annum plus:
Class A = 0.00%.
Class B = 1.00%.

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

\*\*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2024)). In the event of negative inflation, the fixed element of the fee will remain unchanged.

## INVESTMENT MANAGER'S REVIEW

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Over the first half of the reporting year SHAHEEN GLOBAL has returned 9.53% on a total return (including dividends) basis. For comparison the IA Flexible sector has returned 9.75%.

Over the last six months there have been greater reasons for optimism as an investor than we have been seeing for some time.

No central banker now says that inflation is transitory or interest rates will rapidly revert to zero. The late response to inflation by central bankers in 2021 has meant it is now stickier (it has become wage inflation which is hard to shift). Interest rates have yet to come down despite the price of fuel and food easing out of the system, so persistent inflation appears better hemmed in and markets and central banks are demonstrably less self-deluded about its existence.

Looking at economic growth, we can say with confidence that over 50% of US GDP growth is supported by deficit spending. This is unsavoury and (classically) unsustainable. But so what? If we look at the politics, neither Biden nor Trump has any desire to rein back deficit spending. This means that we can expect at least another 5 years of deficit spending. Outside the cohort of the "Magnificent seven" (Amazon, Apple, Tesla, Alphabet (Google), Meta (Facebook), Nvidia and Microsoft), US valuations appear acceptable in this context.

There remain risks: China is grappling with disinflation and a property bubble, stemming from the misallocation of capital in a command economy. Europe is either zero growth or recession with a war on its border.

The economic data, however, is becoming more consistent, with the distortions from lockdowns and government interventions receding. In short we must conclude that markets are pricing these risks more effectively. As such we have been increasing the equity allocation within the SHAHEEN fund. It now stands around 89% of the fund.

We have added to the fund's US equity exposure through investments into smaller companies. Smaller companies grow faster than larger companies over the long term. They do poorly in rising interest rate environments but can do particularly well in falling interest rate environments. With interest rate rises behind us it is a good time to build the fund's smaller company exposure in the US. We have done this through a holding in the VT De Lisle America fund, which has a strong track record for investors – with a 10 year annualised return of 13.5%.

In emerging markets we have removed the fund's exposure to China but overall increased the exposure to the asset class through a mixture of active and passive investments. In particular we have added a small exposure to an Indian equity fund (Jupiter India) that also provides exposure to smaller and mid sized companies. India has the potential for rapid economic growth in the coming decades, backed by one of the world's youngest populations. The Jupiter India fund has a long track record of navigating the Indian stock market.

Sorbus Partners LLP  
Investment Manager to the Fund  
31 March 2024

## PERFORMANCE RECORD

### Financial Highlights

A (Income)	Period ended 31 March 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	93.8094	94.0667	99.2505
Return before operating charges	9.34841	1.18670	(3.8457)
Operating charges (note 1)	(0.4096)	(0.6012)	(0.6573)
Return after operating charges *	8.9388	0.5855	(4.5030)
Distributions on income shares	(1.5041)	(0.8428)	(0.6808)
Closing net asset value per share	101.2441	93.8094	94.0667
*after direct transactions costs of:	0.0488	0.0752	0.0290
Performance			
Return after charges	9.53%	0.62%	(4.54%)
Other information			
Closing net asset value	£12,742,515	£11,784,562	£10,463,083
Closing number of shares	12,585,930	12,562,239	11,123,043
Operating charges (note 2)	0.84%	0.64%	0.68%
Direct transaction costs	0.05%	0.08%	0.03%
Prices			
Highest share price	102.5039	96.1418	103.0356
Lowest share price	92.0685	91.9465	91.2985

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 monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 31 March 2024

Holding	Value £	% of net assets
<b>Collective Investment Schemes (30.09.2023: 7.24%)</b>		
183,886 Invesco Emerging Markets ex China Fund	368,489	2.89%
317,034 Janus Henderson UK Absolute Return	622,655	4.89%
225,012 Jupiter Asian Income	386,031	3.03%
148,572 Jupiter India Fund	358,520	2.81%
239,367 VT De Lisle America^	1,761,217	13.83%
	<b>3,496,912</b>	<b>27.45%</b>
<b>Exchange Traded Commodities (30.09.2023: 8.10%)</b>		
1,660 ETFS Physical Gold	272,273	2.14%
8,040 iShares Physical Gold ETC	273,923	2.15%
	<b>546,196</b>	<b>4.29%</b>
<b>Exchange Traded Funds (30.09.2023: 46.29%)</b>		
30,405 AMUNDI MSCI JAPAN UCITS ETF	438,258	3.44%
20,150 Invesco S&P 500 Equal Weight UCITS ETF	893,451	7.01%
14,430 iShares Agribusiness UCITS ETF	529,292	4.16%
92,210 iShares MSCI EM ex-China UCITS ETF	375,525	2.95%
2,560 SPDR S&P 500 UCITS ETF	1,063,731	8.35%
13,490 Vanguard S&P 500 UCITS ETF	1,063,552	8.35%
7,310 Vanguard FTSE Developed Europe ex UK UCITS ETF	252,963	1.99%
14,820 Vanguard FTSE Japan UCITS ETF	438,116	3.44%
12,405 Xtrackers S&P 500 Equal Weight UCITS ETF	896,048	7.03%
	<b>5,950,936</b>	<b>46.72%</b>
<b>Equities (30.09.2023: 12.78%)</b>		
18,500 ASOS PLC	71,281	0.56%
5,035 Associated British Foods PLC	125,120	0.98%
1,130 AstraZeneca PLC	120,933	0.95%
9,105 Auto Trader Group PLC	63,407	0.50%
5,210 Burberry Group PLC	63,718	0.50%
3,860 Diageo PLC	113,503	0.89%
3,380 Experian PLC	116,238	0.91%
6,305 Fevertree Drinks PLC	74,840	0.59%
6,925 GlaxoSmithKline PLC	118,279	0.93%
35,960 HALEON PLC	119,333	0.94%
2,835 Halma PLC	66,282	0.51%
19,330 HSBC Holdings PLC	120,425	0.94%
6,100 IMI PLC	111,264	0.87%
8,175 Informa PLC	68,196	0.54%
252,500 Lloyds Banking Group PLC	130,517	1.02%
1,305 London Stock Exchange Group PLC	123,505	0.97%
13,540 Ocado Group PLC	62,108	0.49%
7,005 Pearson PLC	73,132	0.57%
1,980 Reckitt Benckiser Group PLC	89,179	0.70%
3,310 Relx PLC	113,632	0.89%
11,955 Rightmove PLC	65,729	0.52%
5,545 Sage Group PLC	69,812	0.55%
17,222 Schroders PLC	64,341	0.51%
9,865 Smith & Nephew PLC	98,946	0.78%
4,135 Smiths Group PLC	67,938	0.53%
645 Spirax-Sarco Engineering PLC	64,565	0.51%
2,940 Unilever PLC	116,468	0.91%
	<b>2,492,691</b>	<b>19.56%</b>

VT SHAHEEN GLOBAL

For the period ended 31 March 2024

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## PORTFOLIO STATEMENT (CONTINUED)

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<b>Bonds (30.09.2023: 17.20%)</b>		
280,200 UK T Bill 0.00% 15/07/2024	275,924	2.17%
	<hr/>	<hr/>
	275,924	2.17%
<b>Portfolio of investments (30.09.2023: 91.61%)</b>	<b>12,762,659</b>	<b>100.19%</b>
<b>Net other assets (30.09.2023: 8.39%)</b>	<b>(24,239)</b>	<b>(0.19%)</b>
	<hr/>	<hr/>
	<b>12,738,420</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the period</b>	<b>6,450,850</b>
VT De Lisle America	1,672,874
UK T Bill 0.00% 15/07/2024	1,149,622
UK T Bill 0.00% 11/03/2024	499,341
UK T Bill 0.00% 15/04/2024	387,751
Jupiter India Fund	365,161
Invesco Emerging Markets ex China Fund	365,160
iShares MSCI EM ex-China UCITS ETF	365,067
UK T Bill 0.00% 29/07/2024	149,942
Vanguard S&P 500 UCITS ETF	149,197
SPDR S&P 500 UCITS ETF	145,618
Other various purchases	1,201,117

	£
<b>Total sales for the period</b>	<b>5,563,521</b>
UK T Bill 0.00% 15/01/2024	1,149,000
UK T Bill 0.00% 15/07/2024	881,045
UK GILT 0.125% 31-01-2024	510,705
UK T Bill 0.00% 11/03/2024	500,000
UK T Bill 0.00% 15/04/2024	395,330
UK T Bill 0.00% 16/10/2023	387,800
Xtrackers MSCI Emerging Markets UCITS ETF	268,039
iShares Core MSCI EM IMI UCITS ETF	265,333
Vanguard FTSE Emerging Markets UCITS ETF	262,105
iShares Physical Gold ETC	251,430
Other various sales	692,734

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



## STATEMENT OF TOTAL RETURN

For the six month period ended 31 March

	2024		2023	
	£	£	£	£
Income				
Net capital gains		1,043,666		146,713
Revenue	124,439		59,984	
Expenses	(28,644)		(25,084)	
Interest payable and similar charges	<u>(6)</u>		<u>-</u>	
Net revenue before taxation	95,789		34,900	
Taxation	<u>(10,768)</u>		<u>-</u>	
Net revenue after taxation		<u>85,021</u>		<u>34,900</u>
Total return before distributions		1,128,687		181,613
Finance costs: distributions		<u>(188,948)</u>		<u>(59,763)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>939,739</u>		<u>121,850</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 31 March

	2024	2023
	£	£
<b>Opening net assets attributable to shareholders</b>	11,775,340	10,454,609
Amounts receivable on creation of shares	33,202	1,337,834
Amounts payable on cancellation of shares	(9,861)	-
Dilution Levies	-	1,299
Changes in net assets attributable to shareholders from investment activities (see above)	<u>939,739</u>	<u>121,850</u>
<b>Closing net assets attributable to shareholders</b>	<u>12,738,420</u>	<u>11,915,592</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Sub-fund net asset value as at 30 September 2023 was £11,775,340.

## BALANCE SHEET

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As at	31.03.2024		30.09.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		12,762,659		10,787,240
<b>Current assets</b>				
Debtors	16,640		11,066	
Cash and bank balances	<u>173,866</u>		<u>1,040,102</u>	
<b>Total current assets</b>		<u>190,506</u>		<u>1,051,168</u>
<b>Total assets</b>		<u>12,953,165</u>		<u>11,838,408</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Creditors	(25,343)		(17,823)	
Bank Overdraft	(95)		-	
Distribution payable on income shares	<u>(189,307)</u>		<u>(45,245)</u>	
<b>Total current liabilities</b>		<u>(214,745)</u>		<u>(63,068)</u>
<b>Net assets attributable to shareholders</b>		<u>12,738,420</u>		<u>11,775,340</u>

### Accounting policies

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

## DISTRIBUTION TABLES

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### Interim distributions in pence per share

Group 1: Shares purchased prior to 01 October 2023

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

<b>A (Income)</b>	<b>Net revenue 31.05.2024</b>	<b>Equalisation</b>	<b>Distribution 31.05.2024</b>	<b>Distribution 31.05.2023</b>
Group 1	1.5041p	-	1.5041p	0.4826p
Group 2	0.0276p	1.4765p	1.5041p	0.4826p

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Blackwood Prime
<b>Size of Sub-fund</b>	£75,066,604
<b>Launch date</b>	26 April 2021
<b>Sub-fund objective and policy</b>	<p>The investment objective of the VT Blackwood Prime is to provide a total return through a combination of capital growth and income over the long term (5 years +). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a 5 year, or any, period.</p> <p>The Sub-fund will seek to achieve its objective by investing directly and indirectly (via collective investment schemes) in a diversified portfolio consisting mainly of equities. It is expected that the exposure to equities will be approximately 40-85%.</p> <p>The Sub-fund may also invest in other OEICS, Unit Trusts, other collective investment vehicles (including REITS and funds managed and/or operated by the AFM and/or Investment Manager (and including other sub-funds of the Company)) providing exposure to assets including fixed income, money market instruments, cash, infrastructure/property and alternatives such as commodities as permitted by the rules.</p> <p>The Sub-fund may also invest directly in fixed income, money market instruments, deposits, cash and near cash.</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>
<b>Derivatives</b>	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>
<b>Performance Comparator:</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, the performance of the Sub-fund can be compared to that of the IA Mixed Investment 40-85% shares sector (the "Index").</p> <p>The performance of the Sub-fund can be compared against that of the Index. This benchmark has been selected as it is considered that the Index most closely reflects the risk/return objectives of the Sub-fund at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the Index when making its decisions and can make investments that are not included in the Index.</p>
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	30 September and 31 March
<b>Distribution dates</b>	30 November and 31 May
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

## SUB-FUND OVERVIEW (Continued)

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### Minimum Investment\*

Lump Sum Subscription	Class A & Class B = £1,000
Top-Up	Class A & Class B = N/A
Holding	Class A & Class B = £1,000
Redemption:	N/A (provided minimum holding is maintained)
Switching	N/A (provided minimum holding is maintained)
Initial and redemption charges	Nil

\*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Note: Class A shares are only available to certain 'founders' who invest in the early stages of the Sub-fund and otherwise at the AFM's discretion.

### Annual management charges to 09

<b>May 2024</b>	£21,500* per annum plus: Class A = 0.25%. Class B = 0.40%
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The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

\* The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2021)). In the event of negative inflation, the fixed element of the fee will remain unchanged.

### Annual management charges from

<b>10 May 2024</b>	£45,910.46** per annum plus: Class A = 0.25% Class B = 0.40%  Plus: - Up to £100 million Net Asset Value – 0.015% (per annum) - next £100 million to £250 million Net Asset Value – 0.0075% (per annum) - next £250 million to £500 million Net Asset Value – 0.005% (per annum) - remaining above £500 million Net Asset Value– 0.0025% (per annum)
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The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

\*\*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2024). In the event of negative inflation, the fixed element of the fee will remain unchanged.

## INVESTMENT MANAGER'S REVIEW

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Over the last year Blackwood Prime class A (income) has delivered a total return (including dividends) of 10.9%, which compares to 9.9% on the IA Mixed Investment 40-85% Shares.

Over the first six months of this accounting year we have made modest changes to the Blackwood Prime portfolio. There has been around a 2% reduction in the alternative and gold holdings with a corresponding increase into equities.

The main changes have been the introduction of a US Smaller company fund, the VT De Lisle America fund; the transition of the emerging market exposure to exclude China, with the iShares MSCI EM ex-China ETF and the Invesco Emerging Markets ex China fund; and the introduction of the Jupiter India fund, to provide further exposure to India and in particular to small and mid cap companies.

Beginning with the VT De Lisle America fund, smaller companies typically grow faster than larger companies over the long term. They do poorly in rising interest rate environments but can do particularly well in falling interest rate environments. With interest rate rises behind us we considered it to be a good time to build the US smaller company exposure within the fund.

In emerging markets, China is grappling with disinflation and a property bubble, stemming from the misallocation of capital in a command economy. Whereas India has the potential for rapid economic growth in the coming decades, backed by one of the world's youngest populations. The existing emerging markets exposure did possess some exposure to India (it is around 18% of the MSCI Emerging Market index), however, we considered it prudent to position the fund to better take advantage of the structural drivers in India. Jupiter India has a 10 year track record of providing excellent risk adjusted returns. For context its sharpe ratio over 1 year and 3 year at the time of purchase was 3.18 and 1.35 respectively. The annualised 10 year return was 15.4%. The fund has a repeatable process and we have every reason to be confident that it will continue to perform for our investors in the coming years.

Overall we see more reasons to be optimistic today as investors than we have been for some time. Blackwood Prime is well positioned to meet its investment objectives and deliver returns to our investors over the coming years.

Sorbus Partners LLP  
Investment Manager to the Fund  
31 March 2024

## PERFORMANCE RECORD

### Financial Highlights

<b>A (Income)</b>	<b>Period ended 31 March 2024</b>	<b>Year ended 30 September 2023</b>	<b>Year ended 30 September 2022</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	97.1845	91.8732	99.9002
Return before operating charges	10.9392	7.5235	(5.9808)
Operating charges (note 1)	(0.3628)	(0.6238)	(0.6424)
Return after operating charges *	10.5764	6.8997	(6.6232)
Distributions on income shares	(0.5681)	(1.5884)	(1.4038)
Closing net asset value per share	107.1928	97.1845	91.8732
*after direct transactions costs of:	0.0150	0.0756	0.0479
Performance			
Return after charges	10.88%	7.51%	(6.63%)
Other information			
Closing net asset value	£45,340,572	£36,741,037	£35,958,777
Closing number of shares	42,298,133	37,805,446	39,139,567
Operating charges (note 2)	0.71%	0.66%	0.67%
Direct transaction costs	0.01%	0.08%	0.05%
Prices			
Highest share price	107.3235	100.6471	103.4991
Lowest share price	95.1416	90.2453	91.8732

<b>B (Income)</b>	<b>Period ended 31 March 2024</b>	<b>Year ended 30 September 2023</b>	<b>Year ended 30 September 2022</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	96.5742	91.2991	99.2703
Return before operating charges	10.8674	7.4731	(5.9405)
Operating charges (note 1)	(0.4366)	(0.7609)	(0.7813)
Return after operating charges *	10.4308	6.7122	(6.7218)
Distributions on income shares	(0.4918)	(1.4371)	(1.2494)
Closing net asset value per share	106.5132	96.5742	91.2991
*after direct transactions costs of:	0.0149	0.0751	0.0476
Performance			
Return after charges	10.80%	7.35%	(6.77%)
Other information			
Closing net asset value	£29,751,955	£20,855,041	£7,536,549
Closing number of shares	27,932,639	21,594,839	8,254,787
Operating charges (note 2)	0.86%	0.81%	0.82%
Direct transaction costs	0.01%	0.08%	0.05%
Prices			
Highest share price	106.5733	99.9654	102.8281
Lowest share price	94.5333	89.6738	91.2991

## PERFORMANCE RECORD (Continued)

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1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund 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 monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically.



## PORTFOLIO STATEMENT

As at 31 March 2024

Holding	Value £	% of net assets
<b>Collective Investment Schemes (30.09.2023: 14.40%)</b>		
128,163 Fidelity Asia	1,964,732	2.63%
1,071,144 Invesco Emerging Markets ex China Fund	2,146,465	2.87%
644,986 Janus Henderson UK Absolute Return	1,266,752	1.70%
865,440 Jupiter India Fund	2,088,393	2.78%
346,967 VT De Lisle America^	2,552,920	3.40%
3,706,483 VT Sorbus Vector Fund 1^	6,370,889	8.48%
1,182,779 Jupiter Asian Income	2,029,175	2.70%
	18,419,326	24.56%
<b>Exchange Traded Commodities (30.09.2023: 14.97%)</b>		
15,765 ETFS Physical Gold	2,585,775	3.44%
15,448 Invesco Physical Gold ETC	2,610,923	3.47%
75,714 iShares Physical Gold ETC	2,579,576	3.43%
148,926 The Royal Mint Physical Gold ETC Securities	2,584,238	3.44%
	10,360,512	13.78%
<b>Equities (30.09.2023: 4.31%)</b>		
21,505 ASOS PLC	82,859	0.11%
6,490 Associated British Foods PLC	161,277	0.21%
1,480 AstraZeneca PLC	158,390	0.21%
10,470 Auto Trader Group PLC	72,913	0.10%
6,200 Burberry Group PLC	75,826	0.10%
4,970 Diageo PLC	146,143	0.19%
4,255 Experian PLC	146,329	0.19%
6,955 Fevertree Drinks PLC	82,556	0.11%
8,940 GSK plc	152,695	0.20%
3,465 Halma PLC	81,012	0.11%
23,810 HSBC Holdings PLC	148,336	0.20%
7,950 IMI PLC	145,008	0.19%
9,785 Informa PLC	81,626	0.11%
312,200 Lloyds Banking Group PLC	161,376	0.21%
1,670 London Stock Exchange Group PLC	158,049	0.21%
15,950 Ocado Group PLC	73,163	0.10%
7,930 Pearson PLC	82,789	0.11%
2,920 Reckitt Benckiser Group PLC	131,517	0.18%
4,345 Relx PLC	149,164	0.20%
14,695 Rightmove PLC	80,793	0.11%
6,190 Sage Group PLC	77,932	0.10%
20,248 Schroders PLC	75,647	0.10%
14,130 Smith & Nephew PLC	141,724	0.19%
4,950 Smiths Group PLC	81,329	0.11%
770 Spirax-Sarco Engineering PLC	77,077	0.10%
3,800 Unilever PLC	150,537	0.20%
44,880 HALEON PLC	148,934	0.20%
	3,125,001	4.15%

## PORTFOLIO STATEMENT (Continued)

<b>Exchange Traded Funds (30.09.2023: 65.33%)</b>			
179,625	AMUNDI MSCI JAPAN UCITS ETF	2,589,115	3.45%
83,795	HSBC S&P 500 UCITS ETF	3,520,815	4.69%
93,540	Invesco S&P 500 Equal Weight UCITS ETF	4,147,564	5.53%
73,060	iShares Agribusiness UCITS ETF	2,679,841	3.57%
882,460	iShares S&P 500 Equal Weight UCITS ETF	4,163,005	5.55%
537,140	iShares MSCI EM ex-China UCITS ETF	2,187,503	2.91%
8,450	SPDR S&P 500 UCITS ETF	3,511,144	4.68%
52,870	UBS (Irl) ETF plc S&P 500 UCITS ETF	3,551,278	4.73%
25,328	Vanguard FTSE 100 UCITS ETF	878,122	1.17%
68,330	Vanguard FTSE Developed Europe ex UK UCITS ETF	2,364,560	3.15%
88,860	Vanguard FTSE Japan UCITS ETF	2,626,924	3.50%
44,530	Vanguard S&P 500 UCITS ETF	3,510,745	4.68%
31,863	HSBC FTSE 100 UCITS ETF	2,514,309	3.35%
57,655	Xtrackers S&P 500 Equal Weight UCITS ETF	4,164,997	5.55%
		<b>42,409,922</b>	<b>56.51%</b>
	<b>Portfolio of investments (30.09.2023: 99.01%)</b>	<b>74,314,761</b>	<b>99.00%</b>
	<b>Net other assets (30.09.2023: 0.99%)</b>	<b>751,843</b>	<b>1.00%</b>
		<b>75,066,604</b>	<b>100.00%</b>

^related security due to the AFM of the company also being the AFM of this holding

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the period</b>	<b>33,008,879</b>
VT De Lisle America	2,424,865
iShares MSCI EM ex-China UCITS ETF	2,131,474
Invesco Emerging Markets ex China Fund	2,127,078
Jupiter India Fund	2,127,078
VT Sorbus Vector Fund 1	1,703,538
Fidelity Asia	805,818
Jupiter Asian Income	748,810
Vanguard S&P 500 UCITS ETF	559,040
SPDR S&P 500 UCITS ETF	546,893
UBS (Irl) ETF plc S&P 500 UCITS ETF	537,352
Other various purchases	4,286,275
	£
<b>Total sales for the period</b>	<b>7,505,329</b>
Xtrackers MSCI Emerging Markets UCITS ETF	1,994,436
Vanguard FTSE Emerging Markets UCITS ETF	1,978,761
iShares Core MSCI EM IMI UCITS ETF	1,975,280
AMUNDI MSCI JAPAN UCITS ETF	322,050
Invesco S&P 500 Equal Weight UCITS ETF	172,154
Vanguard S&P 500 UCITS ETF	168,530
SPDR S&P 500 UCITS ETF	155,449
iShares S&P 500 Equal Weight UCITS ETF	148,071
HSBC S&P 500 UCITS ETF	145,303
Xtrackers S&P 500 Equal Weight UCITS ETF	144,773
Other various sales	300,522

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

## STATEMENT OF TOTAL RETURN

For the six month period ended 31 March

	2024		2023	
	£	£	£	£
Income				
Net capital gains		6,786,182		3,107,330
Revenue	339,980		410,236	
Expenses	(135,515)		(104,321)	
Interest payable and similar charges	<u>(99)</u>		<u>-</u>	
Net revenue before taxation	204,366		305,915	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>204,366</u>		<u>305,915</u>
Total return before distributions		6,990,548		3,413,245
Finance costs: distributions		<u>(354,489)</u>		<u>(419,680)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>6,636,059</u>		<u>2,993,565</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 31 March

	2024	2023
	£	£
<b>Opening net assets attributable to shareholders</b>	57,574,605	43,475,163
Amounts receivable on creation of shares	13,179,571	13,740,155
Amounts payable on cancellation of shares	(2,331,510)	(5,649,120)
Dilution Levies	7,879	3,042
Changes in net assets attributable to shareholders from investment activities (see above)	<u>6,636,059</u>	<u>2,993,565</u>
<b>Closing net assets attributable to shareholders</b>	<u>75,066,604</u>	<u>54,562,805</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Sub-fund net asset value as at 30 September 2023 was £57,574,605.

## BALANCE SHEET

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As at	31.03.2024		30.09.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		74,314,761		57,002,344
<b>Current assets</b>				
Debtors	418,901		558,694	
Cash and bank balances	<u>780,838</u>		<u>561,820</u>	
<b>Total current assets</b>		<u>1,199,739</u>		<u>1,120,514</u>
<b>Total assets</b>		<u>75,514,500</u>		<u>58,122,858</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Creditors	(70,229)		(117,794)	
Distribution payable on income shares	<u>(377,667)</u>		<u>(430,459)</u>	
<b>Total current liabilities</b>		<u>(447,896)</u>		<u>(548,253)</u>
<b>Net assets attributable to shareholders</b>		<u>75,066,604</u>		<u>57,574,605</u>

### Accounting policies

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

## DISTRIBUTION TABLES

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### Interim distributions in pence per share

Group 1: Shares purchased prior to 01 October 2023

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

<b>A (Income)</b>	<b>Net revenue 31.05.2024</b>	<b>Equalisation</b>	<b>Distribution 31.05.2024</b>	<b>Distribution 31.05.2023</b>
Group 1	0.5681p	-	0.5681p	0.8355p
Group 2	0.3098p	0.2583p	0.5681p	0.8355p

<b>B (Income)</b>	<b>Net revenue 31.05.2024</b>	<b>Equalisation</b>	<b>Distribution 31.05.2024</b>	<b>Distribution 31.05.2023</b>
Group 1	0.4918p	-	0.4918p	0.7618p
Group 2	0.3091p	0.1827p	0.4918p	0.7618p

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Blackwood Keystone
<b>Size of Sub-fund</b>	£50,316,712
<b>Launch date</b>	26 April 2021
<b>Sub-fund objective and policy</b>	<p>The investment objective of the VT Blackwood Keystone is to provide a total return through a combination of capital growth and income over the long term (5 years +). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a 5 year, or any, period.</p> <p>The Sub-fund seeks to meet its objectives primarily (at least 70%) by investing directly and/or indirectly (via collective investment schemes) in bonds (investment grade and sub-investment grade).</p> <p>The Sub-fund may also invest in collective investment vehicles (including funds managed and/or operated by the AFM and/or Investment Manager (and including other sub-funds of the Company)) providing exposure to assets including equities, money market instruments, fixed and floating rate debt investments, asset backed securities, as well as cash, infrastructure/property and alternatives such as commodities as permitted by the rules.</p> <p>The Sub-fund may also invest directly in equities, money market instruments, deposits, cash and near cash.</p> <p>Save as noted above the Sub-fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>
<b>Derivatives</b>	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>
<b>Performance Comparator:</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, the performance of the Sub-fund can be compared to that of the IA Global Bonds Sector (the "Index").</p> <p>The performance of the Sub-fund can be compared against that of the Index. This benchmark has been selected as it is considered that the Index most closely reflects the risk/return objectives of the Sub-fund at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the Index when making its decisions and can make investments that are not included in the Index.</p>
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	30 September and 31 March
<b>Distribution dates</b>	30 November and 31 May
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

## SUB-FUND OVERVIEW (Continued)

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### Minimum Investment\*

Lump Sum Subscription	Class A & Class B = £1,000
Top-Up	Class A & Class B = N/A
Holding	Class A & Class B = £1,000
Redemption:	N/A (provided minimum holding is maintained)
Switching	N/A (provided minimum holding is maintained)
Initial and redemption charges	Nil

\*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Note: Class A shares are only available to certain 'founders' who invest in the early stages of the Sub-fund and otherwise at the AFM's discretion.

### Annual management charges to 09

<b>May 2024</b>	£21,500* per annum plus: Class A = 0.25%. Class B = 0.40%
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The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

\* The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2021)). In the event of negative inflation, the fixed element of the fee will remain unchanged.

### Annual management charges from

#### 10 May 2024

	£45,910.46** per annum plus: Class A = 0.25% Class B = 0.40%
	Plus: - Up to £100 million Net Asset Value – 0.015% (per annum) - next £100 million to £250 million Net Asset Value – 0.0075% (per annum) - next £250 million to £500 million Net Asset Value – 0.005% (per annum) - remaining above £500 million Net Asset Value – 0.0025% (per annum)

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

\*\*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from April 2024). In the event of negative inflation, the fixed element of the fee will remain unchanged.

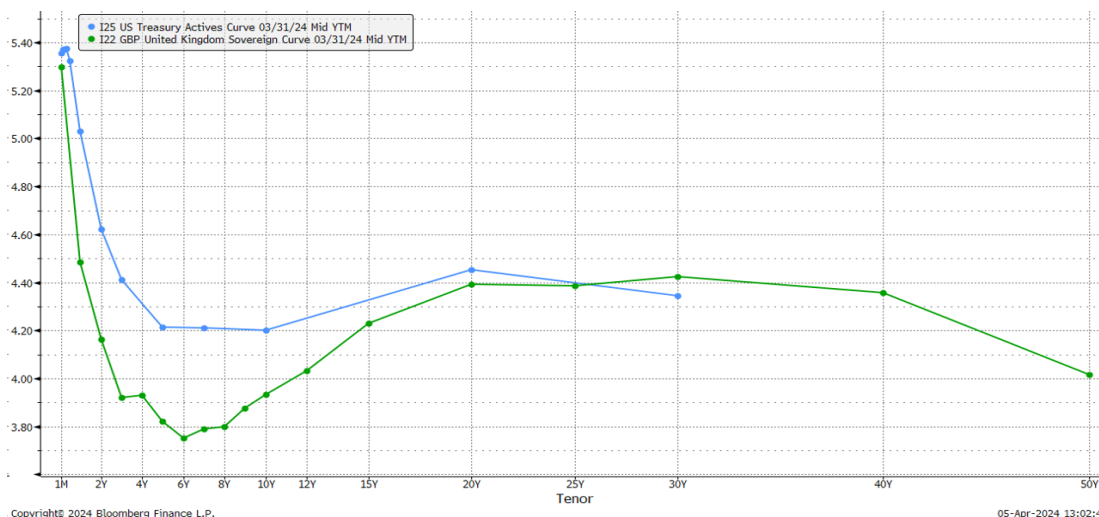


## INVESTMENT MANAGER'S REVIEW

Over the first six months of this accounting year Blackwood Keystone has generated a total return (including dividends) of 2.26% based on the A share class. This compares to 3.36% for the IA Global Mixed bond sector.

There are three factors that have defined our thinking over the last six months:

1. Short duration investments offer higher yields to maturity than longer dated investments
2. The credit spread on offer for holding corporate debt over sovereign debt is unattractive
3. The premium for US sovereign debt over the UK is minimal



Starting with the yield curve, bond markets continue to be defined by the inversion of the sovereign bond yield curves. This reflects market expectations, understandably, that interest rates will decline in the future.

We are not interested in attempting to predict when and to what extent interest rates will decline. For us as investors what we are interested in is the risk adjusted return available on an investment. When we can earn an annualised return of over 5% by investing in UK and US sovereigns with maturities of 6 months or less we see no reason to be invested in the long end of the yield curve, achieving a lower return and taking duration risk as a consequence.

Furthermore, when we then compare UK and US sovereigns to corporate bonds we see little incentive to be taking credit risk either. To give context as at 31/03/24 the Bloomberg US corporate BBB (the lowest level of investment grade debt) yield curve showed a 1 year yield of 5.7% . This compares to a 5.0% yield on a 1 year US Treasury bond and 5.3% on a 6 month treasury. A deeply unattractive premium for taking credit risk.

We started this accounting year with around 75% of Keystone invested in short duration UK and US sovereign bonds and at the six month mark this remains unchanged. The one area we are making changes is in the split between the UK and US.

US sovereigns usually trade at a premium to UK sovereigns, however, current market expectations are that the US will be cutting interest rates more quickly than the UK. This has led to the yields on offer at the maturities we are seeking to be (for all practical purposes) equivalent. As a consequence where we are reinvesting proceeds following a bond's maturity or investing new money we are investing into the UK . An example of such a trade was the investment into the UK Treasury Bill 0% 05/08/2024 in February. Keystone is a sterling denominated fund, with underlying investors who are also sterling denominated. Having a diversified and global exposure is a sound investment principle, however, when there is no yield increase in selecting US over the UK then there is no benefit to accepting the exchange rate risk that comes with it.

We have further US Treasuries maturing over the next six months. Should this situation persist we expect to continue to shift the portfolio towards UK gilts and away from the US.

Sorbus Partners LLP  
Investment Manager to the Fund  
31 March 2024

## PERFORMANCE RECORD

### Financial Highlights

#### A (Income)

	Period ended 31 March 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	98.4031	98.3619	101.0845
Return before operating charges	2.4893	2.8074	(1.9262)
Operating charges (note 1)	(0.2630)	(0.5411)	(0.6083)
Return after operating charges *	2.2263	2.2663	(2.5345)
Distributions on income shares	(0.5399)	(2.2251)	(0.1881)
Closing net asset value per share	100.0895	98.4031	98.3619
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	2.26%	2.30%	(2.51%)
Other information			
Closing net asset value	£28,827,137	£29,910,512	£28,497,117
Closing number of shares	28,801,360	30,395,909	28,971,706
Operating charges (note 2)	0.53%	0.55%	0.61%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	100.6372	100.4033	102.1949
Lowest share price	98.4031	97.2937	98.3619

#### B (Income)

	Period ended 31 March 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	97.3508	97.3104	100.0059
Return before operating charges	2.4626	2.7778	(1.9011)
Operating charges (note 1)	(0.3338)	(0.6813)	(0.7498)
Return after operating charges *	2.1288	2.0965	(2.6509)
Distributions on income shares	(0.4612)	(2.0561)	(0.0446)
Closing net asset value per share	99.0184	97.3508	97.3104
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	2.19%	2.15%	(2.65%)
Other information			
Closing net asset value	£21,505,817	£18,999,824	£6,861,057
Closing number of shares	21,719,012	19,516,863	7,050,690
Operating charges (note 2)	0.68%	0.70%	0.76%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	99.4878	99.2566	101.0768
Lowest share price	97.3508	96.2244	97.3104

## PERFORMANCE RECORD (Continued)

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1. The operating charges per unit 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 '3' 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 '3'). The Sub-fund is ranked 3 because monthly historical performance data indicates that low to medium rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 31 March 2024

Holding	Value £	% of net assets
<b>Collective Investment Schemes (30.09.2023: 23.12%)</b>		
2,828,127 Insight High Grade ABS Fund	3,985,962	7.92%
53,365 MI TwentyFour - Monument Bond	8,414,056	16.72%
	12,400,018	24.64%
<b>Bonds (30.09.2023: 76.39%)</b>		
2,079,300 US T Bill 1.25% 31/08/2024	1,621,049	3.22%
2,089,100 US T Bill 1.75% 31/12/2024	1,614,972	3.21%
2,165,700 US T Bill 0.25% 30/06/2025	1,621,129	3.22%
2,025,600 US T Bill 2.125% 31/03/2024	1,605,220	3.19%
3,041,600 UK GILT 0.625% 07/06/2025	2,904,728	5.77%
3,139,800 UK GILT 0.125% 30/01/2026	2,915,931	5.80%
5,987,400 UK T Bill 0.00% 15/04/2024	5,971,952	11.87%
7,798,700 UK T Bill 0.00% 15/07/2024	7,677,430	15.26%
2,052,300 US T Bill 3.00% 31/07/2023	1,614,365	3.21%
2,044,100 US T Bill 2.50% 30/04/2024	1,616,652	3.21%
3,116,900 UK T Bill 0.00% 29/07/2024	3,062,604	6.09%
5,887,000 UK T Bill 0.00% 05/08/2024	5,778,561	11.48%
	38,004,593	75.53%
<b>Portfolio of investments (30.09.2023: 99.51%)</b>	<b>50,404,611</b>	<b>100.17%</b>
<b>Net other assets (30.09.2023: 0.49%)</b>	<b>(87,899)</b>	<b>(0.17%)</b>
	<b>50,316,712</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the period</b>	<b>26,995,709</b>
UK T Bill 0.00% 15/07/2024	7,607,578
UK T Bill 0.00% 15/04/2024	5,990,581
UK T Bill 0.00% 05/08/2024	5,741,159
UK T Bill 0.00% 29/07/2024	3,041,231
US T Bill 2.50% 30/04/2024	1,674,267
US T Bill 3.00% 31/07/2023	1,627,410
MI TwentyFour - Monument Bond	374,763
Insight High Grade ABS Fund	220,852
UK GILT 0.625% 07/06/2025	146,666
UK GILT 0.125% 30/01/2026	144,157
Other various purchases	427,045

	£
<b>Total Sales for the period</b>	<b>26,317,070</b>
UK T Bill 0.00% 15/01/2024	7,543,621
UK T Bill 0.00% 15/04/2024	5,883,063
UK T Bill 0.00% 05/02/2024	5,631,730
UK GILT 0.125% 31/01/2024	3,960,061
US T Bill 0.125% 15/10/2023	1,554,306
US T Bill 0.125% 15/01/2024	1,513,575
UK GILT 0.125% 30/01/2026	113,622
UK GILT 0.625% 07/06/2025	101,305
US T Bill 2.125% 31/03/2024	15,787

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

## STATEMENT OF TOTAL RETURN

For the six month period ended 31 March

	2024		2023	
	£	£	£	£
Income				
Net capital gains		886,954		138,614
Revenue	329,755		139,940	
Expenses	(110,095)		(88,738)	
Interest payable and similar charges	<u>(12,860)</u>		<u>(63)</u>	
Net revenue before taxation	206,800		51,139	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>206,800</u>		<u>51,139</u>
Total return before distributions		1,093,754		189,753
Finance costs: distributions		<u>(253,698)</u>		<u>(164,080)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>840,056</u>		<u>25,673</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 31 March

	2024	2023
	£	£
<b>Opening net assets attributable to shareholders</b>	48,885,163	35,279,283
Amounts receivable on creation of shares	5,828,792	12,855,901
Amounts payable on cancellation of shares	(5,237,905)	(2,362,160)
Dilution Levies	606	-
Changes in net assets attributable to shareholders from investment activities (see above)	<u>840,056</u>	<u>25,673</u>
<b>Closing net assets attributable to shareholders</b>	<u>50,316,712</u>	<u>45,798,697</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Sub-fund net asset value as at 30 September 2023 was £48,885,163.

## BALANCE SHEET

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As at	31.03.2024		30.09.2023	
	£	£	£	£
<b>ASSETS</b>				
Investment assets		50,404,611		48,644,692
<b>Current assets</b>				
Debtors	254,299		323,052	
Cash and bank balances	<u>1,207,220</u>		<u>1,161,269</u>	
<b>Total current assets</b>		<u>1,461,519</u>		<u>1,484,321</u>
<b>Total assets</b>		51,866,130		50,129,013
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Creditors	(132,156)		(107,496)	
Distribution payable on income shares	(255,657)		(881,610)	
Bank overdraft	<u>(1,161,605)</u>		<u>(254,744)</u>	
<b>Total current liabilities</b>		<u>(1,549,418)</u>		<u>(1,243,850)</u>
<b>Net assets attributable to shareholders</b>		<u>50,316,712</u>		<u>48,885,163</u>

### Accounting policies

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

## DISTRIBUTION TABLES

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### Interim distributions in pence per share

Group 1: Shares purchased prior to 01 October 2023

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

<b>A (Income)</b>	<b>Net revenue 31.05.2024</b>	<b>Equalisation</b>	<b>Distribution 31.05.2024</b>	<b>Distribution 31.05.2023</b>
Group 1	0.5399p	-	0.5399p	0.4225p
Group 2	0.0781p	0.4618p	0.5399p	0.4225p

<b>B (Income)</b>	<b>Net revenue 31.05.2024</b>	<b>Equalisation</b>	<b>Distribution 31.05.2024</b>	<b>Distribution 31.05.2023</b>
Group 1	0.4612p	-	0.4612p	0.3464p
Group 2	0.0925p	0.3687p	0.4612p	0.3464p



## INFORMATION FOR INVESTORS

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### Taxation

The company will pay no corporation tax on its profits for the period to 31 March 2024 and capital gains within the Company will not be taxed.

### Individual shareholders

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

**Capital gains tax:** Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. The first £6,000 (2023/24 tax year) 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 prevailing rates and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

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

### Issue and redemption of shares

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

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

The AFM has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the AFM will return any money sent, or the balance of such monies, at the risk of the applicant.

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

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

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the AFM of a request for redemption.

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

## CORPORATE DIRECTORY

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<b>Authorised Fund Manager &amp; Registrar</b>	<p>Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: sorbus@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
<b>Investment Manager</b>	<p>Sorbus Partners LLP 41 Eastgate Street Stafford ST16 2LY</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Depositary</b>	<p>NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Auditor</b>	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>