

VT ESPRIT FS ICVC

(Sub-funds VT Esprit Tactical Alpha Plus Fund, VT Esprit Careful Growth Fund, VT Esprit Tactical Growth Fund, VT Esprit Tactical Balanced Fund and VT Esprit Sustainable Growth Fund)

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

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COMPANY OVERVIEW

Type of Company:

VT Esprit FS ICVC ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC001105 and authorised by the Financial Conduct Authority with effect from 19 January 2018. 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 UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). Each Sub-fund would be a UCITS scheme if it had a separate authorisation order. The base currency of the Company and each Sub-fund is pounds sterling.

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

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

- > comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.
- > select suitable accounting policies and then apply them consistently.
- > make judgements and estimates that are reasonable and prudent.
- > 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 manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus. The Authorised Fund Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

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

Jonathan M. Child CA

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Fund Manager

Date:

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT ESPRIT FS ICVC

For the year ended 31 January 2024

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
01 February 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT ESPRIT FS ICVC (SUB-FUNDS VT ESPRIT TACTICAL ALPHA PLUS FUND, VT ESPRIT CAREFUL GROWTH FUND, VT ESPRIT TACTICAL GROWTH FUND, VT ESPRIT TACTICAL BALANCED FUND AND VT ESPRIT SUSTAINABLE GROWTH FUND)

Opinion

We have audited the financial statements of VT Esprit FS ICVC ('the Company') for the year ended 31 January 2024, which comprise the Statements of Total Return, Statements of Changes in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > Give a true and fair view of the financial position of the Company as at 31 January 2024 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended;
- > Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

Our responsibilities and the responsibilities of the Authorised Fund Manager's 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT ESPRIT FS ICVC (SUB-FUNDS VT ESPRIT TACTICAL ALPHA PLUS FUND, VT ESPRIT CAREFUL GROWTH FUND, VT ESPRIT TACTICAL GROWTH FUND, VT ESPRIT TACTICAL BALANCED FUND AND VT ESPRIT SUSTAINABLE GROWTH FUND) (Continued)

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 are 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

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

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

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

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance 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; and
- > the presentation and disclosures related to the Company's environmental, social and governance (ESG) objectives.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT ESPRIT FS ICVC (SUB-FUNDS VT ESPRIT TACTICAL ALPHA PLUS FUND, VT ESPRIT CAREFUL GROWTH FUND, VT ESPRIT TACTICAL GROWTH FUND, VT ESPRIT TACTICAL BALANCED FUND AND VT ESPRIT SUSTAINABLE GROWTH FUND) (Continued)

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

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

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

- > Reviewing the level of and reasoning behind the Company's procurement of legal and professional services;
- > Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Fund Manager in its calculation of accounting estimates for potential management bias;
- > Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook, and its Prospectus;
- > Evaluating the nature of disclosures related to ESG by reference to the Company's Prospectus and relevant Regulator publications setting out expectations for operators of ESG funds;
- > 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 would 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 COLL Rules issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin, United Kingdom

ACCOUNTING POLICIES

For the year ended 31 January 2024

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

- (a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.
- (b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The AFM believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.
- (c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accrual's basis. All expenses are then reallocated to capital, net of any tax effect for distribution purposes.
- (d) Distributions on collective investment schemes and exchange traded funds are recognised when the security is quoted ex-dividend. Interest on deposits are accounted for on an accrual's basis. Rebate income from the investment manager in VT Esprit Sustainable Growth Fund is reflected in revenue and then reallocated to capital for distribution purposes. Rebates from underlying holdings are recognised on an accruals basis and are allocated to revenue or capital being decided by the allocation of the expense in the underlying funds. Excess Reportable Income is recognised once reported by the relevant funds. Equalisation on distributions from collectives is treated as capital. All equalisation on distributions from collectives is then reallocated to revenue for distribution purposes.
- (e) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 12 noon on 31 January 2024 with reference to quoted bid prices from reliable external sources. Unlisted collective investment schemes are valued at the closing bid price for dual priced funds and the closing single price for single priced funds.
- (f) All transactions in foreign currencies are converted into Sterling at the rate of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 31 January 2024.
- (g) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (h) Tax is provided using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.
- (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-funds, is intended to cover dealing spread on assets bought and sold and certain charges such as applicable dealing taxes and brokers commission not included in the mid-market value of the Sub-funds used for Net Asset Value (NAV) calculations, which could have a diluting effect on the performance of the Sub-funds.
- (j) The Sub-funds currently issue Accumulation & Income shares. The Sub-funds go ex dividend semi-annually and pay any income available to the shareholder two months in arrears, as a dividend distribution. Any revenue deficit at the year end is funded from capital.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-funds (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 Esprit Tactical Alpha Plus Fund
Size of Sub-fund	£72,865,529
Launch date	31 January 2018
Investment objective and policy	<p>The investment objective of the VT Esprit Tactical Alpha Plus Fund is to achieve a level of investment return (capital growth and reinvestable income) in excess of the benchmark (UK RTMA Risk 6-Adventurous), net of fees over the longer term (5 years+).</p> <p>The Sub-fund will be actively managed to achieve its stated investment objective by investing in a globally diversified portfolio. The portfolio will consist primarily (70% or above) of a range of OEICs, unit trusts, other collective investment vehicles (providing exposure to asset classes including equities, fixed income, money market instruments, cash, property and commodities (through exchange traded vehicles)) and where appropriate may invest directly in equities, fixed income stocks, money market instruments and cash.</p> <p>The investment manager, where not inconsistent with the return objective of the Sub-fund, will aim to maintain the Sub-fund within its defined risk band, as defined by and in line with the benchmark (UK RTMA Risk 6 - Adventurous) over a 5 year rolling basis. Where external market conditions dictate the investment manager will use their discretion to judge how and when to bring the Sub-fund back within its defined benchmark.</p> <p>There will be no particular emphasis on any industrial, geographic or economic sector.</p> <p>Derivatives and forward transactions may be held for efficient portfolio management purposes.</p>
Derivatives:	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.</p>
Benchmark:	<p>UK RTMA Risk 6 – Adventurous. The performance of the Sub-fund can be compared against that of the benchmark. This benchmark has been selected as it is considered that this index most closely reflects the investments which the Sub-fund will make (and its risk/return objectives). For the avoidance of doubt, the Investment Manager is not bound or influenced by the index when making its decisions and can make investments that are not included in the index.</p>
CIS:	<p>For the avoidance of doubt, subject to restrictions, the Sub-fund may invest in other collective investment schemes which are managed and/or advised by the AFM or Investment Manager.</p>
Ex-distribution dates	31 January and 31 July
Distribution dates	31 March and 30 September
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Share classes	Accumulation C Accumulation

SUB-FUND OVERVIEW (Continued)

Minimum investment*

Lump sum subscription: Accumulation = £1,000
C Accumulation = £5,000,000

Top up: All share classes = £500

Holding: Accumulation = £1,000
C Accumulation = £5,000,000

Initial, redemption and switching charges* Nil

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

Annual management charges

The Annual management charges are: Accumulation = 0.75%
C Accumulation = 0.50%

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

INVESTMENT MANAGER'S REVIEW

Uncertainty prevailed in markets during the first half of 2023, both in terms of how far interest rates would continue to rise to combat inflation, but also whether such aggressive monetary policy tightening would cause a global recession. If so, how severe would such a recession be, particularly in the US, with ongoing speculation as to whether their economy would have a so-called soft or hard landing.

Markets have again taken their cue from the actions of the Federal Reserve, with interest rates continuing to rise, although the final quarter of 2023 saw a big shift in market sentiment as investors began to price in rate cuts in 2024. If we have seen peak rates in this cycle, then the last Fed hike was in July 2023 when they raised interest rates to 5.5%. The Bank of England last raised rates in August when they took the base rate to 5.25%.

Headline inflation has fallen sharply in most major developed markets, with US CPI increasing 3.1% in January 2024, down from 6.4% in January 2023. In the UK, CPI has fallen from 10.1% to 4% over the same period, although core inflation (excluding energy, food, alcohol and tobacco) remains elevated at 5.1% in January 2024. Central banks have cautioned that sticky core inflation is one reason why they may not cut interest rates in 2024 as aggressively as market pricing suggests.

Resilient economic growth and uncertainty around the timing of rate cuts has kept bond market volatility at elevated levels. This presents difficulties for low-risk investors, and investors who seek to hedge their equity market exposure by owning government bonds and high-quality corporate bonds. Despite this, US equity markets enjoyed a strong finish to 2023, led by the technology sector in the midst of an AI frenzy.

Indeed, US equities have outperformed the rest of the world as the world's largest economy steered clear of recession, benefitting from generous fiscal policy and robust consumer spending. Both the UK and the Eurozone suffered shallow recessions in the second half of 2023 as tighter monetary policy and the energy price shock weighed on economic activity.

During the period we sold the holding in MontLake Crabel Gemini. This sat in our alternatives bucket and the strategy exhibits low correlation with bonds and equities, but with cash once again an attractive asset class, we allocated the proceeds to money markets. The fund's gold ETC was also sold given an increasingly attractive opportunity set across global fixed income markets.

At a regional equity level, we increased exposure to US equities at the expense of Europe, Asia Pacific, and Emerging Markets. The WisdomTree US Quality Dividend Growth ETF invests in high quality, high profitability, dividend paying US companies. Historically, high quality companies have outperformed in periods of low growth, and in periods following interest rate rises.

At the end of 2023 and beginning of 2024 we increased credit exposure within fixed income by switching out of the iShares UK Gilts 0-5yr ETF into the Legal & General Short Dated Sterling Corporate Bond Index Fund. We also added to the existing position in the Amundi Index Global Aggregate ETF as we sought to lock in attractive yields.

With a global recession proving elusive, we also increased the funds overall equity exposure by adding to the existing holdings in the iShares UK Equity Index Fund, Legal & General UK Mid Cap Index Fund, and the iShares Emerging Markets Index Fund.

VT Esprit Tactical Alpha Plus Acc returned 5.54% in the twelve months to 31 January 2024, slightly underperforming its benchmark which returned 5.90%.

Skerritt Consultants Limited
Investment Managers to the Fund
27 February 2024

*All data sourced from FE Analytics/FT.Com

**All performance data is Total Return

PERFORMANCE RECORD

Financial Highlights

Accumulation	Year ended 31 January 2024	Year ended 31 January 2023	Year ended 31 January 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	112.5837	114.9655	112.9557
Return before operating charges	7.4236	(1.2441)	3.6052
Operating charges (note 1)	(1.1917)	(1.1377)	(1.5954)
Return after operating charges *	6.2319	(2.3818)	2.0098
Closing net asset value per share	118.8156	112.5837	114.9655
Retained distributions on accumulated shares	3.1365	1.5391	0.8200
*after direct transactions costs of:	-	-	0.0008
Performance			
Return after charges	5.54%	(2.07%)	1.78%
Other information			
Closing net asset value	£65,738,276	£76,243,397	£75,677,047
Closing number of shares	55,327,996	67,721,540	65,825,871
Operating charges (note 2)	1.03%	1.00%	1.40%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	118.8156	118.8141	128.1503
Lowest share price	108.6127	103.5153	111.1254

C Accumulation	Period from 01 September 2023 to 31 January 2024^
Changes in net assets per share	GBP
Opening net asset value per share	100.0000
Return before operating charges	5.9545
Operating charges (note 1)	(0.3340)
Return after operating charges *	5.6205
Closing net asset value per share	105.6205
Retained distributions on accumulated shares	0.9062
*after direct transactions costs of:	-
Performance	
Return after charges	5.62%
Other information	
Closing net asset value	£7,167,062
Closing number of shares	6,785,672
Operating charges (note 2)	0.78%
Direct transaction costs	0.00%
Prices	
Highest share price	105.6205
Lowest share price	96.4806

^ Share class launched on 01 September 2023

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 Open Ended Investment Companies held within the Sub-fund's holdings.

Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 January 2023: ranked '5'). The Sub-fund is ranked 5 because monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically. (For the avoidance of doubt, the risk indicator is calculated on a different basis to the benchmark.)

PORTFOLIO STATEMENT

As at 31 January 2024

Holding		Value £	% of net assets
Collective Investment Schemes (31.01.2023: 80.25%)			
2,824,206	AXA Global Strategic Bond	2,914,581	4.00%
1,409,710	BCIF Corporate Bond Tracker	2,157,504	2.96%
2,689,903	Fidelity Index Japan	5,855,649	8.04%
1,786,122	Fidelity Index US	7,327,031	10.06%
699,168	HSBC Pacific Index	3,645,742	5.00%
2,810,517	iShares Emerging Markets Equity Tracker	4,997,245	6.86%
1,836,667	iShares UK Equity Tracker	5,107,813	7.01%
2,817,309	Legal & General Global Infrastructure Index	2,149,889	2.95%
3,644,607	Legal & General Short Dated GBP Corporate Bond Index	2,170,728	2.98%
5,970,441	Legal & General UK Mid Cap Index	3,662,268	5.03%
216,657	Legal & General US Index	2,274,896	3.12%
2,922,418	WS Lightman European	4,333,069	5.95%
2,560,345	WS Montanaro Global Select	2,945,165	4.04%
1,901,637	Montanaro UK Income	3,653,045	5.01%
1,160,707	Sanlam Global Artificial Intelligence Fund	3,701,496	5.08%
19,715	UBS (Irl) Select Money Market	2,153,328	2.96%
34,780	Vanguard FTSE 100 Index Unit Trust	5,111,739	7.02%
		64,161,188	88.07%
Exchange Traded Funds (31.01.2023: 10.03%)			
50,000	Amundi Global Aggregate Bond UCITS ETF	2,172,500	2.98%
202,300	WisdomTree US Quality Dividend Growth UCITS ETF	5,832,309	8.00%
		8,004,809	10.98%
Exchange Traded Commodities (31.01.2023: 3.99%)			
		-	-
Portfolio of investments (31.01.2023: 94.27%)		72,165,997	99.05%
Net other assets (31.01.2023: 5.73%)		699,532	0.95%
		72,865,529	100.00%

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	30,297,717
UBS (Irl) Select Money Market	3,935,000
HSBC Pacific Index	2,625,000
Legal & General Global Infrastructure	2,365,000
MontLake Crabel Gemini UCITS	2,320,000
iShares UK Gilts 0-5yr UCITS ETF	2,247,999
Legal & General Short Dated GBP Corporate Bond Index	2,170,000
Fidelity Index Japan	1,835,000
Legal & General UK Mid Cap Index	1,785,000
iShares Emerging Markets Equity Tracker	1,760,000
Fidelity Index US	1,525,000
Other various purchases	7,729,718

	£
Total sales for the year (note 14)	34,100,563
UBS (Irl) Select Money Market	5,785,000
The Royal Mint Physical Gold ETC Securities	3,189,195
MontLake Crabel Gemini UCITS	2,998,661
iShares UK Gilts 0-5yr UCITS ETF	2,311,860
HSBC European Index	2,276,055
Legal & General US Index	2,040,000
HSBC Pacific Index	1,892,000
Vanguard FTSE 100 Index Unit Trust	1,623,000
Fidelity Index US	1,504,000
iShares UK Equity Tracker	1,468,000
Other various sales	9,012,792

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

STATEMENT OF TOTAL RETURN

For the year ended 31 January

		2024		2023	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		2,941,829		(2,184,009)
Revenue	3	1,516,069		1,190,592	
Expenses	4	(602,156)		(609,153)	
Interest payable and similar charges	6	(9,212)		(342)	
Net revenue before taxation		<u>904,701</u>		<u>581,097</u>	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>904,701</u>		<u>581,097</u>
Total return before distributions			3,846,530		(1,602,912)
Finance costs: distributions	6		<u>(2,050,171)</u>		<u>(1,046,890)</u>
Changes in net assets attributable to shareholders from investment activities			<u>1,796,359</u>		<u>(2,649,802)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January

	2024	2023
	£	£
Opening net assets attributable to shareholders	76,233,858	75,666,944
Amounts receivable on creation of shares	7,711,464	8,367,959
Amounts payable on cancellation of shares	(14,824,939)	(6,203,940)
Dividends reinvested	1,948,787	1,052,697
Changes in net assets attributable to shareholders from investment activities (see above)	<u>1,796,359</u>	<u>(2,649,802)</u>
Closing net assets attributable to shareholders	<u>72,865,529</u>	<u>76,233,858</u>

BALANCE SHEET

As at	Notes	31.01.2024		31.01.2023	
		£	£	£	£
Assets					
Investment assets			72,165,997		71,864,511
Current assets					
Debtors	7	565,228		31,167,568	
Cash and bank balances	8	<u>2,301,245</u>		<u>2,095,453</u>	
Total current assets			<u>2,866,473</u>		<u>33,263,021</u>
Total assets			75,032,470		105,127,532
Current liabilities					
Creditors	9	(654,924)		(28,740,814)	
Bank overdraft	8	<u>(1,512,017)</u>		<u>(152,860)</u>	
Total current liabilities			<u>(2,166,941)</u>		<u>(28,893,674)</u>
Net assets attributable to shareholders			<u>72,865,529</u>		<u>76,233,858</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

2 Net capital gains/(losses)	2024	2023
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	2,942,377	(2,184,362)
Currency (losses)/gains	(60)	1,210
Transaction charges (custodian)	(488)	(857)
Total net capital gains/(losses)	<u>2,941,829</u>	<u>(2,184,009)</u>

3 Revenue	2024	2023
	£	£
Non-taxable dividends	1,209,855	1,002,130
Interest from non-derivative securities	243,223	143,174
Rebates from underlying holdings	2,068	16,559
Bank interest	60,923	28,729
Total revenue	<u>1,516,069</u>	<u>1,190,592</u>

4 Expenses	2024	2023
	£	£

**Payable to the Authorised Fund Manager,
associates of the Authorised Fund Manager,
and agents of either of them:**

Annual management charge	<u>549,578</u>	<u>563,752</u>
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**Payable to the depositary, associates of the
depositary, and agents of either of them:**

Depositary fee	26,455	27,070
Safe custody fee	9,058	6,632
	<u>35,513</u>	<u>33,702</u>

Other expenses:

Audit fee	8,920	7,510
FCA fee	26	48
Other expenses	8,119	4,141
	<u>17,065</u>	<u>11,699</u>

Total expenses	<u>602,156</u>	<u>609,153</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2024 £	2023 £
Analysis of charge in the year		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
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% (2023: 20.00%). The differences are explained below:		
Net revenue before taxation	904,701	581,097
Corporation tax at 20.00% (2023: 20.00%)	180,940	116,219
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(241,971)	(200,425)
Current year expenses not utilised	61,031	84,206
Total tax charge for the year (note 5a)	-	-

Provision for deferred taxation

At 31 January 2024 there is a potential deferred tax asset of £254,993 (31 January 2023: £193,962) in relation to surplus management expenses.

6 Finance costs	2024 £	2023 £
Interim dividend distribution	940,512	359,903
Final dividend distribution	1,008,275	692,794
	1,948,787	1,052,697
Add: Revenue deducted on cancellation of shares	148,483	20,642
Deduct: Revenue received on issue of shares	(47,099)	(26,449)
Net distribution for the year	2,050,171	1,046,890
Interest payable and similar charges	9,212	342
Total finance costs	2,059,383	1,047,232
Reconciliation of distributions		
Net revenue after taxation	904,701	581,097
Equalisation from collectives allocated to revenue	425,266	114,887
Expenses paid from capital	602,156	609,153
Relief on expenses allocated to capital	(59,400)	(37,624)
Balance brought forward	123,280	(97,343)
Balance carried forward	54,168	(123,280)
Net distribution for the year	2,050,171	1,046,890

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.01.2024	31.01.2023
	£	£
Amounts receivable on creation of shares	374,530	767,333
Amounts receivable on unsettled trades	190,000	30,362,014
Accrued revenue:		
Non-taxable dividends receivable	-	33,126
Rebates from underlying holdings	630	3,127
Prepayments	68	1,968
Total debtors	<u>565,228</u>	<u>31,167,568</u>

8 Cash and bank balances	31.01.2024	31.01.2023
	£	£
Cash and bank balances	<u>2,301,245</u>	<u>2,095,453</u>
Bank overdraft	<u>(1,512,017)</u>	<u>(152,860)</u>

9 Creditors	31.01.2024	31.01.2023
	£	£
Amounts payable on cancellation of shares	190,293	281,968
Amounts payable on unsettled trades	396,473	28,391,166
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	47,406	49,220
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	2,378	2,301
Safe custody and other custodian charges	8,265	8,654
	<u>10,643</u>	<u>10,955</u>
Other accrued expenses	10,109	7,505
Total creditors	<u>654,924</u>	<u>28,740,814</u>

10 Risk management policies

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 31 January 2024 would have increased/decreased by £7,216,600 (31 January 2023: £7,186,451).

10 Risk management policies (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 partly invested in collective investment schemes that are registered overseas and funds that invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM 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	
	£	£	£	£	£	£
	31.01.2024	31.01.2023	31.01.2024	31.01.2023	31.01.2024	31.01.2023
Sterling	697,492	4,369,088	72,165,997	71,864,511	72,863,489	76,233,599
Euro	2,040	259	-	-	2,040	259
Total	699,532	4,369,347	72,165,997	71,864,511	72,865,529	76,233,858

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 take 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 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:

	31.01.2024	31.01.2023
	£	£
Financial assets floating rate	2,301,245	2,095,453
Financial assets interest bearing instruments	11,568,641	12,244,785
Financial assets non-interest bearing instruments	61,162,584	90,787,294
Financial liabilities non-interest bearing instruments	(654,924)	(28,740,814)
Financial liabilities floating rate	(1,512,017)	(152,860)
	72,865,529	76,233,858

At 31 January 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £1,973 (31 January 2023: £4,856).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 January 2024 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

Certain transactions in securities and bond funds 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. 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.

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 policies (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 value levels in these financial statements are as follows:

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.01.2024		31.01.2023	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	8,005	-	10,688	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	64,161	-	61,177	-
Total	72,166	-	71,865	-

11 Shares held

Accumulation

Opening shares at 01.02.2023	67,721,540
Shares issued during the year	4,151,203
Shares cancelled during the year	(13,197,766)
Shares converted during the year	(3,346,981)
Closing shares as at 31.01.2024	55,327,996

C Accumulation

Opening shares at 01.09.2023	-
Shares issued during the period	3,058,915
Shares cancelled during the period	(39,944)
Shares converted during the period	3,766,701
Closing shares as at 31.01.2024	6,785,672

12 Contingent assets and liabilities

At 31 January 2024, the Sub-fund had no contingent liabilities or commitments (31 January 2023: £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 31 January 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 31 January 2024	Price at 28 May 2024
Accumulation	118.8156p	126.1260p
C Accumulation	105.6205p	112.1894p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2024		2023	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before: transaction costs	30,297,717		86,978,647	
Commissions	-	0.00%	85	0.00%
Total purchase costs	-	0.00%	85	0.00%
Total purchases including transaction costs	<u>30,297,717</u>		<u>86,978,732</u>	
	2024		2023	
	£	%	£	%
Analysis of total sale costs				
Sales in the year before transaction costs	34,100,563		87,672,510	
Commissions	-	(0.00%)	(87)	(0.00%)
Total sale costs	-	(0.00%)	(87)	(0.00%)
Total sales net of transaction costs	<u>34,100,563</u>		<u>87,672,423</u>	

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

	2024	% of average net asset value	2023	% of average net asset value
	£		£	
Commissions	-	0.00%	172	0.00%
	-	0.00%	172	0.00%

15 Portfolio dealing spread

The average portfolio dealing spread at 31 January 2024 is 0.11% (31 January 2023: 0.03%).

16 Related Party transactions

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

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

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 February 2023

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

	Net Revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Accumulation				
Group 1	1.4253p	-	1.4253p	0.5161p
Group 2	0.7629p	0.6624p	1.4253p	0.5161p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 August 2023

Group 2: Shares purchased on or after 01 August 2023 and on or before 31 January 2024

	Net Revenue 28.03.2024	Equalisation	Distribution 28.03.2024	Distribution 31.03.2023
Accumulation				
Group 1	1.7112p	-	1.7112p	1.0230p
Group 2	0.7138p	0.9974p	1.7112p	1.0230p

	Net Revenue 28.03.2024[^]	Equalisation	Distribution 28.03.2024[^]
C Accumulation			
Group 1	0.9062p	-	0.9062p
Group 2	0.4334p	0.4728p	0.9062p

[^]Distribution period 01 September 2023 to 31 January 2024

Information for corporate shareholders

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

- i) 79.80% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 20.20% 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 Esprit Careful Growth Fund
Size of Sub-fund	£96,759,307
Launch date	31 January 2018
Investment objective and policy	<p>The investment objective of the VT Esprit Careful Growth Fund is to achieve a level of investment return (capital growth and reinvestable income) in excess of the benchmark (UK RTMA Risk 2 - Cautious) net of fees, over the longer term (5 years+).</p> <p>The Sub-fund will be actively managed to achieve its objective by investing in a globally diversified portfolio. The portfolio will consist primarily (70% or above) of a range of OEICs, unit trusts, other collective investment vehicles (providing exposure to asset classes including equities, fixed income, money market instruments, cash, property and commodities (through exchange traded vehicles)), but where appropriate may invest directly in equities, fixed income stocks, money market instruments and cash.</p> <p>The investment manager, where not inconsistent with the return objective of the Sub-fund, aims to maintain the Sub-fund within its defined risk band as defined by and in line with the benchmark (UK RTMA Risk 2 - Cautious) over a 5 year rolling basis. Where external market conditions dictate the investment manager will use their discretion to judge how and when to bring the Sub-fund back within its defined benchmark.</p> <p>There will be no particular emphasis on any industrial, geographic or economic sector.</p> <p>Derivatives and forward transactions may be held for efficient portfolio management purposes.</p>
Derivatives:	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.</p>
Benchmark:	<p>UK RTMA Risk 2 – Cautious. The performance of the Sub-fund can be compared against that of the benchmark. This benchmark has been selected as it is considered that this index most closely reflects the investments which the Sub-fund will make (and its risk/return objectives). For the avoidance of doubt, the investment manager is not bound or influenced by the index when making its decisions and can make investments that are not included in the index.</p>
CIS:	<p>For the avoidance of doubt, subject to restrictions, the Sub-fund may invest in other collective investment schemes which are managed and/or advised by the AFM or Investment Manager.</p>
Share classes	Accumulation C Accumulation

SUB-FUND OVERVIEW (Continued)

Ex-distribution dates	31 January and 31 July
Distribution dates	31 March and 30 September
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Minimum investment*	
Lump sum subscription:	Accumulation = £1,000 C Accumulation = £5,000,000
Top up:	All share classes = £500
Holding:	Accumulation = £1,000 C Accumulation = £5,000,000

Initial, redemption and switching charges* Nil

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

Annual management charges

The Annual management charges are:	Accumulation = 0.75% C Accumulation = 0.50%
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The above percentage being percentage of the net asset value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

INVESTMENT MANAGER'S REVIEW

Uncertainty prevailed in markets during the first half of 2023, both in terms of how far interest rates would continue to rise to combat inflation, but also whether such aggressive monetary policy tightening would cause a global recession. If so, how severe would such a recession be, particularly in the US, with ongoing speculation as to whether their economy would have a so-called soft or hard landing.

Markets have again taken their cue from the actions of the Federal Reserve, with interest rates continuing to rise, although the final quarter of 2023 saw a big shift in market sentiment as investors began to price in rate cuts in 2024. If we have seen peak rates in this cycle, then the last Fed hike was in July 2023 when they raised interest rates to 5.5%. The Bank of England last raised rates in August when they took the base rate to 5.25%.

Headline inflation has fallen sharply in most major developed markets, with US CPI increasing 3.1% in January 2024, down from 6.4% in January 2023. In the UK, CPI has fallen from 10.1% to 4% over the same period, although core inflation (excluding energy, food, alcohol and tobacco) remains elevated at 5.1% in January 2024. Central banks have cautioned that sticky core inflation is one reason why they may not cut interest rates in 2024 as aggressively as market pricing suggests.

Resilient economic growth and uncertainty around the timing of rate cuts has kept bond market volatility at elevated levels. This presents difficulties for low-risk investors, and investors who seek to hedge their equity market exposure by owning government bonds and high-quality corporate bonds. Despite this, US equity markets enjoyed a strong finish to 2023, led by the technology sector in the midst of an AI frenzy.

Indeed, US equities have outperformed the rest of the world as the world's largest economy steered clear of recession, benefitting from generous fiscal policy and robust consumer spending. Both the UK and the Eurozone suffered shallow recessions in the second half of 2023 as tighter monetary policy and the energy price shock weighed on economic activity.

Over the period we reduced and then fully exited the holding in MontLake Crabel Gemini. This sat in our alternatives bucket and the strategy exhibits low correlation with bonds and equities, but with cash once again an attractive asset class we allocated the proceeds to a money market fund. The fund's position in a gold ETC was also sold given an increasingly attractive opportunity set across global fixed income markets.

At a regional equity level, we increased exposure to US equities at the expense of Europe, Asia Pacific, and Emerging Markets. The WisdomTree US Quality Dividend Growth ETF invests in high quality, high profitability, dividend paying US companies. Historically, high quality companies have outperformed in periods of low growth, and in periods following interest rate rises.

At the end of 2023 and beginning of 2024 we increased fixed income exposure by purchasing a 5% position in the L&G Short Dated Sterling Corporate Bond Index Fund, a 3% position in the Amundi US Treasury Bond 3-7yr ETF, and increased the existing holding in the iShares Corporate Bond Index Fund. These were funded by the sale of the SEI Liquid Alternative Fund and a reduction of the UBS Select Money Market Fund.

We also re-introduced a holding previously sold, VT RM Alternative Income, believing that the opportunity in UK listed REITs and Infrastructure is extremely attractive in an environment where interest rates begin to fall and economic growth picks up, or even stabilises. We reduced the holdings in Ruffer Diversified Return and Legal & General Global Infrastructure Index to accommodate this.

VT Esprit Careful Growth Acc returned 1.92% in the twelve months to 31 January 2024, slightly underperforming its benchmark which returned 2.64%.

Skerritt Consultants Limited
Investment Managers to the Fund
27 February 2024

*All data sourced from FE Analytics/FT.Com

**All performance data is Total Return

PERFORMANCE RECORD

Financial Highlights

Accumulation	Year ended 31 January 2024	Year ended 31 January 2023	Year ended 31 January 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	108.0187	110.7167	109.6719
Return before operating charges	3.1160	(1.3309)	2.4663
Operating charges (note 1)	(1.0469)	(1.3671)	(1.4215)
Return after operating charges *	2.0691	(2.6980)	1.0448
Closing net asset value per share	110.0878	108.0187	110.7167
Retained distributions on accumulation shares	2.8869	2.0486	1.3883
*after direct transactions costs of:	-	-	0.0035
Performance			
Return after charges	1.92%	(2.44%)	0.95%
Other information			
Closing net asset value	£72,061,366	£74,405,153	£58,234,313
Closing number of shares	65,458,114	68,881,710	52,597,593
Operating charges (note 2)	0.96%	1.25%	1.29%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	110.7504	112.4029	115.9787
Lowest share price	103.8849	102.5173	108.3144

Period from 01 September 2023 ended 31 January 2024^

C Accumulation	GBP
Changes in net assets per share	GBP
Opening net asset value per share	100.0000
Return before operating charges	4.0860
Operating charges (note 1)	(0.3013)
Return after operating charges *	3.7847
Closing net asset value per share	103.7847
Retained distributions on accumulation shares	0.9544
*after direct transactions costs of:	-
Performance	
Return after charges	3.78%
Other information	
Closing net asset value	£24,838,042
Closing number of shares	23,932,285
Operating charges (note 2)	0.71%
Direct transaction costs	0.00%
Prices	
Highest share price	104.3854
Lowest share price	97.8700

^ Share class launched on 01 September 2023

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 Open Ended Investment Companies held within the Sub-fund's holdings.

Risk Profile

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 January 2023: ranked 4). The Sub-fund is ranked 4 because monthly historical performance data indicates that average rises and falls in market prices would have occurred historically. (For the avoidance of doubt, the risk indicator is calculated on a different basis to the benchmark.)

PORTFOLIO STATEMENT

As at 31 January 2024

Holding		Value £	% of net assets
Collective Investment Schemes (31.01.2023: 87.05%)			
4,980,003	Artemis Target Return Bond Fund	5,726,507	5.92%
6,494,271	AXA Global Strategic Bond	6,702,088	6.93%
5,051,584	BCIF Corporate Bond Tracker	7,731,243	7.99%
1,791,304	Fidelity Index Japan	3,899,491	4.03%
1,664,743	Fidelity Index US	6,829,109	7.06%
148,539	HSBC European Index	1,940,682	2.01%
381,122	HSBC Pacific Index	1,987,322	2.05%
2,444,695	iShares UK Equity Tracker	6,798,753	7.03%
4,110,110	iShares UK Gilts All Stocks Tracker	5,808,062	6.00%
2,927,938	WS Ruffer Diversified Return	2,899,830	3.00%
3,595,093	Legal & General All Stocks Index Linked Gilt Index	3,835,965	3.96%
3,764,330	Legal & General Global Infrastructure Index	2,872,560	2.97%
3,686,040	Legal & General Global Emerging Markets Index	2,829,036	2.92%
8,099,527	Legal & General Short Dated GBP Corporate Bond Index	4,824,078	4.99%
1,582,297	Legal & General UK Mid Cap Index	970,581	1.00%
44,111	UBS (Irl) Select Money Market	4,817,907	4.98%
3,168,815	VT RM Alternative Income [^]	3,775,354	3.90%
		74,248,568	76.74%
Exchange Traded Funds (31.01.2023: 4.97%)			
200,300	Amundi Global Aggregate Bond UCITS ETF	8,703,035	8.99%
34,300	Amundi US Treasury Bond 3-7Y UCITS ETF	2,868,852	2.96%
653,000	Lyxor US Treasury 3-7Y(DR)UCITS ETF	6,735,042	6.96%
102,600	WisdomTree US Quality Dividend Growth UCITS ETF	2,957,958	3.06%
		21,264,887	21.97%
Exchange Traded Commodities (31.01.2023: 4.93%)			
		-	-
Portfolio of investments (31.01.2023: 96.95%)		95,513,455	98.71%
Net other assets (31.01.2023: 3.05%)		1,245,852	1.29%
		96,759,307	100.00%

[^]Related security to the AFM

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	94,526,903
UBS (Irl) Select Money Market	12,520,000
Amundi Global Aggregate Bond UCITS ETF	9,063,204
Lyxor US Treasury 3-7Y(DR)UCITS ETF	7,123,989
AXA Global Strategic Bond	6,564,000
Legal & General Global Infrastructure Index	4,971,000
Legal & General Short Dated GBP Corporate Bond Index	4,708,000
iShares UK Equity Tracker	4,670,000
Legal & General All Stocks Index Linked Gilt Index	4,370,000
BCIF Corporate Bond Tracker	4,176,000
Fidelity Index Japan	3,855,000
Other various purchases	32,505,710

	£
Total sales for the year (note 14)	73,308,817
UBS (Irl) Select Money Market	7,989,000
SEI Liquid Alternative Hedge	6,388,421
AXA Global Strategic Bond Fund	5,227,589
Merian Global Strategic Bond	5,220,010
Allianz Strategic Bond	5,146,984
The Royal Mint Physical Gold ETC Securities	4,316,829
MontLake Crabel Gemini UCITS	3,783,375
WisdomTree US Quality Dividend Growth	3,750,729
VT RM Alternative Income	3,735,584
WS Ruffer Diversified Return	3,660,000
Other various sales	24,090,296

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

STATEMENT OF TOTAL RETURN

For the year ended 31 January

		2024		2023	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		1,075,687		(2,410,251)
Revenue	3	1,560,555		1,448,733	
Expenses	4	(607,600)		(567,949)	
Interest payable and similar charges	6	(8,090)		(844)	
Net revenue before taxation		<u>944,865</u>		<u>879,940</u>	
Taxation	5	<u>(71,057)</u>		<u>-</u>	
Net revenue after taxation			<u>873,808</u>		<u>879,940</u>
Total return before distributions			1,949,495		(1,530,311)
Finance costs: distributions	6		<u>(2,019,945)</u>		<u>(1,352,396)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(70,450)</u>		<u>(2,882,707)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January

	2024	2023
	£	£
Opening net assets attributable to shareholders	74,398,633	58,215,551
Amounts receivable on creation of shares	47,629,813	24,443,779
Amounts payable on cancellation of shares	(27,385,242)	(6,789,638)
Dividends reinvested	2,180,890	1,411,337
Dilution levies	5,663	311
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(70,450)</u>	<u>(2,882,707)</u>
Closing net assets attributable to shareholders	<u>96,759,307</u>	<u>74,398,633</u>

BALANCE SHEET

As at	Notes	31.01.2024		31.01.2023	
		£	£	£	£
Assets					
Investment assets			95,513,455		72,125,908
Current assets					
Debtors	7	1,686,194		1,344,293	
Cash and bank balances	8	<u>2,391,772</u>		<u>2,524,127</u>	
Total current assets			<u>4,077,966</u>		<u>3,868,420</u>
Total assets			99,591,421		75,994,328
Current liabilities					
Creditors	9	(1,248,408)		(1,227,040)	
Bank overdraft	8	<u>(1,583,706)</u>		<u>(368,655)</u>	
Total current liabilities			<u>(2,832,114)</u>		<u>(1,595,695)</u>
Net assets attributable to shareholders			<u>96,759,307</u>		<u>74,398,633</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

2 Net capital gains/(losses)	2024	2023
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	1,078,287	(2,409,057)
Transaction charges (custodian)	(2,510)	(1,215)
Currency (losses)/gains	(90)	21
Total net capital gains/(losses)	<u>1,075,687</u>	<u>(2,410,251)</u>

3 Revenue	2024	2023
	£	£
Non-taxable dividends	475,645	731,299
Interest from non-derivative securities	1,022,416	674,299
Rebates from underlying holdings	6,363	9,249
Bank interest	56,131	33,886
Total revenue	<u>1,560,555</u>	<u>1,448,733</u>

4 Expenses	2024	2023
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>552,794</u>	<u>524,960</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	26,805	24,950
Safe custody fee	<u>8,889</u>	<u>6,514</u>
	35,694	31,464
Other expenses:		
Audit fee	8,920	7,510
FCA fee	25	48
Other expenses	<u>10,167</u>	<u>3,967</u>
	19,112	11,525
Total expenses	<u>607,600</u>	<u>567,949</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2024	2023
	£	£
Analysis of charge in the year		
UK corporation tax	71,057	-
Total tax charge for the year (note 5b)	<u>71,057</u>	<u>-</u>
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% (2023: 20.00%). The differences are explained below:		
Net revenue before taxation	944,865	879,940
Corporation tax at 20.00% (2023: 20.00%)	188,973	175,988
Effects of:		
Revenue not subject to UK corporation tax	(95,129)	(146,260)
Excess management expenses (utilised)	(22,787)	(29,728)
Total tax charge for the year (note 5a)	<u>71,057</u>	<u>-</u>

Provision for deferred taxation

At 31 January 2024 there is a potential deferred tax asset of £nil (31 January 2023: £22,787) in relation to surplus management expenses.

6 Finance costs	2024	2023
	£	£
Interim dividend distribution	1,009,806	586,111
Final dividend distribution	1,171,084	825,226
	<u>2,180,890</u>	<u>1,411,337</u>
Add: Revenue deducted on cancellation of shares	148,545	33,833
Deduct: Revenue received on issue of shares	(309,490)	(92,774)
Net distribution for the year	2,019,945	1,352,396
Interest payable and similar charges	8,090	844
Total finance costs	<u>2,028,035</u>	<u>1,353,240</u>
Reconciliation of distributions		
Net revenue after taxation	873,808	879,940
Equalisation from collectives allocated to revenue	343,767	115,866
Expenses paid from capital	607,600	567,949
Relief on expenses allocated to capital	(121,520)	(113,590)
Balance brought forward	127,586	29,817
Balance carried forward	188,704	(127,586)
Net distribution for the year	<u>2,019,945</u>	<u>1,352,396</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.01.2024	31.01.2023
	£	£
Amounts receivable on creation of shares	1,683,726	1,340,651
Accrued revenue:		
Rebates from underlying holdings	2,400	1,674
Prepayments	68	1,968
Total debtors	1,686,194	1,344,293

8 Cash and bank balances	31.01.2024	31.01.2023
	£	£
Cash and bank balances	2,391,772	2,524,127
Bank overdraft	(1,583,706)	(368,655)

9 Creditors	31.01.2024	31.01.2023
	£	£
Amounts payable on cancellation of shares	200,350	90,019
Amounts payable on unsettled trades	896,845	1,071,075
Payable to the Authorised Fund Manager, associates of the Authorised Corporate Director, and agents of either of them:		
Annual management charge	57,184	47,795
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	2,844	2,275
Safe custody and other custodian charges	7,734	8,276
	10,578	10,551
UK corporation tax	71,057	-
Other accrued expenses	12,394	7,600
Total creditors	1,248,408	1,227,040

10 Risk management policies

In pursuing its investment objective as stated on page 24, 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 policies (Continued)

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2024 would have increased/decreased by £9,551,346 (31 January 2023: £7,212,591).

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 partly invested in collective investment schemes that are registered overseas and funds that invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM 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	
	£	£	£	£	£	£
	31.01.2024	31.01.2023	31.01.2024	31.01.2023	31.01.2024	31.01.2023
Sterling	1,242,479	2,272,628	95,513,455	72,125,908	96,755,934	74,398,536
Euro	3,373	97	-	-	3,373	97
Total	1,245,852	2,272,725	95,513,455	72,125,908	96,759,307	74,398,633

Interest rate risk

Interest rate risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in interest rates. These include cash and bank balances, bank overdraft and inherent risk on the collectives that distributes interest.

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

	31.01.2024	31.01.2023
	£	£
Financial assets floating rate	2,391,772	2,524,127
Financial assets interest bearing instruments	57,752,779	40,825,691
Financial assets non-interest bearing instruments	39,446,870	32,644,510
Financial liabilities non-interest bearing instruments	(1,248,408)	(1,227,040)
Financial liabilities floating rate	(1,583,706)	(368,655)
	96,759,307	74,398,633

At 31 January 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £2,020 (31 January 2023: £5,389).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 January 2024 are payable either within one year or on demand.

Liquidity risk

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

10 Risk management policies (Continued)

Credit risk

Certain transactions in securities and bond funds 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 broker's 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 value levels in these financial statements are as follows:

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.01.2024		31.01.2023	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	21,265	-	7,373	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	74,248	-	64,753	-
Total	95,513	-	72,126	-

11 Shares held

Accumulation

Opening shares at 01.02.2023	68,881,710
Shares issued during the year	24,376,474
Shares cancelled during the year	(25,340,056)
Shares converted during the year	(2,460,014)
Closing shares as at 31.01.2024	65,458,114

C Accumulation

Opening shares at 01.09.2023	-
Shares issued during the period	21,629,746
Shares cancelled during the period	(307,853)
Shares converted during the period	2,610,392
Closing shares as at 31.01.2024	23,932,285

12 Contingent assets and liabilities

At 31 January 2024, the Sub-fund had no contingent liabilities or commitments (31 January 2023: £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 31 January 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 31 Jan 2024	Price at 28 May 2024
Accumulation	110.0878p	112.5906p
C Accumulation	103.7847p	106.2317p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2024		2023	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	94,526,903		76,002,937	
Commissions	-	0.00%	21	0.00%
Total purchase costs	<u>-</u>	<u>0.00%</u>	<u>21</u>	<u>0.00%</u>
Total purchases including transaction costs	<u>94,526,903</u>		<u>76,002,958</u>	
	2024		2023	
	£	%	£	%
Analysis of total sale costs				
Sales in the year before transaction costs	73,308,817		56,533,524	
Commissions	-	(0.00%)	-	(0.00%)
Total sale costs	<u>-</u>	<u>(0.00%)</u>	<u>-</u>	<u>(0.00%)</u>
Total sales net of transaction costs	<u>73,308,817</u>		<u>56,533,524</u>	

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

	2024	% of average net	2023	% of average net
	£	asset value	£	asset value
Commissions	-	0.00%	21	0.00%
	<u>-</u>	<u>0.00%</u>	<u>21</u>	<u>0.00%</u>

15 Portfolio dealing spread

The average portfolio dealing spread at 31 January 2024 is 0.14% (2023: 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.

As noted in the portfolio summary, the Sub-fund held shares in related holdings. The income received from related holdings during the year was £24,074 (Year ended 31 January 2023: £209,188).

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 February 2023

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

Accumulation	Net Revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Group 1	1.4468p	-	1.4468p	0.8506p
Group 2	0.4456p	1.0012p	1.4468p	0.8506p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 August 2023

Group 2: Shares purchased on or after 01 August 2023 and on or before 31 January 2024

Accumulation	Net Revenue 28.03.2024	Equalisation	Distribution 28.03.2024	Distribution 31.03.2023
Group 1	1.4401p	-	1.4401p	1.1980p
Group 2	0.9912p	0.4489p	1.4401p	1.1980p

C Accumulation	Net Revenue 28.03.2024^	Equalisation	Distribution 28.03.2024^
Group 1	0.9544p	-	0.9544p
Group 2	0.3984p	0.5560p	0.9544p

^Distribution period 01 September 2023 to 31 January 2024

Information for corporate shareholders

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

- i) 30.48% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 69.52% 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 Esprit Tactical Growth Fund
Size of Sub-fund	£233,587,667
Launch date	31 January 2018
Investment objective and policy	<p>The investment objective of the VT Esprit Tactical Growth Fund is to achieve a level of investment return (capital growth and reinvestable income) in excess of the benchmark (UK RTMA Risk 5 - Growth) net of fees, over the longer term (5 years+).</p> <p>The Sub-fund will be actively managed to achieve its objective by investing in a globally diversified portfolio. The portfolio will consist primarily (70% or above) of a range of OEICs, unit trusts, other collective investment vehicles (providing exposure to asset classes including equities, fixed income, money market instruments, cash, property and commodities (through exchange traded vehicles)), and where appropriate may invest directly in equities, fixed income stocks, money market instruments and cash.</p> <p>The investment manager, where not inconsistent with the return objective of the Sub-fund, will aim to maintain the Sub-fund within its defined risk band as defined by and in line with the benchmark (UK RTMA Risk 5 - Growth) over a 5 year rolling basis. Where external market conditions dictate the investment manager will use their discretion to judge how and when to bring the Sub-fund back within its defined benchmark.</p> <p>There will be no particular emphasis on any industrial, geographic or economic sector.</p> <p>Derivatives and forward transactions may be held for efficient portfolio management purposes.</p>
Derivatives:	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.</p>
Benchmark:	<p>UK RTMA Risk 5 - Growth. The performance of the Sub-fund can be compared against that of the benchmark. This benchmark has been selected as it is considered that this index most closely reflects the investments which the Sub-fund will make (and its risk/return objectives). For the avoidance of doubt, the Investment Manager is not bound or influenced by the index when making its decisions and can make investments that are not included in the index.</p>
CIS:	<p>For the avoidance of doubt, subject to restrictions, the Sub-fund may invest in other collective investment schemes which are managed and/or advised by the AFM or Investment Manager.</p>
Ex-distribution dates	31 January and 31 July
Distribution dates	31 March and 30 September
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Share classes	Accumulation C Accumulation

SUB-FUND OVERVIEW (Continued)

Minimum investment*

Lump sum subscription: Accumulation = £1,000
C Accumulation = £5,000,000

Top up: All share classes = £500

Holding: Accumulation = £1,000
C Accumulation = £5,000,000

Initial, redemption and switching charges* Nil

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

Annual management charges

The Annual management charges are: Accumulation = 0.75%
C Accumulation = 0.50%

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

INVESTMENT MANAGER'S REVIEW

Uncertainty prevailed in markets during the first half of 2023, both in terms of how far interest rates would continue to rise to combat inflation, but also whether such aggressive monetary policy tightening would cause a global recession. If so, how severe would such a recession be, particularly in the US, with ongoing speculation as to whether their economy would have a so-called soft or hard landing.

Markets have again taken their cue from the actions of the Federal Reserve, with interest rates continuing to rise, although the final quarter of 2023 saw a big shift in market sentiment as investors began to price in rate cuts in 2024. If we have seen peak rates in this cycle, then the last Fed hike was in July 2023 when they raised interest rates to 5.5%. The Bank of England last raised rates in August when they took the base rate to 5.25%.

Headline inflation has fallen sharply in most major developed markets, with US CPI increasing 3.1% in January 2024, down from 6.4% in January 2023. In the UK, CPI has fallen from 10.1% to 4% over the same period, although core inflation (excluding energy, food, alcohol and tobacco) remains elevated at 5.1% in January 2024. Central banks have cautioned that sticky core inflation is one reason why they may not cut interest rates in 2024 as aggressively as market pricing suggests.

Resilient economic growth and uncertainty around the timing of rate cuts has kept bond market volatility at elevated levels. This presents difficulties for low-risk investors, and investors who seek to hedge their equity market exposure by owning government bonds and high-quality corporate bonds. Despite this, US equity markets enjoyed a strong finish to 2023, led by the technology sector in the midst of an AI frenzy.

Indeed, US equities have outperformed the rest of the world as the world's largest economy steered clear of recession, benefitting from generous fiscal policy and robust consumer spending. Both the UK and the Eurozone suffered shallow recessions in the second half of 2023 as tighter monetary policy and the energy price shock weighed on economic activity.

During the period we sold the holding in MontLake Crabel Gemini. This sat in our alternatives bucket and the strategy exhibits low correlation with bonds and equities, but with cash once again an attractive asset class, we allocated the proceeds to a money market fund. The fund's position in a gold ETC was also sold given an increasingly attractive opportunity set across global fixed income markets.

At a regional equity level, we increased exposure to US equities at the expense of Europe, Asia Pacific, and Emerging Markets. The WisdomTree US Quality Dividend Growth ETF invests in high quality, high profitability, dividend paying US companies. Historically, high quality companies have outperformed in periods of low growth, and in periods following interest rate rises.

At the end of 2023 and beginning of 2024 we increased fixed income exposure by adding to the existing positions in the Legal & General Short Dated Sterling Corporate Bond Index, AXA Global Strategic Bond Fund, and the iShares Corporate Bond Index Fund, funded by reducing the UBS Select Money Market Fund.

We also re-introduced a holding previously sold, VT RM Alternative Income, believing that the opportunity in UK listed REITs and Infrastructure is extremely attractive in an environment where interest rates begin to fall and economic growth picks up, or even stabilises. We sold the holding in SEI Liquid Alternatives to accommodate this.

Finally, we increased small and mid-cap equity exposure by adding to the existing position in the Legal & General UK Mid Cap Index and introducing a new position in the WS Montanaro Global Select Fund. Small caps trade at an unusually large discount to large caps and we expect this to unwind as interest rates begin to fall.

VT Esprit Tactical Growth Acc returned 5.27% in the twelve months to 31 January 2024, slightly underperforming its benchmark which returned 5.51%.

Skerritt Consultants Limited
Investment Managers to the Fund
27 February 2024

*All data sourced from FE Analytics/FT.Com

**All performance data is Total Return

PERFORMANCE RECORD

Financial Highlights

Accumulation	Year to 31 January 2024	Year to 31 January 2023	Year to 31 January 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	117.3717	121.1425	116.6404
Return before operating charges	7.4017	(2.3397)	6.0596
Operating charges (note 1)	(1.2167)	(1.4311)	(1.5575)
Return after operating charges *	6.1850	(3.7708)	4.5021
Closing net asset value per share	123.5567	117.3717	121.1425
Retained distributions on accumulation shares	3.5054	1.8541	0.9428
*after direct transactions costs of:	-	-	0.0036
Performance			
Return after charges	5.27%	(3.11%)	3.86%
Other information			
Closing net asset value	£189,740,098	£234,210,972	£241,351,700
Closing number of shares	153,565,167	199,546,450	199,229,567
Operating charges (note 2)	1.01%	1.20%	1.31%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	123.5567	124.7593	131.8987
Lowest share price	114.1602	109.2490	115.1195

C Accumulation	Period from 01 September 2023 to 31 January 2024^
Changes in net assets per share	GBP
Opening net asset value per share	100.0000
Return before operating charges	5.7125
Operating charges (note 1)	(0.3250)
Return after operating charges *	5.3875
Closing net asset value per share	105.3875
Retained distributions on accumulation shares	0.8899
*after direct transactions costs of:	-
Performance	
Return after charges	5.39%
Other information	
Closing net asset value	£43,945,986
Closing number of shares	41,699,417
Operating charges (note 2)	0.76%
Direct transaction costs	0.00%
Prices	
Highest share price	105.3875
Lowest share price	97.3025

^ Share class launched on 01 September 2023

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 fund together with the ongoing charges included within the underlying Open Ended Investment Companies held within the Sub-fund's holdings.

Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 January 2023: ranked 5). The Sub-fund is ranked 5 because monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically. (For the avoidance of doubt, the risk indicator is calculated on a different basis to the benchmark.)

PORTFOLIO STATEMENT

As at 31 January 2024

Holding		Value £	% of net assets
Collective Investment Schemes (31.01.2023: 79.05%)			
9,105,736	AXA Global Strategic Bond	9,397,121	4.02%
6,038,774	BCIF Corporate Bond Tracker	9,242,097	3.96%
5,267,937	Fidelity Index US	21,610,131	9.25%
6,482,592	Fidelity Index Japan	14,111,955	6.04%
1,841,537	HSBC Pacific Index	9,602,508	4.11%
4,840,828	iShares UK Gilts All Stocks Tracker	6,840,651	2.93%
8,951,462	Legal & General Global Infrastructure Index	6,830,861	2.92%
19,582,468	Legal & General Short Dated GBP Corporate Bond Index	11,663,318	4.99%
15,110,602	Legal & General UK Mid Cap Index	9,268,843	3.97%
1,829,334	Legal & General US Index	19,208,005	8.22%
7,633,937	WS Lightman European	11,318,838	4.85%
10,242,235	WS Montanaro UK Income	9,492,503	4.06%
2,033,752	WS Montanaro Global Select	2,339,424	1.00%
6,892,874	WS Ruffer Diversified Return	6,826,703	2.92%
7,715,294	iShares Emerging Markets Equity Tracker	13,718,193	5.87%
4,189,017	iShares UK Equity Tracker	11,649,752	4.99%
3,824,206	Sanlam Global Artificial Intelligence Fund	12,195,394	5.22%
84,885	UBS (Irl) Select Money Market	9,271,427	3.97%
94,691	Vanguard FTSE 100 Index Unit Trust	13,916,880	5.97%
3,801,502	VT RM Alternative Income^	4,529,144	1.94%
		<u>213,033,748</u>	<u>91.20%</u>
Exchange Traded Funds (31.01.2023: 10.96%)			
214,500	Amundi Global Aggregate Bond UCITS ETF	9,320,025	3.99%
331,800	WisdomTree US Quality Dividend Growth UCITS ETF	9,565,794	4.10%
		<u>18,885,819</u>	<u>8.09%</u>
Exchange Traded Commodities (31.01.2023: 3.10%)			
		-	-
Portfolio of investments (31.01.2023: 93.11%)		231,919,567	99.29%
Net other assets (31.01.2023: 6.89%)		1,668,100	0.71%
		<u>233,587,667</u>	<u>100.00%</u>

^Related security to the AFM

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	181,172,248
UBS (Irl) Select Money Market	22,140,000
Vanguard FTSE 100 Index Unit Trust	18,310,000
HSBC Pacific Index	17,685,000
Amundi Global Aggregate Bond UCITS ETF	12,433,999
Fidelity Index Japan	12,120,000
Legal & General Short Dated GBP Corporate Bond Index	11,780,000
Legal & General UK Mid Cap Index	10,240,000
Legal & General US Index	10,005,000
WisdomTree US Quality Dividend Growth UCITS ETF	9,332,932
iShares Emerging Markets Equity Tracker	9,115,000
Other various purchases	48,010,317

	£
Total sales for the year (note 14)	180,250,896
UBS (Irl) Select Money Market	20,595,000
WisdomTree US Quality Dividend Growth UCITS ETF	16,447,548
SEI Liquid Alternative Hedge	14,161,882
Artemis UK Select	13,887,939
JOHCM UK Equity	11,748,722
Xtrackers MSCI World Value UCITS ETF	9,763,070
The Royal Mint Physical Gold ETC Securities	9,656,932
Sanlam Global Artificial Intelligence Fund	9,195,000
HSBC Pacific Index	7,625,000
HSBC European Index	7,105,457
Other various sales	60,064,346

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

STATEMENT OF TOTAL RETURN

For the year ended 31 January

		2024		2023	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		8,880,277		(10,015,414)
Revenue	3	4,719,834		4,008,490	
Expenses	4	(1,813,638)		(1,872,175)	
Interest payable and similar charges	6	(24,439)		(1,615)	
Net revenue before taxation		<u>2,881,757</u>		<u>2,134,700</u>	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>2,881,757</u>		<u>2,134,700</u>
Total return before distributions			11,762,034		(7,880,714)
Finance costs: distributions	6		<u>(6,795,388)</u>		<u>(3,750,120)</u>
Changes in net assets attributable to shareholders from investment activities			<u>4,966,646</u>		<u>(11,630,834)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January

	2024	2023
	£	£
Opening net assets attributable to shareholders	234,178,378	241,318,272
Amounts receivable on creation of shares	44,506,264	24,467,587
Amounts payable on cancellation of shares	(56,495,587)	(23,708,205)
Dividends reinvested	6,431,966	3,731,558
Changes in net assets attributable to shareholders from investment activities (see above)	<u>4,966,646</u>	<u>(11,630,834)</u>
Closing net assets attributable to shareholders	<u>233,587,667</u>	<u>234,178,378</u>

BALANCE SHEET

As at	Notes	31.01.2024		31.01.2023	
		£	£	£	£
Assets					
Investment assets			231,919,567		218,049,434
Current assets					
Debtors	7	288,069		32,510,455	
Cash and bank balances	8	<u>8,650,662</u>		<u>4,731,137</u>	
Total current assets			<u>8,938,731</u>		<u>37,241,592</u>
Total assets			240,858,298		255,291,026
Current liabilities					
Bank overdraft	8	(6,089,181)		(716,561)	
Creditors	9	<u>(1,181,450)</u>		<u>(20,396,087)</u>	
Total current liabilities			<u>(7,270,631)</u>		<u>(21,112,648)</u>
Net assets attributable to shareholders			<u>233,587,667</u>		<u>234,178,378</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

2 Net capital gains/(losses)	2024	2023
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	8,881,076	(10,015,497)
Currency (losses)/gains	(38)	6
Transaction charges (custodian)	(761)	77
Total net capital gains/(losses)	<u>8,880,277</u>	<u>(10,015,414)</u>

3 Revenue	2024	2023
	£	£
Non-taxable dividends	3,366,577	3,197,848
Interest from non-derivative securities	1,120,242	677,249
Rebates from underlying holdings	33,638	36,949
Bank interest	199,377	96,444
Total revenue	<u>4,719,834</u>	<u>4,008,490</u>

4 Expenses	2024	2023
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>1,692,360</u>	<u>1,762,139</u>

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

Depositary fee	72,750	74,480
Safe custody fee	<u>27,386</u>	<u>21,069</u>
	100,136	95,549

Other expenses:

Audit fee	8,920	7,510
FCA fee	26	48
Other expenses	<u>12,196</u>	<u>6,929</u>
	21,142	14,487

Total expenses	<u>1,813,638</u>	<u>1,872,175</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2024 £	2023 £
Analysis of charge in the year		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
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% (2023: 20.00%). The differences are explained below:		
Net revenue before taxation	2,881,757	2,134,700
Corporation tax at 20.00% (2023: 20.00%)	576,351	426,940
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(673,315)	(639,569)
Current year expenses not utilised	96,964	212,629
Total tax charge for the year (note 5a)	-	-

Provision for deferred taxation

At 31 January 2024 there is a potential deferred tax asset of £819,013 (31 January 2023: £722,049) in relation to surplus management expenses.

6 Finance costs

	2024 £	2023 £
Interim dividend distribution	3,332,864	1,405,839
Final dividend distribution	3,099,102	2,325,719
	6,431,966	3,731,558
Add: Revenue deducted on cancellation of shares	572,041	100,529
Deduct: Revenue received on issue of shares	(208,619)	(81,967)
Net distribution for the year	6,795,388	3,750,120
Interest payable and similar charges	24,439	1,615
Total finance costs	6,819,827	3,751,735
Reconciliation of distributions		
Net revenue after taxation	2,881,757	2,134,700
Equalisation from collectives allocated to revenue	1,340,838	506,477
Expenses paid from capital	1,813,638	1,872,175
Relief on expenses allocated to capital	(265,764)	(161,805)
Balance brought forward	776,806	175,379
Balance carried forward	248,113	(776,806)
Net distribution for the year	6,795,388	3,750,120

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.01.2024	31.01.2023
	£	£
Amounts receivable on creation of shares	278,618	289,270
Amounts receivable on unsettled trades	-	32,212,830
Accrued revenue:		
Rebates from underlying holdings	9,383	6,387
Prepayments	68	1,968
Total debtors	288,069	32,510,455
8 Cash and bank balances	31.01.2024	31.01.2023
	£	£
Cash and bank balances	8,650,662	4,731,137
Bank overdraft	(6,089,181)	(716,561)
9 Creditors	31.01.2024	31.01.2023
	£	£
Amounts payable on cancellation of shares	991,363	104,992
Amounts payable on unsettled trades	-	20,100,000
Payable to the Authorised Fund Manager, associates of the Authorised Corporate Director, and agents of either of them:		
Annual management charge	148,184	152,737
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	6,759	6,373
Safe custody and other custodian charges	24,615	24,228
	31,374	30,601
Other accrued expenses	10,529	7,757
Total creditors	1,181,450	20,396,087

10 Risk management policies

In pursuing its investment objective as stated on page 40, 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 policies (Continued)

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2024 would have increased/decreased by £23,191,957 (31 January 2023: £21,804,943).

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 partly invested in collective investment schemes that are registered overseas and funds that invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM 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	
	£	£	£	£	£	£
	31.01.2024	31.01.2023	31.01.2024	31.01.2023	31.01.2024	31.01.2023
Sterling	1,666,591	16,128,944	231,919,567	218,048,177	233,586,158	234,177,121
Euro	1,509	1,257	-	-	1,509	1,257
Total	1,668,100	16,130,201	231,919,567	218,048,177	233,587,667	234,178,378

Interest rate risk

Interest rate risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in interest rates. These include cash and bank balances, bank overdraft and inherent risk on the collectives that distributes interest.

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

	31.01.2024	31.01.2023
	£	£
Financial assets floating rate	8,650,662	4,731,137
Financial assets interest bearing instruments	55,734,639	50,840,708
Financial assets non-interest bearing instruments	176,472,997	199,719,181
Financial liabilities non-interest bearing instruments	(1,181,450)	(20,396,087)
Financial liabilities floating rate	(6,089,181)	(716,561)
	233,587,667	234,178,378

At 31 January 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £6,404 (31 January 2023: £10,036).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 January 2024 are payable either within one year or on demand.

Liquidity risk

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

10 Risk management policies (Continued)

Credit risk

Certain transactions in securities and bond funds 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 broker's 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 value levels in these financial statements are as follows:

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

Valuation Technique	31.01.2024		31.01.2023	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	18,886	-	32,894	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	213,034	-	185,155	-
Total	231,920	-	218,049	-

11 Shares held

Accumulation

Opening shares at 01.02.2023	199,546,450
Shares issued during the year	16,853,671
Shares cancelled during the year	(47,885,784)
Shares converted during the year	(14,949,170)
Closing shares as at 31.01.2024	153,565,167

C Accumulation

Opening shares at 01.09.2023	-
Shares issued during the period	24,610,255
Shares cancelled during the period	(443,520)
Shares converted during the period	17,532,682
Closing shares as at 31.01.2024	41,699,417

12 Contingent assets and liabilities

At 31 January 2024 the Sub-fund had no contingent liabilities or commitments (31 January 2023: £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 31 January 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 31 January 2024	Price at 28 May 2024
Accumulation	123.5567p	129.9483p
C Accumulation	105.3875p	110.9309p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2024		2023	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	181,172,248		205,920,558	
Commissions	-	0.00%	-	0.00%
Total purchase costs	-	0.00%	-	0.00%
Total purchases including transaction costs	<u>181,172,248</u>		<u>205,920,558</u>	
	2024		2023	
	£	%	£	%
Analysis of total sale costs				
Sales in the year before transaction costs	180,250,896		213,209,648	
Commissions	-	(0.00%)	(338)	(0.00%)
Total sale costs	-	(0.00%)	(338)	(0.00%)
Total sales net of transaction costs	<u>180,250,896</u>		<u>213,209,310</u>	

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

	2024	% of average net asset value	2023	% of average net asset value
	£		£	
Commissions	-	0.00%	338	0.00%
	-	0.00%	338	0.00%

15 Portfolio dealing spread

The average portfolio dealing spread at 31 January 2024 is 0.08% (2023: 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.

As noted in the portfolio summary, the Sub-fund held shares in related holdings. The income received from related holdings during the year was £24,118. (Year ended 31 January 2023: £490,688).

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 February 2023

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

Accumulation	Net Revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Group 1	1.7289p	-	1.7289p	0.6886p
Group 2	0.9226p	0.8063p	1.7289p	0.6886p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 August 2023

Group 2: Shares purchased on or after 01 August 2023 and on or before 31 January 2024

Accumulation	Net Revenue 28.03.2024	Equalisation	Distribution 28.03.2024	Distribution 31.03.2023
Group 1	1.7765p	-	1.7765p	1.1655p
Group 2	0.9290p	0.8475p	1.7765p	1.1655p

C Accumulation	Net Revenue 28.03.2024^	Equalisation	Distribution 28.03.2024^
Group 1	0.8899p	-	0.8899p
Group 2	0.5985p	0.2914p	0.8899p

^Distribution period 01 September 2023 to 31 January 2024

Information for corporate shareholders

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

- i) 71.33% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 28.67% 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 Esprit Tactical Balanced Fund
Size of Sub-fund	£172,686,285
Launch date	31 January 2018
Investment objective and policy	<p>The investment objective of the VT Esprit Tactical Balanced Fund is to achieve a level of investment return (capital growth and reinvestable income) in excess of the benchmark (UK RTMA Risk 4 - Balanced) net of fees, over the longer term (5 years+).</p> <p>The Sub-fund will be actively managed to achieve its stated investment objective by investing in a globally diversified portfolio. The portfolio will consist primarily (70% or above) of a range of OEICs, unit trusts, other collective investment vehicles (providing exposure to asset classes including equities, fixed income, money market instruments, cash, property and commodities (through exchange traded vehicles)), and where appropriate may invest directly in equities, fixed income stocks, money market instruments and cash.</p> <p>The investment manager, where not inconsistent with the return objective of the Sub-fund, aims to maintain the Sub-fund within its defined risk band as defined by and in line with the benchmark (UK RTMA Risk 4 - Balanced) over a 5 year rolling basis. Where external market conditions dictate the investment manager will use their discretion to judge how and when to bring the Sub-fund back within its defined benchmark.</p> <p>There will be no particular emphasis on any industrial, geographic or economic sector.</p> <p>Derivatives and forward transactions may be held for efficient portfolio management purposes.</p>
Derivatives:	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.</p>
Benchmark:	<p>UK RTMA Risk 4 - Balanced. The performance of the Sub-fund can be compared against that of the benchmark. This benchmark has been selected as it is considered that this index most closely reflects the investments which the Sub-fund will make (and its risk/return objectives). For the avoidance of doubt, the Investment Manager is not bound or influenced by the index when making its decisions and can make investments that are not included in the index.</p>
CIS:	<p>For the avoidance of doubt, subject to restrictions, the Sub-fund may invest in other collective investment schemes which are managed and/or advised by the AFM or Investment Manager.</p>
Ex-distribution dates	31 January and 31 July
Distribution dates	31 March and 30 September
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Share classes	Accumulation Income C Accumulation C Income

SUB-FUND OVERVIEW (Continued)

Minimum investment*

Lump sum subscription: Accumulation/Income = £1,000
C Accumulation/ C Income = £5,000,000

Top up: All share classes = £500

Holding: Accumulation/Income = £1,000
C Accumulation/ C Income = £5,000,000

Initial, redemption and switching charges* Nil

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

Annual management charges

The Annual management charges are: Accumulation / Income = 0.75%
C Accumulation / C Income = 0.50%

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

INVESTMENT MANAGER'S REVIEW

Uncertainty prevailed in markets during the first half of 2023, both in terms of how far interest rates would continue to rise to combat inflation, but also whether such aggressive monetary policy tightening would cause a global recession. If so, how severe would such a recession be, particularly in the US, with ongoing speculation as to whether their economy would have a so-called soft or hard landing.

Markets have again taken their cue from the actions of the Federal Reserve, with interest rates continuing to rise, although the final quarter of 2023 saw a big shift in market sentiment as investors began to price in rate cuts in 2024. If we have seen peak rates in this cycle, then the last Fed hike was in July 2023 when they raised interest rates to 5.5%. The Bank of England last raised rates in August when they took the base rate to 5.25%.

Headline inflation has fallen sharply in most major developed markets, with US CPI increasing 3.1% in January 2024, down from 6.4% in January 2023. In the UK, CPI has fallen from 10.1% to 4% over the same period, although core inflation (excluding energy, food, alcohol and tobacco) remains elevated at 5.1% in January 2024. Central banks have cautioned that sticky core inflation is one reason why they may not cut interest rates in 2024 as aggressively as market pricing suggests.

Resilient economic growth and uncertainty around the timing of rate cuts has kept bond market volatility at elevated levels. This presents difficulties for low-risk investors, and investors who seek to hedge their equity market exposure by owning government bonds and high-quality corporate bonds. Despite this, US equity markets enjoyed a strong finish to 2023, led by the technology sector in the midst of an AI frenzy.

Indeed, US equities have outperformed the rest of the world as the world's largest economy steered clear of recession, benefitting from generous fiscal policy and robust consumer spending. Both the UK and the Eurozone suffered shallow recessions in the second half of 2023 as tighter monetary policy and the energy price shock weighed on economic activity.

During the period we sold the holding in MontLake Crabel Gemini. This sat in our alternatives bucket and the strategy exhibits low correlation with bonds and equities, but with cash once again an attractive asset class, we allocated the proceeds to a money market fund. The fund's position in a gold ETC was also sold given an increasingly attractive opportunity set across global fixed income markets.

At a regional equity level, we increased exposure to US equities at the expense of Europe, Asia Pacific, and Emerging Markets. The WisdomTree US Quality Dividend Growth ETF invests in high quality, high profitability, dividend paying US companies. Historically, high quality companies have outperformed in periods of low growth, and in periods following interest rate rises.

At the end of 2023 and beginning of 2024 we increased fixed income exposure by adding to the existing positions in the Legal & General Short Dated Sterling Corporate Bond Index, Amundi US Treasury Bond 3-7yr ETF, Amundi Global Aggregate Bond ETF, and the iShares Corporate Bond Index Fund. This was funded by partial sales of Ruffer Diversified Return and the UBS Select Money Market Fund.

We also re-introduced a holding previously sold, VT RM Alternative Income, believing that the opportunity in UK listed REITs and Infrastructure is extremely attractive in an environment where interest rates begin to fall and economic growth picks up, or even stabilises. We sold the holding in SEI Liquid Alternatives to accommodate this.

VT Esprit Tactical Balanced Acc returned 2.90% in the twelve months to 31 January 2024, underperforming its benchmark which returned 4.68%.

Skerritt Consultants Limited
Investment Managers to the Fund
27 February 2024

*All data sourced from FE Analytics/FT.Com

**All performance data is Total Return

PERFORMANCE RECORD

Financial Highlights

Accumulation	Year to 31 January 2024	Year to 31 January 2023	Year to 31 January 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	111.9323	115.9556	112.3497
Return before operating charges	4.3636	(2.5306)	5.0328
Operating charges (note 1)	(1.1129)	(1.4927)	(1.4269)
Return after operating charges *	3.2507	(4.0233)	3.6059
Closing net asset value per share	115.1830	111.9323	115.9556
Retained distributions on accumulation shares	3.0366	2.1668	1.4748
*after direct transactions costs of:	-	-	0.0058
Performance			
Return after charges	2.90%	(3.47%)	3.21%
Other information			
Closing net asset value	£128,019,514	£131,531,063	£119,545,616
Closing number of shares	111,144,415	117,509,430	103,096,066
Operating charges (note 2)	0.98%	1.31%	1.25%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	115.5103	118.6315	123.5184
Lowest share price	107.9175	104.5772	111.1281

Income	Year to 31 January 2024	Period from 04 March 2022 to 31 January 2023 [^]
Changes in net assets per share	GBP	GBP
Opening net asset value per share	97.1040	100.0000
Return before operating charges	3.8095	(0.7009)
Operating charges (note 1)	(0.9528)	(0.5270)
Return after operating charges *	2.8567	(1.2279)
Distributions on income shares	(2.6170)	(1.6681)
Closing net asset value per share	97.3437	97.1040
*after direct transactions costs of:	-	-
Performance		
Return after charges	2.94%	(1.23%)
Other information		
Closing net asset value	£6,570,788	£7,526,718
Closing number of shares	6,750,092	7,751,194
Operating charges (note 2)	0.98%	1.31%
Direct transaction costs	0.00%	0.00%
Prices		
Highest share price	99.1079	102.8916
Lowest share price	92.5932	91.8166

[^]Share class launched 04 March 2022

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

	Period from 01 September 2023 to 31 January 2024[^]
C Accumulation	
Changes in net assets per share	
	GBP
Opening net asset value per share	<u>100.0000</u>
Return before operating charges	4.7063
Operating charges (note 1)	<u>(0.3107)</u>
Return after operating charges *	4.3956
	<u>104.3956</u>
Closing net asset value per share	<u>104.3956</u>
Retained distributions on accumulation shares	1.0473
*after direct transactions costs of:	-
Performance	
Return after charges	4.40%
Other information	
Closing net asset value	£37,707,059
Closing number of shares	36,119,386
Operating charges (note 2)	0.73%
Direct transaction costs	0.00%
Prices	
Highest share price	104.6705
Lowest share price	97.7398

[^]Share class launched 01 September 2023

	Period from 01 September 2023 to 31 January 2024[^]
C Income	
Changes in net assets per share	
	GBP
Opening net asset value per share	<u>100.0000</u>
Return before operating charges	4.7730
Operating charges (note 1)	<u>(0.3092)</u>
Return after operating charges *	4.4638
Distributions on income shares	<u>(1.0469)</u>
Closing net asset value per share	<u>103.4169</u>
*after direct transactions costs of:	-
Performance	
Return after charges	4.46%
Other information	
Closing net asset value	£503,837
Closing number of shares	487,190
Operating charges (note 2)	0.73%
Direct transaction costs	0.00%
Prices	
Highest share price	104.6642
Lowest share price	97.7359

[^]Share class launched 01 September 2023

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 fund together with the ongoing charges included within the underlying Open Ended Investment Companies and Trusts held within the Sub-fund's holdings.

Risk Profile

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 January 2023: ranked 4). The Sub-fund is ranked 4 because monthly historical performance data indicates that average rises and falls in market prices would have occurred historically. (For the avoidance of doubt, the risk indicator is calculated on a different basis to the benchmark.)

PORTFOLIO STATEMENT

As at 31 January 2024

Holding		Value £	% of net assets
Collective Investment Schemes (31.01.2023: 88.04%)			
10,005,666	AXA Global Strategic Bond	10,325,848	5.97%
6,764,381	BCIF Corporate Bond Tracker	10,352,607	5.99%
3,936,010	Fidelity Index Japan	8,568,301	4.96%
3,802,625	Fidelity Index US	15,599,130	9.03%
1,004,024	HSBC Pacific Index	5,235,384	3.03%
3,694,834	iShares UK Equity Tracker	10,275,417	5.95%
6,108,615	iShares UK Gilts All Stocks Tracker	8,632,182	5.00%
11,072,561	Legal & General Global Emerging Markets Index	8,498,190	4.92%
6,678,845	Legal & General Global Infrastructure Index	5,096,626	2.95%
20,235,785	Legal & General Short Dated GBP Corporate Bond Index	12,052,434	6.98%
2,810,806	Legal & General UK Mid Cap Index	1,724,148	1.00%
658,806	Legal & General US Index	6,917,467	4.01%
4,254,527	VT RM Alternative Income^	5,068,882	2.94%
4,635,876	WS Lightman European	6,873,613	3.98%
7,495,685	WS Montanaro UK Income	6,947,001	4.02%
5,227,874	WS Ruffer Diversified Return	5,177,686	3.00%
63,006	UBS (Irl) Select Money Market	6,881,678	3.99%
46,829	Vanguard FTSE 100 Index Unit Trust	6,882,592	3.99%
		141,109,186	81.71%
Exchange Traded Funds (31.01.2023: 7.84%)			
317,500	Amundi Global Aggregate Bond UCITS ETF	13,795,375	7.99%
1,008,100	Lyxor US Treasury 3-7Y(DR)UCITS ETF	10,397,543	6.02%
179,600	WisdomTree US Quality Dividend Growth UCITS ETF	5,177,868	3.00%
		29,370,786	17.01%
Exchange Traded Commodities (31.01.2023: 3.06%)			
Portfolio of investments (31.01.2023: 98.94%)		170,479,972	98.72%
Net other assets (31.01.2023: 1.06%)		2,206,313	1.28%
		172,686,285	100.00%

^Related security to the AFM

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	144,743,682
Amundi Global Aggregate Bond UCITS ETF	16,049,157
UBS (Irl) Select Money Market	13,220,000
Legal & General Short Dated GBP Corporate Bond Index	11,825,000
Lyxor US Treasury 3-7Y(DR)UCITS ETF	10,875,303
Legal & General Global Emerging Markets Index	10,380,000
Fidelity Index Japan	9,880,000
HSBC Pacific Index	8,590,000
Vanguard FTSE 100 Index Unit Trust	8,510,000
Legal & General US Index	6,280,000
Fidelity Index US	5,425,000
Other various purchases	43,709,222

	£
Total sales for the year (note 14)	117,137,769
WisdomTree US Quality Dividend Growth UCITS ETF	11,248,443
UBS (Irl) Select Money Market	10,950,000
Artemis UK Select	8,817,583
SEI Liquid Alternative Hedge	8,666,242
CT Global Focus Fund	8,513,381
Allianz Strategic Bond	8,189,723
Merian Global Strategic Bond	6,864,768
The Royal Mint Physical Gold ETC Securities	5,866,193
Artemis Target Return Bond Fund	5,656,238
VT RM Alternative Income	5,564,669
Other various sales	36,800,529

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

STATEMENT OF TOTAL RETURN

For the year ended 31 January

		2024		2023	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		2,874,197		(6,332,227)
Revenue	3	3,173,783		2,703,837	
Expenses	4	(1,166,950)		(1,102,508)	
Interest payable and similar charges	6	(13,641)		(1,778)	
Net revenue before taxation		<u>1,993,192</u>		<u>1,599,551</u>	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>1,993,192</u>		<u>1,599,551</u>
Total return before distributions			4,867,389		(4,732,676)
Finance costs: distributions	6		<u>(3,999,270)</u>		<u>(2,675,074)</u>
Changes in net assets attributable to shareholders from investment activities			<u>868,119</u>		<u>(7,407,750)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January

	2024	2023
	£	£
Opening net assets attributable to shareholders	139,041,247	119,513,640
Amounts receivable on creation of shares	59,807,564	34,978,586
Amounts payable on cancellation of shares	(30,916,842)	(20,127,543)
Dividends reinvested	3,903,194	2,579,449
Scheme of arrangement	(16,997)	9,504,865
Changes in net assets attributable to shareholders from investment activities (see above)	<u>868,119</u>	<u>(7,407,750)</u>
Closing net assets attributable to shareholders	<u>172,686,285</u>	<u>139,041,247</u>

BALANCE SHEET

As at	Notes	31.01.2024		31.01.2023	
		£	£	£	£
Assets					
Investment assets			170,479,972		137,573,482
Current assets					
Debtors	7	3,512,713		615,468	
Cash and bank balances	8	<u>4,367,136</u>		<u>2,167,994</u>	
Total current assets			<u>7,879,849</u>		<u>2,783,462</u>
Total assets			178,359,821		140,356,944
Current liabilities					
Creditors	9	(2,436,340)		(551,274)	
Bank overdraft	8	(3,127,098)		(673,762)	
Distribution payable on income shares		<u>(110,098)</u>		<u>(90,661)</u>	
Total current liabilities			<u>(5,673,536)</u>		<u>(1,315,697)</u>
Net assets attributable to shareholders			<u>172,686,285</u>		<u>139,041,247</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

2 Net capital gains/(losses)

	2024	2023
	£	£

The net capital gains/(losses) comprise:

Non-derivative securities gains/(losses)	2,876,403	(6,329,032)
Transaction charges (custodian)	(2,193)	(3,207)
Currency (losses)/gains	(13)	12
Total net capital gains/(losses)	<u>2,874,197</u>	<u>(6,332,227)</u>

3 Revenue

	2024	2023
	£	£

Non-taxable dividends	1,621,064	1,719,391
Interest from non-derivative securities	1,427,214	914,867
Rebates from underlying holdings	21,777	19,215
Bank interest	103,728	50,364
Total revenue	<u>3,173,783</u>	<u>2,703,837</u>

4 Expenses

	2024	2023
	£	£

Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:

Annual management charge	<u>1,078,733</u>	<u>1,029,307</u>
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Payable to the depositary, associates of the depositary, and agents of either of them:

Depositary fee	49,307	46,956
Safe custody fee	17,384	12,548
	<u>66,691</u>	<u>59,504</u>

Other expenses:

Audit fee	8,920	7,510
FCA fee	26	48
Other expenses	12,580	6,139
	<u>21,526</u>	<u>13,697</u>

Total expenses	<u>1,166,950</u>	<u>1,102,508</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2024	2023
	£	£
Analysis of charge in the year		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
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% (2023: 20.00%). The differences are explained below:		
Net revenue before taxation	1,993,192	1,599,551
Corporation tax at 20.00% (2023: 20.00%)	398,638	319,910
Effects of:		
Revenue not subject to UK corporation tax	(324,212)	(343,878)
Excess management expenses (utilised)/not utilised	(74,426)	23,968
Total tax charge for the year (note 5a)	-	-

Provision for deferred taxation

At 31 January 2024 there is a potential deferred tax asset of £84,735 (31 January 2023: £159,161) in relation to surplus management expenses.

6 Finance costs	2024	2023
	£	£
Interim dividend distribution	1,581,592	1,059,935
Final dividend distribution	2,503,371	1,656,118
	4,084,963	2,716,053
Add: Revenue deducted on cancellation of shares	296,272	102,355
Deduct: Revenue received on issue of shares	(381,965)	(143,334)
Net distribution for the year	3,999,270	2,675,074
Interest payable and similar charges	13,641	1,778
Total finance costs	4,012,911	2,676,852
Reconciliation of distributions		
Net revenue before taxation	1,993,192	1,599,551
Equalisation from collectives allocated to revenue	842,530	267,966
Expenses paid from capital	1,166,950	1,102,508
Relief on expenses allocated to capital	(233,390)	(196,534)
Balance brought forward	(2,695)	(101,112)
Balance carried forward	232,683	2,695
Net distribution for the year	3,999,270	2,675,074

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.01.2024	31.01.2023
	£	£
Amounts receivable on creation of shares	3,503,397	455,892
Amounts receivable from scheme of arrangement	1,033	154,239
Accrued revenue:		
Non-taxable dividends receivable	-	681
Interest from non-derivative securities receivable	1,900	-
Rebates from underlying holdings	6,315	2,688
Prepayments	68	1,968
Total debtors	3,512,713	615,468

8 Cash and bank balances	31.01.2024	31.01.2023
	£	£
Cash and bank balances	4,367,136	2,167,994
Bank overdraft	(3,127,098)	(673,762)

9 Creditors	31.01.2024	31.01.2023
	£	£
Amounts payable on cancellation of shares	659,888	433,567
Amounts payable on unsettled trades	1,638,348	-
Payable to the Authorised Fund Manager, associates of the Authorised Corporate Director, and agents of either of them:		
Annual management charge	105,911	90,792
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	4,995	4,099
Safe custody and other custodian charges	16,691	15,070
	21,686	19,169
Other accrued expenses	10,507	7,746
Total creditors	2,436,340	551,274

10 Risk management policies

In pursuing its investment objective as stated on page 56, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments, other than derivatives, 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 policies (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 31 January 2024 would have increased/decreased by £17,047,997 (31 January 2023: £13,757,348).

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 partly invested in collective investment schemes that are registered overseas and funds that invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM 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	
	£	£	£	£	£	£
	31.01.2024	31.01.2023	31.01.2024	31.01.2023	31.01.2024	31.01.2023
Sterling	2,205,618	1,467,219	170,479,972	137,573,482	172,685,590	139,040,701
Euro	695	546	-	-	695	546
Total	2,206,313	1,467,765	170,479,972	137,573,482	172,686,285	139,041,247

Interest rate risk

Interest rate risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in interest rates. These include cash and bank balances, bank overdraft and inherent risk on the collectives that distributes interest.

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

	31.01.2024	31.01.2023
	£	£
Financial assets floating rate	4,367,136	2,167,994
Financial assets interest bearing instruments	72,437,667	55,130,878
Financial assets non-interest bearing instruments	101,555,018	83,058,072
Financial liabilities non-interest bearing instruments	(2,546,438)	(641,935)
Financial liabilities floating rate	(3,127,098)	(673,762)
	172,686,285	139,041,247

At 31 January 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £3,100 (31 January 2023: £3,736).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 January 2024 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

Certain transactions in securities and bond funds 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 broker's 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 policies (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 value levels in these financial statements are as follows:

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.01.2024		31.01.2023	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	29,371	-	15,167	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	141,109	-	122,406	-
Total	170,480	-	137,573	-

11 Shares held

Accumulation

Opening shares at 01.02.2023	117,509,430
Shares issued during the year	25,608,076
Shares cancelled during the year	(26,131,824)
Shares converted during the year	(5,841,267)
Closing shares as at 31.01.2024	111,144,415

Income

Opening shares at 01.02.2023	7,751,194
Shares issued during the year	1,634,206
Shares cancelled during the year	(1,825,164)
Shares converted during the year	(810,144)
Closing shares as at 31.01.2024	6,750,092

C Accumulation

Opening shares at 01.09.2023	-
Shares issued during the period	29,421,425
Shares cancelled during the period	(336,031)
Shares converted during the period	7,033,992
Closing shares as at 31.01.2024	36,119,386

C Income

Opening shares at 01.09.2023	-
Shares issued during the period	310,003
Shares cancelled during the period	(2,732)
Shares converted during the period	179,919
Closing shares as at 31.01.2024	487,190

12 Contingent assets and liabilities

At 31 January 2024, the Sub-fund had no contingent liabilities or commitments (31 January 2023: £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 31 January 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 31 January 2024	Price at 28 May 2024
Accumulation	115.1830p	119.4227p
Income	97.3437p	100.9262p
C Accumulation	104.3956p	108.3238p
C Income	103.4169p	107.2936p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2024		2023	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	144,743,682		144,283,888	
Commissions	-	0.00%	-	0.00%
Total purchase costs	-	0.00%	-	0.00%
Total purchases including transaction costs	<u>144,743,682</u>		<u>144,283,888</u>	
	2024		2023	
	£	%	£	%
Analysis of total sale costs				
Sales in the year before transaction costs	117,137,769		125,687,352	
Commissions	-	(0.00%)	(1,561)	(0.00%)
Total sale costs	-	(0.00%)	(1,561)	(0.00%)
Total sales net of transaction costs	<u>117,137,769</u>		<u>125,685,791</u>	

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

	2024	% of average net asset value	2023	% of average net asset value
	£		£	
Commissions	-	0.00%	1,561	0.00%
	-	0.00%	1,561	0.00%

15 Portfolio dealing spread

The average portfolio dealing spread at 31 January 2024 is 0.13% (2023: 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.

As noted in the portfolio summary, the Sub-fund held shares in related holdings. The income received from related holdings during the year was £27,925. (Year ended 31 January 2023: £324,608).

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 February 2023

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

Accumulation	Net Revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Group 1	1.2237p	-	1.2237p	0.8346p
Group 2	0.3691p	0.8546p	1.2237p	0.8346p

Income	Net Revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022 [^]
Group 1	1.0615p	-	1.0615p	0.4985p
Group 2	0.1986p	0.8629p	1.0615p	0.4985p

[^]Distribution period 04 March 2022 to 31 July 2022

Final distribution in pence per share

Group 1: Shares purchased prior to 01 August 2023

Group 2: Shares purchased on or after 01 August 2023 and on or before 31 January 2024

Accumulation	Net Revenue 28.03.2024	Equalisation	Distribution 28.03.2024	Distribution 31.03.2023
Group 1	1.8129p	-	1.8129p	1.3322p
Group 2	1.0635p	0.7494p	1.8129p	1.3322p

Income	Net Revenue 28.03.2024	Equalisation	Distribution 28.03.2024	Distribution 31.03.2023
Group 1	1.5555p	-	1.5555p	1.1696p
Group 2	0.8921p	0.6634p	1.5555p	1.1696p

C Accumulation	Net Revenue 28.03.2024 ^{^^}	Equalisation	Distribution 28.03.2024 ^{^^}
Group 1	1.0473p	-	1.0473p
Group 2	0.4972p	0.5501p	1.0473p
C Income	Net Revenue 28.03.2024 ^{^^}	Equalisation	Distribution 28.03.2024 ^{^^}
Group 1	1.0469p	-	1.0469p
Group 2	0.1242p	0.9227p	1.0469p

^{^^}Distribution period 01 September 2023 to 31 January 2024

Information for corporate shareholders

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

- i) 51.08% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 48.92% 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 Esprit Sustainable Growth Fund
Size of Sub-fund	£13,671,157
Launch date	10 August 2020
Investment objective and policy	<p>The investment objective of the VT Esprit Sustainable Growth Fund is to achieve a level of investment return (capital growth and reinvestable income) in excess of the benchmark (UK RTMA Risk 5 - Growth), net of fees over the longer term (5 year rolling periods) while investing at least 80% of its portfolio in investment funds which promote ethical, sustainable or responsible investment.</p> <p>The Sub-fund will be actively managed to achieve its stated investment objective by investing in a globally diversified portfolio. The portfolio will consist at least 80% of a range of OEICs, Unit Trusts, other collective investment vehicles (providing exposure to asset classes including equities, government and investment grade bonds, money market instruments, cash, property and commodities (through exchange traded vehicles)) and where appropriate may invest directly in equities, fixed income stocks, money market instruments and cash.</p> <p>At least 80% by value of the Sub-fund's assets will consist of units or shares in other funds which pursue a stated ethical, sustainable or responsible investment objective, utilising at least one of the following three approaches:</p> <p>(1) integration of environmental, social, governance (ESG) factors; Funds which own companies with significant revenue exposure (more than 10%) to industries such as alcohol, tobacco, gambling, nuclear power, fossil fuels, armaments and adult entertainment will be excluded from the investment universe.</p> <p>(2) sustainability themed investing; and/or The Sub-fund will invest in funds which themselves seek to identify companies that deliver a positive social or environmental impact. They should address one or more of the United Nations Sustainable Development Goals) and so help in the development of a sustainable global economy.</p> <p>(3) impact investing The Sub-fund will invest in funds which themselves seek to identify companies that deliver a measurable positive social and environmental impact alongside attractive financial returns.</p> <p>There will be no particular emphasis on any industrial, geographic or economic sector.</p> <p>Derivatives and forward transactions may be held for efficient portfolio management purposes.</p>
Derivatives:	The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.
Benchmark	<p>UK RTMA Risk 5 - Growth has been selected as a target benchmark.</p> <p>This benchmark has been selected as it is considered that this index most closely reflects the risk/return objectives of the Sub-fund. For the avoidance of doubt, the Investment Manager is not bound or influenced by the index when making its decisions and can make investments that are not included in the index.</p>
CIS:	For the avoidance of doubt, subject to restrictions, the Sub-fund may invest in other collective investment schemes which are managed and/or advised by the AFM or Investment Manager.
Share classes	Accumulation C Accumulation

SUB-FUND OVERVIEW (Continued)

Ex-distribution dates	31 January and 31 July
Distribution dates	31 March and 30 September
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Minimum investment*	
Lump sum subscription:	Accumulation = £1,000 C Accumulation = £5,000,000
Top up:	All share classes = £500
Holding:	Accumulation = £1,000 C Accumulation = £5,000,000
Initial, redemption and switching charges*	Nil

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

Annual management charges

The Annual management charges are:
Accumulation = 0.75%
C Accumulation = 0.50%

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

INVESTMENT MANAGER'S REVIEW

Uncertainty prevailed in markets during the first half of 2023, both in terms of how far interest rates would continue to rise to combat inflation, but also whether such aggressive monetary policy tightening would cause a global recession. If so, how severe would such a recession be, particularly in the US, with ongoing speculation as to whether their economy would have a so-called soft or hard landing.

Markets have again taken their cue from the actions of the Federal Reserve, with interest rates continuing to rise, although the final quarter of 2023 saw a big shift in market sentiment as investors began to price in rate cuts in 2024. If we have seen peak rates in this cycle, then the last Fed hike was in July 2023 when they raised interest rates to 5.5%. The Bank of England last raised rates in August when they took the base rate to 5.25%.

Headline inflation has fallen sharply in most major developed markets, with US CPI increasing 3.1% in January 2024, down from 6.4% in January 2023. In the UK, CPI has fallen from 10.1% to 4% over the same period, although core inflation (excluding energy, food, alcohol and tobacco) remains elevated at 5.1% in January 2024. Central banks have cautioned that sticky core inflation is one reason why they may not cut interest rates in 2024 as aggressively as market pricing suggests.

Resilient economic growth and uncertainty around the timing of rate cuts has kept bond market volatility at elevated levels. This presents difficulties for low-risk investors, and investors who seek to hedge their equity market exposure by owning government bonds and high-quality corporate bonds. Despite this, US equity markets enjoyed a strong finish to 2023, led by the technology sector in the midst of an AI frenzy.

Indeed, US equities have outperformed the rest of the world as the world's largest economy steered clear of recession, benefitting from generous fiscal policy and robust consumer spending. Both the UK and the Eurozone suffered shallow recessions in the second half of 2023 as tighter monetary policy and the energy price shock weighed on economic activity.

In May 2023 we sold the iShares UK Gilts 0-5yr ETF and the Threadneedle UK Social Bond Fund, and purchased holdings in the Xtrackers II ESG Global Aggregate Bond ETF and the Vanguard ESG Global Corporate Bond ETF, in order to increase duration and global bond exposure. At this time we also switched out of Fundsmith Sustainable Equity into the Amundi Index MSCI Emerging Markets SRI PAB ETF to diversify the funds equity exposure away from developed markets.

At the end of 2023 and beginning of 2024 we reduced the funds small cap exposure by selling Regnan Global Equity Impact and reduced the UBS UK Equity SRI ETF. The proceeds were used to re-introduce the Fundsmith Sustainable Equity given our positive view on high quality US companies.

VT Esprit Sustainable Growth Acc returned 3.59% in the twelve months to 31 January 2024, underperforming its benchmark which returned 5.39%.

The strict investment criteria of the fund means that there is little exposure to cyclical sectors such as energy, materials, and financials, so the fund will struggle in an environment of rising or high bond yields. That said, we think bond yields have now peaked for this cycle, and lower inflation and growth should act as a tailwind for the fund going forward.

Skerritt Consultants Limited
Investment Managers to the Fund
27 February 2024

*All data sourced from FE Analytics/FT.Com

**All performance data is Total Return

PERFORMANCE RECORD

Financial Highlights

Accumulation	Year to 31 January 2024	Year to 31 January 2023	Year to 31 January 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	98.8885	105.9894	107.9155
Return before operating charges	4.9046	(5.5848)	(0.2897)
Operating charges (note 1)	(1.3589)	(1.5161)	(1.6364)
Return after operating charges *	3.5457	(7.1009)	(1.9261)
Closing net asset value per share	102.4342	98.8885	105.9894
Distributions on accumulation shares	2.0126	1.2697	0.9108
*after direct transactions costs of:	-	0.0102	-
Performance			
Return after charges	3.59%	(6.70%)	(1.78%)
Other information			
Closing net asset value	£13,038,197	£15,237,902	£14,519,356
Closing number of shares	12,728,358	15,409,182	13,698,878
Operating charges (note 2)	1.35%	1.48%	1.53%
Direct transaction costs	0.00%	0.01%	0.00%
Prices			
Highest share price	103.1128	109.4162	120.7639
Lowest share price	93.9920	91.4557	104.4502

	Period from 01 September 2023 to 31 January 2024^
C Accumulation	
Changes in net assets per share	GBP
Opening net asset value per share	100.0000
Return before operating charges	3.7687
Operating charges (note 1)	(0.4656)
Return after operating charges *	3.3031
Closing net asset value per share	103.3031
Distributions on accumulation shares	0.7477
*after direct transactions costs of:	-
Performance	
Return after charges	3.30%
Other information	
Closing net asset value	£637,846
Closing number of shares	617,451
Operating charges (note 2)	1.10%
Direct transaction costs	0.00%
Prices	
Highest share price	103.9622
Lowest share price	94.7255

^Share class opened on 01 September 2023

PERFORMANCE RECORD

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 fund together with the ongoing charges included within the underlying Open Ended Investment Companies held within the Sub-fund's holdings.

Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 January 2023: ranked 5). The Sub-fund is ranked 5 because monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically. (For the avoidance of doubt, the risk indicator is calculated on a different basis to the benchmark.)

PORTFOLIO STATEMENT

As at 31 January 2024

Holding		Value £	% of net assets
Collective Investment Schemes (31.01.2023: 85.02%)			
1,154	Amundi Index MSCI USA SRI PAB	1,935,812	14.16%
693,571	Federated Hermes Sustainable Global Equity	825,835	6.04%
441,249	Fundsmith Sustainable Equity	826,901	6.05%
484,071	iShares UK Gilts All Stocks Tracker	684,048	5.00%
592,934	WS Montanaro Global Select	682,052	4.99%
743,607	WS Montanaro UK Income	689,175	5.04%
441,426	M&G Positive Impact	674,235	4.93%
1,310,971	Schroder Global Sustainable Value Equity	809,131	5.92%
7,377	UBS (Irl) Select Money Market	805,758	5.89%
565,327	VT RM Alternative Income^	673,536	4.93%
		8,606,483	62.95%
Exchange Traded Funds (31.01.2023: 11.06%)			
16,250	Amundi Index MSCI Emerging Markets SRI PAB UCITS ETF	667,469	4.88%
6,450	iShares UK Gilts 0-5yr UCITS ETF	812,636	5.94%
99,100	UBS (Irl) ETF plc - MSCI UK IMI Socially Responsible UCITS ETF	1,518,212	11.11%
175,850	Vanguard ESG Global Corporate Bond UCITS ETF	815,856	5.97%
13,800	Xtrackers II ESG Global Aggregate Bond UCITS ETF	952,476	6.97%
		4,766,649	34.87%
	Portfolio of investments (31.01.2023: 96.08%)	13,373,132	97.82%
	Net other assets (31.01.2023: 3.92%)	298,025	2.18%
		13,671,157	100.00%

^Related security to the AFM

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Total purchases for the year (note 14)	£ 13,545,877
UBS (Irl) ETF plc - MSCI UK IMI Socially Responsible UCITS ETF	1,887,358
Xtrackers II ESG Global Aggregate Bond UCITS ETF	1,678,020
Amundi Index MSCI USA SRI PAB	1,188,993
Amundi Index MSCI Emerging Markets SRI PAB ETF	1,034,769
Vanguard ESG Global Corporate Bond UCITS ETF	935,002
WS Montanaro UK Income	935,000
UBS (Irl) Select Money Market	930,000
Lyxor US Treasury 3-7Y(DR)UCITS ETF	926,327
iShares UK Gilts 0-5yr UCITS ETF	905,408
Fundsmith Sustainable Equity	870,000
Other various purchases	2,255,000
	£
Total sales for the year (note 14)	15,340,213
Fundsmith Sustainable Equity	1,064,727
UBS (Irl) ETF plc - MSCI UK IMI Socially Responsible UCITS ETF	1,053,643
iShares UK Gilts 0-5yr UCITS ETF	1,005,336
Brown Advisory US Sustainable Growth	983,449
CT UK Sustainable Equity Fund	953,123
CT UK Social Bond Fund	946,666
Liontrust Sustainable Future Corporate Bond	930,093
Lyxor US Treasury 3-7Y(DR)UCITS ETF	918,205
Regnan Global Equity Impact Solutions	865,112
Ninety One UK Sustainable Equity Fund	803,596
Other various sales	5,816,263

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

STATEMENT OF TOTAL RETURN

For the year ended 31 January

		2024		2023	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		337,215		(1,109,892)
Revenue	3	316,385		203,246	
Expenses	4	(145,182)		(137,967)	
Interest payable and similar charges	6	<u>(1,395)</u>		<u>(89)</u>	
Net revenue before taxation		169,808		65,190	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>169,808</u>		<u>65,190</u>
Total return before distributions			507,023		(1,044,702)
Finance costs: distributions	6		<u>(295,645)</u>		<u>(186,601)</u>
Changes in net assets attributable to shareholders from investment activities			<u>211,378</u>		<u>(1,231,303)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January	2024	2023
	£	£
Opening net assets attributable to shareholders	15,236,874	14,516,316
Amounts receivable on creation of shares	3,127,196	3,538,759
Amounts payable on cancellation of shares	(5,181,184)	(1,780,455)
Dividends reinvested	276,893	193,557
Changes in net assets attributable to shareholders from investment activities (see above)	<u>211,378</u>	<u>(1,231,303)</u>
Closing net assets attributable to shareholders	<u>13,671,157</u>	<u>15,236,874</u>

BALANCE SHEET

As at	Notes	31.01.2024		31.01.2023	
		£	£	£	£
Assets					
Investment assets			13,373,132		14,638,948
Current assets					
Debtors	7	159,908		362,140	
Cash and bank balances	8	<u>503,760</u>		<u>735,638</u>	
Total current assets			<u>663,668</u>		<u>1,097,778</u>
Total assets			14,036,800		15,736,726
Current liabilities					
Bank overdraft	8	(320,268)		(182,618)	
Creditors	9	<u>(45,375)</u>		<u>(317,234)</u>	
Total current liabilities			<u>(365,643)</u>		<u>(499,852)</u>
Net assets attributable to shareholders			<u>13,671,157</u>		<u>15,236,874</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

2 Net capital gains/(losses)	2024	2023
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	338,564	(1,108,905)
Transaction charges (custodian)	(1,655)	(987)
Rebates from underlying holdings	306	-
Total net capital gains/(losses)	337,215	(1,109,892)

3 Revenue	2024	2023
	£	£
Non-taxable dividends	197,829	119,366
Interest from non-derivative securities	99,359	78,396
Investment manager rebate	-	12
Rebates from underlying holdings	1,240	408
Bank interest	17,957	5,064
Total revenue	316,385	203,246

4 Expenses	2024	2023
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	109,629	110,027
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,000	18,004
Safe custody fee	1,631	1,443
	19,631	19,447
Other expenses:		
Audit fee	9,096	5,783
FCA fee	26	48
Other expenses	6,800	2,662
	15,922	8,493
Total expenses	145,182	137,967

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2024	2023
	£	£

Analysis of charge in the year

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

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% (2023: 20.00%).

The differences are explained below:

Net revenue before taxation	169,808	65,190
Corporation tax at 20.00% (2023: 20.00%)	33,962	13,038
<u>Effects of:</u>		
Tax effect on rebates in capital	61	-
Revenue not subject to UK corporation tax	(39,566)	(23,873)
Current year expenses not utilised	5,543	10,835
Total tax charge for the year (note 5a)	-	-

Provision for deferred taxation

At 31 January 2024 there is a potential deferred tax asset of £31,541 (31 January 2023: £25,998) in relation to surplus management expenses.

6 Finance costs	2024	2023
	£	£

Interim dividend distribution	129,923	83,406
Final dividend distribution	146,970	110,151
	276,893	193,557

Add: Revenue deducted on cancellation of shares	33,861	7,978
Deduct: Revenue received on issue of shares	(15,109)	(14,934)

Net distribution for the year	295,645	186,601
Interest payable and similar charges	1,395	89
Total finance costs	297,040	186,690

Reconciliation of distributions

Net revenue after taxation	169,808	65,190
Equalisation from collectives allocated to revenue	27,158	-
Expenses paid from capital (net of IM rebate)	145,182	137,955
Relief on expenses allocated to capital	(23,432)	(15,743)
Balance brought forward	(13,321)	(14,122)
Balance carried forward	(9,750)	13,321
Net distribution for the year	295,645	186,601

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.01.2024	31.01.2023
	£	£
Amounts receivable on creation of shares	130,335	310,541
Amounts receivable on unsettled trades	9,000	33,000
Accrued revenue:		
Interest from non-derivative securities receivable	3,130	-
Rebates from underlying holdings	17,343	16,595
Prepayments	100	2,004
Total debtors	159,908	362,140

8 Cash and bank balances	31.01.2024	31.01.2023
	£	£
Cash and bank balances	503,760	735,638
Bank overdraft	(320,268)	(182,618)

9 Creditors	31.01.2024	31.01.2023
	£	£
Amounts payable on cancellation of shares	14,584	31,953
Amounts payable on unsettled trades	7,000	263,897
Payable to the Authorised Fund Manager, associates of the Authorised Corporate Director, and agents of either of them:		
Annual management charge	9,344	9,768
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	1,627	1,578
Safe custody and other custodian charges	2,922	2,820
	4,549	4,398
Other accrued expenses	9,898	7,218
Total creditors	45,375	317,234

10 Risk management policies

In pursuing its investment objective as stated on page 73, 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 policies (Continued)

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2024 would have increased/decreased by £1,337,313 (31 January 2023: £1,463,895).

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 partly invested in collective investment schemes that are registered overseas and funds that invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM 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	
	£	£	£	£	£	£
	31.01.2024	31.01.2023	31.01.2024	31.01.2023	31.01.2024	31.01.2023
Sterling	297,966	597,925	13,373,132	14,638,948	13,671,098	15,236,873
Euro	59	1	-	-	59	1
Total	298,025	597,926	13,373,132	14,638,948	13,671,157	15,236,874

Interest rate risk

Interest rate risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in interest rates. These include cash and bank balances, bank overdraft and inherent risk on the collectives that distributes interest.

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

	31.01.2024	31.01.2023
	£	£
Financial assets floating rate	503,760	735,638
Financial assets interest bearing instruments	4,070,774	3,508,859
Financial assets non-interest bearing instruments	9,462,266	11,492,229
Financial liabilities non-interest bearing instruments	(45,375)	(317,234)
Financial liabilities floating rate	(320,268)	(182,618)
	13,671,157	15,236,874

At 31 January 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £459 (31 January 2023: £1,383).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 January 2024 are payable either within one year or on demand.

Liquidity risk

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

10 Risk management policies (Continued)

Credit risk

Certain transactions in securities and bond funds 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 broker's 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 value levels in these financial statements are as follows:

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.01.2024		31.01.2023	
	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	4,767	-	1,686	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	8,606	-	12,953	-
Total	13,373	-	14,639	-

11 Shares held

Accumulation

Opening shares at 01.02.2023	15,409,182
Shares issued during the year	2,695,004
Shares cancelled during the year	(5,232,324)
Shares converted during the year	(143,504)
Closing shares as at 31.01.2024	12,728,358

C Accumulation

Opening shares at 01.09.2023	-
Shares issued during the period	475,302
Shares cancelled during the period	(216)
Shares converted during the period	142,365
Closing shares as at 31.01.2024	617,451

12 Contingent assets and liabilities

At 31 January 2024, the Sub-fund had no contingent liabilities or commitments (31 January 2023: £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 31 January 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 31 January 2024	Price at 28 May 2024
Accumulation	102.4342p	105.6855p
C Accumulation	103.3031p	106.6704p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2024	%	2023	%
	£		£	
Analysis of total purchase costs				
Purchases in the year before transaction costs	13,545,877		9,934,135	
Commissions	-	0.00%	4	0.00%
Total purchase costs	-	0.00%	4	0.00%
Total purchases including transaction costs	<u>13,545,877</u>		<u>9,934,139</u>	
	2024	%	2023	%
	£		£	
Analysis of total sale costs				
Sales in the year before transaction costs	15,340,213		8,562,265	
Commissions	-	(0.00%)	(2,167)	(0.03%)
Total sale costs	-	(0.00%)	(2,167)	(0.03%)
Total sales net of transaction costs	<u>15,340,213</u>		<u>8,560,098</u>	

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

	2024	% of average net asset value	2023	% of average net asset value
Commissions	-	0.00%	2,171	0.01%
	-	0.00%	2,171	0.01%

15 Portfolio dealing spread

The average portfolio dealing spread at 31 January 2024 is 0.07% (2023: 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 10. Amounts received from the AFM and its associates are disclosed in note 3. Amounts due from the AFM and its associates at the balance sheet date are disclosed in note 7.

As noted in the portfolio summary, the Sub-fund held shares in related holdings. The income received from related holdings during the year was £43,241 (Year ended 31 January 2023: £43,928).

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 February 2023

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

Accumulation	Net Revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Group 1	0.8942p	-	0.8942p	0.5549p
Group 2	0.3613p	0.5329p	0.8942p	0.5549p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 August 2023

Group 2: Shares purchased on or after 01 August 2023 and on or before 31 January 2024

Accumulation	Net Revenue 28.03.2024	Equalisation	Distribution 28.03.2024	Distribution 31.03.2023
Group 1	1.1184p	-	1.1184p	0.7148p
Group 2	0.6938p	0.4246p	1.1184p	0.7148p

C Accumulation	Net Revenue 28.03.2024^	Equalisation	Distribution 28.03.2024^
Group 1	0.7477p	-	0.7477p
Group 2	0.2394p	0.5083p	0.7477p

^Distribution period 01 September 2023 to 31 January 2024

Information for corporate shareholders

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

- i) 62.53% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 37.47% 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 (2023/24) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Corporate shareholders

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

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

Issue and redemption of shares

Valu-Trac Investment Management Limited is the AFM and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours between 8.30am and 5.30pm. Instructions may be given by email (esprit@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 (London Time) on each dealing day.

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

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined, 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 shares will also be issued at any time on request by the registered holder.

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

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

Assessment of Value

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

INFORMATION FOR INVESTORS (Continued)

Remuneration

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

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

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

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

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

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

CORPORATE DIRECTORY

Authorised Fund Manager & Registrar	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: esprit@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Director	Valu-Trac Investment Management Limited as AFM
Investment Manager	Skerritt Consultants Limited Skerritt House 23 Coleridge Street Hove East Sussex BN3 5AB Authorised and regulated by the Financial Conduct Authority
Depositary	NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ Authorised and regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE