

VT TATTON OAK ICVC

**Annual Report and Financial Statements
For the year ended 30 April 2023**

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COMPANY OVERVIEW

Type of Company:

VT Tatton Oak ICVC ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC000737 and authorised by the Financial Conduct Authority with effect from 13 March 2009. The Company has an unlimited duration.

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

The Company is a 'Non-UCITS Retail Scheme (NURS)' and the base currency of the Company and each Sub-fund is pounds Sterling. The Company is structured as an umbrella company, and different Sub-funds may be established from time to time. Each Sub-fund would be a NURS if it had a separate authorisation order.

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

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

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

The Authorised Fund Manager is required to keep proper accounting records and to manage the Company in accordance with the COLL regulations, the FCA's Investment Funds Sourcebook ("FUND"), the Instrument of Incorporation, and the Prospectus. The Authorised Fund Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

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

David Fraser FCCA

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Fund Manager

Date 30 August 2023

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT TATTON OAK ICVC

For the year ended 30 April 2023

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
01 May 2023

Opinion

We have audited the financial statements of VT Tatton Oak ICVC ("the Company") for the year ended 30 April 2023 which comprise the Statements of Total Return, Statements of Changes in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- > give a true and fair view of the financial position of the Company at 30 April 2023 and of the net revenue and the net capital losses on the scheme property of the Company for the year then ended; and
- > have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

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

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the COLL Regulations

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

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

Responsibilities of the Authorised Fund Manager

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Extent to which the audit is considered capable of detecting irregularities, including fraud

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

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

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

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

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

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

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

- > management override of controls.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

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

Use of Our Report

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

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

Date 30 August 2023

ACCOUNTING POLICIES

For the year ended 30 April 2023

1 Accounting policies

- (a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.
- (b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The AFM believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.
- (c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis. For VT Tatton Blended Defensive Fund, all expenses are then reallocated to capital, net of any tax effect for distribution purposes.
- (d) Distributions on collectives are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. Rebate income from underlying holdings is recognised on an accruals basis and is allocated to revenue or capital being determined by the allocation of the expense in the underlying funds. Excess Reportable Income is recognised once reported by the relevant funds. Equalisation on distributions from collectives is treated as capital. All equalisation on distributions from collectives is then reallocated to revenue, for distribution purposes.
- (e) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.
- (f) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 12 noon on 28 April 2023 with reference to quoted bid prices from reliable external sources. Unlisted collective investment schemes are valued at the closing bid price for dual priced funds and the closing single price for single priced funds.
- (g) All transactions in foreign currencies are converted into Sterling at the rate of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 28 April 2023.
- (h) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.
- Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (i) In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-fund, is intended to cover certain charges not included in the bid market value of the Sub-fund, used in calculating the share price, which could have a diluting effect on the performance of the Sub-fund.
- (j) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.
- Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (k) The Sub-funds issue accumulation shares except for the VT Tatton Blended Defensive Fund which issues both income and accumulation shares. The Sub-funds except for the VT Tatton Blended Defensive Fund go ex dividend Annually and pay any income available to the shareholder four months in arrears, as a dividend distribution. VT Tatton Blended Defensive Fund goes ex dividend Quarterly and pays any income available to the shareholder two months in arrears, as an interest distribution. Any revenue deficit at the year end is funded from capital.

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

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

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

SUB-FUND OVERVIEW

Name of Sub-fund	VT Active Portfolio Overlay Fund
Size of Sub-fund	£590,993,459
Launch date	07 December 2015
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (7 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 75%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be IA OE Mixed Investment 40-85% Shares.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.

SUB-FUND OVERVIEW (Continued)

Individual Savings Account (ISA) The Sub-fund is a qualifying investment for inclusion in an ISA – however direct ISA investment is not currently available.

Class of shares C Class (Institutional) Accumulation

Minimum initial investment £2,500,000

Minimum subsequent investment £1,000,000

Minimum holding £1,000,000

Minimum redemption N/A

The AFM may waive the minimum levels at its discretion.

Initial charge 10% (The AFM may waive or discount the initial charge at its discretion).

Redemption charge 0%

Annual management charge 0.25%

Investment in this Sub-fund is restricted to investors who are investing through the Tatton Investment Management discretionary management proposition.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund returned 0.0%. This average return for the IA Mixed Investment 40-85% Shares was -1.8% meaning the fund outperformed by 1.8% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2022 saw a reduction in equities overall and the addition of a new strategic bond manager, Allianz. This holding represents a more defensive bond manager which should improve the overall blend of the strategic bond section of the portfolio. The purchase was funded through reductions in other strategic bond managers. At the same time there was also a small rotation out of UK Government bonds into a Global Government bond fund.

Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

Later in the period during July 2022, holdings in Hermes Unconstrained bond fund were removed entirely, after some poor performance and team changes. September saw a switch between share classes of the Brandywine Global Income Optimiser fund as the manager reorganised their fund line-up operationally, with no impact on strategy.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

Two new positions were established at the February 2023 update, adding Vanguard Global Credit and M&G Japan. The active Vanguard Global Credit fund has been added to complement Cheyne in the Investment Grade Bond sector. While the latter focuses more on derivative markets the new fund is primarily concentrated on cash bonds. This fund is similar in credit and duration terms to the benchmark and has a strong track record of outperformance. The M&G fund has been added to client portfolios as a core Japanese equity exposure. It is typically large cap and has a slight value bias to it. This fund is being funded mostly by a redemption from the Schroder Tokyo fund, which is similar stylistically albeit marginally smaller cap. We feel that the M&G fund is a stronger proposition in the sector and more likely to outperform in the future.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

C Class (Institutional) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	163.0318	158.0349	124.8443
Return before operating charges	1.0457	6.0725	34.1807
Operating charges (note 1)	(0.9946)	(1.0756)	(0.9901)
Return after operating charges *	0.0511	4.9969	33.1906
Closing net asset value per share	163.0829	163.0318	158.0349
Retained distributions on accumulated shares	2.4653	1.8546	1.3166
*after direct transactions costs of:	-	-	0.0097
Performance			
Return after charges	0.03%	3.16%	26.59%
Other information			
Closing net asset value	£591,036,122	£507,824,158	£468,435,996
Closing number of shares	362,414,585	311,487,839	296,412,924
Operating charges (note 2)	0.61%	0.67%	0.70%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	169.3237	169.8485	158.4781
Lowest share price	153.2174	154.0307	121.8641

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 April 2022: ranked 5). The Sub-fund is ranked '5' because weekly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 68.55%)			
12,643,024	Allianz Strategic Bond	13,871,926	2.35
7,677,739	Artemis US Select	21,582,893	3.65
15,137,291	AXA Framlington UK Mid Cap	16,439,098	2.78
13,681,531	BCIF 100 UK Equity Tracker	28,799,226	4.87
22,844,569	ES Alliance Bernstein Concentrated US Equity	33,992,719	5.75
5,489,886	Fidelity Index Pacific ex Japan	10,456,037	1.77
5,091,278	FTF Brandywine Global Income Optimiser Fund	5,681,866	0.96
5,955,901	HSBC American Index	54,222,522	9.17
693,198	HSBC European Index	8,732,418	1.48
4,787,948	Invesco Perpetual UK Enhanced Index	30,963,662	5.24
430,378	Janus Henderson European Selected Opportunities	11,439,455	1.94
3,502,598	JPM Europe Dynamic ex-UK	11,537,557	1.95
1,843,447	JPM Japan	5,545,088	0.94
6,390,183	JPM US Equity Income	25,490,439	4.31
9,070,256	Jupiter Merian North American Equity	30,754,518	5.20
14,519,329	Jupiter UK Alpha Fund	25,125,699	4.25
2,121,446	Liontrust European Growth Fund	7,180,861	1.22
8,168,236	M&G Japan	11,319,542	1.92
23,366,106	Schroder Recovery	33,296,701	5.63
		386,432,227	65.38
Offshore Funds (30.04.2022: 29.13%)			
50,698	Barings Emerging Markets Debt Blended Total Return	5,737,490	0.97
53,208	Cheyne Global Credit	5,523,242	0.93
1,072,936	Dimensional Global Ultra Short Fixed Income	11,491,144	1.94
1,530,689	Goldman Sachs EMs CORE Equity	16,286,528	2.76
140,355	HC Snyder US All Cap Equity Fund	15,406,767	2.61
1,830,506	HSBC Global Aggregate Bond Index	16,587,498	2.81
598,518	HSBC Global Government Bond Index	5,744,276	0.97
2,665,421	HSBC MSCI China UCITS ETF USD	13,573,656	2.30
7,009,493	iShares \$ Treasury Bond 20+yr UCITS ETF	25,745,868	4.36
164,917	Lazard Emerging Markets Equity Advantage Fund	16,309,727	2.76
4,544,000	Neuberger Berman Uncorrelated Strategies	48,302,724	8.17
55,825	Robeco QI Dynamic High Yield	5,676,238	0.96
62,005	Vanguard Global Credit Bond	5,693,313	0.96
		192,078,471	32.50
	Portfolio of investments (30.04.2022: 97.68%)	578,510,698	97.88
	Net other assets (30.04.2022: 2.34%)	12,482,761	2.12
		590,993,459	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.02%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	217,312,266
iShares \$ Treasury Bond 20+yr UCITS	25,616,541
HSBC MSCI China UCITS ETF	17,283,754
Neuberger Berman Uncorrelated Strategies	16,122,774
ES Alliance Bernstein Concentrated US Equity	15,619,434
Dimensional Global Ultra Short Fixed Income	13,853,056
Allianz Strategic Bond	11,344,764
M&G Japan	11,341,331
Vanguard UK Inflation Linked Gilt Index	9,960,283
HSBC American Index	8,999,668
Jupiter Merian North American Equity	8,561,014
Various other purchases	78,609,647

	£
Total sales for the year (note 14)	135,680,090
Dimensional Global Ultra Short Fixed Income	22,608,337
HSBC American Index	18,266,808
Schroder Tokyo	17,156,726
Cheyne Global Credit	11,756,449
Vanguard UK Inflation Linked Gilt Index	10,639,198
Schroder Recovery	6,931,676
Neuberger Berman Uncorrelated Strategies	5,949,075
Barings Emerging Markets Debt Blended Total Return	5,255,905
Fidelity Index Pacific ex Japan	4,885,291
Hermes Unconstrained Credit	4,716,092
Various other sales	27,514,533

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital (losses)/gains	2		(6,259,615)		9,294,406
Revenue	3	8,587,604		6,753,145	
Expenses	4	(1,488,875)		(1,388,032)	
Interest payable and similar charges	6	<u>(660)</u>		<u>(27,045)</u>	
Net revenue before taxation		7,098,069		5,338,068	
Taxation	5	<u>(4,742)</u>		<u>(17,583)</u>	
Net revenue after taxation			<u>7,093,327</u>		<u>5,320,485</u>
Total return before distributions			833,712		14,614,891
Finance costs: distributions	6		<u>(7,947,502)</u>		<u>(5,587,520)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(7,113,790)</u>		<u>9,027,371</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	507,713,889	468,390,873
Amounts receivable on creation of shares	173,675,542	103,149,966
Amounts payable on cancellation of shares	(92,216,707)	(78,631,269)
Accumulation dividends retained	8,934,525	5,776,948
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(7,113,790)</u>	<u>9,027,371</u>
Closing net assets attributable to shareholders	<u>590,993,459</u>	<u>507,713,889</u>

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			578,510,698		495,828,845
Current assets					
Debtors	7	4,746,536		2,492,506	
Cash and bank balances	8	<u>14,239,119</u>		<u>11,030,535</u>	
Total current assets			<u>18,985,655</u>		<u>13,523,041</u>
Total assets			597,496,353		509,351,886
Current liabilities					
Creditors	9	<u>(6,502,894)</u>		<u>(1,637,997)</u>	
Total current liabilities			<u>(6,502,894)</u>		<u>(1,637,997)</u>
Net assets attributable to shareholders			<u>590,993,459</u>		<u>507,713,889</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital (losses)/gains		2023	2022
		£	£
The net capital (losses)/gains comprise:			
Non-derivative securities gains/(losses)	:realised	7,766,089	44,127,016
	:unrealised	(14,609,284)	(34,925,371)
Foreign currency losses		(34)	-
Transaction charges (custodian)		(1,537)	(957)
Rebates from underlying holdings		585,151	93,718
Total net capital (losses)/gains		<u>(6,259,615)</u>	<u>9,294,406</u>

3 Revenue		2023	2022
		£	£
Non-taxable dividends		6,530,983	6,111,227
Interest from non-derivative securities		1,766,244	638,881
Bank interest		220,798	3,037
Rebates from underlying holdings		69,579	-
Total revenue		<u>8,587,604</u>	<u>6,753,145</u>

4 Expenses		2023	2022
		£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:			
Annual management charge		<u>1,308,427</u>	<u>1,228,316</u>

Payable to the depositary, associates of the depositary, and agents of either of them:

Safe custody fee		46,580	38,415
Depositary fee		102,593	97,072
		<u>149,173</u>	<u>135,487</u>

Other expenses:

Audit fee		7,223	6,214
FCA fee		47	123
Other expenses		24,005	17,892
		<u>31,275</u>	<u>24,229</u>

Total expenses		<u>1,488,875</u>	<u>1,388,032</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2023 £	2022 £
(a) Analysis of charge in the year		
UK corporation tax	22,325	17,583
Prior period tax adjustment	(17,583)	-
Total tax charge for the year (note 5b)	4,742	17,583
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	7,098,069	5,338,068
Corporation tax at 20.00% (2022: 20.00%)	1,419,614	1,067,614
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(1,306,198)	(1,222,245)
Tax effect of rebates in capital	117,030	18,743
Realised gains from non-reporting fund	(225,704)	225,704
Current year expenses utilised	-	(72,233)
Total tax charge for the year (note 5a)	4,742	17,583

(c) Provision for deferred taxation

At 30 April 2023 there is a potential deferred tax asset of £nil (30 April 2022: £nil) in relation to surplus management expenses.

6 Finance costs	2023 £	2022 £
Final dividend distribution	8,934,525	5,776,948
	8,934,525	5,776,948
Add: Revenue deducted on cancellation of shares	658,648	419,115
Deduct: Revenue received on creation of shares	(1,645,671)	(608,543)
	7,947,502	5,587,520
Interest payable and similar charges	660	27,045
Total finance costs	7,948,162	5,614,565
Reconciliation of distributions		
Net revenue after taxation	7,093,327	5,320,485
Equalisation from collectives allocated to revenue	781,544	-
Taxation allocated to capital	(17,583)	17,583
Relief on expenses allocated to income	(208,121)	208,121
Balance brought forward	1,597,649	1,638,980
Balance carried forward	(1,299,314)	(1,597,649)
Net distribution for the year	7,947,502	5,587,520

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023 £	30.04.2022 £
Amounts receivable on creation of shares	4,498,979	2,372,881
Accrued revenue:		
Rebates from underlying holdings	246,328	119,562
Prepayments	1,229	63
Total debtors	<u>4,746,536</u>	<u>2,492,506</u>
8 Cash and bank balances	30.04.2023 £	30.04.2022 £
Cash and bank balances	<u>14,239,119</u>	<u>11,030,535</u>
9 Creditors	30.04.2023 £	30.04.2022 £
Amounts payable on cancellation of shares	1,382,204	1,482,931
Amounts payable on unsettled trades	4,939,969	-
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	112,089	100,844
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	8,615	8,041
Safe custody and other custodian charges	<u>28,869</u>	<u>20,719</u>
	37,484	28,760
Other accrued expenses	8,822	7,879
UK corporation tax	22,326	17,583
Total creditors	<u>6,502,894</u>	<u>1,637,997</u>

10 Risk management

In pursuing its investment objective as stated on page 8, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £57,851,070 (30 April 2022: £49,582,885).

10 Risk management (Continued)

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	12,482,761	11,885,044	578,510,698	495,828,845	590,993,459	507,713,889
Total	12,482,761	11,885,044	578,510,698	495,828,845	590,993,459	507,713,889

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	14,239,119	11,030,535
Financial assets interest bearing instruments	101,752,861	75,036,448
Financial assets non-interest bearing instruments	481,504,373	423,284,903
Financial liabilities non-interest bearing instruments	(6,502,894)	(1,637,997)
	590,993,459	507,713,889

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management (Continued)

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	39,320	-	1,229	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	539,191	-	494,600	-
Total	578,511	-	495,829	-

11 Shares held

C Class (Institutional) Accumulation

Opening shares at 01.05.2022	311,487,839
Shares issued during the year	108,681,323
Shares cancelled during the year	(57,754,577)
Shares converted during the year	-
Closing shares as at 30.04.2023	362,414,585

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
C Class (Institutional) Accumulation	163.0829p	163.3206p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.01% (30 April 2022: 0.04%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 30 April 2023

C Class (Institutional) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	2.4653p	-	2.4653p	1.8546p
Group 2	0.9486p	1.5167p	2.4653p	1.8546p

Information for corporate shareholders

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

- i) 76.05% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 23.95% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Aggressive Portfolio Overlay Fund
Size of Sub-fund	£169,995,352
Launch date	07 December 2015
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (8 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 90%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be IA OE Flexible Investment.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	<p>Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.</p>
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA however direct ISA investment is not currently available.

SUB-FUND OVERVIEW (Continued)

Class of shares C Class (Institutional) Accumulation

Minimum initial investment £2,500,000

Minimum subsequent investment £1,000,000

Minimum holding £1,000,000

Minimum redemption N/A

The AFM may waive the minimum levels at its discretion.

Initial charge 10% (The AFM may waive or discount the initial charge at its discretion).

Redemption charge 0%

Annual management charge 0.25%

Investment in this Sub-fund is restricted to investors who are investing through the Tatton Investment Management discretionary management proposition.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of 0.4%. This average return for the IA Flexible Investment was -1.4% meaning the fund outperformed by 1.8% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2020 saw a reduction in equities overall and the addition of a new strategic bond manager, Allianz. This holding represents a more defensive bond manager which should improve the overall blend of the strategic bond section of the portfolio. The purchase was funded through reductions in other strategic bond managers. At the same time there was also a small rotation out of UK Government bonds into a Global Government bond fund.

Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

Later in the period during July 2022, holdings in Hermes Unconstrained bond fund were removed entirely, after some poor performance and team changes. September saw a switch between share classes of the Brandywine Global Income Optimiser fund as the manager reorganised their fund line-up operationally, with no impact on strategy.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

Two new positions were established at the February 2023 update, adding Vanguard Global Credit and M&G Japan. The active Vanguard Global Credit fund has been added to complement Cheyne in the Investment Grade Bond sector. While the latter focuses more on derivative markets the new fund is primarily concentrated on cash bonds. This fund is similar in credit and duration terms to the benchmark and has a strong track record of outperformance. The M&G fund has been added to client portfolios as a core Japanese equity exposure. It is typically large cap and has a slight value bias to it. This fund is being funded mostly by a redemption from the Schroder Tokyo fund, which is similar stylistically albeit marginally smaller cap. We feel that the M&G fund is a stronger proposition in the sector and more likely to outperform in the future.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

C Class (Institutional) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	179.1425	171.5361	130.2327
Return before operating charges	1.8820	8.7286	42.3596
Operating charges (note 1)	(1.0952)	(1.1222)	(1.0562)
Return after operating charges *	0.7868	7.6064	41.3034
Closing net asset value per share	179.9293	179.1425	171.5361
Retained distributions on accumulated shares	2.5088	1.8979	1.5857
*after direct transactions costs of:	-	-	0.0128
Performance			
Return after charges	0.44%	4.43%	31.72%
Other information			
Closing net asset value	£169,999,962	£143,073,824	£123,742,298
Closing number of shares	94,481,534	79,865,923	72,137,756
Operating charges (note 2)	0.61%	0.64%	0.70%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	187.2147	186.8208	171.9889
Lowest share price	167.3595	166.4077	126.5168

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 April 2022: ranked 5). The Sub-fund is ranked '5' because weekly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 75.47%)			
3,099,915	Artemis US Select	8,714,171	5.13
5,778,582	AXA Framlington UK Mid Cap	6,275,540	3.69
3,917,757	BCIF 100 UK Equity Tracker	8,246,765	4.85
7,771,065	ES Alliance Bernstein Concentrated US Equity	11,563,345	6.80
1,892,402	Fidelity Index Pacific ex Japan	3,604,268	2.12
1,866,474	HSBC American Index	16,992,382	10.00
318,139	HSBC European Index	4,007,688	2.36
1,608,123	Invesco Perpetual UK Enhanced Index	10,399,732	6.12
123,348	Janus Henderson European Selected Opportunities	3,278,591	1.93
1,002,080	JPM Europe Dynamic ex-UK	3,300,852	1.94
524,956	JPM Japan	1,579,067	0.93
2,031,858	JPM US Equity Income	8,105,080	4.77
2,424,293	Jupiter Merian North American Equity	8,220,051	4.84
5,141,066	Jupiter UK Alpha Fund	8,896,615	5.23
849,917	Liontrust European Growth Fund	2,876,873	1.69
3,509,868	M&G Japan	4,863,975	2.86
6,811,048	Schroder Recovery	9,705,744	5.71
		120,630,739	70.97
Offshore Funds (30.04.2022: 22.18%)			
14,095	Barings Emerging Markets Debt Blended Total Return	1,595,163	0.94
307,349	Dimensional Global Ultra Short Fixed Income	3,291,709	1.94
498,738	Goldman Sachs Emerging Markets CORE Equity	5,306,568	3.12
51,438	HC Snyder US All Cap Equity Fund	5,646,399	3.32
542,962	HSBC Global Aggregate Bond Index	4,920,159	2.89
171,387	HSBC Global Government Bond Index	1,644,890	0.97
702,556	HSBC MSCI China UCITS ETF	3,577,766	2.10
1,097,356	iShares \$ Treasury Bond 20+yr UCITS ETF	4,030,589	2.37
49,793	Lazard Emerging Markets Equity Advantage Fund	4,924,349	2.90
708,366	Neuberger Berman Uncorrelated Strategies	7,529,933	4.43
15,977	Robeco QI Dynamic High Yield	1,624,525	0.96
17,733	Vanguard Global Credit Bond	1,628,248	0.95
		45,720,298	26.89
Portfolio of investments (30.04.2022: 97.65%)		166,351,037	97.86
Net other assets (30.04.2022: 2.37%)		3,644,315	2.14
		169,995,352	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.02%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	69,499,189
HSBC American Index	7,186,496
HSBC MSCI China UCITS ETF	5,606,308
ES Alliance Bernstein Concentrated US Equity	5,273,354
M&G Japan	4,873,428
Schroder Recovery	4,105,454
iShares \$ Treasury Bond 20+yr UCITS ETF	3,955,732
Neuberger Berman Uncorrelated Strategies	3,843,708
Dimensional Global Ultra Short Fixed Income	3,704,758
Artemis US Select	3,011,365
HSBC Global Aggregate Bond Index	2,752,671
Various other purchases	25,185,915

	£
Total sales for the year (note 14)	43,926,356
HSBC American Index	9,657,880
Dimensional Global Ultra Short Fixed Income	6,125,685
Schroder Tokyo	5,214,245
Schroder Recovery	3,551,581
Fidelity Index Pacific ex Japan	2,582,626
HSBC Global Aggregate Bond Index	1,946,527
Neuberger Berman Uncorrelated Strategies	1,682,473
HSBC MSCI China UCITS ETF	1,638,207
Cheyne Global Credit	1,550,600
Vanguard UK Inflation Linked Gilt Index	1,521,122
Various other sales	8,455,410

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital (losses)/gains	2		(776,183)		4,022,322
Revenue	3	2,242,464		1,922,006	
Expenses	4	(448,100)		(394,755)	
Interest payable and similar charges	6	-		(7,629)	
Net revenue before taxation		1,794,364		1,519,622	
Taxation	5	-		-	
Net revenue after taxation			1,794,364		1,519,622
Total return before distributions			1,018,181		5,541,944
Finance costs: distributions	6		(2,137,823)		(1,433,965)
Changes in net assets attributable to shareholders from investment activities			(1,119,642)		4,107,979

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	143,046,703	123,736,229
Amounts receivable on creation of shares	60,084,380	34,201,448
Amounts payable on cancellation of shares	(34,386,448)	(20,514,741)
Accumulation dividends retained	2,370,359	1,515,788
Changes in net assets attributable to shareholders from investment activities (see above)	(1,119,642)	4,107,979
Closing net assets attributable to shareholders	169,995,352	143,046,703

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			166,351,037		139,661,848
Current assets					
Debtors	7	645,926		477,933	
Cash and bank balances	8	<u>3,604,381</u>		<u>3,035,165</u>	
Total current assets			<u>4,250,307</u>		<u>3,513,098</u>
Total assets			170,601,344		143,174,946
Current liabilities					
Creditors	9	<u>(605,992)</u>		<u>(128,243)</u>	
Total current liabilities			<u>(605,992)</u>		<u>(128,243)</u>
Net assets attributable to shareholders			<u>169,995,352</u>		<u>143,046,703</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital (losses)/gains	2023	2022
	£	£
The net capital (losses)/gains comprise:		
Non-derivative securities gains/(losses) :realised	3,159,505	14,032,676
:unrealised	(4,109,475)	(10,040,442)
Foreign currency losses	(86)	-
Transaction charges (custodian)	(1,283)	(663)
Rebates from underlying holdings	175,156	30,751
Total net capital (losses)/gains	<u>(776,183)</u>	<u>4,022,322</u>
3 Revenue	2023	2022
	£	£
Non-taxable dividends	2,125,791	1,904,434
Interest from non-derivative securities	42,122	16,644
Bank interest	52,037	928
Rebates from underlying holdings	22,514	-
Total revenue	<u>2,242,464</u>	<u>1,922,006</u>
4 Expenses	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>378,259</u>	<u>336,016</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Safe custody fee	12,638	10,157
Depositary fee	34,501	31,030
	<u>47,139</u>	<u>41,187</u>
Other expenses:		
Audit fee	7,223	6,214
FCA fee	47	51
Other expenses	15,432	11,287
	<u>22,702</u>	<u>17,552</u>
Total expenses	<u>448,100</u>	<u>394,755</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2023	2022
	£	£

(a) Analysis of charge in the year

UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:

Net revenue before UK corporation tax	1,794,364	1,519,622
Corporation tax at 20.00% (2022: 20.00%)	358,873	303,924
Effects of:		
Revenue not subject to UK corporation tax	(425,158)	(380,887)
Tax effect of rebates in capital	35,029	6,151
Realised gains from non-reporting fund	(53,098)	53,098
Current year expenses not utilised	84,354	17,714
Total tax charge for the year (note 5a)	-	-

(c) Provision for deferred taxation

At 30 April 2023 there is a potential deferred tax asset of £209,629 (30 April 2022: £125,275) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs	2023	2022
	£	£

Final dividend distribution	2,370,359	1,515,788
	2,370,359	1,515,788

Add: Revenue deducted on cancellation of shares	289,622	117,057
Deduct: Revenue received on creation of shares	(522,158)	(198,880)

Net distribution for the year	2,137,823	1,433,965
Interest payable and similar charges	-	7,629
Total finance costs	2,137,823	1,441,594

Reconciliation of distributions

Net revenue after taxation	1,794,364	1,519,622
Equalisation from collectives allocated to revenue	213,135	-
Relief on expenses allocated to income	(53,098)	53,098
Balance brought forward	325,890	187,135
Balance carried forward	(142,468)	(325,890)
Net distribution for the year	2,137,823	1,433,965

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023	30.04.2022
	£	£
Amounts receivable on creation of shares	575,277	444,712
Accrued revenue:		
Rebates from underlying holdings	69,420	33,158
Prepayments	1,229	63
Total debtors	645,926	477,933

8 Cash and bank balances	30.04.2023	30.04.2022
	£	£
Cash and bank balances	3,604,381	3,035,165

9 Creditors	30.04.2023	30.04.2022
	£	£
Amounts payable on cancellation of shares	554,634	83,840
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	32,354	28,357
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	2,902	2,639
Safe custody and other custodian charges	8,091	5,445
	10,993	8,084
Other accrued expenses	8,011	7,962
Total creditors	605,992	128,243

10 Risk management

In pursuing its investment objective as stated on page 23, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £16,635,104 (30 April 2022: £13,966,185).

10 Risk management (Continued)

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	3,644,315	3,384,855	166,351,037	139,661,848	169,995,352	143,046,703
Total	3,644,315	3,384,855	166,351,037	139,661,848	169,995,352	143,046,703

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	3,604,381	3,035,165
Financial assets interest bearing instruments	18,735,282	12,731,462
Financial assets non-interest bearing instruments	148,261,681	127,408,319
Financial liabilities non-interest bearing instruments	(605,992)	(128,243)
	169,995,352	143,046,703

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management (Continued)

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	7,608	-	358	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	158,743	-	139,304	-
Total	166,351	-	139,662	-

11 Shares held

C Class (Institutional) Accumulation

Opening shares at 01.05.2022	79,865,923
Shares issued during the year	34,090,353
Shares cancelled during the year	(19,474,742)
Shares converted during the year	-
Closing shares as at 30.04.2023	94,481,534

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class

	Price at 30 April 2023	Price at 29 August 2023
C Class (Institutional) Accumulation	179.9293p	180.8803p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.00% (30 April 2022: 0.04%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 30 April 2023

C Class (Institutional) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	2.5088p	-	2.5088p	1.8979p
Group 2	0.9380p	1.5708p	2.5088p	1.8979p

Information for corporate shareholders

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

- i) 94.80% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 5.20% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Balanced Portfolio Overlay Fund
Size of Sub-fund	£1,148,184,160
Launch date	07 December 2015
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (7 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 60%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be a blend (50%) of the IA OE Mixed Investment 20-60% Shares - (50%) IA OE Mixed Investment 40-85% Shares.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	<p>Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.</p>
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA - However direct ISA investment is not currently available.

SUB-FUND OVERVIEW (Continued)

Class of shares C Class (Institutional) Accumulation

Minimum initial investment £2,500,000

Minimum subsequent investment £1,000,000

Minimum holding £1,000,000

Minimum redemption N/A

The AFM may waive the minimum levels at its discretion.

Initial charge 10% (The AFM may waive or discount the initial charge at its discretion).

Redemption charge 0%

Annual management charge 0.25%

Investment in this Sub-fund is restricted to investors who are investing through the Tatton Investment Management discretionary management proposition.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of -0.9%. This average return for the 5050 - IA Mixed Investment 20-60% & 40-85% was -2.2% meaning the fund outperformed by 1.3% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2022 saw a reduction in equities overall and the addition of a new strategic bond manager, Allianz. This holding represents a more defensive bond manager which should improve the overall blend of the strategic bond section of the portfolio. The purchase was funded through reductions in other strategic bond managers. At the same time there was also a small rotation out of UK Government bonds into a Global Government bond fund.

Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

Later in the period during July 2022, holdings in Hermes Unconstrained bond fund were removed entirely, after some poor performance and team changes. September saw a switch between share classes of the Brandywine Global Income Optimiser fund as the manager reorganised their fund line-up operationally, with no impact on strategy.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

Two new positions were established at the February 2023 update, adding Vanguard Global Credit and M&G Japan. The active Vanguard Global Credit fund has been added to complement Cheyne in the Investment Grade Bond sector. While the latter focuses more on derivative markets the new fund is primarily concentrated on cash bonds. This fund is similar in credit and duration terms to the benchmark and has a strong track record of outperformance. The M&G fund has been added to client portfolios as a core Japanese equity exposure. It is typically large cap and has a slight value bias to it. This fund is being funded mostly by a redemption from the Schroder Tokyo fund, which is similar stylistically albeit marginally smaller cap. We feel that the M&G fund is a stronger proposition in the sector and more likely to outperform in the future.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

C Class (Institutional) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	151.9074	150.5522	123.9341
Return before operating charges	(0.3718)	2.3231	27.5514
Operating charges (note 1)	(0.9227)	(0.9679)	(0.9333)
Return after operating charges *	(1.2945)	1.3552	26.6181
Closing net asset value per share	150.6129	151.9074	150.5522
Retained distributions on accumulated shares	2.2962	1.9162	1.1529
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	(0.85%)	0.90%	21.48%
Other information			
Closing net asset value	£1,149,330,315	£1,076,312,984	£1,041,643,555
Closing number of shares	763,102,009	708,532,327	691,882,153
Operating charges (note 2)	0.61%	0.64%	0.68%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	155.3960	159.5934	150.9246
Lowest share price	142.1783	146.1007	121.4928

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 '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 April 2022: ranked 4). The Sub-fund is ranked '4' because weekly historical performance data indicates that average rises and falls in prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 59.88%)			
43,197,635	Allianz Strategic Bond	47,396,445	4.14
15,651,773	Artemis US Select	43,998,698	3.84
35,461,389	AXA Framlington UK Mid Cap	38,511,069	3.35
19,599,265	BCIF 100 UK Equity Tracker	41,255,885	3.59
39,244,500	ES Alliance Bernstein Concentrated US Equity	58,395,816	5.09
5,624,753	Fidelity Index Pacific ex Japan	10,712,904	0.93
31,160,500	FTF Brandywine Global Income Optimiser Fund	34,775,118	3.03
8,243,576	HSBC American Index	75,049,520	6.54
1,412,778	HSBC European Index	17,797,189	1.55
7,162,505	Invesco Perpetual UK Enhanced Index	46,319,919	4.03
661,358	Janus Henderson European Selected Opportunities	17,578,901	1.53
5,390,920	JPM Europe Dynamic ex-UK	17,757,692	1.55
3,776,122	JPM Japan	11,358,576	0.99
9,141,153	JPM US Equity Income	36,464,060	3.18
12,709,498	Jupiter Merian North American Equity	43,094,094	3.75
22,571,313	Jupiter UK Alpha Fund	39,059,658	3.40
4,338,069	Liontrust European Growth Fund	14,683,882	1.28
16,715,420	M&G Japan	23,164,228	2.02
32,337,481	Schroder Recovery	46,080,910	4.01
		663,454,564	57.80
Offshore Funds (30.04.2022: 38.21%)			
204,609	Barings Emerging Markets Debt Blended Total Return	23,155,558	2.02
220,938	Cheyne Global Credit	22,934,343	2.00
2,194,380	Dimensional Global Ultra Short Fixed Income	23,501,814	2.05
2,043,534	Goldman Sachs Emerging Markets CORE Equity	21,743,203	1.89
191,407	HC Snyder US All Cap Equity Fund	21,010,789	1.83
7,360,092	HSBC Global Aggregate Bond Index	66,694,945	5.81
1,148,192	HSBC Global Corporate Bond Index	11,594,672	1.01
2,446,819	HSBC Global Government Bond Index	23,483,346	2.05
4,013,051	HSBC MSCI China UCITS ETF	20,436,462	1.78
19,182,007	iShares \$ Treasury Bond 20+yr UCITS ETF	70,455,512	6.14
237,154	Lazard Emerging Markets Equity Advantage Fund	23,453,728	2.04
8,299,450	Neuberger Berman Uncorrelated Strategies	88,223,149	7.68
227,774	Robeco QI Dynamic High Yield	23,160,079	2.02
126,886	Vanguard Global Credit Bond	11,650,616	1.00
85,733	Vanguard UK Government Bond Index	11,312,308	0.98
		462,810,524	40.30
	Portfolio of investments (30.04.2022: 98.09%)	1,126,265,088	98.10
	Net other assets (30.04.2022: 1.93%)	21,919,072	1.90
		1,148,184,160	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.02%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	368,714,511
iShares \$ Treasury Bond 20+yr UCITS ETF	67,864,663
Vanguard UK Inflation Linked Gilt Index	31,794,792
ES Alliance Bernstein Concentrated US Equity	28,575,782
M&G Japan	23,208,684
Dimensional Global Ultra Short Fixed Income	22,883,775
HSBC MSCI China UCITS ETF	27,142,914
AXA Framlington UK Mid Cap	18,574,394
Allianz Strategic Bond	18,201,504
HSBC American Index	15,905,852
HSBC Global Aggregate Bond Index	14,815,246
Various other purchases	99,746,905

	£
Total sales for the year (note 14)	290,885,973
HSBC American Index	56,450,952
Dimensional Global Ultra Short Fixed Income	42,602,882
Vanguard UK Inflation Linked Gilt Index	33,963,433
Cheyne Global Credit	26,315,942
Schroder Tokyo	24,277,960
Fidelity Index Pacific ex Japan	20,984,115
Barings Emerging Markets Debt Blended Total Return	12,947,525
AXA Framlington UK Mid Cap	9,981,435
Hermes Unconstrained Credit	9,918,934
HSBC Global Corporate Bond Index	9,084,914
Various other sales	44,357,881

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital losses	2		(24,086,115)		(3,318,573)
Revenue	3	19,890,941		15,838,145	
Expenses	4	(3,080,076)		(3,018,462)	
Interest payable and similar charges	6	<u>(3,455)</u>		<u>(61,966)</u>	
Net revenue before taxation		16,807,410		12,757,717	
Taxation	5	<u>(1,278,933)</u>		<u>(435,671)</u>	
Net revenue after taxation			<u>15,528,477</u>		<u>12,322,046</u>
Total return before distributions			(8,557,638)		9,003,473
Finance costs: distributions	6		<u>(16,825,012)</u>		<u>(13,449,936)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(25,382,650)</u>		<u>(4,446,463)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	1,076,168,763	1,041,377,721
Amounts receivable on creation of shares	265,585,588	200,024,942
Amounts payable on cancellation of shares	(185,709,848)	(174,364,113)
Accumulation dividends retained	17,522,307	13,576,676
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(25,382,650)</u>	<u>(4,446,463)</u>
Closing net assets attributable to shareholders	<u>1,148,184,160</u>	<u>1,076,168,763</u>

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			1,126,265,088		1,055,274,326
Current assets					
Debtors	7	4,314,427		2,450,126	
Cash and bank balances	8	<u>21,719,972</u>		<u>22,298,504</u>	
Total current assets			<u>26,034,399</u>		<u>24,748,630</u>
Total assets			1,152,299,487		1,080,022,956
Current liabilities					
Creditors	9	<u>(4,115,327)</u>		<u>(3,854,193)</u>	
Total current liabilities			<u>(4,115,327)</u>		<u>(3,854,193)</u>
Net assets attributable to shareholders			<u>1,148,184,160</u>		<u>1,076,168,763</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital losses

	2023	2022
	£	£
The net capital losses comprise:		
Non-derivative securities gains/(losses)		
:realised	16,529,985	83,497,766
:unrealised	(41,651,042)	(87,060,250)
Foreign currency gains	7	-
Rebates from underlying holdings	1,036,232	244,852
Transaction charges (custodian)	(1,297)	(941)
Total net capital losses	<u>(24,086,115)</u>	<u>(3,318,573)</u>

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	10,838,208	11,434,985
Interest from non-derivative securities	8,379,732	4,394,549
Rebates from underlying holdings	140,030	-
Corporation tax interest received	3,376	-
Bank interest	529,595	8,611
Total revenue	<u>19,890,941</u>	<u>15,838,145</u>

4 Expenses

	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>2,737,618</u>	<u>2,699,624</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Safe custody fee	97,670	83,652
Depositary fee	205,396	203,027
	<u>303,066</u>	<u>286,679</u>
Other expenses:		
Audit fee	7,223	6,214
FCA fee	47	51
Other expenses	32,122	25,894
	<u>39,392</u>	<u>32,159</u>
Total expenses	<u>3,080,076</u>	<u>3,018,462</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2023 £	2022 £
(a) Analysis of charge in the year		
UK corporation tax	1,401,087	404,553
Prior period tax adjustment	(91,036)	-
Deferred tax liability	(31,118)	31,118
Total tax charge for the year (note 5b)	1,278,933	435,671

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:

Net revenue before UK corporation tax	16,807,410	12,757,717
Corporation tax at 20.00% (2022: 20.00%)	3,361,482	2,551,543
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(2,167,642)	(2,286,996)
Tax effect of rebates in capital	207,247	48,970
Realised gains from non-reporting fund	(91,036)	91,036
Unrealised gains from non-reporting fund	(31,118)	31,118
Total tax charge for the year (note 5a)	1,278,933	435,671

(c) Provision for deferred taxation

At 30 April 2023 there is a potential deferred tax asset of £nil (30 April 2022: £nil) in relation to surplus management expenses.

At 30 April 2023 there is a potential deferred tax liability of £nil relating to unrealised gains from non-reporting offshore fund (30 April 2022: £31,118).

6 Finance costs	2023 £	2022 £
Final dividend distribution	17,522,307	13,576,676
	17,522,307	13,576,676
Add: Revenue deducted on cancellation of shares	1,498,572	1,170,976
Deduct: Revenue received on creation of shares	(2,195,867)	(1,297,716)
	16,825,012	13,449,936
Net distribution for the year	16,825,012	13,449,936
Interest payable and similar charges	3,455	61,966
Total finance costs	16,828,467	13,511,902
Reconciliation of distributions		
Net revenue after taxation	15,528,477	12,322,046
Equalisation from collectives allocated to revenue	1,534,055	-
Taxation allocated to capital	(122,154)	122,154
Balance brought forward	4,405,346	5,411,082
Balance carried forward	(4,520,712)	(4,405,346)
Net distribution for the year	16,825,012	13,449,936

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023	30.04.2022
	£	£
Amounts receivable on creation of shares	3,822,508	2,206,426
Accrued revenue:		
Rebates from underlying holdings	490,690	243,637
Prepayments	1,229	63
Total debtors	4,314,427	2,450,126
8 Cash and bank balances	30.04.2023	30.04.2022
	£	£
Cash and bank balances	21,719,972	22,298,504
9 Creditors	30.04.2023	30.04.2022
	£	£
Amounts payable on cancellation of shares	2,589,993	3,379,934
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	220,454	215,072
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	16,417	16,396
Safe custody and other custodian charges	57,495	42,801
	73,912	59,197
UK corporation tax	1,221,569	159,554
Deferred tax liability	-	31,118
Other accrued expenses	9,399	9,318
Total creditors	4,115,327	3,854,193

10 Risk management

In pursuing its investment objective as stated on page 38, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

10 Risk management (Continued)

Market price risk (Continued)

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £112,626,509 (30 April 2022: £105,527,433).

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	21,919,072	20,894,437	1,126,265,088	1,055,274,326	1,148,184,160	1,076,168,763
Total	21,919,072	20,894,437	1,126,265,088	1,055,274,326	1,148,184,160	1,076,168,763

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	21,719,972	22,298,504
Financial assets interest bearing instruments	370,114,756	320,213,072
Financial assets non-interest bearing instruments	760,464,759	737,511,380
Financial liabilities non-interest bearing instruments	(4,115,327)	(3,854,193)
	1,148,184,160	1,076,168,763

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

10 Risk management (Continued)

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	90,892	-	2,628	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	1,035,373	-	1,052,646	-
Total	1,126,265	-	1,055,274	-

11 Shares held

C Class (Institutional) Accumulation

Opening shares at 01.05.2022	708,532,327
Shares issued during the year	179,580,736
Shares cancelled during the year	(125,011,054)
Shares converted during the year	-
Closing shares as at 30.04.2023	763,102,009

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
C Class (Institutional) Accumulation	150.6129p	150.1217p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.00% (30 April 2022: 0.04%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 30 April 2023

C Class (Institutional) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	2.2962p	-	2.2962p	1.9162p
Group 2	1.0721p	1.2241p	2.2962p	1.9162p

Information for corporate shareholders

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

- i) 54.49% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 45.51% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Cautious Portfolio Overlay Fund
Size of Sub-fund	£461,960,794
Launch date	07 December 2015
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (5 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 45%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be the IA OE Mixed Investment 20-60% Shares.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA however direct ISA investment is not currently available.

SUB-FUND OVERVIEW (Continued)

Class of shares C Class (Institutional) Accumulation

Minimum initial investment £2,500,000

Minimum subsequent investment £1,000,000

Minimum holding £1,000,000

Minimum redemption N/A

The AFM may waive the minimum levels at its discretion.

Initial charge 10% (The AFM may waive or discount the initial charge at its discretion).

Redemption charge 0%

Annual management charge 0.25%

Investment in this Sub-fund is restricted to investors who are investing through the Tatton Investment Management discretionary management proposition.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of -1.9%. This average return for the IA Mixed Investment 20-60% Shares was -2.6% meaning the fund outperformed by 0.7% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2022 saw the addition of a new strategic bond manager, Allianz. This holding represents a more April saw a reduction in equities overall and the addition of a new strategic bond manager, Allianz. This holding represents a more defensive bond manager which should improve the overall blend of the strategic bond section of the portfolio. The purchase was funded through reductions in other strategic bond managers. At the same time there was also a small rotation out of UK Government bonds into a Global Government bond fund.

Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

Later in the period during July 2022, holdings in Hermes Unconstrained bond fund were removed entirely, after some poor performance and team changes. September saw a switch between share classes of the Brandywine Global Income Optimiser fund as the manager reorganised their fund line-up operationally, with no impact on strategy.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

Two new positions were established at the February 2023 update, adding Vanguard Global Credit and M&G Japan. The active Vanguard Global Credit fund has been added to complement Cheyne in the Investment Grade Bond sector. While the latter focuses more on derivative markets the new fund is primarily concentrated on cash bonds. This fund is similar in credit and duration terms to the benchmark and has a strong track record of outperformance. The M&G fund has been added to client portfolios as a core Japanese equity exposure. It is typically large cap and has a slight value bias to it. This fund is being funded mostly by a redemption from the Schroeder Tokyo fund, which is similar stylistically albeit marginally smaller cap. We feel that the M&G fund is a stronger proposition in the sector and more likely to outperform in the future.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

C Class (Institutional) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	141.1060	142.4339	121.5480
Return before operating charges	(1.9107)	(0.4489)	21.7438
Operating charges (note 1)	(0.8105)	(0.8790)	(0.8579)
Return after operating charges *	(2.7212)	(1.3279)	20.8859
Closing net asset value per share	138.3848	141.1060	142.4339
Retained distributions on accumulated shares	2.2312	1.9908	0.8325
*after direct transactions costs of:	-	-	0.0072
Performance			
Return after charges	(1.93%)	(0.93%)	17.18%
Other information			
Closing net asset value	£462,563,714	£476,685,355	£480,606,442
Closing number of shares	334,259,140	337,820,647	337,424,260
Operating charges (note 2)	0.58%	0.62%	0.65%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	142.3122	149.5291	142.7959
Lowest share price	131.0345	137.7030	119.7184

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 '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 April 2022: ranked 4). The Sub-fund is ranked '4' because weekly historical performance data indicates that average rises and falls in prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 48.92%)			
22,322,485	Allianz Strategic Bond	24,492,231	5.31
4,854,081	Artemis US Select	13,645,308	2.96
8,522,900	AXA Framlington UK Mid Cap	9,255,870	2.00
5,675,486	BCIF 100 UK Equity Tracker	11,946,733	2.59
9,031,923	ES Alliance Bernstein Concentrated US Equity	13,439,501	2.91
2,313,036	Fidelity Index Pacific ex Japan	4,405,408	0.95
21,452,320	FTF Brandywine Global Income Optimiser Fund	23,940,789	5.18
2,241,540	HSBC American Index	20,406,978	4.42
389,528	HSBC European Index	4,906,999	1.06
2,587,622	Invesco Perpetual UK Enhanced Index	16,734,151	3.62
181,773	Janus Henderson European Selected Opportunities	4,831,539	1.05
1,481,634	JPM Europe Dynamic ex-UK	4,880,502	1.06
81	JPM Japan	244	0.00
3,305,752	JPM US Equity Income	13,186,644	2.85
3,943,307	Jupiter Merian North American Equity	13,370,572	2.89
5,526,731	Jupiter UK Alpha Fund	9,564,008	2.07
1,073,934	Liontrust European Growth Fund	3,635,147	0.79
6,878,125	M&G Japan	9,531,706	2.06
9,999,533	Schroder Recovery	14,249,335	3.08
		216,423,665	46.85
Offshore Funds (30.04.2022: 49.21%)			
146,468	Barings Emerging Markets Debt Blended Total Return	16,575,730	3.59
90,266	Cheyne Global Credit	9,369,993	2.03
903,990	Dimensional Global Ultra Short Fixed Income	9,681,734	2.10
632,224	Goldman Sachs Emerging Markets CORE Equity	6,726,860	1.46
39,723	HC Snyder US All Cap Equity Fund	4,360,378	0.94
4,777,856	HSBC Global Aggregate Bond Index	43,295,502	9.37
949,115	HSBC Global Corporate Bond Index	9,584,352	2.07
2,525,543	HSBC Global Government Bond Index	24,238,899	5.25
1,453,267	HSBC MSCI China UCITS ETF	7,400,762	1.60
9,209,463	iShares \$ Treasury Bond 20+yr UCITS ETF	33,826,358	7.32
73,508	Lazard Emerging Markets Equity Advantage Fund	7,269,675	1.57
3,424,554	Neuberger Berman Uncorrelated Strategies	36,403,005	7.88
94,012	Robeco QI Dynamic High Yield	9,559,173	2.07
104,944	Vanguard Global Credit Bond	9,635,897	2.09
70,370	Vanguard UK Government Bond Index	9,285,209	2.01
		237,213,527	51.35
	Portfolio of investments (30.04.2022: 98.13%)	453,637,192	98.20
	Net other assets (30.04.2022: 1.88%)	8,323,602	1.80
		461,960,794	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.01%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	143,153,747
iShares \$ Treasury Bond 20+yr UCITS ETF	33,018,670
Vanguard UK Inflation Linked Gilt Index	15,888,798
HSBC MSCI China UCITS ETF	11,727,089
Vanguard Global Credit Bond	9,645,839
Dimensional Global Ultra Short Fixed Income	9,550,866
M&G Japan	9,549,620
Allianz Strategic Bond	7,252,786
Neuberger Berman Uncorrelated Strategies	7,090,144
FTF Brandywine Global Income Optimiser Fund	7,027,066
HSBC Global Aggregate Bond Index	6,933,456
Various other purchases	25,469,413

	£
Total sales for the year (note 14)	148,965,497
Dimensional Global Ultra Short Fixed Income	19,041,742
HSBC American Index	18,143,195
Vanguard UK Inflation Linked Gilt Index	17,007,085
Vanguard UK Investment Grade Bond Index	12,370,330
Cheyne Global Credit	10,081,981
Hermes Unconstrained Credit	8,826,546
Barings Emerging Markets Debt Blended Total Return	8,277,707
Neuberger Berman Uncorrelated Strategies	7,054,222
Schroder Tokyo	5,358,881
JPM Japan	5,101,516
Various other sales	37,702,292

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital losses	2		(16,805,099)		(10,563,869)
Revenue	3	9,707,852		7,722,682	
Expenses	4	(1,334,991)		(1,386,073)	
Interest payable and similar charges	6	<u>(1,332)</u>		<u>(23,314)</u>	
Net revenue before taxation		8,371,529		6,313,295	
Taxation	5	<u>(925,576)</u>		<u>(529,890)</u>	
Net revenue after taxation			<u>7,445,953</u>		<u>5,783,405</u>
Total return before distributions			(9,359,146)		(4,780,464)
Finance costs: distributions	6		<u>(7,594,889)</u>		<u>(6,747,965)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(16,954,035)</u>		<u>(11,528,429)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	476,431,025	480,497,200
Amounts receivable on creation of shares	92,496,409	95,188,735
Amounts payable on cancellation of shares	(97,470,469)	(94,451,671)
Accumulation dividends retained	7,457,864	6,725,190
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(16,954,035)</u>	<u>(11,528,429)</u>
Closing net assets attributable to shareholders	<u>461,960,794</u>	<u>476,431,025</u>

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			453,637,192		467,535,690
Current assets					
Debtors	7	1,143,978		1,446,069	
Cash and bank balances	8	<u>9,715,043</u>		<u>9,568,707</u>	
Total current assets			<u>10,859,021</u>	<u>11,014,776</u>	
Total assets			464,496,213		478,550,466
Current liabilities					
Creditors	9	<u>(2,535,419)</u>		<u>(2,119,441)</u>	
Total current liabilities			<u>(2,535,419)</u>	<u>(2,119,441)</u>	
Net assets attributable to shareholders			<u>461,960,794</u>		<u>476,431,025</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital losses	2023	2022
	£	£
The net capital losses comprise:		
Non-derivative securities gains/(losses) realised	3,093,551	36,659,215
unrealised	(20,230,834)	(47,319,296)
Foreign currency losses	(40)	-
Rebates from underlying holdings	333,772	97,025
Transaction charges (custodian)	(1,548)	(813)
Total net capital losses	(16,805,099)	(10,563,869)

3 Revenue	2023	2022
	£	£
Non-taxable dividends	3,606,434	4,231,801
Interest from non-derivative securities	5,838,482	3,490,223
Rebates from underlying holdings	36,776	-
Corporation tax interest received	55	-
Bank interest	226,105	658
Total revenue	9,707,852	7,722,682

4 Expenses	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	1,166,823	1,223,929
Payable to the depositary, associates of the depositary, and agents of either of them:		
Safe custody fee	42,588	38,219
Depositary fee	92,986	97,118
	135,574	135,337
Other expenses:		
Audit fee	7,223	6,214
FCA fee	47	51
Other expenses	25,324	20,542
	32,594	26,807
Total expenses	1,334,991	1,386,073

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2023 £	2022 £
(a) Analysis of charge in the year		
UK corporation tax	1,019,762	529,890
Prior period tax adjustment	(94,186)	-
Total tax charge for the year (note 5b)	925,576	529,890
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	8,371,529	6,313,295
Corporation tax at 20.00% (2022: 20.00%)	1,674,306	1,262,659
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(721,298)	(846,360)
Tax effect of rebates in capital	66,754	19,405
Realised gains from non-reporting funds	(94,186)	94,186
Total tax charge for the year (note 5a)	925,576	529,890

(c) Provision for deferred taxation

At 30 April 2023 there is no potential deferred tax asset or liability (30 April 2022: £nil).

6 Finance costs	2023 £	2022 £
Final dividend distribution	7,457,864	6,725,190
	7,457,864	6,725,190
Add: Revenue deducted on cancellation of shares	892,586	751,470
Deduct: Revenue received on creation of shares	(755,561)	(728,695)
Net distribution for the year	7,594,889	6,747,965
Interest payable and similar charges	1,332	23,314
Total finance costs	7,596,221	6,771,279
Reconciliation of distributions		
Net revenue after taxation	7,445,953	5,783,405
Equalisation from collectives allocated to revenue	714,555	-
Taxation allocated to capital	(94,186)	94,186
Balance brought forward	2,723,467	3,593,841
Balance carried forward	(3,194,900)	(2,723,467)
Net distribution for the year	7,594,889	6,747,965

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023	30.04.2022
	£	£
Amounts receivable on creation of shares	978,092	1,344,089
Accrued revenue:		
Rebates from underlying holdings	164,657	101,917
Prepayments	1,229	63
Total debtors	<u>1,143,978</u>	<u>1,446,069</u>

8 Cash and bank balances	30.04.2023	30.04.2022
	£	£
Cash and bank balances	<u>9,715,043</u>	<u>9,568,707</u>

9 Creditors	30.04.2023	30.04.2022
	£	£
Amounts payable on cancellation of shares	1,626,742	1,643,891
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	89,193	95,445
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	7,079	7,684
Safe custody and other custodian charges	25,304	19,682
	<u>32,383</u>	<u>27,366</u>
UK corporation tax	778,364	344,787
Other accrued expenses	8,737	7,952
Total creditors	<u>2,535,419</u>	<u>2,119,441</u>

10 Risk management

In pursuing its investment objective as stated on page 54, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £45,363,719 (30 April 2022: £46,753,569).

10 Risk management (Continued)

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net monetary assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	8,323,602	8,895,335	453,637,192	467,535,690	461,960,794	476,431,025
Total	8,323,602	8,895,335	453,637,192	467,535,690	461,960,794	476,431,025

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	9,715,043	9,568,707
Financial assets interest bearing instruments	223,485,866	213,403,841
Financial assets non-interest bearing instruments	231,295,304	255,577,918
Financial liabilities non-interest bearing instruments	(2,535,419)	(2,119,441)
	461,960,794	476,431,025

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management (Continued)

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	41,227	-	1,170	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	412,410	-	466,366	-
Total	453,637	-	467,536	-

11 Shares held

C Class (Institutional) Accumulation

Opening shares at 01.05.2022	337,820,647
Shares issued during the year	67,831,522
Shares cancelled during the year	(71,393,029)
Shares converted during the year	-
Closing shares as at 30.04.2023	334,259,140

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
C Class (Institutional) Accumulation	138.3848p	137.2934p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.01% (30 April 2022: 0.02%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 30 April 2023

C Class (Institutional) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	2.2312p	-	2.2312p	1.9908p
Group 2	1.1159p	1.1153p	2.2312p	1.9908p

Information for corporate shareholders

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

- i) 37.15% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 62.85% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Defensive Portfolio Overlay Fund
Size of Sub-fund	£48,143,872
Launch date	07 December 2015
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (5 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 25%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with a focus on bonds and with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be the IA OE Mixed Investment 0-35% Shares.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	<p>Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.</p>

SUB-FUND OVERVIEW (Continued)

Individual Savings Account (ISA) The Sub-fund is a qualifying investment for inclusion in an ISA however direct ISA investment is not currently available.

Class of shares C Class Accumulation

Minimum initial investment £2,500,000

Minimum subsequent investment £1,000,000

Minimum holding £1,000,000

Minimum redemption N/A

The AFM may waive the minimum levels at its discretion.

Initial charge 10% (The AFM may waive or discount the initial charge at its discretion).

Redemption charge 0%

Annual management charge 0.25%

Investment in this Sub-fund is restricted to investors who are investing through the Tatton Investment Management discretionary management proposition.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of -3.1%. This average return for the IA Mixed Investment 0-35% Shares was -3.7% meaning the fund outperformed by 0.6% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2020 saw a reduction in equities overall and the addition of a new strategic bond manager, Allianz. This holding represents a more defensive bond manager which should improve the overall blend of the strategic bond section of the portfolio. The purchase was funded through reductions in other strategic bond managers. At the same time there was also a small rotation out of UK Government bonds into a Global Government bond fund.

Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

Later in the period during July 2022, holdings in Hermes Unconstrained bond fund were removed entirely, after some poor performance and team changes. September saw a switch between share classes of the Brandywine Global Income Optimiser fund as the manager reorganised their fund line-up operationally, with no impact on strategy.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

Two new positions were established at the February 2023 update, adding Vanguard Global Credit and M&G Japan. The active Vanguard Global Credit fund has been added to complement Cheyne in the Investment Grade Bond sector. While the latter focuses more on derivative markets the new fund is primarily concentrated on cash bonds. This fund is similar in credit and duration terms to the benchmark and has a strong track record of outperformance. The M&G fund has been added to client portfolios as a core Japanese equity exposure. It is typically large cap and has a slight value bias to it. This fund is being funded mostly by a redemption from the Schroder Tokyo fund, which is similar stylistically albeit marginally smaller cap. We feel that the M&G fund is a stronger proposition in the sector and more likely to outperform in the future.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

C Class Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	127.2164	131.6584	118.9559
Return before operating charges	(3.1657)	(3.6395)	13.4919
Operating charges (note 1)	(0.7266)	(0.8025)	(0.7894)
Return after operating charges *	(3.8923)	(4.4420)	12.7025
Closing net asset value per share	123.3241	127.2164	131.6584
Retained distributions on accumulated shares	2.1814	2.1147	0.3893
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	(3.06%)	(3.37%)	10.68%
Other information			
Closing net asset value	£48,238,829	£57,458,602	£65,066,584
Closing number of shares	39,115,481	45,166,041	49,420,757
Operating charges (note 2)	0.58%	0.62%	0.63%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	127.2164	136.0580	131.9932
Lowest share price	117.0121	125.9490	117.9148

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 '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 April 2022: ranked 4). The Sub-fund is ranked '4' because weekly historical performance data indicates that average rises and falls in prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 34.05%)			
3,353,650	Allianz Strategic Bond	3,679,625	7.64
338,191	Artemis US Select	950,689	1.97
444,278	AXA Framlington UK Mid Cap	482,486	1.00
576,144	BCIF 100 UK Equity Tracker	1,212,766	2.52
627,002	ES Alliance Bernstein Concentrated US Equity	932,979	1.94
240,868	Fidelity Index Pacific ex Japan	458,757	0.95
131,806	HSBC American Index	1,199,959	2.49
20,381	HSBC European Index	256,751	0.53
192,788	Invesco Perpetual UK Enhanced Index	1,246,762	2.59
9,538	Janus Henderson European Selected Opportunities	253,512	0.53
76,868	JPM Europe Dynamic ex-UK	253,204	0.53
115,412	JPM US Equity Income	460,379	0.96
36,682	Liontrust European Growth Fund	124,164	0.26
3,134,838	FTF Brandywine Global Income Optimiser Fund	3,498,479	7.27
137,156	Jupiter Merian North American Equity	465,054	0.97
288,417	Jupiter UK Alpha Fund	499,105	1.04
359,430	M&G Japan	498,098	1.03
349,031	Schroder Recovery	497,370	1.03
		16,970,139	35.25
Offshore Funds (30.04.2022: 64.46%)			
22,186	Barings Emerging Markets Debt Blended Total Return	2,510,764	5.22
12,305	Cheyne Global Credit	1,277,355	2.65
94,392	Dimensional Global Ultra Short Fixed Income	1,010,943	2.10
43,783	Goldman Sachs EMs CORE Equity	465,852	0.97
4,151	HC Snyder US All Cap Equity Fund	455,685	0.95
799,842	HSBC Global Aggregate Bond Index	7,247,924	15.05
99,072	HSBC Global Corporate Bond Index	1,000,449	2.08
369,544	HSBC Global Government Bond Index	3,546,703	7.37
21,335	HSBC MSCI China UCITS ETF	108,648	0.23
1,008,127	iShares \$ Treasury Bond 20+yr UCITS ETF	3,702,850	7.69
5,120	Lazard Emerging Markets Equity Advantage Fund	506,380	1.05
357,537	Neuberger Berman Uncorrelated Strategies	3,800,617	7.89
14,755	Robeco QI Dynamic High Yield	1,500,312	3.12
16,452	Vanguard Global Credit Bond	1,510,614	3.13
14,721	Vanguard UK Government Bond Index	1,942,468	4.02
		30,587,564	63.52
Portfolio of investments (30.04.2022: 98.51%)		47,557,703	98.77
Net other assets (30.04.2022: 1.50%)		586,169	1.23
		48,143,872	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.01%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	19,543,776
iShares \$ Treasury Bond 20+yr UCITS ETF	4,098,574
Vanguard UK Inflation Linked Gilt Index	1,945,339
HSBC Global Aggregate Bond Index	1,543,913
Vanguard Global Credit Bond	1,512,173
Allianz Strategic Bond	1,160,784
HSBC American Index	1,107,211
Dimensional Global Ultra Short Fixed Income	1,088,200
Neuberger Berman Uncorrelated Strategies	1,035,874
Invesco Perpetual UK Enhanced Index	895,207
Vanguard UK Government Bond Index	639,894
Various other purchases	4,516,607

	£
Total sales for the year (note 14)	26,952,398
Dimensional Global Ultra Short Fixed Income	2,396,817
Barings Emerging Markets Debt Blended Total Return	2,166,803
Vanguard UK Inflation Linked Gilt Index	2,077,968
HSBC American Index	2,055,408
Vanguard UK Investment Grade Bond Index	1,977,330
Cheyne Global Credit	1,767,071
Neuberger Berman Uncorrelated Strategies	1,711,951
Hermes Unconstrained Credit	1,602,759
Invesco Perpetual UK Enhanced Index	1,458,177
JPM US Equity Income	1,116,526
Various other sales	8,621,588

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital losses	2		(2,810,946)		(2,984,788)
Revenue	3	1,323,551		1,075,296	
Expenses	4	(163,347)		(194,592)	
Interest payable and similar charges	6	<u>(287)</u>		<u>(3,468)</u>	
Net revenue before taxation		1,159,917		877,236	
Taxation	5	<u>(171,323)</u>		<u>(128,832)</u>	
Net revenue after taxation			<u>988,594</u>		<u>748,404</u>
Total return before distributions			(1,822,352)		(2,236,384)
Finance costs: distributions	6		<u>(919,763)</u>		<u>(1,013,614)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(2,742,115)</u>		<u>(3,249,998)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	57,409,759	65,054,828
Amounts receivable on creation of shares	10,831,032	15,128,539
Amounts payable on cancellation of shares	(18,208,068)	(20,478,717)
Accumulation dividends retained	853,264	955,107
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(2,742,115)</u>	<u>(3,249,998)</u>
Closing net assets attributable to shareholders	<u>48,143,872</u>	<u>57,409,759</u>

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			47,557,703		56,542,500
Current assets					
Debtors	7	49,188		19,202	
Cash and bank balances	8	<u>882,593</u>		<u>1,077,768</u>	
Total current assets			<u>931,781</u>	<u>1,096,970</u>	
Total assets			48,489,484		57,639,470
Current liabilities					
Creditors	9	<u>(345,612)</u>		<u>(229,711)</u>	
Total current liabilities			<u>(345,612)</u>	<u>(229,711)</u>	
Net assets attributable to shareholders			<u>48,143,872</u>		<u>57,409,759</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital losses

		2023	2022
		£	£
The net capital losses comprise:			
Non-derivative securities (losses)/gains	realised	(442,075)	3,922,072
	unrealised	(2,397,778)	(6,915,324)
Rebates from underlying holdings		29,910	9,355
Transaction charges (custodian)		(1,003)	(891)
Total net capital losses		<u>(2,810,946)</u>	<u>(2,984,788)</u>

3 Revenue

		2023	2022
		£	£
Non-taxable dividends		206,252	369,392
Interest from non-derivative securities		1,090,222	705,466
Rebates from underlying holdings		1,791	-
Bank interest		25,286	438
Total revenue		<u>1,323,551</u>	<u>1,075,296</u>

4 Expenses

		2023	2022
		£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:			
Annual management charge		<u>128,626</u>	<u>159,348</u>
Payable to the depositary, associates of the depositary, and agents of either of them:			
Safe custody fee		4,780	5,088
Depositary fee		12,424	15,368
		<u>17,204</u>	<u>20,456</u>
Other expenses:			
Audit fee		7,223	6,214
FCA fee		47	51
Other expenses		10,247	8,523
		<u>17,517</u>	<u>14,788</u>
Total expenses		<u>163,347</u>	<u>194,592</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2023 £	2022 £
(a) Analysis of charge in the year		
UK corporation tax	196,715	128,832
Prior period tax adjustment	(25,392)	-
Total tax charge for the year (note 5b)	<u>171,323</u>	<u>128,832</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	1,159,917	877,236
Corporation tax at 20.00% (2022: 20.00%)	231,983	175,447
Effects of:		
Revenue not subject to UK corporation tax	(41,250)	(73,878)
Tax effect of rebates in capital	5,982	1,871
Realised gains from non-reporting fund	(25,392)	25,392
Total tax charge for the year (note 5a)	<u>171,323</u>	<u>128,832</u>

(c) Provision for deferred taxation

At 30 April 2023 there is no potential deferred tax asset or liability (30 April 2022: £nil).

6 Finance costs	2023 £	2022 £
Final dividend distribution	853,264	955,107
	<u>853,264</u>	<u>955,107</u>
Add: Revenue deducted on cancellation of shares	167,172	219,787
Deduct: Revenue received on creation of shares	(100,673)	(161,280)
Net distribution for the year	919,763	1,013,614
Interest payable and similar charges	287	3,468
Total finance costs	<u>920,050</u>	<u>1,017,082</u>
Reconciliation of distributions		
Net revenue after taxation	988,594	748,404
Equalisation from collectives allocated to revenue	107,687	-
Taxation allocated to capital	(25,392)	25,392
Balance brought forward	491,578	731,396
Balance carried forward	(642,704)	(491,578)
Net distribution for the year	<u>919,763</u>	<u>1,013,614</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023	30.04.2022
	£	£
Amounts receivable on creation of shares	35,198	10,199
Accrued revenue:		
Rebates from underlying holdings	12,761	8,962
Prepayments	1,229	41
Total debtors	49,188	19,202

8 Cash and bank balances	30.04.2023	30.04.2022
	£	£
Cash and bank balances	882,593	1,077,768

9 Creditors	30.04.2023	30.04.2022
	£	£
Amounts payable on cancellation of shares	127,584	77,903
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	9,329	11,565
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	889	1,127
Safe custody and other custodian charges	3,682	3,272
	4,571	4,399
UK corporation tax	196,716	128,832
Other accrued expenses	7,412	7,012
Total creditors	345,612	229,711

10 Risk management

In pursuing its investment objective as stated on page 69, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £4,755,770 (30 April 2022: £5,654,250).

10 Risk management (Continued)

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	586,169	867,259	47,557,703	56,542,500	48,143,872	57,409,759
Total	586,169	867,259	47,557,703	56,542,500	48,143,872	57,409,759

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	882,593	1,077,768
Financial assets interest bearing instruments	32,428,485	37,329,243
Financial assets non-interest bearing instruments	15,178,406	19,232,459
Financial liabilities non-interest bearing instruments	(345,612)	(229,711)
	48,143,872	57,409,759

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management (Continued)

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	3,811	-	142	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	43,746	-	56,401	-
Total	47,557	-	56,543	-

11 Shares held

C Class Accumulation

Opening shares at 01.05.2022	45,166,041
Shares issued during the year	8,868,870
Shares cancelled during the year	(14,919,430)
Shares converted during the year	-
Closing shares as at 30.04.2023	39,115,481

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
C Class Accumulation	123.3241p	121.4643p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.00% (30 April 2022: 0.02%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 30 April 2023

C Class Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	2.1814p	-	2.1814p	2.1147p
Group 2	1.0406p	1.1408p	2.1814p	2.1147p

Information for corporate shareholders

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

- i) 15.58% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 84.42% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Tatton Blended Active Fund
Size of Sub-fund	£96,329,594
Launch date	31 January 2018
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (7 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 75%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with a balance between passive and active strategies, with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and derivatives if considered appropriate to meet the objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be the IA OE Mixed Investment 40-85% Shares.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Share class information	A Class (Retail) Accumulation	A Class (Retail) Income*	X Class (Institutional) Accumulation*	X Class (Institutional) Income*
Annual management charge	0.30%	0.30%	0.15%	0.15%
Initial charge***	0%	0%	0%	0%
Minimum initial investment**	£3,000	£3,000	£2,500,000	£2,500,000
Minimum subsequent investment	£1,000	£1,000	£1,000,000	£1,000,000
Minimum holding	£1,000	£1,000	£1,000,000	£1,000,000
Minimum redemption	None	None	None	None
Redemption charge	0%	0%	0%	0%
Minimum regular savings plan	£100 per month	£100 per month	Regular savings plan not available	Regular savings plan not available

* Share class not yet launched

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

***The AFM may waive or discount the initial charge at its own discretion.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of 0.4%. This average return for the IA Mixed Investment 40-85% Shares was -1.8% meaning the fund outperformed by 2.2% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2022 saw a reduction in equities overall and the addition of a new strategic bond manager, Allianz. This holding represents a more defensive bond manager which should improve the overall blend of the strategic bond section of the portfolio. The purchase was funded through reductions in other strategic bond managers. At the same time there was also a small rotation out of UK Government bonds into a Global Government bond fund.

Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

Later in the period during July 2022, holdings in Hermes Unconstrained bond fund were removed entirely, after some poor performance and team changes. September saw a switch between share classes of the Brandywine Global Income Optimiser fund as the manager reorganised their fund line-up operationally, with no impact on strategy.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

Two new positions were established at the February 2023 update, adding Vanguard Global Credit and M&G Japan. The active Vanguard Global Credit fund has been added to complement Cheyne in the Investment Grade Bond sector. While the latter focuses more on derivative markets the new fund is primarily concentrated on cash bonds. This fund is similar in credit and duration terms to the benchmark and has a strong track record of outperformance. The M&G fund has been added to client portfolios as a core Japanese equity exposure. It is typically large cap and has a slight value bias to it. This fund is being funded mostly by a redemption from the Schroder Tokyo fund, which is similar stylistically albeit marginally smaller cap. We feel that the M&G fund is a stronger proposition in the sector and more likely to outperform in the future.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

A Class (Retail) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	125.6596	122.0932	98.1285
Return before operating charges	1.2274	4.2973	24.6364
Operating charges (note 1)	(0.7177)	(0.7309)	(0.6717)
Return after operating charges *	0.5097	3.5664	23.9647
Closing net asset value per share	126.1693	125.6596	122.0932
Retained distributions on accumulated shares	1.9869	1.6396	1.2077
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	0.41%	2.92%	24.42%
Other information			
Closing net asset value	£96,332,889	£67,993,354	£50,983,372
Closing number of shares	76,352,093	54,109,142	41,757,756
Operating charges (note 2)	0.57%	0.59%	0.61%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	130.1281	131.0873	122.4388
Lowest share price	117.5914	118.9112	95.7348

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 April 2022: 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. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 70.77%)			
1,116,642	Allianz Strategic Bond	1,225,179	1.27
751,721	Artemis US Select	2,113,162	2.19
1,420,562	AXA Framlington UK Mid Cap	1,542,730	1.60
2,153,886	BCIF 100 UK Equity Tracker	4,533,867	4.71
1,800,008	ES Alliance Bernstein Concentrated US Equity	2,678,412	2.78
948,531	Fidelity Index Japan	1,822,792	1.89
1,078,129	Fidelity Index Pacific ex Japan	2,053,405	2.13
380,155	FTF Brandywine Global Income Optimiser Fund	424,253	0.44
1,133,832	HSBC American Index	10,322,407	10.72
322,257	HSBC European Index	4,059,570	4.21
774,119	Invesco Perpetual UK Enhanced Index	5,006,228	5.20
529,995	iShares Mid Cap UK Equity Index	1,211,476	1.26
757,740	iShares North American Equity Index	4,441,803	4.61
1,412,783	iShares UK Equity Tracker	3,894,324	4.04
42,731	Janus Henderson European Selected Opportunities	1,135,796	1.18
259,966	JPM Europe Dynamic ex-UK	856,327	0.89
137,313	JPM Japan	413,038	0.43
478,680	JPM US Equity Income	1,909,455	1.98
681,445	Jupiter Merian North American Equity	2,310,577	2.40
1,198,419	Jupiter UK Alpha Fund	2,073,863	2.15
321,258	Legal & General Emerging Markets Government Bond (Local Currency) Index	209,685	0.22
328,107	Legal & General Emerging Markets Government Bond USD Index	204,148	0.21
157,270	Liontrust European Growth Fund	532,342	0.55
602,512	M&G Japan	834,960	0.87
2,006,581	Schroder Recovery	2,859,379	2.97
6,772	Vanguard US Equity Index	4,916,228	5.10
		63,585,406	66.00
Offshore Funds (30.04.2022: 27.59%)			
3,837	Barings Emerging Markets Debt Blended Total Return	434,237	0.45
427,561	BNY Mellon Efficient Global High Yield Beta	417,855	0.43
3,961	Cheyne Global Credit	411,211	0.43
540,566	Dimensional Global Ultra Short Fixed Income	5,789,463	6.01
128,444	Goldman Sachs Emerging Markets CORE Equity	1,366,649	1.42
14,879	HC Snyder US All Cap Equity Fund	1,633,280	1.70
323,645	HSBC Global Aggregate Bond Index	2,932,772	3.04
41,580	HSBC Global Corporate Bond Index	419,887	0.44
121,460	HSBC Global Government Bond Index	1,165,710	1.21
454,548	HSBC MSCI China UCITS ETF	2,314,786	2.40
1,024,201	iShares \$ Treasury Bond 20+yr UCITS ETF	3,761,890	3.91
10,767	Lazard Emerging Markets Equity Advantage Fund	1,064,815	1.11
364,050	Neuberger Berman Uncorrelated Strategies	3,869,854	4.02
4,099	Robeco QI Dynamic High Yield	416,767	0.43
10,426	Vanguard Emerging Markets Stock Index	2,445,137	2.54
8,872	Vanguard Global Bond Index	1,274,561	1.32
4,594	Vanguard UK Investment Grade Bond Index	410,904	0.42
4,600	Vanguard Global Credit Bond	422,332	0.44
		30,552,110	31.72
Portfolio of investments (30.04.2022: 98.36%)		94,137,516	97.72
Net other assets (30.04.2022: 1.68%)		2,192,078	2.28
		96,329,594	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.04%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	48,134,151
HSBC American Index	4,814,677
iShares \$ Treasury Bond 20+yr UCITS ETF	3,699,556
Vanguard US Equity Index	2,852,246
HSBC MSCI China UCITS ETF	2,744,920
Dimensional Global Ultra Short Fixed Inc	2,707,780
HSBC Global Aggregate Bond Index	2,311,554
iShares North American Equity Index	1,962,971
Neuberger Berman Uncorrelated Strategies	1,906,080
Invesco Perpetual UK Enhanced Index	1,659,213
Schroder Recovery	1,467,576
Various other purchases	22,007,578

	£
Total sales for the year (note 14)	21,466,115
HSBC American Index	3,169,019
Dimensional Global Ultra Short Fixed Income	2,382,033
Vanguard US Equity Index	1,786,555
Vanguard UK Inflation Linked Gilt Index	1,536,975
Cheyne Global Credit	1,446,424
Schroder Tokyo	1,175,869
Schroder Recovery	846,209
Invesco Perpetual UK Enhanced Index	694,636
HSBC Global Aggregate Bond Index	673,578
Vanguard UK Investment Grade Bond Index	575,536
Various other sales	7,179,281

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital (losses)/gains	2		(575,271)		492,281
Revenue	3	1,348,771		1,007,784	
Expenses	4	(270,136)		(208,097)	
Interest payable and similar charges	6	(4)		(3,017)	
Net revenue before taxation		1,078,631		796,670	
Taxation	5	-		-	
Net revenue after taxation			1,078,631		796,670
Total return before distributions			503,360		1,288,951
Finance costs: distributions	6		(1,213,711)		(771,112)
Changes in net assets attributable to shareholders from investment activities			(710,351)		517,839

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	67,969,037	50,969,029
Amounts receivable on creation of shares	41,162,504	22,529,286
Amounts payable on cancellation of shares	(13,608,666)	(6,934,294)
Accumulation dividends retained	1,517,070	887,177
Changes in net assets attributable to shareholders from investment activities (see above)	(710,351)	517,839
Closing net assets attributable to shareholders	96,329,594	67,969,037

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			94,137,516		66,829,552
Current assets					
Debtors	7	1,590,256		47,232	
Cash and bank balances	8	<u>1,652,378</u>		<u>1,637,203</u>	
Total current assets			<u>3,242,634</u>	<u>1,684,435</u>	<u>1,684,435</u>
Total assets			97,380,150		68,513,987
Current liabilities					
Creditors	9	<u>(1,050,556)</u>		<u>(544,950)</u>	
Total current liabilities			<u>(1,050,556)</u>	<u>(544,950)</u>	<u>(544,950)</u>
Net assets attributable to shareholders			<u>96,329,594</u>		<u>67,969,037</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital (losses)/gains

	2023	2022
	£	£
The net capital (losses)/gains comprise:		
Non-derivative securities gains/(losses)		
realised	610,565	3,379,323
unrealised	(1,225,049)	(2,891,109)
Foreign currency losses	(13)	-
Rebates from underlying holdings	40,922	5,306
Transaction charges (custodian)	(1,696)	(1,239)
Total net capital (losses)/gains	<u>(575,271)</u>	<u>492,281</u>

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	1,072,331	875,954
Interest from non-derivative securities	240,419	131,666
Rebates from underlying holdings	3,224	-
Bank interest	32,797	164
Total revenue	<u>1,348,771</u>	<u>1,007,784</u>

4 Expenses

	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>228,542</u>	<u>177,202</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Safe custody fee	6,795	4,494
Depositary fee	<u>18,012</u>	<u>14,026</u>
	<u>24,807</u>	<u>18,520</u>
Other expenses:		
Audit fee	7,223	6,214
FCA fee	90	51
Other expenses	<u>9,474</u>	<u>6,110</u>
	<u>16,787</u>	<u>12,375</u>
Total expenses	<u>270,136</u>	<u>208,097</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	1,078,631	796,670
Corporation tax at 20.00% (2022: 20.00%)	215,726	159,334
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(214,466)	(175,191)
Tax effect of rebates in capital	8,184	1,061
Realised gains from non-reporting fund	(9,467)	9,467
Current year expenses not utilised	23	5,329
Total tax charge for the year (note 5a)	-	-

(c) Provision for deferred taxation

At 30 April 2023 there is a potential deferred tax asset of £26,185 (30 April 2022: £26,162) in relation to surplus management expenses.

6 Finance costs

	2023	2022
	£	£
Final dividend distribution	1,517,070	887,177
	1,517,070	887,177
Add: Revenue deducted on cancellation of shares	106,361	35,091
Deduct: Revenue received on creation of shares	(409,720)	(151,156)
Net distribution for the year	1,213,711	771,112
Interest payable and similar charges	4	3,017
Total finance costs	1,213,715	774,129
Reconciliation of distributions		
Net revenue after taxation	1,078,631	796,670
Equalisation from collectives allocated to revenue	181,143	-
Relief on expenses allocated to income	(9,467)	9,467
Balance brought forward	148,573	113,548
Balance carried forward	(185,169)	(148,573)
Net distribution for the year	1,213,711	771,112

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023	30.04.2022
	£	£
Amounts receivable on creation of shares	1,570,356	39,100
Accrued revenue:		
Rebates from underlying holdings	18,586	7,986
Prepayments	1,314	146
Total debtors	1,590,256	47,232

8 Cash and bank balances	30.04.2023	30.04.2022
	£	£
Cash and bank balances	1,652,378	1,637,203

9 Creditors	30.04.2023	30.04.2022
	£	£
Amounts payable on unsettled trades	983,330	504,905
Amounts payable on cancellation of shares	30,879	11,807
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	21,412	16,197
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	1,638	1,311
Safe custody and other custodian charges	5,871	3,727
	7,509	5,038
Other accrued expenses	7,426	7,003
Total creditors	1,050,556	544,950

10 Financial instruments

In pursuing its investment objective as stated on page 84, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

10 Risk management (Continued)

Market price risk

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

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

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

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £9,413,752 (30 April 2022: £6,682,955).

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	2,192,078	1,139,485	94,137,516	66,829,552	96,329,594	67,969,037
Total	2,192,078	1,139,485	94,137,516	66,829,552	96,329,594	67,969,037

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	1,652,378	1,637,203
Financial assets interest bearing instruments	19,920,854	12,777,330
Financial assets non-interest bearing instruments	75,806,918	54,099,454
Financial liabilities non-interest bearing instruments	(1,050,556)	(544,950)
	96,329,594	67,969,037

10 Risk management (Continued)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	6,077	-	165	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	88,061	-	66,665	-
Total	94,138	-	66,830	-

11 Shares held

A Class (Retail) Accumulation

Opening shares at 01.05.2022	54,109,142
Shares issued during the year	33,291,078
Shares cancelled during the year	(11,048,127)
Shares converted during the year	-
Closing shares as at 30.04.2023	76,352,093

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
A Class (Retail) Accumulation	126.1693p	126.3867p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.01% (30 April 2022: 0.08%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 30 April 2023

A Class (Retail) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.9869p	-	1.9869p	1.6396p
Group 2	0.7479p	1.2390p	1.9869p	1.6396p

Information for corporate shareholders

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

- i) 79.50% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 20.50% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Tatton Blended Balanced Fund
Size of Sub-fund	£188,379,020
Launch date	31 January 2018
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (7 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 60%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with a balance between passive and active strategies with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be a blend (50% IA OE Mixed Investment 20-60% Shares - (50%) IA OE Mixed Investment 40-85% Shares.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	<p>Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.</p>

SUB-FUND OVERVIEW (Continued)

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

Share class information	A Class (Retail) Accumulation	A Class (Retail) Income*	X Class (Institutional) Accumulation*	X Class (Institutional) Income*
Annual management charge	0.30%	0.30%	0.15%	0.15%
Initial charge***	0%	0%	0%	0%
Minimum initial investment**	£3,000	£3,000	£2,500,000	£2,500,000
Minimum subsequent investment	£1,000	£1,000	£1,000,000	£1,000,000
Minimum holding	£1,000	£1,000	£1,000,000	£1,000,000
Minimum redemption	None	None	None	None
Redemption charge	0%	0%	0%	0%
Minimum regular savings plan	£100 per month	£100 per month	Regular savings plan not available	Regular savings plan not available

* Share class not yet launched

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

***The AFM may waive or discount the initial charge at its own discretion.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of -0.5%. This average return for the 5050 - IA Mixed Investment 20-60% & 40-85% was -2.2% meaning the fund outperformed by 1.7% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2022 saw a reduction in equities overall and the addition of a new strategic bond manager, Allianz. This holding represents a more defensive bond manager which should improve the overall blend of the strategic bond section of the portfolio. The purchase was funded through reductions in other strategic bond managers. At the same time there was also a small rotation out of UK Government bonds into a Global Government bond fund.

Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

Later in the period during July 2022, holdings in Hermes Unconstrained bond fund were removed entirely, after some poor performance and team changes. September saw a switch between share classes of the Brandywine Global Income Optimiser fund as the manager reorganised their fund line-up operationally, with no impact on strategy.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

Two new positions were established at the February 2023 update, adding Vanguard Global Credit and M&G Japan. The active Vanguard Global Credit fund has been added to complement Cheyne in the Investment Grade Bond sector. While the latter focuses more on derivative markets the new fund is primarily concentrated on cash bonds. This fund is similar in credit and duration terms to the benchmark and has a strong track record of outperformance. The M&G fund has been added to client portfolios as a core Japanese equity exposure. It is typically large cap and has a slight value bias to it. This fund is being funded mostly by a redemption from the Schroder Tokyo fund, which is similar stylistically albeit marginally smaller cap. We feel that the M&G fund is a stronger proposition in the sector and more likely to outperform in the future.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

A Class (Retail) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	122.2216	121.1182	101.2788
Return before operating charges	0.0949	1.7969	20.4955
Operating charges (note 1)	(0.6828)	(0.6935)	(0.6561)
Return after operating charges *	(0.5879)	1.1034	19.8394
Closing net asset value per share	121.6337	122.2216	121.1182
Retained distributions on accumulated shares	1.9112	1.6378	1.1398
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	(0.48%)	0.91%	19.59%
Other information			
Closing net asset value	£188,481,590	£142,246,357	£115,798,171
Closing number of shares	154,958,364	116,383,985	95,607,548
Operating charges (note 2)	0.56%	0.57%	0.59%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	124.7045	128.6802	121.4274
Lowest share price	114.0402	117.7164	99.2836

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 '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 April 2022: ranked 4). The Sub-fund is ranked '4' because monthly historical performance data indicates that average rises and falls in prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 59.74%)			
3,799,184	Allianz Strategic Bond	4,168,464	2.22
1,451,748	Artemis US Select	4,081,010	2.18
2,281,009	AXA Framlington UK Mid Cap	2,477,175	1.31
3,136,074	BCIF 100 UK Equity Tracker	6,601,346	3.50
3,288,783	ES Alliance Bernstein Concentrated US Equity	4,893,709	2.60
1,659,523	Fidelity Index Japan	3,189,105	1.69
836,351	Fidelity Index Pacific ex Japan	1,592,914	0.85
2,321,104	FTF Brandywine Global Income Optimiser Fund	2,590,352	1.38
1,805,749	HSBC American Index	16,439,535	8.73
586,468	HSBC European Index	7,387,915	3.92
1,175,197	Invesco Perpetual UK Enhanced Index	7,600,000	4.03
724,489	iShares Mid Cap UK Equity Index	1,656,055	0.88
1,536,927	iShares North American Equity Index	9,009,327	4.78
2,948,676	iShares UK Equity Tracker	8,127,999	4.31
71,837	Janus Henderson European Selected Opportunities	1,909,432	1.01
399,329	JPM Europe Dynamic ex-UK	1,315,389	0.70
280,116	JPM Japan	842,590	0.45
595,907	JPM US Equity Income	2,377,075	1.26
1,146,422	Jupiter Merian North American Equity	3,887,172	2.06
1,481,032	Jupiter UK Alpha Fund	2,562,925	1.36
1,383,967	Legal & General Emerging Markets Government Bond (Local Currency) Index	903,315	0.48
1,410,143	Legal & General Emerging Markets Government Bond USD Index	877,391	0.47
320,447	Liontrust European Growth Fund	1,084,677	0.58
1,235,863	M&G Japan	1,712,658	0.91
2,996,733	Schroder Recovery	4,270,344	2.27
4,593	Vanguard US Equity Index	3,333,843	1.77
		104,891,717	55.70
Offshore Funds (30.04.2022: 38.39%)			
16,108	Barings Emerging Markets Debt Blended Total Return	1,822,991	0.97
2,477,343	BNY Mellon Efficient Global High Yield Beta	2,421,107	1.29
16,508	Cheyne Global Credit	1,713,631	0.91
1,104,924	Dimensional Global Ultra Short Fixed Income	11,833,732	6.28
151,826	Goldman Sachs Emerging Markets CORE Equity	1,615,431	0.86
14,003	HC Snyder US All Cap Equity Fund	1,537,068	0.82
1,288,941	HSBC Global Aggregate Bond Index	11,679,999	6.20
308,664	HSBC Global Corporate Bond Index	3,116,953	1.65
470,404	HSBC Global Government Bond Index	4,514,702	2.40
782,429	HSBC MSCI China UCITS ETF	3,984,520	2.12
3,047,491	iShares \$ Treasury Bond 20+yr UCITS ETF	11,193,434	5.94
17,701	Lazard Emerging Markets Equity Advantage Fund	1,750,609	0.93
745,917	Neuberger Berman Uncorrelated Strategies	7,929,098	4.21
17,027	Robeco QI Dynamic High Yield	1,731,346	0.92
13,686	Vanguard Emerging Markets Stock Index	3,209,518	1.70
42,417	Vanguard Global Bond Index	6,093,587	3.23
9,435	Vanguard Global Credit Bond	866,277	0.45
12,667	Vanguard UK Government Bond Index	1,671,343	0.88
18,970	Vanguard UK Investment Grade Bond Index	1,696,875	0.89
		80,382,221	42.65
Portfolio of investments (30.04.2022: 98.13%)		185,273,938	98.35
Net other assets (30.04.2022: 1.90%)		3,105,082	1.65
		188,379,020	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.03%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	85,138,111
iShares \$ Treasury Bond 20+yr UCITS ETF	11,205,973
Dimensional Global Ultra Short Fixed Income	5,938,051
HSBC American Index	5,777,996
HSBC Global Aggregate Bond Index	5,322,041
HSBC MSCI China UCITS ETF	4,892,307
Vanguard UK Inflation Linked Gilt Index	4,564,912
HSBC Global Government Bond Index	3,322,350
iShares North American Equity Index	3,051,988
HSBC European Index	2,984,258
Allianz Strategic Bond	2,978,928
Various other purchases	35,099,307

	£
Total sales for the year (note 14)	39,413,494
Dimensional Global Ultra Short Fixed Income	5,501,573
Vanguard UK Inflation Linked Gilt Index	4,876,248
HSBC American Index	4,308,529
Fidelity Index Pacific ex Japan	2,661,617
HSBC European Index	1,924,852
Schroder Tokyo	1,693,146
Vanguard UK Investment Grade Bond Index	1,567,286
Cheyne Global Credit	1,526,406
HSBC Global Government Bond Index	1,467,814
Vanguard US Equity Index	1,262,106
Various other sales	12,623,917

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital losses	2		(2,579,901)		(1,077,495)
Revenue	3	2,986,820		2,327,316	
Expenses	4	(550,055)		(448,839)	
Interest payable and similar charges	6	<u>(230)</u>		<u>(6,740)</u>	
Net revenue before taxation		2,436,535		1,871,737	
Taxation	5	<u>(137,111)</u>		<u>(73,517)</u>	
Net revenue after taxation			<u>2,299,424</u>		<u>1,798,220</u>
Total return before distributions			(280,477)		720,725
Finance costs: distributions	6		<u>(2,524,449)</u>		<u>(1,721,912)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(2,804,926)</u>		<u>(1,001,187)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	142,166,551	115,741,356
Amounts receivable on creation of shares	73,607,055	48,500,220
Amounts payable on cancellation of shares	(27,551,199)	(22,980,032)
Accumulation dividends retained	2,961,539	1,906,194
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(2,804,926)</u>	<u>(1,001,187)</u>
Closing net assets attributable to shareholders	<u>188,379,020</u>	<u>142,166,551</u>

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			185,273,938		139,444,232
Current assets					
Debtors	7	858,025		961,991	
Cash and bank balances	8	<u>3,523,446</u>		<u>3,209,933</u>	
Total current assets			<u>4,381,471</u>		<u>4,171,924</u>
Total assets			189,655,409		143,616,156
Current liabilities					
Creditors	9	<u>(1,276,389)</u>		<u>(1,449,605)</u>	
Total current liabilities			<u>(1,276,389)</u>		<u>(1,449,605)</u>
Net assets attributable to shareholders			<u>188,379,020</u>		<u>142,166,551</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital losses	2023	2022
	£	£
The net capital losses comprise:		
Non-derivative securities (losses)/gains :realised	(196,435)	7,001,939
:unrealised	(2,453,603)	(8,093,759)
Rebates from underlying holdings	71,568	15,523
Transaction charges (custodian)	(1,431)	(1,198)
Total net capital losses	(2,579,901)	(1,077,495)

3 Revenue	2023	2022
	£	£
Non-taxable dividends	1,743,298	1,598,924
Interest from non-derivative securities	1,151,381	728,222
Rebates from underlying holdings	11,720	-
Bank interest	80,421	170
Total revenue	2,986,820	2,327,316

4 Expenses	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	477,135	390,970
Payable to the depositary, associates of the depositary, and agents of either of them:		
Safe custody fee	14,516	9,780
Depositary fee	35,954	30,125
	50,470	39,905
Other expenses:		
Audit fee	7,223	6,214
FCA fee	47	51
Other expenses	15,180	11,699
	22,450	17,964
Total expenses	550,055	448,839

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
UK corporation tax	152,961	73,517
Prior period tax adjustment	(15,850)	-
Total tax charge for the year (note 5b)	<u>137,111</u>	<u>73,517</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	2,436,535	1,871,737
Corporation tax at 20.00% (2022: 20.00%)	487,307	374,347
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(348,660)	(319,785)
Tax effect of rebates in capital	14,314	3,105
Realised gains from non-reporting fund	(15,850)	15,850
Total tax charge for the year (note 5a)	<u>137,111</u>	<u>73,517</u>

(c) Provision for deferred taxation

At 30 April 2023 there is no potential deferred tax asset or liability (30 April 2022: £nil).

6 Finance costs

	2023	2022
	£	£
Final dividend distribution	2,961,539	1,906,194
	<u>2,961,539</u>	<u>1,906,194</u>
Add: Revenue deducted on cancellation of shares	240,819	153,856
Deduct: Revenue received on creation of shares	(677,909)	(338,138)
Net distribution for the year	2,524,449	1,721,912
Interest payable and similar charges	230	6,740
Total finance costs	<u>2,524,679</u>	<u>1,728,652</u>
Reconciliation of distributions		
Net revenue after taxation	2,299,424	1,798,220
Equalisation from collectives allocated to revenue	432,537	-
Taxation allocated to capital	(15,850)	15,850
Balance brought forward	435,692	343,534
Balance carried forward	(627,354)	(435,692)
Net distribution for the year	<u>2,524,449</u>	<u>1,721,912</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023	30.04.2022
	£	£
Amounts receivable on creation of shares	816,068	944,423
Accrued revenue:		
Rebates from underlying holdings	40,643	17,422
Prepayments	1,314	146
Total debtors	<u>858,025</u>	<u>961,991</u>

8 Cash and bank balances	30.04.2023	30.04.2022
	£	£
Cash and bank balances	<u>3,523,446</u>	<u>3,209,933</u>

9 Creditors	30.04.2023	30.04.2022
	£	£
Amounts payable on cancellation of shares	1,058,661	170,073
Amounts payable on unsettled trades	-	1,155,787
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	43,125	33,815
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	3,175	2,620
Safe custody and other custodian charges	10,447	6,298
	<u>13,622</u>	<u>8,918</u>
UK corporation tax	152,961	73,518
Other accrued expenses	8,020	7,494
Total creditors	<u>1,276,389</u>	<u>1,449,605</u>

10 Risk management

In pursuing its investment objective as stated on page 100, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £18,527,394 (30 April 2022: £13,944,423).

10 Risk management (Continued)

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	3,105,082	2,722,319	185,273,938	139,444,232	188,379,020	142,166,551
Total	3,105,082	2,722,319	185,273,938	139,444,232	188,379,020	142,166,551

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	3,523,446	3,209,933
Financial assets interest bearing instruments	68,895,498	47,731,725
Financial assets non-interest bearing instruments	117,236,465	92,674,498
Financial liabilities non-interest bearing instruments	(1,276,389)	(1,449,605)
	188,379,020	142,166,551

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management (Continued)

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	15,178	-	355	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	170,096	-	139,089	-
Total	185,274	-	139,444	-

11 Shares held

A Class (Retail) Accumulation

Opening shares at 01.05.2022	116,383,985
Shares issued during the year	61,703,948
Shares cancelled during the year	(23,129,569)
Shares converted during the year	-
Closing shares as at 30.04.2023	154,958,364

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
A Class (Retail) Accumulation	121.6337p	121.5109p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.01% (30 April 2022: 0.06%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2: Shares purchased on or after 01 May 2022 and on or before 30 April 2023

A Class (Retail) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.9112p	-	1.9112p	1.6378p
Group 2	0.8008p	1.1104p	1.9112p	1.6378p

Information for corporate shareholders

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

- i) 58.37% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 41.63% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Tatton Blended Cautious Fund
Size of Sub-fund	£80,504,503
Launch date	31 January 2018
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (5 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 45%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with a balance between passive and active strategies with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be the IA OE Mixed Investment 20-60% Shares.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	<p>Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.</p>

SUB-FUND OVERVIEW (Continued)

Individual Savings Account (ISA)

The Sub-fund is a qualifying investment for inclusion in an ISA.

Share class information	A Class (Retail) Accumulation	A Class (Retail) Income*	X Class (Institutional) Accumulation*	X Class (Institutional) Income*
Annual management charge	0.30%	0.30%	0.15%	0.15%
Initial charge***	0%	0%	0%	0%
Minimum initial investment**	£3,000	£3,000	£2,500,000	£2,500,000
Minimum subsequent investment	£1,000	£1,000	£1,000,000	£1,000,000
Minimum holding	£1,000	£1,000	£1,000,000	£1,000,000
Minimum redemption	None	None	None	None
Redemption charge	0%	0%	0%	0%
Minimum regular savings plan	£100 per month	£100 per month	Regular savings plan not available	Regular savings plan not available

* Share class not yet launched

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

***The AFM may waive or discount the initial charge at its own discretion.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of -1.5%. This average return for the IA Mixed Investment 20-60% Shares was -2.6% meaning the fund outperformed by 1.1% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2022 saw a reduction in equities overall and the addition of a new strategic bond manager, Allianz. This holding represents a more defensive bond manager which should improve the overall blend of the strategic bond section of the portfolio. The purchase was funded through reductions in other strategic bond managers. At the same time there was also a small rotation out of UK Government bonds into a Global Government bond fund.

Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

Later in the period during July 2022, holdings in Hermes Unconstrained bond fund were removed entirely, after some poor performance and team changes. September saw a switch between share classes of the Brandywine Global Income Optimiser fund as the manager reorganised their fund line-up operationally, with no impact on strategy.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

Two new positions were established at the February update, adding Vanguard Global Credit and M&G Japan. The active Vanguard Global Credit fund has been added to complement Cheyne in the Investment Grade Bond sector. While the latter focuses more on derivative markets the new fund is primarily concentrated on cash bonds. This fund is similar in credit and duration terms to the benchmark and has a strong track record of outperformance. The M&G fund has been added to client portfolios as a core Japanese equity exposure. It is typically large cap and has a slight value bias to it. This fund is being funded mostly by a redemption from the Schroder Tokyo fund, which is similar stylistically albeit marginally smaller cap. We feel that the M&G fund is a stronger proposition in the sector and more likely to outperform in the future.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

A Class (Retail) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	118.6074	119.7502	103.9173
Return before operating charges	(1.1387)	(0.4635)	16.4815
Operating charges (note 1)	(0.6474)	(0.6793)	(0.6486)
Return after operating charges *	(1.7861)	(1.1428)	15.8329
Closing net asset value per share	116.8213	118.6074	119.7502
Retained distributions on accumulated shares	2.8071	1.4808	1.0007
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	(1.51%)	(0.95%)	15.24%
Other information			
Closing net asset value	£80,572,962	£77,264,434	£62,214,028
Closing number of shares	68,971,115	65,143,035	51,953,167
Operating charges (note 2)	0.55%	0.57%	0.58%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	119.4788	125.9156	120.1144
Lowest share price	110.0864	115.9997	102.2976

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 '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 April 2022: ranked 4). The Sub-fund is ranked '4' because monthly historical performance data indicates that average rises and falls in prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 48.14%)			
2,186,751	Allianz Strategic Bond	2,399,303	2.98
407,584	Artemis US Select	1,145,761	1.42
713,269	AXA Framlington UK Mid Cap	774,611	0.96
1,064,757	BCIF 100 UK Equity Tracker	2,241,283	2.78
765,462	ES Alliance Bernstein Concentrated US Equity	1,139,008	1.41
415,205	Fidelity Index Japan	797,899	0.99
390,465	Fidelity Index Pacific ex Japan	743,679	0.92
573,442	HSBC American Index	5,220,619	6.48
156,235	HSBC European Index	1,968,134	2.44
458,979	Invesco Perpetual UK Enhanced Index	2,968,218	3.69
255,721	iShares Mid Cap UK Equity Index	584,534	0.73
370,760	iShares North American Equity Index	2,173,363	2.70
870,699	iShares UK Equity Tracker	2,400,073	2.98
15,428	Janus Henderson European Selected Opportunities	410,078	0.51
125,313	JPM Europe Dynamic ex-UK	412,782	0.51
8	JPM Japan	25	0.00
279,803	JPM US Equity Income	1,116,135	1.39
1,112,354	Legal & General Emerging Markets Government Bond USD Index	692,107	0.86
1,084,229	Legal & General Emerging Market Government Bond (Local Currency) Index	707,676	0.88
90,558	Liontrust European Growth Fund	306,529	0.38
1,809,004	FTF Brandywine Global Income Optimiser Fund	2,018,849	2.51
421,761	Jupiter Merian North American Equity	1,430,064	1.78
459,856	Jupiter UK Alpha Fund	795,780	0.99
580,731	M&G Japan	804,777	1.00
834,456	Schroder Recovery	1,189,100	1.48
2,364	Vanguard US Equity Index	1,715,999	2.13
		36,156,386	44.90
Offshore Funds (30.04.2022: 50.34%)			
12,794	Barings Emerging Markets Debt Blended Total Return	1,447,865	1.80
824,678	BNY Mellon Efficient Global High Yield Beta	805,958	1.00
7,718	Cheyne Global Credit	801,169	1.00
458,278	Dimensional Global Ultra Short Fixed Income	4,908,161	6.10
53,218	Goldman Sachs Emerging Markets CORE Equity	566,245	0.70
3,268	HC Snyder US All Cap Equity Fund	358,679	0.45
791,082	HSBC Global Aggregate Bond Index	7,168,546	8.90
183,619	HSBC Global Corporate Bond Index	1,854,221	2.30
426,390	HSBC Global Government Bond Index	4,092,278	5.08
245,994	HSBC MSCI China UCITS ETF	1,252,724	1.56
1,550,077	iShares \$ Treasury Bond 20+yr UCITS ETF	5,693,433	7.07
6,203	Lazard Emerging Markets Equity Advantage Fund	613,428	0.76
288,508	Neuberger Berman Uncorrelated Strategies	3,066,840	3.81
7,954	Robeco QI Dynamic High Yield	808,808	1.00
4,820	Vanguard Emerging Markets Stock Index	1,130,345	1.40
31,227	Vanguard Global Bond Index	4,485,992	5.57
8,867	Vanguard Global Credit Bond	814,124	1.01
11,909	Vanguard UK Government Bond Index	1,571,303	1.95
13,916	Vanguard UK Investment Grade Bond Index	1,244,728	1.56
		42,684,847	53.02
Portfolio of investments (30.04.2022: 98.48%)		78,841,233	97.92
Net other assets (30.04.2022: 1.54%)		1,663,270	2.08
		80,504,503	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.02%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	34,443,574
iShares \$ Treasury Bond 20+yr UCITS ETF	7,117,120
Vanguard UK Inflation Linked Gilt Index	2,681,731
HSBC Global Aggregate Bond Index	2,493,559
HSBC MSCI China UCITS ETF	2,437,932
Dimensional Global Ultra Short Fixed Income	2,220,664
HSBC American Index	2,027,592
Vanguard Global Bond Index	1,575,556
Vanguard US Equity Index	1,519,760
iShares North American Equity Index	1,103,581
Allianz Strategic Bond	1,063,024
Various other purchases	10,203,055

	£
Total sales for the year (note 14)	30,865,518
Dimensional Global Ultra Short Fixed Income	3,566,915
HSBC American Index	3,031,640
Vanguard UK Investment Grade Bond Index	2,994,846
Vanguard UK Inflation Linked Gilt Index	2,864,603
Vanguard US Equity Index	2,467,597
iShares \$ Treasury Bond 20+yr UCITS ETF	1,664,646
iShares UK Equity Tracker	1,257,264
Vanguard Global Bond Index	1,203,529
Cheyne Global Credit	1,027,855
HSBC MSCI China UCITS ETF	1,018,946
Various other sales	9,767,677

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital losses	2		(2,221,699)		(2,322,174)
Revenue	3	1,579,393		1,929,452	
Expenses	4	(279,027)		(242,510)	
Interest payable and similar charges	6	<u>(104)</u>		<u>(3,686)</u>	
Net revenue before taxation		1,300,262		1,683,256	
Taxation	5	<u>(129,910)</u>		<u>(72,875)</u>	
Net revenue after taxation			<u>1,170,352</u>		<u>1,610,381</u>
Total return before distributions			(1,051,347)		(711,793)
Finance costs: distributions	6		<u>(1,892,910)</u>		<u>(838,789)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(2,944,257)</u>		<u>(1,550,582)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	77,215,778	62,169,392
Amounts receivable on creation of shares	27,097,383	28,309,746
Amounts payable on cancellation of shares	(22,800,470)	(12,677,440)
Accumulation dividends retained	1,936,069	964,662
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(2,944,257)</u>	<u>(1,550,582)</u>
Closing net assets attributable to shareholders	<u>80,504,503</u>	<u>77,215,778</u>

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			78,841,233		76,035,722
Current assets					
Debtors	7	360,933		316,571	
Cash and bank balances	8	<u>1,936,282</u>		<u>1,713,531</u>	
Total current assets			<u>2,297,215</u>		<u>2,030,102</u>
Total assets			81,138,448		78,065,824
Current liabilities					
Bank overdraft	8	(393,979)		-	
Creditors	9	<u>(239,966)</u>		<u>(850,046)</u>	
Total current liabilities			<u>(633,945)</u>		<u>(850,046)</u>
Net assets attributable to shareholders			<u>80,504,503</u>		<u>77,215,778</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital losses	2023	2022
	£	£
The net capital losses comprise:		
Non-derivative securities (losses)/gains :realised	(46,979)	2,632,695
:unrealised	(2,201,316)	(4,960,293)
Foreign currency losses	(13)	-
Rebates from underlying holdings	28,264	6,690
Transaction charges (custodian)	(1,655)	(1,266)
Total net capital losses	(2,221,699)	(2,322,174)

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	658,311	1,346,238
Interest from non-derivative securities	879,348	583,121
Rebates from underlying holdings	1,788	-
Bank interest	39,946	93
Total revenue	1,579,393	1,929,452

4 Expenses

	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	236,142	207,469
Payable to the depositary, associates of the depositary, and agents of either of them:		
Safe custody fee	6,987	5,260
Depositary fee	18,822	16,433
	25,809	21,693
Other expenses:		
Audit fee	7,223	6,214
FCA fee	47	51
Other expenses	9,806	7,083
	17,076	13,348
Total expenses	279,027	242,510

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
UK corporation tax	134,043	72,875
Prior period tax adjustment	(4,133)	-
Total tax charge for the year (note 5b)	<u>129,910</u>	<u>72,875</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	1,300,262	1,683,256
Corporation tax at 20.00% (2022: 20.00%)	260,052	336,651
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(131,661)	(269,247)
Tax effect of rebates in capital	5,652	1,338
Realised gains from non-reporting fund	(4,133)	4,133
Total tax charge for the year (note 5a)	<u>129,910</u>	<u>72,875</u>

(c) Provision for deferred taxation

At 30 April 2023 there is no potential deferred tax asset or liability (30 April 2022: £nil).

6 Finance costs

	2023	2022
	£	£
Final dividend distribution	1,936,069	964,662
	<u>1,936,069</u>	<u>964,662</u>
Add: Revenue deducted on cancellation of shares	344,309	88,263
Deduct: Revenue received on creation of shares	(387,468)	(214,136)
Net distribution for the year	1,892,910	838,789
Interest payable and similar charges	104	3,686
Total finance costs	<u>1,893,014</u>	<u>842,475</u>
Reconciliation of distributions		
Net revenue after taxation	1,170,352	1,610,381
Equalisation from collectives allocated to revenue	202,194	-
Taxation allocated to capital	(4,133)	4,133
Balance brought forward	955,567	179,842
Balance carried forward	(431,070)	(955,567)
Net distribution for the year	<u>1,892,910</u>	<u>838,789</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023 £	30.04.2022 £
Amounts receivable on creation of shares	345,110	308,047
Accrued revenue:		
Rebates from underlying holdings	14,513	8,378
Prepayments	1,310	146
Total debtors	<u>360,933</u>	<u>316,571</u>
8 Cash and bank balances	30.04.2023 £	30.04.2022 £
Cash and bank balances	1,936,282	1,713,531
Bank overdraft	<u>(393,979)</u>	<u>-</u>
9 Creditors	30.04.2023 £	30.04.2022 £
Amounts payable on cancellation of shares	72,531	127,190
Amounts payable on unsettled trades	-	618,850
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	18,813	18,546
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	1,502	1,500
Safe custody and other custodian charges	5,600	4,065
	<u>7,102</u>	<u>5,565</u>
UK corporation tax	134,043	72,875
Other accrued expenses	7,477	7,020
Total creditors	<u>239,966</u>	<u>850,046</u>

10 Risk management

In pursuing its investment objective as stated on page 115, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £7,884,123 (30 April 2022: £7,603,573).

10 Risk management (Continued)

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	1,663,270	1,180,056	78,841,233	76,035,722	80,504,503	77,215,778
Total	1,663,270	1,180,056	78,841,233	76,035,722	80,504,503	77,215,778

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	1,936,282	1,713,531
Financial assets interest bearing instruments	41,514,523	37,884,388
Financial assets non-interest bearing instruments	37,687,643	38,467,905
Financial liabilities non-interest bearing instruments	(239,966)	(850,046)
Financial liabilities floating rate	(393,979)	-
	80,504,503	77,215,778

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management (Continued)

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	6,946	-	190	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	71,895	-	75,846	-
Total	78,841	-	76,036	-

11 Shares held

A Class (Retail) Accumulation

Opening shares at 01.05.2022	65,143,035
Shares issued during the year	23,740,281
Shares cancelled during the year	(19,912,201)
Shares converted during the year	-
Closing shares as at 30.04.2023	68,971,115

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
A Class (Retail) Accumulation	116.8213p	116.1428p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.01% (30 April 2022: 0.04%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 30 April 2023

A Class (Retail) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	2.8071p	-	2.8071p	1.4808p
Group 2	1.1578p	1.6493p	2.8071p	1.4808p

Information for corporate shareholders

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

- i) 41.68% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 58.32% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Tatton Blended Aggressive Fund
Size of Sub-fund	£28,982,542
Launch date	23 March 2009
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (8 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 90%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with a balance between passive and active strategies with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be the IA OE Flexible Investment.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	<p>Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.</p>
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Share class information	A Class (Retail) Accumulation*	B Class (Retail) Accumulation*	Blended Advanced Class (Retail) Accumulation	Blended Advanced Class (Retail) Income+	Blended Advanced Class (Institutional) Accumulation+	Blended Advanced Class (Institutional) Income+
Annual management charge	1.50%	0.75%	0.30%	0.30%	0.15%	0.15%
Initial charge***	5%	5%	0%	0%	0%	0%
Minimum initial investment**	£3,000	£3,000	£3,000	£3,000	£2,500,000	£2,500,000
Minimum subsequent investment	£1,000	£1,000	£1,000	£1,000	£1,000,000	£1,000,000
Minimum holding	£1,000	£1,000	£1,000	£1,000	£1,000,000	£1,000,000
Minimum redemption	None	None	None	None	None	None
Redemption charge	0%	0%	0%	0%	0%	0%
Minimum regular savings plan	£100 per month	£100 per month	£100 per month	£100 per month	None	None
Minimum regular withdrawal facility	£300 per annum or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis	£300 per annum or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis	Regular withdrawal facility not available	Regular withdrawal facility not available	Regular withdrawal facility not available	Regular withdrawal facility not available

* Share class closed

+ Share class not yet launched

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

***The AFM may waive or discount the initial charge at its own discretion.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of 0.5%. This average return for the IA Flexible Investment was -1.4% meaning the fund outperformed by 1.9% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2022 saw a reduction in equities overall and a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

Later in the period during July 2022, holdings in Hermes Unconstrained bond fund were removed entirely, after some poor performance and team changes. September saw a switch between share classes of the Brandywine Global Income Optimiser fund as the manager reorganised their fund line-up operationally, with no impact on strategy.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

Two new positions were established at the February 2023 update, adding Vanguard Global Credit and M&G Japan. The active Vanguard Global Credit fund has been added to complement Cheyne in the Investment Grade Bond sector. While the latter focuses more on derivative markets the new fund is primarily concentrated on cash bonds. This fund is similar in credit and duration terms to the benchmark and has a strong track record of outperformance. The M&G fund has been added to client portfolios as a core Japanese equity exposure. It is typically large cap and has a slight value bias to it. This fund is being funded mostly by a redemption from the Schroder Tokyo fund, which is similar stylistically albeit marginally smaller cap. We feel that the M&G fund is a stronger proposition in the sector and more likely to outperform in the future.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

Blended Advanced Class (Retail) Accumulation

	Year ended 30 April 2023	Year ended 30 April 2022	Year ended 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	116.9042	111.9472	86.3759
Return before operating charges	1.3313	5.6550	26.2159
Operating charges (note 1)	(0.7150)	(0.6980)	(0.6446)
Return after operating charges *	0.6163	4.9570	25.5713
Closing net asset value per share	117.5205	116.9042	111.9472
Retained distributions on accumulated shares	1.7978	2.1259	1.1560
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	0.53%	4.43%	29.60%
Other information			
Closing net asset value	£28,983,460	£20,896,406	£16,987,387
Closing number of shares	24,662,465	17,874,806	15,174,468
Operating charges (note 2)	0.61%	0.61%	0.65%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	121.6766	122.0798	112.2891
Lowest share price	108.7452	108.5275	83.8833

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 April 2022: ranked 5). The Sub-fund is ranked '5' because monthly historical performance data indicates that relatively high rises and falls in prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 78.11%)			
278,006	Artemis US Select	781,504	2.70
475,986	AXA Framlington UK Mid Cap	516,921	1.78
682,756	BCIF 100 UK Equity Tracker	1,437,182	4.96
667,033	ES Alliance Bernstein Concentrated US Equity	992,544	3.42
363,372	Fidelity Index Japan	698,291	2.41
260,293	Fidelity Index Pacific ex Japan	495,754	1.71
429,858	HSBC American Index	3,913,424	13.50
119,383	HSBC European Index	1,503,906	5.19
273,399	Invesco Perpetual UK Enhanced Index	1,768,072	6.10
198,202	iShares Mid Cap UK Equity Index	453,056	1.56
350,913	iShares North American Equity Index	2,057,019	7.10
565,015	iShares UK Equity Tracker	1,557,459	5.37
10,188	Janus Henderson European Selected Opportunities	270,807	0.93
82,875	JPM Europe Dynamic ex-UK	272,989	0.94
43,840	JPM Japan	131,872	0.46
179,333	JPM US Equity Income	715,360	2.47
241,180	Jupiter Merian North American Equity	817,769	2.82
447,647	Jupiter UK Alpha Fund	774,653	2.67
101,495	Legal & General Emerging Market Government Bond (Local Currency) Index	66,246	0.23
104,077	Legal & General Emerging Markets Government Bond USD Index	64,757	0.22
70,118	Liontrust European Growth Fund	237,343	0.82
289,701	M&G Japan	401,468	1.39
585,987	Schroder Recovery	835,031	2.88
808	Vanguard US Equity Index	586,831	2.02
		21,350,258	73.65
Offshore Funds (30.04.2022: 20.31%)			
1,158	Barings Emerging Markets Debt Blended Total Return	131,019	0.45
137,432	BNY Mellon Efficient Global High Yield Beta	134,312	0.46
111,927	Dimensional Global Ultra Short Fixed Income	1,198,742	4.14
35,551	Goldman Sachs Emerging Markets CORE Equity	378,257	1.31
3,290	HC Snyder US All Cap Equity Fund	361,094	1.25
104,312	HSBC Global Aggregate Bond Index	945,243	3.26
13,429	HSBC Global Corporate Bond Index	135,607	0.47
28,448	HSBC Global Government Bond Index	273,027	0.94
154,347	HSBC MSCI China UCITS ETF	786,012	2.71
147,222	iShares \$ Treasury Bond 20+yr UCITS ETF	540,746	1.87
4,120	Lazard Emerging Markets Equity Advantage Fund	407,454	1.41
47,949	Neuberger Berman Uncorrelated Strategies	509,694	1.76
1,318	Robeco QI Dynamic High Yield	133,974	0.46
3,663	Vanguard Emerging Markets Stock Index	859,124	2.96
1,474	Vanguard Global Credit Bond	135,378	0.48
		6,929,683	23.93
Portfolio of investments (30.04.2022: 98.42%)		28,279,941	97.58
Net other assets (30.04.2022: 1.62%)		702,601	2.42
		28,982,542	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.04%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	15,409,155
HSBC American Index	2,145,478
iShares North American Equity Index	1,304,641
HSBC MSCI China UCITS ETF	1,111,524
Invesco Perpetual UK Enhanced Index	1,008,109
Dimensional Global Ultra Short Fixed Income	782,131
iShares UK Equity Tracker	778,016
ES Alliance Bernstein Concentrated US Equity	631,369
Artemis US Select	592,442
iShares \$ Treasury Bond 20+yr UCITS ETF	523,193
Schroder Recovery	518,629
Various other purchases	6,013,623

	£
Total sales for the year (note 14)	8,062,284
HSBC American Index	1,401,527
Dimensional Global Ultra Short Fixed Income	850,183
iShares North American Equity Index	689,036
Invesco Perpetual UK Enhanced Index	600,522
Fidelity Index Pacific ex Japan	491,884
Schroder Tokyo	468,981
iShares UK Equity Tracker	451,116
Schroder Recovery	376,626
Vanguard US Equity Index	315,623
Artemis US Select	305,120
Various other sales	2,111,666

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital (losses)/gains	2		35,382		484,436
Revenue	3	387,103		335,932	
Expenses	4	(94,640)		(74,927)	
Interest payable and similar charges	6	<u>(5)</u>		<u>(913)</u>	
Net revenue before taxation		292,458		260,092	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>292,458</u>		<u>260,092</u>
Total return before distributions			327,840		744,528
Finance costs: distributions	6		<u>(370,906)</u>		<u>(342,712)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(43,066)</u>		<u>401,816</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	20,887,676	16,982,401
Amounts receivable on creation of shares	13,100,119	8,961,781
Amounts payable on cancellation of shares	(5,405,563)	(5,839,093)
Dilution levies	-	775
Accumulation dividends retained	443,376	379,996
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(43,066)</u>	<u>401,816</u>
Closing net assets attributable to shareholders	<u>28,982,542</u>	<u>20,887,676</u>

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			28,279,941		20,548,963
Current assets					
Debtors	7	175,934		18,051	
Cash and bank balances	8	<u>550,689</u>		<u>419,752</u>	
Total current assets			<u>726,623</u>		<u>437,803</u>
Total assets			29,006,564		20,986,766
Current liabilities					
Creditors	9	<u>(24,022)</u>		<u>(99,090)</u>	
Total current liabilities			<u>(24,022)</u>		<u>(99,090)</u>
Net assets attributable to shareholders			<u>28,982,542</u>		<u>20,887,676</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital (losses)/gains

	2023	2022
	£	£
The net capital (losses)/gains comprise:		
Non-derivative securities gains/(losses) :realised	379,334	2,019,474
:unrealised	(355,264)	(1,536,658)
Rebates from underlying holdings	13,022	2,631
Transaction charges (custodian)	(1,710)	(1,011)
Total net capital (losses)/gains	<u>35,382</u>	<u>484,436</u>

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	360,559	332,687
Interest from non-derivative securities	15,681	3,178
Rebates from underlying holdings	2,472	-
Bank interest	8,391	67
Total revenue	<u>387,103</u>	<u>335,932</u>

4 Expenses

	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>72,041</u>	<u>57,636</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Safe custody fee	2,141	1,419
Depositary fee	<u>5,689</u>	<u>4,131</u>
	<u>7,830</u>	<u>5,550</u>
Other expenses:		
Audit fee	7,223	6,214
FCA fee	47	51
Other expenses	<u>7,499</u>	<u>5,476</u>
	<u>14,769</u>	<u>11,741</u>
Total expenses	<u>94,640</u>	<u>74,927</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	292,458	260,092
Corporation tax at 20.00% (2022: 20.00%)	58,492	52,018
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(72,112)	(66,537)
Tax effect of rebates in capital	2,604	526
Current year expenses not utilised	11,016	13,993
Total tax charge for the year (note 5a)	-	-

(c) Provision for deferred taxation

At 30 April 2023 there is a potential deferred tax asset of £393,483 (30 April 2022: £382,467) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs

	2023	2022
	£	£
Final dividend distribution	443,376	379,996
	443,376	379,996
Add: Revenue deducted on cancellation of shares	48,111	50,823
Deduct: Revenue received on creation of shares	(120,581)	(88,107)
Net distribution for the year	370,906	342,712
Interest payable and similar charges	5	913
Total finance costs	370,911	343,625
Reconciliation of distributions		
Net revenue after taxation	292,458	260,092
Equalisation from collectives allocated to revenue	80,443	-
Balance brought forward	33,929	116,549
Balance carried forward	(35,924)	(33,929)
Net distribution for the year	370,906	342,712

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023	30.04.2022
	£	£
Amounts receivable on creation of shares	167,923	14,781
Accrued revenue:		
Rebates from underlying holdings	6,759	3,201
Prepayments	1,252	69
Total debtors	175,934	18,051

8 Cash and bank balances	30.04.2023	30.04.2022
	£	£
Cash and bank balances	550,689	419,752

9 Creditors	30.04.2023	30.04.2022
	£	£
Amounts payable on cancellation of shares	6,801	84,946
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	6,505	5,038
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	493	410
Safe custody and other custodian charges	2,897	1,782
	3,390	2,192
Other accrued expenses	7,326	6,914
Total creditors	24,022	99,090

10 Risk management

In pursuing its investment objective as stated on page 130, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £2,827,994 (30 April 2022: £2,054,896).

10 Risk management (Continued)

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	702,601	338,713	28,279,941	20,548,963	28,982,542	20,887,676
Total	702,601	338,713	28,279,941	20,548,963	28,982,542	20,887,676

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	550,689	419,752
Financial assets interest bearing instruments	3,759,051	2,296,168
Financial assets non-interest bearing instruments	24,696,824	18,270,846
Financial liabilities non-interest bearing instruments	(24,022)	(99,090)
	28,982,542	20,887,676

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management (Continued)

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	1,327	-	52	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	26,953	-	20,497	-
Total	28,280	-	20,549	-

11 Shares held

Blended Advanced Class (Retail) Accumulation

Opening shares at 01.05.2022	17,874,806
Shares issued during the year	11,494,710
Shares cancelled during the year	(4,707,051)
Shares converted during the year	-
Closing shares as at 30.04.2023	24,662,465

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
Blended Advanced Class (Retail) Accumulation	117.5205p	118.2257p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.01% (30 April 2022: 0.08%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 30 April 2023

Blended Advanced Class (Retail) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.7978p	-	1.7978p	2.1259p
Group 2	0.7123p	1.0855p	1.7978p	2.1259p

Information for corporate shareholders

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

- i) 93.14% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 6.86% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Tatton Oak Capital Growth Fund
Size of Sub-fund	£25,115,201
Launch date	23 March 2009
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (7 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 75%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with a focus on passive strategies with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be the IA OE Mixed Investment 40-85% Shares.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	<p>Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.</p>
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Share class information	A Class (Retail) Accumulation	B Class (Retail) Accumulation
Annual management charge	1.50%	0.75%
Initial charge***	5%	5%
Minimum initial investment**	£3,000	£3,000
Minimum subsequent investment	£1,000	£1,000
Minimum holding	£1,000	£1,000
Minimum redemption	None	None
Redemption charge	0%	0%
Minimum regular savings plan	£100 per month	£100 per month
Minimum regular withdrawal facility	£300 per annum or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis	£300 per annum or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis

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

***The AFM may waive or discount the initial charge at its own discretion.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of 0.1% (B Class (Retail) Accumulation). This average return for the IA Mixed Investment 40-85% Shares was -1.8% meaning the fund outperformed by 1.9% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2022 saw a reduction in equities overall, with weight taken from most region. Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

The moves in February 2023 were predominantly smaller positional adjustments and saw a reduction of the European overweight back towards neutral attempting to lock in the gains seen continental equity markets following the fall back in energy prices. Additionally, there was a marginal increase in the US nominal bond position to further benefit from higher Treasury yields.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

A Class (Retail) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	262.8606	259.0895	213.7088
Return before operating charges	2.7085	8.1033	49.2813
Operating charges (note 1)	(4.4018)	(4.3322)	(3.9006)
Return after operating charges *	(1.6933)	3.7711	45.3807
Closing net asset value per share	261.1673	262.8606	259.0895
Retained distributions on accumulated shares	2.2255	4.2558	0.2031
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	(0.64%)	1.46%	21.23%
Other information			
Closing net asset value	£3,332,288	£3,502,350	£3,691,960
Closing number of shares	1,275,921	1,332,398	1,424,975
Operating charges (note 2)	1.68%	1.66%	1.65%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	268.3177	276.9101	259.9999
Lowest share price	244.1440	249.7252	208.4493

B Class (Retail) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	289.3275	283.0533	231.7345
Return before operating charges	2.9604	8.8785	53.6353
Operating charges (note 1)	(2.6920)	(2.6043)	(2.3165)
Return after operating charges *	0.2684	6.2742	51.3188
Closing net asset value per share	289.5959	289.3275	283.0533
Retained distributions on accumulated shares	4.5819	6.8221	2.1548
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	0.09%	2.22%	(22.15%)
Other information			
Closing net asset value	£21,783,704	£25,494,119	£34,099,183
Closing number of shares	7,522,103	8,811,510	12,046,914
Operating charges (note 2)	0.93%	0.91%	0.90%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	297.0482	303.7593	283.9837
Lowest share price	269.0194	274.5822	226.0550

PERFORMANCE RECORD (Continued)

1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund together with the ongoing charges included within the underlying holdings held within the Sub-fund.

Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 April 2022: ranked 5). The Sub-fund is ranked '5' because weekly historical performance data indicates that relatively high rises and falls in prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 72.32%)			
629,006	BCIF 100 UK Equity Tracker	1,324,040	5.27
400,902	Fidelity Index Japan	770,414	3.07
251,347	Fidelity Index Pacific ex Japan	478,716	1.91
349,750	HSBC American Index	3,184,126	12.68
135,942	HSBC European Index	1,712,506	6.82
244,401	Invesco Perpetual UK Enhanced Index	1,580,542	6.29
331,642	iShares Mid Cap UK Equity Index	758,077	3.02
383,631	iShares North American Equity Index	2,248,812	8.95
735,125	iShares UK Equity Tracker	2,026,365	8.07
194,965	Legal & General Emerging Market Government Bond (Local Currency) Index	121,307	0.48
192,824	Legal & General Emerging Markets Government Bond USD Index	125,856	0.50
3,348	Vanguard US Equity Index	2,430,462	9.68
		16,761,223	66.74
Offshore Funds (30.04.2022: 26.31%)			
264,455	BNY Mellon Efficient Global High Yield Beta	258,452	1.03
225,868	Dimensional Global Ultra Short Fixed Income	2,419,042	9.63
80,948	HSBC Global Aggregate Bond Index	733,529	2.92
25,849	HSBC Global Corporate Bond Index	261,027	1.04
100,987	HSBC MSCI China UCITS ETF	514,276	2.05
27,546	HSBC Global Government Bond Index	264,375	1.05
285,266	iShares \$ Treasury Bond 20+yr UCITS ETF	1,047,782	4.17
5,162	Vanguard Emerging Markets Stock Index	1,210,558	4.82
5,490	Vanguard Global Bond Index	788,755	3.14
2,876	Vanguard UK Investment Grade Bond Index	257,212	1.03
		7,755,008	30.88
	Portfolio of investments (30.04.2022: 98.63%)	24,516,231	97.62
	Net other assets (30.04.2022: 1.42%)	598,970	2.38
		25,115,201	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.05%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	5,859,420
iShares \$ Treasury Bond 20+yr UCITS ETF	1,124,076
Dimensional Global Ultra Short Fixed Income	857,093
HSBC MSCI China UCITS ETF	814,260
Vanguard UK Inflation Linked Gilt Index	508,954
Vanguard US Equity Index	445,899
iShares UK Equity Tracker	434,200
iShares North American Equity Index	379,624
BNY Mellon Efficient Global High Yield Beta	261,354
Legal & General Emerging Market Government Bond (Local Currency) Index	211,920
HSBC Global Aggregate Bond Index	208,252
Various other purchases	613,788

	£
Total sales for the year (note 14)	10,075,045
Dimensional Global Ultra Short Fixed Income	1,963,775
iShares UK Equity Tracker	1,139,963
Vanguard US Equity Index	1,111,684
iShares North American Equity Index	698,963
HSBC European Index	660,168
HSBC American Index	556,734
Vanguard UK Inflation Linked Gilt Index	546,047
Fidelity Index Japan	476,023
Invesco Perpetual UK Enhanced Index	421,922
Legal & General Emerging Market Government Bond (Local Currency) Index	384,156
Various other sales	2,115,610

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital (losses)/gains	2		(399,168)		424,609
Revenue	3	588,807		709,760	
Expenses	4	(245,910)		(297,741)	
Interest payable and similar charges	6	(46)		(1,785)	
Net revenue before taxation		342,851		410,234	
Taxation	5	-		-	
Net revenue after taxation			342,851		410,234
Total return before distributions			(56,317)		834,843
Finance costs: distributions	6		(403,903)		(756,995)
Changes in net assets attributable to shareholders from investment activities			<u>(460,220)</u>		<u>77,848</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	28,980,853	37,774,225
Amounts receivable on creation of shares	1,329,114	1,047,542
Amounts payable on cancellation of shares	(5,107,593)	(10,576,597)
Accumulation dividends retained	373,047	657,835
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(460,220)</u>	<u>77,848</u>
Closing net assets attributable to shareholders	<u>25,115,201</u>	<u>28,980,853</u>

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			24,516,231		28,568,181
Current assets					
Debtors	7	275,786		4,880	
Cash and bank balances	8	<u>388,001</u>		<u>686,811</u>	
Total current assets			<u>663,787</u>		<u>691,691</u>
Total assets			25,180,018		29,259,872
Current liabilities					
Bank overdraft	8	(23,879)		(223,729)	
Creditors	9	<u>(40,938)</u>		<u>(55,290)</u>	
Total current liabilities			<u>(64,817)</u>		<u>(279,019)</u>
Net assets attributable to shareholders			<u>25,115,201</u>		<u>28,980,853</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital (losses)/gains

	2023	2022
	£	£
The net capital (losses)/gains comprise:		
Non-derivative securities gains/(losses) :realised	524,030	2,814,931
:unrealised	(921,846)	(2,388,895)
Foreign currency losses	(6)	-
Rebates from underlying holdings	(595)	(881)
Transaction charges (custodian)	(751)	(546)
Total net capital (losses)/gains	<u>(399,168)</u>	<u>424,609</u>

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	477,372	580,497
Interest from non-derivative securities	101,283	128,675
Rebates from underlying holdings	436	-
Bank interest	9,716	588
Total revenue	<u>588,807</u>	<u>709,760</u>

4 Expenses

	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>222,174</u>	<u>273,623</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Safe custody fee	2,351	2,450
Depositary fee	<u>6,352</u>	<u>7,974</u>
	<u>8,703</u>	<u>10,424</u>
Other expenses:		
Audit fee	7,223	6,214
FCA fee	47	51
Other expenses	<u>7,763</u>	<u>7,429</u>
	<u>15,033</u>	<u>13,694</u>
Total expenses	<u>245,910</u>	<u>297,741</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	342,851	410,234
Corporation tax at 20.00% (2022: 20.00%)	68,570	82,047
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(95,474)	(116,099)
Tax effect of rebates in capital	(119)	(177)
Current year expenses not utilised	27,023	34,229
Total tax charge for the year (note 5a)	-	-

(c) Provision for deferred taxation

At 30 April 2023 there is a potential deferred tax asset of £723,649 (30 April 2022: £696,626) in relation to surplus management expenses.

6 Finance costs

	2023	2022
	£	£
Final dividend distribution	373,047	657,835
	373,047	657,835
Add: Revenue deducted on cancellation of shares	41,204	111,752
Deduct: Revenue received on creation of shares	(10,348)	(12,592)
Net distribution for the year	403,903	756,995
Interest payable and similar charges	46	1,785
Total finance costs	403,949	758,780
Reconciliation of distributions		
Net revenue after taxation	342,851	410,234
Equalisation from collectives allocated to revenue	49,948	-
Balance brought forward	117,761	464,522
Balance carried forward	(106,657)	(117,761)
Net distribution for the year	403,903	756,995

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023	30.04.2022
	£	£
Amounts receivable on creation of shares	72,565	4,024
Amounts receivable from unsettled trades	201,535	-
Accrued revenue:		
Rebates from underlying holdings	434	771
Prepayments	1,252	85
Total debtors	<u>275,786</u>	<u>4,880</u>

8 Cash and bank balances	30.04.2023	30.04.2022
	£	£
Cash and bank balances	388,001	686,811
Bank overdraft	<u>(23,879)</u>	<u>(223,729)</u>

9 Creditors	30.04.2023	30.04.2022
	£	£
Amounts payable on cancellation of shares	14,828	26,210
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	16,339	19,614
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	459	574
Safe custody and other custodian charges	<u>2,106</u>	<u>1,753</u>
	2,565	2,327
Other accrued expenses	7,206	7,139
Total creditors	<u>40,938</u>	<u>55,290</u>

10 Risk management

In pursuing its investment objective as stated on page 145, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £2,451,623 (30 April 2022: £2,856,818).

10 Risk management (Continued)

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	598,970	412,672	24,516,231	28,568,181	25,115,201	28,980,853
Total	598,970	412,672	24,516,231	28,568,181	25,115,201	28,980,853

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	388,001	686,811
Financial assets interest bearing instruments	6,277,337	6,688,645
Financial assets non-interest bearing instruments	18,514,680	21,884,416
Financial liabilities non-interest bearing instruments	(40,938)	(55,290)
Financial liabilities floating rate	(23,879)	(223,729)
	25,115,201	28,980,853

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management (Continued)

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	1,562	-	72	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	22,954	-	28,496	-
Total	24,516	-	28,568	-

11 Shares held

A Class (Retail) Accumulation

Opening shares at 01.05.2022	1,332,398
Shares issued during the year	36,521
Shares cancelled during the year	(92,998)
Shares converted during the year	-
Closing shares as at 30.04.2023	1,275,921

B Class (Retail) Accumulation

Opening shares at 01.05.2022	8,811,510
Shares issued during the year	439,840
Shares cancelled during the year	(1,729,247)
Shares converted during the year	-
Closing shares as at 30.04.2023	7,522,103

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
A Class (Retail) Accumulation	261.1673p	261.2611p
B Class (Retail) Accumulation	289.5959p	290.4348p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.01% (30 April 2022: 0.10%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 30 April 2023

A Class (Retail) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	2.2255p	-	2.2255p	4.2558p
Group 2	0.3789p	1.8466p	2.2255p	4.2558p

B Class (Retail) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	4.5819p	-	4.5819p	6.8221p
Group 2	1.9687p	2.6132p	4.5819p	6.8221p

Information for corporate shareholders

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

- i) 81.07% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 18.93% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Tatton Oak Cautious Growth Fund
Size of Sub-fund	£18,281,628
Launch date	23 March 2009
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (5 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 45%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with a focus on passive strategies with the overall portfolio having an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be the IA OE Mixed Investment 20-60% Shares.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 October
Distribution date	31 August
	<p>Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.</p>

SUB-FUND OVERVIEW (Continued)

Individual Savings Account (ISA)

The Sub-fund is a qualifying investment for inclusion in an ISA.

Share class information	A Class (Retail) Accumulation	B Class (Retail) Accumulation
Annual management charge	1.50%	0.75%
Initial charge***	5%	5%
Minimum initial investment**	£3,000	£3,000
Minimum subsequent investment	£1,000	£1,000
Minimum holding	£1,000	£1,000
Minimum redemption	None	None
Redemption charge	0%	0%
Minimum regular savings plan	£100 per month	£100 per month
Minimum regular withdrawal facility	£300 per annum or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis	£300 per annum or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis

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

***The AFM may waive or discount the initial charge at its own discretion.

INVESTMENT MANAGER'S REVIEW

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of -1.7% (B Class (Retail) Accumulation). This average return for the IA Mixed Investment 20-60% Shares was -2.6% meaning the fund outperformed by 0.9% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2022 saw a reduction in equities overall, with weight taken from most region. Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

The moves in February 2023 were predominantly smaller positional adjustments and saw a reduction of the European overweight back towards neutral attempting to lock in the gains seen continental equity markets following the fall back in energy prices. Additionally, there was a marginal increase in the US nominal bond position to further benefit from higher Treasury yields

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

A Class (Retail) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	205.8950	210.5635	188.0225
Return before operating charges	(1.4524)	(1.1911)	25.8293
Operating charges (note 1)	(3.4585)	(3.4774)	(3.2883)
Return after operating charges *	(4.9109)	(4.6685)	22.5410
Closing net asset value per share	200.9841	205.8950	210.5635
Retained distributions on accumulated shares	2.4680	6.7336	-
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	(2.39%)	(2.22%)	11.99%
Other information			
Closing net asset value	£2,588,280	£2,807,713	£3,408,530
Closing number of shares	1,287,803	1,363,663	1,618,766
Operating charges (note 2)	1.70%	1.67%	1.65%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	206.3654	220.3326	211.1875
Lowest share price	189.9477	202.1929	185.0341

B Class (Retail) Accumulation

	Year to 30 April 2023	Year to 30 April 2022	Year to 30 April 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	224.9648	228.3512	202.3861
Return before operating charges	(1.5981)	(1.3011)	27.9034
Operating charges (note 1)	(2.1195)	(2.0853)	(1.9383)
Return after operating charges *	(3.7176)	(3.3864)	25.9651
Closing net asset value per share	221.2472	224.9648	228.3512
Retained distributions on accumulated shares	4.3404	9.0686	0.4932
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	(1.65%)	(1.48%)	12.83%
Other information			
Closing net asset value	£15,692,603	£20,487,551	£26,544,338
Closing number of shares	7,092,791	9,107,003	11,624,348
Operating charges (note 2)	0.95%	0.92%	0.90%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	225.9884	240.0423	228.9762
Lowest share price	208.2580	220.6882	199.1900

PERFORMANCE RECORD (Continued)

1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund together with the ongoing charges included within the underlying holdings held within the Sub-fund.

Risk Profile

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 April 2022: ranked 4). The Sub-fund is ranked '4 ' because weekly historical performance data indicates that average rises and falls in prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 47.14%)			
234,591	BCIF 100 UK Equity Tracker	493,807	2.70
199,260	Fidelity Index Japan	382,919	2.09
94,131	Fidelity Index Pacific ex Japan	179,282	0.98
146,316	HSBC American Index	1,332,065	7.29
53,652	HSBC European Index	675,872	3.70
73,395	Invesco Perpetual UK Enhanced Index	474,643	2.60
123,509	iShares Mid Cap UK Equity Index	282,321	1.54
159,198	iShares North American Equity Index	933,206	5.10
434,388	iShares UK Equity Tracker	1,197,387	6.55
515,411	Legal & General Emerging Market Government Bond (Local Currency) Index	320,688	1.75
505,800	Legal & General Emerging Markets Government Bond USD Index	330,135	1.81
1,337	Vanguard US Equity Index	970,610	5.31
		7,572,935	41.42
Offshore Funds (30.04.2022: 51.35%)			
394,009	BNY Mellon Efficient Global High Yield Beta	385,065	2.11
174,277	Dimensional Global Ultra Short Fixed Income	1,866,509	10.21
173,176	HSBC Global Aggregate Bond Index	1,569,273	8.58
38,577	HSBC Global Corporate Bond Index	389,562	2.13
94,533	HSBC Global Government Bond Index	907,285	4.96
58,873	HSBC MSCI China UCITS ETF	299,811	1.64
352,100	iShares \$ Treasury Bond 20+yr UCITS ETF	1,293,263	7.07
2,321	Vanguard Emerging Markets Stock Index	544,316	2.98
14,204	Vanguard Global Bond Index	2,040,576	11.16
2,872	Vanguard UK Government Bond Index	378,936	2.07
8,571	Vanguard UK Investment Grade Bond Index	766,673	4.20
		10,441,269	57.11
	Portfolio of investments (30.04.2022: 98.49%)	18,014,204	98.53
	Net other assets (30.04.2022: 1.53%)	267,424	1.47
		18,281,628	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.02%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	4,356,221
iShares \$ Treasury Bond 20+yr UCITS ETF	1,414,691
Vanguard UK Inflation Linked Gilt Index	688,916
HSBC MSCI China UCITS ETF	476,447
Dimensional Global Ultra Short Fixed Income	463,433
Vanguard US Equity Index	251,524
HSBC Global Aggregate Bond Index	250,991
Vanguard UK Investment Grade Bond Index	205,254
Legal & General Emerging Market Government Bond (Local Currency) Index	156,952
HSBC Global Corporate Bond Index	78,576
Vanguard UK Government Bond	74,626
Various other purchases	294,811

	£
Total sales for the year (note 14)	9,000,938
Dimensional Global Ultra Short Fixed Income	1,427,491
Vanguard UK Investment Grade Bond Index	903,478
Vanguard US Equity Index	857,103
Vanguard UK Inflation Linked Gilt Index	735,894
iShares UK Equity Tracker	524,078
Vanguard Global Bond Index	505,834
HSBC American Index	482,474
Legal & General Emerging Market Government Bond (Local Currency) Index	439,627
HSBC European Index	377,463
Invesco Perpetual UK Enhanced Index	328,007
Various other sales	2,419,489

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital losses	2		(776,803)		(677,501)
Revenue	3	508,095		640,561	
Expenses	4	(193,454)		(244,389)	
Interest payable and similar charges	6	<u>(95)</u>		<u>(1,488)</u>	
Net revenue before taxation		314,546		394,684	
Taxation	5	<u>(20,288)</u>		<u>(21,796)</u>	
Net revenue after taxation			<u>294,258</u>		<u>372,888</u>
Total return before distributions			(482,545)		(304,613)
Finance costs: distributions	6		<u>(391,825)</u>		<u>(1,037,176)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(874,370)</u>		<u>(1,341,789)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	23,309,039	29,971,172
Amounts receivable on creation of shares	466,583	844,646
Amounts payable on cancellation of shares	(4,959,260)	(7,082,692)
Accumulation dividends retained	339,636	917,702
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(874,370)</u>	<u>(1,341,789)</u>
Closing net assets attributable to shareholders	<u>18,281,628</u>	<u>23,309,039</u>

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			18,014,204		22,953,280
Current assets					
Debtors	7	4,882		1,814	
Cash and bank balances	8	<u>389,408</u>		<u>985,762</u>	
Total current assets			<u>394,290</u>		<u>987,576</u>
Total assets			18,408,494		23,940,856
Current liabilities					
Bank overdraft	8	-		(576,410)	
Creditors	9	<u>(126,866)</u>		<u>(55,407)</u>	
Total current liabilities			<u>(126,866)</u>		<u>(631,817)</u>
Net assets attributable to shareholders			<u>18,281,628</u>		<u>23,309,039</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital losses

	2023	2022
	£	£
The net capital losses comprise:		
Non-derivative securities gains/(losses) :realised	29,756	1,701,052
:unrealised	(805,374)	(2,377,091)
Foreign currency gains	13	-
Rebates from underlying holdings	(339)	(901)
Transaction charges (custodian)	(859)	(561)
Total net capital losses	<u>(776,803)</u>	<u>(677,501)</u>

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	212,767	284,803
Interest from non-derivative securities	285,726	355,116
Rebates from underlying holdings	154	-
Corporation tax interest received	153	-
Bank interest	9,295	642
Total revenue	<u>508,095</u>	<u>640,561</u>

4 Expenses

	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>172,687</u>	<u>223,408</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Safe custody fee	1,793	1,950
Depositary fee	4,930	6,453
	<u>6,723</u>	<u>8,403</u>
Other expenses:		
Audit fee	7,223	6,214
FCA fee	47	51
Other expenses	6,774	6,313
	<u>14,044</u>	<u>12,578</u>
Total expenses	<u>193,454</u>	<u>244,389</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
UK corporation tax	20,288	21,796
Total tax charge for the year (note 5b)	<u>20,288</u>	<u>21,796</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	314,546	394,684
Corporation tax at 20.00% (2022: 20.00%)	62,909	78,937
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(42,553)	(56,961)
Tax effect of rebates in capital	(68)	(180)
Total tax charge for the year (note 5a)	<u>20,288</u>	<u>21,796</u>

(c) Provision for deferred taxation

At 30 April 2023 there is no potential deferred tax asset or liability (30 April 2022: £nil).

6 Finance costs

	2023	2022
	£	£
Final dividend distribution	339,636	917,702
	<u>339,636</u>	<u>917,702</u>
Add: Revenue deducted on cancellation of shares	55,631	140,863
Deduct: Revenue received on creation of shares	(3,442)	(21,389)
Net distribution for the year	391,825	1,037,176
Interest payable and similar charges	95	1,488
Total finance costs	<u>391,920</u>	<u>1,038,664</u>
Reconciliation of distributions		
Net revenue after taxation	294,258	372,888
Equalisation from collectives allocated to revenue	43,382	-
Balance brought forward	223,764	888,052
Balance carried forward	(169,579)	(223,764)
Net distribution for the year	<u>391,825</u>	<u>1,037,176</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023	30.04.2022
	£	£
Amounts receivable on creation of shares	3,290	1,134
Accrued revenue:		
Rebates from underlying holdings	340	595
Prepayments	1,252	85
Total debtors	<u>4,882</u>	<u>1,814</u>
8 Cash and bank balances	30.04.2023	30.04.2022
	£	£
Cash and bank balances	389,408	985,762
Bank overdraft	<u>-</u>	<u>(576,410)</u>
9 Creditors	30.04.2023	30.04.2022
	£	£
Amounts payable on cancellation of shares	85,127	8,756
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	12,154	15,796
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	341	463
Safe custody and other custodian charges	1,827	1,529
	<u>2,168</u>	<u>1,992</u>
UK corporation tax	20,288	21,796
Other accrued expenses	7,129	7,067
Total creditors	<u>126,866</u>	<u>55,407</u>

10 Risk management

In pursuing its investment objective as stated on page 161, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £1,801,420 (30 April 2022: £2,295,328).

10 Risk management (Continued)

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	267,424	355,759	18,014,204	22,953,280	18,281,628	23,309,039
Total	267,424	355,759	18,014,204	22,953,280	18,281,628	23,309,039

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	389,408	985,762
Financial assets interest bearing instruments	10,247,964	12,399,262
Financial assets non-interest bearing instruments	7,771,122	10,555,832
Financial liabilities non-interest bearing instruments	(126,866)	(55,407)
Financial liabilities floating rate	-	(576,410)
	18,281,628	23,309,039

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

10 Risk management (Continued)

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	1,593	-	58	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	16,421	-	22,895	-
Total	18,014	-	22,953	-

11 Shares held

A Class (Retail) Accumulation

Opening shares at 01.05.2022	1,363,663
Shares issued during the year	22,967
Shares cancelled during the year	(98,827)
Shares converted during the year	-
Closing shares as at 30.04.2023	1,287,803

B Class (Retail) Accumulation

Opening shares at 01.05.2022	9,107,003
Shares issued during the year	192,243
Shares cancelled during the year	(2,206,455)
Shares converted during the year	-
Closing shares as at 30.04.2023	7,092,791

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
A Class (Retail) Accumulation	200.9841p	199.2801p
B Class (Retail) Accumulation	221.2472p	219.9286p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.01% (30 April 2022: 0.04%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 30 April 2023

A Class (Retail) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	2.4680p	-	2.4680p	6.7336p
Group 2	1.1676p	1.3004p	2.4680p	6.7336p

B Class (Retail) Accumulation	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	4.3404p	-	4.3404p	9.0686p
Group 2	2.6794p	1.6610p	4.3404p	9.0686p

Information for corporate shareholders

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

- i) 41.88% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 58.12% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Tatton Blended Defensive Fund
Size of Sub-fund	£6,496,678
Launch date	30 January 2012
Investment objective and policy	<p>The objective of the Sub-fund is to maximise potential total return (i.e. capital and income growth).</p> <p>One measure of risk is the proportion invested in the riskiest assets, such as equities. For this Sub-fund, over the long term (5 years), it is expected that the proportion of the Sub-fund exposed to equities will be approximately 25%.</p> <p>In the shorter term, this weighting may be adjusted tactically as economic and market conditions dictate while not deviating by more than $\pm 12.5\%$.</p> <p>The Investment Manager will manage the portfolio in order to achieve its investment objective by investing in collective investment schemes such as unit trusts, OEICs and closed ended schemes. The Sub-fund may also invest in individual stocks, bonds, and derivatives if considered appropriate to meet the investment objective.</p> <p>The Sub-fund will seek exposure to a diverse portfolio of assets, with a balance between passive and active strategies with the overall portfolio having a focus to bonds and an equity allocation in line with that in the investment objective. Other underlying assets in the portfolio (to which there will be indirect exposure) may include bonds, commodities, property, private equity, derivatives and other instruments. Some of these investments will be denominated in foreign currencies which may or may not be hedged back to Pounds Sterling.</p> <p>The Sub-fund may also invest, at the AFM's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective.</p>
Derivatives	The Sub-fund may use derivatives for investment purposes or for Efficient Portfolio Management as appropriate.
Benchmark	<p>No explicit benchmark is stated for the Sub-fund. However multi-asset portfolios or peer group averages with a similar weight in equity may be useful in assessing the performance of the Sub-fund. An example for this Sub-fund may be the IA OE Mixed Investment 0-35% Shares.</p> <p>The Sub-fund provides comparative performance against a relevant Investment Association sector benchmark in order for investors to compare performance to other funds with relatively similar asset allocations. The Sub-fund uses the Investment Association Mixed Asset Sector as a suitable comparative measure based on similar allocations to risk assets such as equities. The benchmark is an indicator of similar funds performance relative to each other and is not intended to provide an indication of future returns or investor expectations.</p>
Final accounting date	30 April
Interim accounting date	31 July, 31 October and 31 January
Distribution date	30 June, 30 September, 31 December and 31 March
	Income will normally be accumulated/distributed within two months of the accounting date but the AFM reserves the right to accumulate/pay at a later date but not later than four months after the accounting date as permitted by the Regulations.
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Share class information	A Class (Retail) Accumulation*	A Class (Retail) Income*	B Class (Retail) Accumulation*	B Class (Retail) Income*
Annual management charge	1.50%	1.50%	0.75%	0.75%
Initial charge	5%	5%	5%	5%
Minimum initial investment	£3,000	£3,000	£3,000	£3,000
Minimum subsequent investment	£1,000	£1,000	£1,000	£1,000
Minimum holding	£1,000	£1,000	£1,000	£1,000
Minimum redemption	None	None	None	None
Redemption charge	0%	0%	0%	0%
Minimum regular savings plan	£100 per month	£100 per month	£100 per month	£100 per month
Minimum regular withdrawal facility	£300 per annum or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis	Regular withdrawal facility not available	£300 per annum or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis	Regular withdrawal facility not available

*Share class now closed

Share class information	Blended Defensive Class (Retail) Accumulation^	Blended Defensive Class (Retail) Income^	Blended Defensive Class (Institutional) Accumulation+	Blended Defensive Class (Institutional) Income+
Annual management charge	0.30%	0.30%	0.15%	0.15%
Initial charge***	0%	0%	0%	0%
Minimum initial investment**	£3,000	£3,000	£2,500,000	£2,500,000
Minimum subsequent investment	£1,000	£1,000	£1,000,000	£1,000,000
Minimum holding	£1,000	£1,000	£1,000,000	£1,000,000
Minimum redemption	None	None	None	None
Redemption charge	0%	0%	0%	0%
Minimum regular savings plan	£100 per month	£100 per month	No	No
Minimum regular withdrawal facility	No	No	No	No

+ Share class not yet launched

^ Share class launched on 6 January 2020

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

***The AFM may waive or discount the initial charge at its own discretion.

Investment review

Over the twelve months to 30th April 2023 the fund generated a return of -2.6% (Blended Defensive Class (Retail) Accumulation). This average return for the IA Mixed Investment 0-35% Shares was -3.7% meaning the fund outperformed by 1.1% over the period.

Overview

The fund positioning was adjusted four times over the 12 months to 30th April 2023, the most recent rebalance held on 15th February 2023, was guided by our thoughts at the time, described below:

2022's key driver of economies and markets was a sharp tightening of financial conditions, at least in the developed world. In response to run-away inflation, Central banks, of which the Federal Reserve (Fed) of the US was foremost, raised policy rates aggressively. Bond yields rose and equity markets took a hit. Towards the turn of the year, with inflation pressures probably having passed their peak, the Fed dialled back on its hawkishness and markets managed to claw back some of their losses. Sentiment indicators for the world's biggest economy looked weak, whilst real economic data and especially the labour market were holding up reasonably well. On the other side of the Atlantic, Europe had to face a substantial geopolitical challenge. Russia invaded Ukraine. The Western world reacted with sanctions, Russia with less gas supply.

Gas prices tripled, putting Europe's economy under significant strains. Yet again, towards the winter, the situation relaxed as the transition to liquid gas (LNG) supply came through quicker than expected. The European Central Bank (ECB) reacted with tighter monetary policy, which also supported the euro against the US Dollar. Meanwhile, the UK experienced peak pessimism in the autumn when the Truss government's mini budget led to a sharp sell-off in UK assets. Since, the Sunak government has opted for fiscal austerity, and financial market stability.

China follows its own economic cycle – indeed its policy choices were the domestic economy's dominant factor for 2022. China's regulatory crackdown and insistence on preventing the spread of Covid created sharp slowdowns, one in the Spring and one in the Autumn. The latter trough was enough to force policy reversal, with general fiscal and monetary liquidity support, relaxation of housing market restrictions, and most importantly, an end to the zero Covid policy. The rest of emerging markets were resilient as commodity prices held up relatively well.

Outlook

Much focus will be on underlying inflation and labour markets, as headline inflation eases on benign commodities and goods prices. Wage developments tend to feed into core inflation. Initially observed in the US, but now also visible in Europe, labour markets are staying relatively tight as economic growth cools. Labour markets tend to react with a delay to economic conditions. However, a puzzling fact remains that less people enter the labour market, and aging populations experience a shrinking pool of workers in any case.

In this sense, Central Banks will have to be confident enough that wage dynamics are under control before easing policy. Lagged effects of past tightening will be another key determinant. The recent rally in markets eased financial conditions, whilst interest rates are still noticeably above the level a year ago. Household and corporates balance sheets are on average relatively healthy (as leverage sits with states). However, the longer yields stay high, the more corporates and households will feel the squeeze as they refinance. A tug of war between falling inflation and yields, and refinancing pressures is in the making. Currently, the market envisages a soft landing, with lower yields just in time saving the economy. Tatton's view is more cautious. Taming inflation has often come at the expense of economic growth. China will lend some support to the global economy, especially to export sensitive regions. Asia is the first in line, followed by Europe; higher commodity prices would have a global impact though, felt, yet again, in inflation. This is less of a problem for regions that have managed to get out of Covid without a rapid rise in prices, most notably China itself and Asia. However, it could disturb expectations of rapid fall in inflation.

INVESTMENT MANAGER'S REVIEW (Continued)

Fund positioning and changes

April 2022 saw a reduction in equities overall and the addition of a new strategic bond manager, Allianz. This holding represents a more defensive bond manager which should improve the overall blend of the strategic bond section of the portfolio. The purchase was funded through reductions in other strategic bond managers. At the same time there was also a small rotation out of UK Government bonds into a Global Government bond fund.

Within equities a small position was initiated in Chinese equity via a passive ETF, this was funded by small reductions in other regions.

Later in the period during July 2022, holdings in Hermes Unconstrained bond fund were removed entirely, after some poor performance and team changes. September saw a switch between share classes of the Brandywine Global Income Optimiser fund as the manager reorganised their fund line-up operationally, with no impact on strategy.

During October 2022, towards the end of the period the manager elected to redeploy some shorter dated and investment grade bonds into longer dated, inflation Linked UK bonds and nominal US Bonds (hedged to GBP), to gain exposure to bonds generating higher yields than had been seen in recent history.

Two new positions were established at the February 2023 update, adding Vanguard Global Credit and M&G Japan. The active Vanguard Global Credit fund has been added to complement Cheyne in the Investment Grade Bond sector. While the latter focuses more on derivative markets the new fund is primarily concentrated on cash bonds. This fund is similar in credit and duration terms to the benchmark and has a strong track record of outperformance. The M&G fund has been added to client portfolios as a core Japanese equity exposure. It is typically large cap and has a slight value bias to it. This fund is being funded mostly by a redemption from the Schroder Tokyo fund, which is similar stylistically albeit marginally smaller cap. We feel that the M&G fund is a stronger proposition in the sector and more likely to outperform in the future.

Tatton Investment Management Limited
Investment Manager to the Fund
11 July 2023

PERFORMANCE RECORD

Financial Highlights

Blended Defensive Class (Retail) Income	Year ended 30 April	Year ended 30 April	Year ended 30 April
	2023	2022	2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	96.3821	101.3051	94.3706
Return before operating charges	(1.8420)	(2.9477)	9.1103
Operating charges (note 1)	(0.6603)	(0.6820)	(0.8414)
Return after operating charges *	(2.5023)	(3.6297)	8.2689
Distributions on income shares	(1.5998)	(1.2933)	(1.3344)
Closing net asset value per share	92.2800	96.3821	101.3051
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	(2.60%)	(3.58%)	8.76%
Other information			
Closing net asset value	£1,414,900	£1,695,719	£1,801,593
Closing number of shares	1,533,269	1,759,372	1,778,383
Operating charges (note 2)	0.70%	0.69%	0.86%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	96.3821	103.9918	102.0627
Lowest share price	88.8152	96.0871	93.5907

Blended Defensive Class (Retail) Accumulation

Blended Defensive Class (Retail) Accumulation	Year ended 30 April	Year ended 30 April	Year ended 30 April
	2023	2022	2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	100.0918	103.8721	95.4599
Return before operating charges	(1.8846)	(3.0766)	9.2693
Operating charges (note 1)	(0.6916)	(0.7037)	(0.8571)
Return after operating charges *	(2.5762)	(3.7803)	8.4122
Closing net asset value per share	97.5156	100.0918	103.8721
Retained distributions on accumulated shares	1.6717	1.3320	1.3566
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	(2.57%)	(3.64%)	8.81%
Other information			
Closing net asset value	£5,079,028	£4,483,071	£3,876,538
Closing number of shares	5,208,427	4,478,961	3,732,031
Operating charges (note 2)	0.70%	0.69%	0.86%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	100.0918	107.3532	104.1706
Lowest share price	92.4850	99.4622	94.6709

PERFORMANCE RECORD (Continued)

1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund together with the ongoing charges included within the underlying holdings held within the Sub-fund.

Risk Profile

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 April 2022: ranked 4). The Sub-fund is ranked '4' because monthly historical performance data indicates that average rises and falls in prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 30 April 2023

Holding	Investment	Market Value	% of net assets
UK Funds (30.04.2022: 32.34%)			
225,572	Allianz Strategic Bond	247,498	3.81
28,361	Artemis US Select	79,725	1.23
28,702	AXA Framlington UK Mid Cap	31,171	0.48
71,376	BCIF 100 UK Equity Tracker	150,245	2.31
40,777	ES Alliance Bernstein Concentrated US Equity	60,676	0.93
16,829	Fidelity Index Japan	32,341	0.50
31,286	Fidelity Index Pacific ex Japan	59,587	0.92
22,596	HSBC American Index	205,715	3.17
5,931	HSBC European Index	74,718	1.15
23,010	Invesco Perpetual UK Enhanced Index	148,803	2.29
13,722	iShares Mid Cap UK Equity Index	31,367	0.48
22,673	iShares North American Equity Index	132,908	2.05
35,374	iShares UK Equity Tracker	97,508	1.50
619	Janus Henderson European Selected Opportunities	16,442	0.25
5,061	JPM Europe Dynamic ex-UK	16,672	0.26
7,445	JPM US Equity Income	29,699	0.46
135,258	Legal & General Emerging Markets Government Bond USD Index	84,158	1.30
131,767	Legal & General Emerging Market Government Bond (Local Currency) Index	86,004	1.32
203,455	FTF Brandywine Global Income Optimiser Fund	227,056	3.49
2,347	Liontrust European Growth Fund	7,944	0.12
8,768	Jupiter Merian North American Equity	29,731	0.46
18,372	Jupiter UK Alpha Fund	31,794	0.49
23,316	M&G Japan	32,312	0.50
22,402	Schroder Recovery	31,923	0.49
33	Vanguard US Equity Index	23,671	0.36
		1,969,668	30.32
Offshore Funds (30.04.2022: 66.31%)			
1,551	Barings Emerging Markets Debt Blended Total Return	175,544	2.70
98,893	BNY Mellon Efficient Global High Yield Beta	96,648	1.49
929	Cheyne Global Credit	96,475	1.48
37,871	Dimensional Global Ultra Short Fixed Income	405,602	6.24
2,842	Goldman Sachs Emerging Markets CORE Equity	30,235	0.47
265	HC Snyder US All Cap Equity Fund	29,056	0.45
2,758	HSBC MSCI China UCITS ETF	14,045	0.22
106,733	HSBC Global Aggregate Bond Index	967,187	14.89
48,232	HSBC Global Government Bond Index	462,902	7.13
13,580	HSBC Global Corporate Bond Index	137,134	2.11
136,197	iShares \$ Treasury Bond 20+yr UCITS ETF	500,252	7.70
329	Lazard Emerging Markets Equity Advantage Fund	32,541	0.50
23,106	Neuberger Berman Uncorrelated Strategies	245,612	3.78
956	Robeco QI Dynamic High Yield	97,237	1.50
379	Vanguard Emerging Markets Stock Index	88,805	1.37
3,479	Vanguard Global Bond Index	499,839	7.69
1,068	Vanguard Global Credit Bond	98,060	1.51
1,915	Vanguard UK Government Bond Index	252,679	3.88
2,126	Vanguard UK Investment Grade Bond Index	190,142	2.92
		4,419,995	68.03
Portfolio of investments (30.04.2022: 98.65%)		6,389,663	98.35
Net other assets (30.04.2022: 1.36%)		107,015	1.65
		6,496,678	100.00

Note: The 30 April 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 30 April 2022 was (0.01%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	4,314,780
iShares \$ Treasury Bond 20+yr UCITS ETF	613,967
HSBC Global Aggregate Bond Index	542,333
Vanguard UK Inflation Linked Gilt Index	237,921
HSBC Global Government Bond Index	234,119
Dimensional Global Ultra Short Fixed Income	230,843
Vanguard Global Bond Index	200,351
HSBC American Index	191,140
Allianz Strategic Bond	190,260
Vanguard UK Investment Grade Bond Index	182,409
Invesco Perpetual UK Enhanced Index	157,317
Various other purchases	1,534,120

	£
Total sales for the year (note 14)	3,899,888
Vanguard UK Investment Grade Bond Index	352,874
Dimensional Global Ultra Short Fixed Income	335,577
HSBC Global Aggregate Bond Index	285,416
Vanguard UK Inflation Linked Gilt Index	254,145
HSBC American Index	219,000
Barings Emerging Markets Debt Blended Total Return	208,830
HSBC Global Government Bond Index	195,230
Invesco Perpetual UK Enhanced Index	178,022
Cheyne Global Credit	169,992
Vanguard Global Bond Index	161,147
Various other sales	1,539,655

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

STATEMENT OF TOTAL RETURN

For the year ended 30 April

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital losses	2		(249,679)		(296,358)
Revenue	3	137,339		100,868	
Expenses	4	(32,860)		(30,187)	
Interest payable and similar charges	6	<u>(11)</u>		<u>(393)</u>	
Net revenue before taxation		104,468		70,288	
Taxation	5	<u>208</u>		<u>(3,122)</u>	
Net revenue after taxation			<u>104,676</u>		<u>67,166</u>
Total return before distributions			(145,003)		(229,192)
Finance costs: distributions	6		<u>(108,598)</u>		<u>(79,298)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(253,601)</u>		<u>(308,490)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 April

	2023	2022
	£	£
Opening net assets attributable to shareholders	6,177,201	5,673,377
Amounts receivable on creation of shares	2,819,730	2,626,193
Amounts payable on cancellation of shares	(2,330,559)	(1,870,309)
Dilution levies	833	546
Accumulation dividends retained	83,074	55,884
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(253,601)</u>	<u>(308,490)</u>
Closing net assets attributable to shareholders	<u>6,496,678</u>	<u>6,177,201</u>

BALANCE SHEET

As at	Notes	30.04.2023		30.04.2022	
		£	£	£	£
Assets					
Investment assets			6,389,663		6,093,969
Current assets					
Debtors	7	2,777		849	
Cash and bank balances	8	<u>139,460</u>		<u>104,305</u>	
Total current assets			<u>142,237</u>		<u>105,154</u>
Total assets			6,531,900		6,199,123
Current liabilities					
Creditors	9	(28,195)		(16,409)	
Distribution payable on income shares		<u>(7,027)</u>		<u>(5,513)</u>	
Total current liabilities			<u>(35,222)</u>		<u>(21,922)</u>
Net assets attributable to shareholders			<u>6,496,678</u>		<u>6,177,201</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1 Accounting policies

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

2 Net capital losses

	2023	2022
	£	£
The net capital losses comprise:		
Non-derivative securities (losses)/gains		
:realised	(227,461)	152,508
:unrealised	(22,082)	(447,726)
Rebates from underlying holdings	1,646	613
Transaction charges (custodian)	(1,782)	(1,753)
Total net capital losses	<u>(249,679)</u>	<u>(296,358)</u>

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	26,797	36,289
Interest from non-derivative securities	107,075	64,529
Rebates from underlying holdings	234	-
Bank interest	3,233	50
Total revenue	<u>137,339</u>	<u>100,868</u>

4 Expenses

	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	18,812	18,634
Payable to the depositary, associates of the depositary, and agents of either of them:		
Safe custody fee	559	478
Depositary fee	1,495	1,484
	<u>2,054</u>	<u>1,962</u>
Other expenses:		
Audit fee	7,223	6,214
FCA fee	47	51
Other expenses	4,724	3,326
	<u>11,994</u>	<u>9,591</u>
Total expenses	<u>32,860</u>	<u>30,187</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
UK corporation tax	-	3,122
Prior period tax adjustment	(208)	-
Total tax charge for the year (note 5b)	<u>(208)</u>	<u>3,122</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	104,468	70,288
Corporation tax at 20.00% (2022: 20.00%)	<u>20,894</u>	<u>14,058</u>
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(5,359)	(7,258)
Tax effect of rebates in capital	329	122
Realised gains from non-reporting fund	(208)	208
Interest distribution	(21,768)	(4,008)
Excess management expenses	5,904	-
Total tax charge for the year (note 5a)	<u>(208)</u>	<u>3,122</u>

(c) Provision for deferred taxation

At 30 April 2023 there is a potential deferred tax asset of £5,904 (30 April 2022: £nil) in relation to surplus management expenses.

6 Finance costs

	2023	2022
	£	£
Interim interest distributions (2022: dividend)	76,715	58,850
Final interest distribution	<u>32,127</u>	<u>20,041</u>
	108,842	78,891
Add: Revenue deducted on cancellation of shares	5,260	3,920
Deduct: Revenue received on creation of shares	<u>(5,504)</u>	<u>(3,513)</u>
Net distribution for the year	108,598	79,298
Interest payable and similar charges	11	393
Total finance costs	<u>108,609</u>	<u>79,691</u>
Reconciliation of distributions		
Net revenue after taxation	104,676	67,166
Equalisation from collectives allocated to revenue	23,488	-
Expenses charged to capital	32,860	30,187
Taxation allocated to capital	(208)	208
Relief on expenses allocated to capital	(338)	(6,037)
Balance brought forward	14,860	2,634
Balance carried forward	<u>(66,740)</u>	<u>(14,860)</u>
Net distribution for the year	<u>108,598</u>	<u>79,298</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.04.2023	30.04.2022
	£	£
Amounts receivable on creation of shares	564	118
Accrued revenue:		
Rebates from underlying holdings	1,007	646
Prepayments	1,206	85
Total debtors	<u>2,777</u>	<u>849</u>

8 Cash and bank balances	30.04.2023	30.04.2022
	£	£
Cash and bank balances	<u>139,460</u>	<u>104,305</u>

9 Creditors	30.04.2023	30.04.2022
	£	£
Amounts payable on cancellation of shares	17,462	3,520
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	1,527	1,504
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	124	121
Safe custody and other custodian charges	2,067	1,498
	<u>2,191</u>	<u>1,619</u>
Other accrued expenses	7,015	6,645
UK corporation tax	-	3,121
Total creditors	<u>28,195</u>	<u>16,409</u>

10 Risk management

In pursuing its investment objective as stated on page 177, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 April 2023 would have increased/decreased by £638,966 (30 April 2022: £609,397).

10 Risk management (Continued)

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AIFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	30.04.2023	30.04.2022	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Sterling	107,015	83,232	6,389,663	6,093,969	6,496,678	6,177,201
Total	107,015	83,232	6,389,663	6,093,969	6,496,678	6,177,201

Interest rate risk

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

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

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

	30.04.2023	30.04.2022
	£	£
Financial assets floating rate	139,460	104,305
Financial assets interest bearing instruments	4,624,418	4,299,335
Financial assets non-interest bearing instruments	1,768,022	1,795,483
Financial liabilities non-interest bearing instruments	(35,222)	(21,922)
	6,496,678	6,177,201

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 April 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management (Continued)

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	30.04.2023		30.04.2022	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	514	-	16	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	5,875	-	6,078	-
Total	6,389	-	6,094	-

11 Shares held

Blended Defensive Class (Retail) Income

Opening shares at 01.05.2022	1,759,372
Shares issued during the year	52,409
Shares cancelled during the year	(278,512)
Shares converted during the year	-
Closing shares as at 30.04.2023	1,533,269

Blended Defensive Class (Retail) Accumulation

Opening shares at 01.05.2022	4,478,961
Units issued during the year	2,859,057
Units cancelled during the year	(2,129,591)
Units converted during the year	-
Closing shares as at 30.04.2023	5,208,427

12 Contingent assets and liabilities

At 30 April 2023, the Sub-fund had no contingent liabilities or commitments (30 April 2022: £nil).

13 Post balance sheet events

As indicated in the accounting policies on page 7, the investments have been valued at the closing valuation point on 30 April 2023. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 30 April 2023	Price at 29 August 2023
Blended Defensive Class (Retail) Income	92.2800p	90.6221p
Blended Defensive Class (Retail) Accumulation	97.5156p	96.2640p

14 Direct transactions costs

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

15 Portfolio dealing spread

The average portfolio dealing spread at 30 April 2023 is 0.00% (30 April 2022: 0.02%).

16 Related party transactions

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

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

DISTRIBUTION TABLES

First interim distribution in pence per share

Group 1: Shares purchased prior to 01 May 2022

Group 2 : Shares purchased on or after 01 May 2022 and on or before 31 July 2022

Blended Defensive Class (Retail) Income	Net Revenue 30.09.2022	Equalisation	Distribution 30.09.2022	Distribution 30.09.2021
Group 1	0.2596p	-	0.2596p	0.4626p
Group 2	0.1942p	0.0654p	0.2596p	0.4626p

Blended Defensive Class (Retail) Accumulation	Net Revenue 30.09.2022	Equalisation	Distribution 30.09.2022	Distribution 30.09.2021
Group 1	0.2696p	-	0.2696p	0.4743p
Group 2	0.1538p	0.1158p	0.2696p	0.4743p

Second interim distribution in pence per share

Group 1: Shares purchased prior to 01 August 2022

Group 2 : Shares purchased on or after 01 August 2022 and on or before 31 October 2022

Blended Defensive Class (Retail) Income	Net Revenue 30.12.2022	Equalisation	Distribution 30.12.2022	Distribution 31.12.2021
Group 1	0.6321p	-	0.6321p	0.3219p
Group 2	0.2410p	0.3911p	0.6321p	0.3219p

Blended Defensive Class (Retail) Accumulation	Net Revenue 30.12.2022	Equalisation	Distribution 30.12.2022	Distribution 31.12.2021
Group 1	0.6582p	-	0.6582p	0.3315p
Group 2	0.2287p	0.4295p	0.6582p	0.3315p

Third interim distribution in pence per share

Group 1: Shares purchased prior to 01 November 2022

Group 2 : Shares purchased on or after 01 November 2022 and on or before 31 January 2023

Blended Defensive Class (Retail) Income	Net Revenue 31.03.2023	Equalisation	Distribution 31.03.2023	Distribution 31.03.2022
Group 1	0.2498p	-	0.2498p	0.1954p
Group 2	0.1544p	0.0954p	0.2498p	0.1954p

Blended Defensive Class (Retail) Accumulation	Net Revenue 31.03.2023	Equalisation	Distribution 31.03.2023	Distribution 31.03.2022
Group 1	0.2620p	-	0.2620p	0.2018p
Group 2	0.0437p	0.2183p	0.2620p	0.2018p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 February 2023

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

Blended Defensive Class (Retail) Income	Net Revenue 30.06.2023	Equalisation	Distribution 30.06.2023	Distribution 30.06.2022
Group 1	0.4583p	-	0.4583p	0.3134p
Group 2	0.2164p	0.2419p	0.4583p	0.3134p

Blended Defensive Class (Retail) Accumulation	Net Revenue 30.06.2023	Equalisation	Distribution 30.06.2023	Distribution 30.06.2022
Group 1	0.4819p	-	0.4819p	0.3244p
Group 2	0.3377p	0.1442p	0.4819p	0.3244p

Information for corporate shareholders

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

- 19.51% of the total dividend allocation together with the tax credit is received as franked investment income.
- 80.49% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

INFORMATION FOR INVESTORS

Individual shareholders

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

Capital gains tax:

Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. The first £6,000 (2023/2024) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Corporate shareholders

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

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

Issue and redemption of shares

Valu-Trac Investment Management Limited is the AFM and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours (8:30am-5:30pm). Instructions may be given by email (tatton@valu-trac.com) or by sending an application form to the Registrar. Application forms are available from the Registrar.

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

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

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel. Settlement is due four business days after the trade date shown on the contract note and should be made to the AFM's dealing account.

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

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

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

Assessment of Value

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

INFORMATION FOR INVESTORS (Continued)

Remuneration disclosure

The AFM is subject to a remuneration policy which meets the requirements of the ESMA published Guidelines on sound remuneration policies under the AIFMD as set out in SYSC 19B of the FCA Handbook.

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

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

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

30.09.2022	Number of Beneficiaries	Fixed Remuneration	Variable Remuneration Paid	Total Remuneration Paid
Total remuneration paid by the AFM during the year	95	£2,760,167	£ nil	£2,760,167
Remuneration paid to employees of the AFM who have a material impact on the risk profile of the UK UCITS	8	£492,146	£ nil	£492,146
Senior Management	18	£1,042,368	£ nil	£1,042,368
Control Functions	13	£652,722	£ nil	£652,722
Employees receiving total remuneration that takes them into the same remuneration brackets as senior management and risk takers	3	£149,085	£ nil	£149,085.00

Further information is available in the AFM's Remuneration Policy document which can be obtained from <https://www.valu-trac.com/Pillar%203%202021-09.pdf>. A paper copy of the remuneration policy is available on request from the registered office of the Authorised Fund Manager free of charge.

CORPORATE DIRECTORY

Authorised Fund Manager & Registrar and Alternative Investment Fund Manager	<p>Valu-Trac Investment Management Limited Mains of Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: tatton@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
Investment Manager	<p>Tatton Investment Management Limited Paradigm House Brooke Court Wilmslow Cheshire SK9 3ND</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Depositary	<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>
Auditor	<p>Johnston Carmichael LLP Commerce House South Street Elgin IV30 1JE</p>