VT ARGONAUT FUNDS

(Sub-funds VT Argonaut European Alpha Fund, VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund)

Annual Report and Financial Statements
For the year ended 28 February 2023

CONTENTS

COMPANY OVERVIEW

Type of Company:

VT Argonaut Funds ("the Company") is an investment company with variable capital ("ICVC") incorporated in England and Wales under registered number IC000943 and authorised by the Financial Conduct Authority with effect from 12 March 2012. It is a UCITS scheme as defined in COLL and also an umbrella company for the purposes of the OEIC Regulations. The Company has unlimited duration.

The Company has currently three Sub-funds available for investment, VT Argonaut European Alpha Fund, VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund. Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company.

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

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

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Fund Manager to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company at the end of the financial year and its net revenue and net capital (losses)/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 to manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus. The Authorised Fund Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Reportable Matters

The Authorised Fund Manager (AFM) is required to manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus.

During the year under review:

- a number of breaches of investment and borrowing powers limits were identified and resolved, including breaches relating to higher than permitted counterparty exposure, market risk above permitted limits and failure to adhere to required limits to ensure diversification of underlying assets within the Company.
-In addition to the investment breaches, the AFM made and resolved a number of pricing errors.

The AFM has worked with the Delegated Investment Manager and the Depositary to ensure that all investment breaches were rectified, and shareholders of the Fund were not adversely impacted.
Similarly, all pricing errors were rectified by the AFM with no unfavourable impact to shareholders.

DIRECTOR'S STATEMENT

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

David Fraser FCCA

Valu-Trac Investment Management Limited
Authorised Fund Manager

Date:

For the year ended 28 February 2023

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 as highlighted below it has not been the case 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.

During the Period Ended 28 February 2023 the Depositary was informed by the AFM of a number of pricing errors and a material number of investment and borrowing power breaches. The Depositary has worked closely with the AFM to ensure that all pricing errors and breaches were appropriately remediated and in relation to pricing errors (and where required), compensation paid to the Company and/or the Shareholders of the Company.

NatWest Trustee and Depositary Services Limited
03 August 2023

Opinion

We have audited the financial statements of VT Argonaut Funds ("the Company") for the year ended 28 February 2023 which comprise the Statements of Total Return, Statements of Changes in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

In our opinion the financial statements:

> give a true and fair view of the financial position of the Company at 28 February 2023 and of the net revenue and the net capital gains/(losses) on the scheme property of the Company for the year then ended; and

> have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

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

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the COLL Regulations

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

> Proper accounting records for the Company have been kept and the accounts are in agreement with those records;

> We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and

> The information given in the report of the Authorised Fund Manager for the year is consistent with the financial statements.

Responsibilities of the Authorised Fund Manager

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

> UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;

> the Financial Conduct Authority's Collective Investment Schemes Sourcebook; 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 any relevant correspondence with regulatory bodies and the Company's breaches register.

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

> management override of controls; and

> the completeness and classification of special dividends between revenue and capital.

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

Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)
In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:
> Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Fund Manager in its calculation of accounting estimates for potential management bias;

> Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies’ dividend payments;

> Performing a recalculation of the performance fee payable for the period on VT Argonaut Absolute Return Fund, verifying key inputs to underlying market or fund data;

> Assessing the Company’s compliance with the key requirements of the Collective Investment Schemes Sourcebook, and its Prospectus;

> Completion of appropriate checklists and use of our experience to assess the Company’s compliance with the IA Statement of Recommended Practice for Authorised Funds; and

> Agreement of the financial statement disclosures to supporting documentation.

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

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

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

Date

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

1 Accounting policies

(a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

(b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The AFM believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

(c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on the financial statement on an accruals basis. For VT Argonaut Equity Income Fund all expenses are then reallocated to capital, net of any tax effect for distribution purposes.

(d) Distributions on equities, collectives and preference shares are recognised when the security is quoted ex-dividend. Interest on gilts and deposits is accounted for on an accruals basis. Revenue on debt securities is accounted for on an effective yield basis. Rebates of annual management charges are accounted for on an accruals basis and recognised as revenue. Where the AMC is reallocated to capital for distribution purposes the rebates of AMC are also reallocated to capital for distribution purposes. Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

(e) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-funds, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.

(f) Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case. Where the receipt of a special dividend results in a significant reduction in the capital value or where the distribution arises from an underlying capital event such as a merger or disposal these would typically be deemed as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividend would typically be recognised as revenue. Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.

(g) The Sub-funds currently issues Accumulation and Income shares. VT Argonaut European Alpha Fund and VT Argonaut Absolute Return Fund go ex dividend twice annually and pays any income available to the shareholder two months in arrears, as a dividend distribution. VT Argonaut Equity Income Fund goes ex dividend four times annually and pays any income available to the shareholders one and a half months in arrears, as a dividend distribution. Any revenue deficit 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, if the sub fund no longer exists). 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' and special dividends revert to policy 'f'.

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.

(h) The listed investments of the Sub-funds have been valued at bid market prices at the closing valuation point at 12 noon on 28 February 2023, whilst unlisted collectives are valued at the closing bid price for dual priced funds and the closing single price for single priced funds. Unlisted or suspended investments are valued by the AFM taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors. The value of derivative contracts is calculated with reference to the price/value of the underlying asset(s) and other relevant factors such as interest rates and volatility, whilst currency hedging contracts are marked to market based on the differential between the forward rate for currency of an equivalent duration and the contract rate.

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

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

(j) In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-funds, is intended to cover certain charges not included in the bid market value of the Sub-funds, used in calculating the share price, which could have a diluting effect on the performance of the Sub-funds.

(k) All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting year are translated at the exchange rates at the closing valuation point on 28 February 2023.

2 Derivatives and other financial instruments

For the purpose of meeting the investment objectives of the Sub-funds a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes and, in the case of VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund, also for investment purposes.

The main risks from the Sub-funds' holding of financial instruments, together with the AFM’s policy for managing these risks, are disclosed below:

a) Foreign currency risk

A significant portion of the Sub-funds' assets may be denominated in a currency other than the base currency of the Sub-funds or class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which shares of the relevant Sub-fund are valued and priced.

The Sub-funds are not required to hedge its foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Sub-funds do not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Sub-funds' assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Sub-funds in circumstances where no such hedging transactions are undertaken.

Hedged share classes

A hedging policy is in place for the Class I Institutional Net Accumulation (Currency Hedged) in the VT Argonaut European Alpha Fund and all the share classes in the VT Argonaut Absolute Return Fund to hedge the currency risk to ensure that the risk from foreign currency is reduced for these share classes. Entering into a hedge transaction should mitigate the effect of exchange rate fluctuations between the base and hedged currency. Any gains or losses from the hedging instruments are treated as capital and included within the Statement of Total Return.

b) Interest rate risk profile of financial assets and liabilities

The interest rate risk is the risk that the value of the Sub-funds' investments will fluctuate due to changes in the interest rate. Cashflows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the Sub-funds' objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Sub-funds did not have any long term financial liabilities at the balance sheet date.

c) Credit risk

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

2 Derivatives and other financial instruments (continued)

d) Liquidity risk

Subject to the Regulations, the Sub-funds may invest up to and including 10% of the Scheme Property of the Sub-funds in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Sub-funds' inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent the Sub-funds invest in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer.

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Sub-funds' ability to purchase or sell such securities at a fair price may be impaired or delayed.

e) Market price risk

Market price risk is the risk that the value of the Sub-funds' 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-funds hold. It represents the potential loss the Sub-funds might suffer through holding market positions in the face of price movements.

The Sub-funds' investment portfolios are 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.

f) Counterparty risk

Transactions in securities entered into by the Sub-funds give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The AFM minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Sub-funds' prospectus and COLL.

g) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

h) Leverage

In accordance with the IA SORP issued in May 2014, as AFM we are required to disclose any leverage of the Sub-funds. Leverage is defined as any method by which the relevant Sub-fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the incremental exposure through the derivatives and in accordance with the commitment approach (CESR/10-788)) divided by the net asset value.

i) Derivatives

Some of the Sub-funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Premiums received on option contracts written out of the money are recognised as revenue when received. All other returns on option contracts, including premiums received on option contracts written in the money are treated as capital.

Where the transactions are used to protect or enhance capital, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the year end are included in the balance sheet at their mark to market value.

3 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-funds.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9. Amounts received from the AFM and its associates are disclosed in note 3. Amounts due from the AFM and its associates at the balance sheet date are disclosed in note 7.

Name of Sub-fund	VT Argonaut European Alpha Fund
Size of Sub-fund	£27,549,724
Launch date	14 July 2012
Sub-fund objective and policy	The Sub-fund aims to achieve returns (capital and income) in excess of the returns of the Investment Association (IA) Europe ex UK Sector over the long term (5 years). The Sub-fund will seek to achieve its objective by investing in a concentrated portfolio of approximately 30-60 stocks. The Sub-fund will invest at least 80% in companies incorporated in countries in Europe. The Sub-fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities exchange. The Sub-fund will not concentrate on any particular sector but will invest in a broad range of companies without regard to market capitalisation. The Sub-fund may also invest in other equities, fixed interest, units in collective investment schemes, money market instruments and deposits. The Sub-fund may also make use of certain financial contracts known as derivatives and forward transactions for the purpose of efficient portfolio management, including the use of hedging techniques and stock lending. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. A target for the Sub-fund's performance has been set by reference to the IA Europe ex UK Sector (the “Target Benchmark”) over a five year period.
Benchmark	The IA Europe ex UK Sector is considered to be an appropriate benchmark because it enables investors to compare the performance of the portfolio against competing funds in the same sector. Investors may use the Sub-fund’s performance against the Target Benchmark to assess the comparable Sub-fund’s rank or quartile as compared to the performance of other funds in the IA Europe ex UK Sector over a variety of time frames. The AFM reserves the right to change the comparator following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the AFM determines that an alternative may be more appropriate. Shareholders will be notified of such a change, in accordance with the rules in COLL.
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 August, Last day of February
Distribution dates	31 October, 30 April
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

Share class information

Share class*	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Minimum redemption	Initial charge **
Class A Retail Net Income	£500	£250	£250	£100	5.25%
Class A Retail Net Accumulation	£500	£250	£250	£100	5.25%
Class R Retail Net Income	£500	£250	£250	£100	0.00%
Class R Retail Net Accumulation	£500	£250	£250	£100	0.00%
Class I Institutional Net Income	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class I Institutional Net Accumulation	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class I Institutional Net Income (Currency Hedged)^	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class I Institutional Net Accumulation (Currency Hedged)	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class A (Eur) Retail Net Accumulation	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.25%
Class I (Eur) Institutional Net Accumulation	€ 3,000,000	€ 1,000	€ 3,000,000	€ 1,000	0.00%

^ Share class not launched

*Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

**The initial charge is shown as a percentage of the amount invested which is equivalent to 5.5409% of the price of shares.

Annual management charges

In respect of the A shares, it is equal to 1.75% per annum of the net asset value of the A shares.

In respect of the R shares, it is equal to 0.75% per annum of the net asset value of the B shares.

In respect of the I shares, it is equal to 0.75% per annum of the net asset value of the I shares.

Investment Review

The Fund returned +5.4% over the 12-month review period (28th February 2022 to 28th February 2023) vs. the IA Europe-ex-UK Equity sector of +10.1% (Class I Institutional Net Accumulation).

The review period saw volatility for both equity and bond investors as high inflation and rising interest rates weighed on all asset classes. In our long book our biggest winners were all product tankers, (D/S Norden +149%, Hafnia +137%, Torm +105%, D'Amico International +87%) with ton-mileage benefitting from robust demand, lack of an indigenous refining industry and EU sanctions on Russia. By contrast, the Fund's worst performers were JustEat Takeaway (-48%) with the market's disdain for unprofitable business models and Spanish blood plasma outfit Grifols (-47%) owing to its high levels of indebtedness.

Market Overview

It is incredible to think that in March 2022, the US Fed Funds interest rate was still just 25bps, where it had been since the COVID crisis began in March 2020. Less than 12 months later, after 8 hikes, the rate is now 4.75%, with the market now pricing in two more 25bps further hikes. This 450bps in 11 months represents the fastest pace of Fed rate hikes since the 1970s, and the 18-fold rise from 25bps, the biggest monetary tightening of all time.

In the face of such rapid monetary tightening, the resilience of the real economy has been remarkable, with employment at record levels, consumer confidence high and corporate profits resilient. Because of inflation there has been an ongoing nominal growth boom which has masked an underlying anaemic economy with declining productivity, which is what investors should care about. This also reflects an over-weening public sector, geopolitical de-globalisation, and de-carbonisation, all of which will contribute to long-term stagflation.

Nevertheless, this cycle of inflation peaked in the summer of 2022, with Fed Chairman Powell belatedly recognising in the February FOMC conference that "the disinflationary process has started". Although year-on-year headline inflation is trending downward (now 6.0% in the US from its June 2022 peak of 9%, 8.5% in the EU from 10.5% in October 2022 and 10.1% from 11.1% in October 2022 in the UK), inflation prints have generally been stickier than expected and in our opinion are unlikely to fall back to the 2% level - that would justify monetary easing - without a significant economic crisis.

Outlook

The Fed tightening cycle is already resulting in significant stresses in the banking industry, with commercial banks previously used to "free funding" with near zero interest deposits now having to bid up for funding, squeezing net interest margins. At the same time, the rise of interest rates along the yield curve (the yield on the 10-year Treasury rose from 1.82% to 3.92% over the review period) has resulted in significant mark-to-market losses for banks holding government and mortgage bond securities, which they are not required to recognise as losses if the bank can fund the assets to maturity. But if banks suffer a run – whereby in a collective loss of confidence its customers demand their deposits back – then the bank must not only have enough liquidity to meet these redemptions, but also enough capital to replace any losses from assets they have had to sell to fund liquidity needs.

Following Walter Bagehot's advice to central banks in a liquidity crisis to "lend freely, at a penalty rate, against good collateral", troubled banks can access short-term liquidity by placing their assets temporarily in the custody of the central bank in return for cash (a process known as "repo"). But this comes at the Fed Funds rate, which is much higher than the rate they were previously paying for deposits, putting further pressure on profitability. Hence, even when a commercial bank can meet a bank run on deposits through access to central bank liquidity, this can soon morph into a solvency crisis where the bank does not hold enough capital to meet losses to its equity. This is why when depositors flee a bank – which today can happen much faster than in the past - this is nearly always fatal to its shareholders: if liquidity doesn't get you, then solvency will.

The US government may attempt to ringfence contagion by a full depositor guarantee against losses (only the first $250k for US citizens is currently covered) but this probably requires congressional approval and is not without controversy since it means that bad banks will have the same access to deposit funding – at the same price - as good banks. The Federal Reserve could also start reversing its interest rate hikes which would pump liquidity back into the banking sector on the liability side which would also boost asset prices. This would, however, require a more severe crisis since inflation currently remains stubbornly high. Hence, the banking crisis is likely to get worse before it gets better. Weaker banks will likely fall like dominoes until the severity of the crisis demands a central bank U-turn.

The Fund is currently avoiding financials, especially banks, commercial property and private equity industries. We also see good opportunities on the long side, particularly in energy shipping, salmon farming, oil services, precious metals, and defence industries. As always, we will remain opportunistic to ongoing developments.

Barry Norris
Argonaut Capital Partners LLP
Investment Manager to the Fund
21 March 2023

Data Source for all performance figures Refinitiv Lipper

Class A Retail Net Income

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	146.8459	161.4581	152.0200
Return before operating charges	10.9558	(10.2332)	13.0140
Operating charges (note 1)	(2.8069)	(2.9443)	(3.1348)
Return after operating charges *	8.1489	(13.1775)	9.8792
Distributions on income shares	(6.3777)	(1.4347)	(0.4411)
Closing net asset value per share	148.6171	146.8459	161.4581
*after direct transactions costs of:	1.2409	1.3411	1.2226
Performance			
Return after charges	5.55%	(8.16%)	6.50%
Other information			
Closing net asset value	£256,424	£255,712	£273,583
Closing number of shares	172,540	174,136	169,445
Operating charges (note 2)	1.90%	1.91%	2.00%
Direct transaction costs	0.84%	0.87%	0.78%
Prices			
Highest share price	164.0099	174.8212	173.4500
Lowest share price	136.1749	141.4106	121.1600

Class A Retail Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	320.4489	346.9127	325.6500
Return before operating charges	20.2471	(20.0905)	27.9883
Operating charges (note 1)	(6.2218)	(6.3733)	(6.7256)
Return after operating charges *	14.0253	(26.4638)	21.2627
Closing net asset value per share	334.4742	320.4489	346.9127
Distributions on accumulation shares	14.0239	3.0543	0.9429
*after direct transactions costs of:	2.7507	2.9030	2.6230
Performance			
Return after charges	4.38%	(7.63%)	6.53%
Other information			
Closing net asset value	£13,325,504	£14,422,943	£20,495,107
Closing number of shares	3,984,015	4,500,856	5,907,857
Operating charges (note 2)	1.90%	1.91%	2.00%
Direct transaction costs	0.84%	0.87%	0.78%
Prices			
Highest share price	355.5717	376.9606	372.6800
Lowest share price	300.4352	306.3810	259.5500

Financial Highlights (Continued)

Class A (Eur) Retail Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share			
	EURc	EURc	EURc
Opening net asset value per share	157.4389	163.8377	155.4400
Return before operating charges	2.1948	(3.3306)	11.5905
Operating charges (note 1)	(2.9838)	(3.0682)	(3.1928)
Return after operating charges *	(0.7890)	(6.3988)	8.3977
Closing net asset value per share	156.6499	157.4389	163.8377
Retained distributions on accumulated shares	6.6009	1.4273	0.4500
*after direct transactions costs of:	1.3192	1.3976	1.2452
Performance			
Return after charges	(0.50%)	(3.91%)	5.40%
Other information			
Closing net asset value	€ 8,067	€ 8,108	€ 17,416
Closing number of shares	5,150	5,150	10,630
Operating charges (note 2)	1.90%	1.91%	2.00%
Direct transaction costs	0.84%	0.87%	0.78%
Prices			
Highest share price	173.9689	181.2257	171.3512
Lowest share price	139.6609	150.9141	117.0000

Class I Institutional Net Income

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	151.8634	167.0300	156.4700
Return before operating charges	12.1672	(11.3409)	13.3849
Operating charges (note 1)	(1.3784)	(1.4510)	(1.6175)
Return after operating charges *	10.7888	(12.7919)	11.7674
Distributions on income shares	(8.2084)	(2.3747)	(1.2074)
Closing net asset value per share	154.4438	151.8634	167.0300
*after direct transactions costs of:	1.2865	1.3872	1.2617
Performance			
Return after charges	7.10%	(7.66%)	7.52%
Other information			
Closing net asset value	£1,010,380	£1,746,957	£2,066,310
Closing number of shares	654,205	1,150,348	1,237,114
Operating charges (note 2)	0.90%	0.91%	1.00%
Direct transaction costs	0.84%	0.87%	0.78%
Prices			
Highest share price	170.9363	181.0925	179.2000
Lowest share price	141.6208	147.0162	124.8100

Financial Highlights (Continued)

Class I Institutional Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	293.5138	314.5908	292.4000
Return before operating charges	18.6226	(18.3101)	25.2258
Operating charges (note 1)	(2.7132)	(2.7669)	(3.0350)
Return after operating charges *	15.9094	(21.0770)	22.1908
Closing net asset value per share	309.4232	293.5138	314.5908
Retained distributions on accumulated shares	15.8184	4.4653	2.2580
*after direct transactions costs of:	2.5323	2.6453	2.3673
Performance			
Return after charges	5.42%	(6.70%)	7.59%
Other information			
Closing net asset value	£2,556,756	£2,717,296	£3,738,623
Closing number of shares	826,297	925,782	1,188,409
Operating charges (note 2)	0.90%	0.91%	1.00%
Direct transaction costs	0.84%	0.87%	0.78%
Prices			
Highest share price	326.5771	344.2346	337.5300
Lowest share price	276.8255	280.6151	233.1500

Class I Institutional Net Accumulation (Currency Hedged)

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	108.7987	113.3769	104.6100
Return before operating charges	4.4694	(3.5673)	9.8568
Operating charges (note 1)	(0.9948)	(1.0109)	(1.0899)
Return after operating charges *	3.4746	(4.5782)	8.7669
Closing net asset value per share	112.2733	108.7987	113.3769
Retained distributions on accumulated shares	5.7508	1.4589	0.0000
*after direct transactions costs of:	0.9285	0.9665	0.8501
Performance			
Return after charges	3.19%	(4.04%)	8.38%
Other information			
Closing net asset value	£183,421	£194,958	£155,420
Closing number of shares	163,370	179,192	137,083
Operating charges (note 2)	0.90%	0.91%	1.00%
Direct transaction costs	0.84%	0.87%	0.78%
Prices			
Highest share price	119.1204	125.9386	118.2263
Lowest share price	97.1046	104.4660	80.1000

Financial Highlights (Continued)

Class I (Eur) Institutional Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share			
	EURc	EURc	EURc
Opening net asset value per share	175.1069	180.5188	169.8400
Return before operating charges	2.4430	(3.7938)	12.4306
Operating charges (note 1)	(1.5798)	(1.6181)	(1.7518)
Return after operating charges *	0.8632	(5.4119)	10.6788
Closing net asset value per share	175.9701	175.1069	180.5188
Retained distributions on accumulated shares	9.0837	2.5997	1.2600
*after direct transactions costs of:	1.4745	1.5470	1.3664
Performance			
Return after charges	0.49%	(3.00%)	6.29%
Other information			
Closing net asset value	€ 70,638	€ 70,292	€ 72,464
Closing number of shares	40,142	40,142	40,142
Operating charges (note 2)	0.90%	0.91%	1.00%
Direct transaction costs	0.84%	0.87%	0.78%
Prices			
Highest share price	193.7296	200.9990	188.7453
Lowest share price	156.2302	167.8318	128.0000

Class R Retail Net Income

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	170.9795	188.0503	176.1700
Return before operating charges	13.7129	(12.7636)	15.0637
Operating charges (note 1)	(1.5519)	(1.6336)	(1.8211)
Return after operating charges *	12.1610	(14.3972)	13.2426
Distributions on income shares	(9.2587)	(2.6736)	(1.3623)
Closing net asset value per share	173.8818	170.9795	188.0503
*after direct transactions costs of:	1.4484	1.5618	1.4205
Performance			
Return after charges	7.11%	(7.66%)	7.52%
Other information			
Closing net asset value	£810,361	£895,458	£1,155,386
Closing number of shares	466,041	523,723	614,402
Operating charges (note 2)	0.90%	0.91%	1.00%
Direct transaction costs	0.84%	0.87%	0.78%
Prices			
Highest share price	192.4659	203.8866	201.7600
Lowest share price	159.4458	165.5210	140.5200

Financial Highlights (Continued)

Class R Retail Net Accumulation

	Year to 28 February 2023	**Year to 28 February 2022**	**Year to 28 February 2021**
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	190.6448	204.3349	189.9200
Return before operating charges	12.0958	(11.8929)	16.3862
Operating charges (note 1)	(1.7623)	(1.7972)	(1.9713)
Return after operating charges *	10.3335	(13.6901)	14.4149
Closing net asset value per share	200.9783	190.6448	204.3349
Retained distributions on accumulated shares	10.4059	2.9030	1.4658
*after direct transactions costs of:	1.6448	1.7182	1.5376
Performance			
Return after charges	5.42%	(6.70%)	7.59%
Other information			
Closing net asset value	£9,366,688	£10,042,609	£13,453,063
Closing number of shares	4,660,547	5,267,708	6,583,832
Operating charges (note 2)	0.90%	0.91%	1.00%
Direct transaction costs	0.84%	0.87%	0.78%
Prices			
Highest share price	212.1204	223.5892	219.2400
Lowest share price	179.8049	182.2667	151.4400

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

Risk Profile
Based on past data, the Sub-fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (28 February 2022: ranked 6). The Sub-fund is ranked 6 because historical performance data indicates that significant rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 28 February 2023

Holding		Value £	% of net assets
	EQUITIES & WARRANTS		
	Austria (28.02.2022: 3.40%)		
25,000	Erste Group Bank AG	805,663	2.91%
	Belgium (28.02.2022: 3.18%)		
60,000	Euronav NV	905,745	3.28%
25,000	Telenet Group Holding NV	315,993	1.14%
		1,221,738	4.42%
	Bermuda (28.02.2022: 4.51%)		
400,000	Hafnia Ltd	2,040,805	7.41%
25,000	Seadrill Ltd	844,914	3.06%
		2,885,719	10.47%
	Denmark (28.02.2022: 1.96%)		
25,000	Dampskibsselskabet Norden A/S	1,461,293	5.30%
	France (28.02.2022: 9.27%)		
50,000	ALD SA	549,973	2.00%
9,000	Eramet SA	806,013	2.93%
100,000	Vallourec SA	1,205,643	4.38%
		2,561,629	9.31%
	Germany (28.02.2022: 23.90%)		
15,000	Bayer AG	739,306	2.68%
3,000	Hannover Rueck SE	486,818	1.77%
18,000	Infineon Technologies AG	530,737	1.93%
		1,756,861	6.38%
	Hungary (28.02.2022: 3.42%)		
20,000	OTP Bank Nyrt	501,974	1.82%
	Italy (28.02.2022: 1.88%)		
380,000	Intesa Sanpaolo SpA	861,124	3.13%
	Luxembourg (28.02.2022: 0.00%)		
2,700,000	d'Amico International Shipping SA	1,020,739	3.71%
5,000	Spotify Technology SA	482,987	1.75%
50,000	Tenaris SA	702,816	2.55%
		2,206,542	8.01%
	Netherlands (28.02.2022: 18.16%)		
1,800	ASM International NV	517,317	1.88%
8,000	BE Semiconductor Industries NV	517,729	1.88%
30,048	Brunel International NV	309,954	1.13%
70,000	Koninklijke Vopak NV	1,848,769	6.71%
30,000	Just Eat Takeaway.com	547,473	1.99%
		3,741,242	13.59%

Holding		Value £	% of net assets
	Norway (28.02.2022: 14.28%)		
130,000	Leroy Seafood Group ASA	529,674	1.92%
80,000	Mowi ASA	1,134,278	4.12%
1,000,000	Norwegian Air Shuttle ASA	902,449	3.28%
35,000	SalMar ASA	1,192,895	4.33%
		3,759,296	13.65%
	Spain (28.02.2022: 4.14%)		
220,000	Caixabank SA	789,646	2.87%
75,000	Grifols SA	797,987	2.90%
80,000	Repsol SA	1,052,931	3.82%
		2,640,564	9.59%
	Sweden (28.02.2022: 2.12%)		
	Switzerland (28.02.2022: 0.00%)		
6,000	Swiss Re AG	521,596	1.89%
	United Kingdom (28.02.2022: 0.00%)		
60,000	Torm PLC	1,732,339	6.29%
	United States (28.02.2022: 7.82%)		
	Portfolio of investments	**26,657,580**	**96.76%**
	Forward currency contracts (28.02.2022: 0.00%)		
	NOK Fwd FX Hedge Gain	151	0.00%
	DKK Fwd FX Hedge Gain	83	0.00%
	EUR Fwd FX Hedge Gain	391	0.00%
	HUF Fwd FX Hedge Gain	24	0.00%
	CHF Fwd FX Hedge Gain	25	0.00%
	USD Fwd FX Hedge Gain	44	0.00%
		718	**0.00%**
	Portfolio of investments (28.02.2022: 98.04%)	**26,658,298**	**96.76%**
	Net other assets (28.02.2022: 2.02%)	**891,426**	**3.24%**
		27,549,724	**100.00%**

Note: The 28 February 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 28 February 2022 was (0.06%).

	£
Total sales for the year (note 14)	**142,435,581**
Euronav NV	5,274,467
Roche Holding AG	4,187,091
Glencore PLC	4,114,620
K&S AG	3,839,657
Frontline Ltd	3,825,785
Eramet SA	3,651,450
Repsol SA	3,579,558
Novartis AG	3,286,331
TGS ASA	3,247,758
Vallourec SA	3,203,912

	£
Total purchase for the year (note 14)	**138,806,300**
Euronav NV	5,807,258
Repsol SA	4,780,615
Vallourec SA	4,448,971
Just Eat Takeaway.com	4,175,886
Roche Holding AG	4,068,206
Glencore PLC	3,992,433
Frontline Ltd	3,927,008
Eramet SA	3,815,696
Hafnia Ltd	3,589,141
Novartis AG	3,215,857

The above transactions represent the top ten sales and top ten purchases for the year.

STATEMENT OF TOTAL RETURN

For the year ended 28 February	Notes	2023 £	2023 £	2022 £	2022 £
Income					
Net capital losses	2		(40,479)		(2,583,083)
Revenue	3	1,952,099		1,086,210	
Expenses	4	(396,924)		(555,303)	
Interest payable and similar charges	6	(7,868)		(4,705)	
Net revenue before taxation		1,547,307		526,202	
Taxation	5	(156,709)		(170,697)	
Net revenue after taxation			1,390,598		355,505
Total return before distributions			1,350,119		(2,227,578)
Finance costs: distributions	6		(1,390,598)		(475,246)
Changes in net assets attributable to shareholders from investment activities			(40,479)		(2,702,824)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February	2023 £	2022 £
Opening net assets attributable to shareholders	30,357,997	41,375,978
Amounts receivable on creation of shares	1,201,865	704,186
Amounts payable on cancellation of shares	(5,193,190)	(9,393,544)
Dividends reinvested	1,223,531	374,201
Changes in net assets attributable to shareholders from investment activities (see above)	(40,479)	(2,702,824)
Closing net assets attributable to shareholders	27,549,724	30,357,997

BALANCE SHEET

As at	Notes	28.02.2023 £	28.02.2023 £	28.02.2022 £	28.02.2022 £
ASSETS					
Investment assets			26,658,298		29,746,226
Current assets					
Debtors	7	2,838,286		1,911,469	
Cash and bank balances	8	792,940		533,622	
Total current assets			3,631,226		2,445,091
Total assets			30,289,524		32,191,317
LIABILITIES					
Investment liabilities			-		(40)
Current liabilities					
Distribution payable on income shares		(62,002)		-	
Bank overdraft	8	-		(397,104)	
Creditors	9	(2,677,798)		(1,436,176)	
Total current liabilities			(2,739,800)		(1,833,280)
Net assets attributable to shareholders			27,549,724		30,357,997

1 Accounting policies, financial instruments and related party transactions are on pages 7-10.

2 Net capital losses	**2023**	**2022**
The net capital losses comprise:	**£**	**£**
Non-derivative securities gains/(losses)	378,666	(2,163,880)
Currency losses	(398,888)	(415,090)
Forward currency contract (losses)/gains	(6,122)	2,909
Transaction charges	(14,135)	(7,022)
Total net capital losses	(40,479)	(2,583,083)

3 Revenue	**2023**	**2022**
	£	**£**
Non-taxable dividends	1,941,982	1,086,201
Bank interest	10,117	9
Total revenue	1,952,099	1,086,210

4 Expenses	**2023**	**2022**
	£	**£**
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	355,832	478,093
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,000	18,099
Safe custody fee	3,163	8,119
	21,163	26,218
Other expenses:		
Audit fee	8,724	7,843
FCA fee	447	(354)
Other expenses	10,758	43,503
	19,929	50,992
Total expenses	396,924	555,303

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
Overseas irrecoverable withholding tax	156,709	170,697
Total tax charge for the year (note 5b)	156,709	170,697

(b) Factors affecting current tax charge for the year

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

	2023	2022
Net revenue before UK corporation tax	1,547,307	526,202
Corporation tax at 20.00% (2022: 20.00%)	309,461	105,240
Effects of:		
Revenue not subject to UK corporation tax	(388,396)	(217,240)
Excess management expenses	78,935	112,000
Overseas irrecoverable withholding tax	156,709	170,697
Total tax charge for the year (note 5a)	156,709	170,697

(c) Provision for deferred taxation

At 28 February 2023 there is a potential deferred tax asset of £4,252,815 (2022: £4,173,880) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs

	2023	2022
	£	£
Interim dividend distribution	577,618	419,533
Final dividend distribution	757,560	-
	1,335,178	419,533
Add: Revenue deducted on cancellation of shares	75,486	62,090
Deduct: Revenue received on issue of shares	(20,066)	(6,377)
Net distribution for the year	1,390,598	475,246
Interest payable and similar charges	7,868	4,705
Total finance costs	1,398,466	479,951
Reconciliation of distributions		
Net revenue after taxation	1,390,598	355,505
Revenue deficit charged to capital	-	119,741
Net distribution for the year	1,390,598	475,246

7 **Debtors**	**28.02.2023**	**28.02.2022**
	£	**£**
Amounts receivable on creation of shares	2,005	10,466
Amounts receivable on unsettled trades	2,354,560	1,527,287
Overseas withholding tax recoverable	475,437	359,402
Accrued revenue	4,300	13,666
Amounts receivable on currency hedge	4	-
Prepayments	1,980	648
Total debtors	2,838,286	1,911,469

8 **Cash and bank balances**	**28.02.2023**	**28.02.2022**
	£	**£**
Cash and bank balances	792,940.00	533,622
Bank overdraft	-	(397,104)

9 **Creditors**	**28.02.2023**	**28.02.2022**
	£	**£**
Amounts payable on cancellation of shares	127,880	1,313,339
Amounts payable on unsettled trades	2,423,396	-
Annual management charge	68,135	2,548
Amounts payable accrued interest and bank charges	6	-
Other accrued expenses	58,381	120,289
Total creditors	2,677,798	1,436,176

10 **Shares held**

Shares Held - Class A Retail Net Income	
Opening shares at 01.03.2022	**174,136**
Shares issued during the year	1,035
Shares cancelled during the year	(3,728)
Shares converted during the year	1,097
Closing shares as at 28.02.2023	**172,540**
Shares Held - Class A Retail Net Accumulation	
Opening shares at 01.03.2022	**4,500,856**
Shares issued during the year	74,643
Shares cancelled during the year	(586,975)
Shares converted during the year	(4,509)
Closing shares as at 28.02.2023	**3,984,015**
Shares Held - Class A (Eur) Retail Net Accumulation	
Opening shares at 01.03.2022	**5,150**
Shares issued during the year	-
Shares cancelled during the year	-
Shares converted during the year	-
Closing shares as at 28.02.2023	**5,150**

10 Shares held (continued)

Shares Held - Class I Institutional Net Income	
Opening shares at 01.03.2022	**1,150,348**
Shares issued during the year	1,383
Shares cancelled during the year	(497,526)
Shares converted during the year	-
Closing shares as at 28.02.2023	**654,205**

Shares Held - Class I Institutional Net Accumulation	
Opening shares at 01.03.2022	**925,782**
Shares issued during the year	159,342
Shares cancelled during the year	(268,449)
Shares converted during the year	9,622
Closing shares as at 28.02.2023	**826,297**

Shares Held - Class I Institutional Net Accumulation (Currency Hedged)	
Opening shares at 01.03.2022	**179,192**
Shares issued during the year	14,759
Shares cancelled during the year	(37,973)
Shares converted during the year	7,392
Closing shares as at 28.02.2023	**163,370**

Class I (Eur) Institutional Net Accumulation	
Opening shares at 01.03.2022	**40,142**
Shares issued during the year	-
Shares cancelled during the year	-
Shares converted during the year	-
Closing shares as at 28.02.2023	**40,142**

Class R Retail Net Income	
Opening shares at 01.03.2022	**523,723**
Shares issued during the year	39,337
Shares cancelled during the year	(99,929)
Shares converted during the year	2,910
Closing shares as at 28.02.2023	**466,041**

Class R Retail Net Accumulation	
Opening shares at 01.03.2022	**5,267,708**
Shares issued during the year	208,413
Shares cancelled during the year	(800,796)
Shares converted during the year	(14,778)
Closing shares as at 28.02.2023	**4,660,547**

11 Contingent assets and liabilities

At 28 February 2023, the Sub-fund had no contingent liabilities or commitments (28 February 2022: £nil).

12 Risk management

In pursuing its investment objective as stated on page 11, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, derivatives, 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 discussed in pages 8-9. These policies have been applied throughout the year.

Market price risk

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 28.02.2023 would have increased/decreased by £2,665,830 (2022: £2,974,619).

Foreign currency risk

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Net non-monetary assets and liabilities		Total net assets	
	£		£		£	
	28.02.2023	28.02.2022	28.02.2023	28.02.2022	28.02.2023	28.02.2022
Euro	336,424	616,365	15,312,768	17,429,183	15,649,192	18,045,548
Danish krone	209,938	158,856	3,193,715	594,746	3,403,653	753,602
Hungarian Forint	-	-	501,997	1,038,847	501,997	1,038,847
Norwegian krone	(905,440)	314,191	6,133,242	5,058,757	5,227,802	5,372,948
Swedish krona	674,233	-	-	642,040	674,233	642,040
Swiss franc	674	(2,779)	521,621	-	522,295	(2,779)
US dollar	253,248	217,494	994,955	4,982,613	1,248,203	5,200,107
Total foreign currency exposure	569,077	1,304,127	26,658,298	29,746,186	27,227,375	31,050,313
Sterling	322,349	(692,316)	-	-	322,349	(692,316)
Total	891,426	611,811	26,658,298	29,746,186	27,549,724	30,357,997

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets (prior to the effect of currency hedging on applicable share classes) will affect the Sub-fund by £2,722,738 (28 February 2022: £3,105,031).

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.

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

	28.02.2023	**28.02.2022**
	£	**£**
Financial assets floating rate	792,940	533,622
Financial assets non-interest bearing instruments	29,496,584	31,657,695
Financial liabilities non-interest bearing instruments	(2,739,800)	(1,436,216)
Financial liabilities floating rate	-	(397,104)
	27,549,724	**30,357,997**

12 Risk management (continued)

During the year the AFM entered into derivative contracts on behalf of the Sub-fund for Efficient Portfolio Management ("EPM").

At the year end, a sensitivity analysis or value at risk approach is not significant given the level and nature of the derivatives held.
Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 28 February 2023 are payable either within one year or on demand.

Credit risk

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

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.

	28.02.2023		28.02.2022	
Valuation Technique	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	26,657	-	29,745	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	1	-	1	-
Total	26,658	-	29,746	-

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 28 February 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

	Price (GBp) at 28 February 2023	**Price (GBp) at 3 August 2023**
Class A Retail Net Income	148.6171	137.8052
Class A Retail Net Accumulation	334.4742	311.8849
Class I Institutional Net Income	154.4438	143.6745
Class I Institutional Net Accumulation	309.4232	289.7929
Class I Institutional Net Accumulation (Currency Hedged)	112.2733	108.3808
Class R Retail Net Income	173.8818	161.9072
Class R Retail Net Accumulation	200.9783	188.2284

	Price (EURc) at 28 February 2023	**Price (EURc) at 3 August 2023**
Class A (Eur) Retail Net Accumulation	156.6499	148.4051
Class I (Eur) Institutional Net Accumulation	175.9701	167.4319

14 Direct transaction costs

	2023 £	%	2022 £	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	138,647,012		164,148,299	
Commissions	82,584	0.06%	128,610	0.08%
Taxes & levies	76,704	0.06%	71,909	0.04%
Total purchase costs	159,288	0.12%	200,519	0.12%
Total purchases including transaction costs	138,806,300		164,348,818	
Analysis of total sale costs				
Sales in the year before transaction costs	142,517,651		173,968,084	
Commissions	(81,554)	(0.06%)	(127,488)	(0.07%)
Taxes & levies	(516)	(0.00%)	(154)	(0.00%)
	(82,070)	(0.06%)	(127,642)	(0.07%)
Total sales net of transaction costs	142,435,581		173,840,442	

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:

	2023 £	% of average net asset value	2022 £	% of average net asset
Commissions	164,138	0.57%	256,098	0.68%
Taxes & levies	77,220	0.27%	72,063	0.19%
	241,358	0.84%	328,161	0.87%

15 Portfolio dealing spread

The average portfolio dealing spread at 28 February 2023 is 0.13% (2022: 0.12%).

DISTRIBUTION TABLES

Interim distributions in pence per share

Group 1: Shares purchased prior to 01 March 2022
Group 2: Shares purchased on or after 01 March 2022 and on or before 31 August 2022

	Share Class	Net Revenue 31.10.2022	Equalisation	Distribution 31.10.2022	Distribution 29.10.2021
group 1	Class A Retail Net Income	2.5776p	-	2.5776p	1.4347p
group 2	Class A Retail Net Income	0.4231p	2.1545p	2.5776p	1.4347p
group 1	Class A Retail Net Accumulation	5.6404p	-	5.6404p	3.0543p
group 2	Class A Retail Net Accumulation	2.9023p	2.7381p	5.6404p	3.0543p
group 1	Class A (Eur) Retail Net Accumulation	2.2984p	-	2.2984p	1.2267p
group 2	Class A (Eur) Retail Net Accumulation	2.2984p	-	2.2984p	1.2267p
group 1	Class I Institutional Net Income	3.5057p	-	3.5057p	2.3747p
group 2	Class I Institutional Net Income	1.4581p	2.0476p	3.5057p	2.3747p
group 1	Class I Institutional Net Accumulation	6.6311p	-	6.6311p	4.4653p
group 2	Class I Institutional Net Accumulation	0.6783p	5.9528p	6.6311p	4.4653p
group 1	Class I Institutional Net Accumulation (Cur Hdg)	2.4454p	-	2.4454p	1.4589p
group 2	Class I Institutional Net Accumulation (Cur Hdg)	1.3665p	1.0789p	2.4454p	1.4589p
group 1	Class I (Eur) Institutional Net Accumulation	3.3138p	-	3.3138p	2.2343p
group 2	Class I (Eur) Institutional Net Accumulation	3.3138p	-	3.3138p	2.2343p
group 1	Class R Retail Net Income	3.9630p	-	3.9630p	2.6736p
group 2	Class R Retail Net Income	2.3142p	1.6488p	3.9630p	2.6736p
group 1	Class R Retail Net Accumulation	4.4361p	-	4.4361p	2.9030p
group 2	Class R Retail Net Accumulation	1.9120p	2.5241p	4.4361p	2.9030p

Final distributions in pence per share
Group 1: Shares purchased prior to 01 September 2022
Group 2 : Shares purchased 01 September 2022 and on or before 28 February 2023

	Share Class	Net Revenue 28.04.2023	Equalisation	Distribution 28.04.2023	Distribution 29.04.2022
group 1	Class A Retail Net Income	3.8001p	-	3.8001p	-
group 2	Class A Retail Net Income	1.6942p	2.1059p	3.8001p	-
group 1	Class A Retail Net Accumulation	8.3835p	-	8.3835p	-
group 2	Class A Retail Net Accumulation	1.5634p	6.8201p	8.3835p	-
group 1	Class A (Eur) Retail Net Accumulation	3.4434p	-	3.4434p	-
group 2	Class A (Eur) Retail Net Accumulation	3.4434p	-	3.4434p	-
group 1	Class I Institutional Net Income	4.7027p	-	4.7027p	-
group 2	Class I Institutional Net Income	2.4161p	2.2866p	4.7027p	-
group 1	Class I Institutional Net Accumulation	9.1873p	-	9.1873p	-
group 2	Class I Institutional Net Accumulation	6.3542p	2.8331p	9.1873p	-
group 1	Class I Institutional Net Accumulation (Cur Hdg)	3.3054p	-	3.3054p	-
group 2	Class I Institutional Net Accumulation (Cur Hdg)	3.3054p	-	3.3054p	-
group 1	Class I (Eur) Institutional Net Accumulation	4.5845p	-	4.5845p	-
group 2	Class I (Eur) Institutional Net Accumulation	4.5845p	-	4.5845p	-
group 1	Class R Retail Net Income	5.2957p	-	5.2957p	-
group 2	Class R Retail Net Income	1.8449p	3.4508p	5.2957p	-
group 1	Class R Retail Net Accumulation	5.9698p	-	5.9698p	-
group 2	Class R Retail Net Accumulation	1.9688p	4.0010p	5.9698p	-

Information for corporate shareholders
A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:
i) 99.48% of the total dividend allocation together with the tax credit is received as franked investment income.
ii) 0.52% 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 Argonaut Absolute Return Fund
Size of Sub-fund	£93,049,343
Launch date	14 July 2012
Sub-fund objective and policy	To provide positive returns over a 3 year period, regardless of market conditions. Capital invested in the Sub-fund is at risk and there is no guarantee that the investment objective will be met over a 3 year, or any other period. The Sub-fund may, at times, invest in a relatively small number of equities, the selection of which will not be restricted either by size, industry, or geographical location of the underlying companies, although exposure is expected to be mainly (over 50% of gross exposure) to companies incorporated in Europe. The Sub-fund may take investment exposure to equities, fixed interest instruments, collective investment schemes (which may include those managed/operated by the AFM) cash and near cash (which includes money market instruments and deposits in any currency). Any such exposures could be gained by direct investment or through funds or derivative instruments. In pursuit of its investment policy, all or a substantial proportion of the Sub-fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments. The Sub-fund may use derivatives and forward transactions (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) for the purposes of meeting the investment objective or efficient portfolio management.
Investment strategy	The Investment Manager will seek to identify methodically those investments, generally in European markets including the UK and Eastern Europe, with the most and least attractive characteristics for investment. This assessment will be made with a view to being long on stocks with superior or underestimated earnings trends and being short on stocks with inferior or overestimated earnings trends. The investment process will involve traditional long investing (taking a position in a stock on the expectation of the stock rising) and also "shorting" (taking a position with the expectation of the stock falling). Stocks are selected by the Investment Manager primarily on over (shorts) and under (longs) estimated corporate earnings trends with the aim of providing "double alpha" from their stock-picking. Alpha is the difference between our returns and those of the market average. Successfully executed this will result in positive returns from the Sub-fund regardless of market conditions. The Sub-fund may also use leverage to enhance returns or cash to protect capital. The Investment Manager will vary leverage and market exposure according to market conditions. Investment strategies will be achieved through some use of derivative products (which will include contracts for difference (swaps), traded options and financial futures) in the pursuit of the investment objective. Direct investment will be made in equities and corporate debt securities for long exposure whereas exchange-traded financial derivative instruments and over-the-counter financial derivative instruments (together 'derivatives'). Short positions will be generated synthetically through derivatives, designed to allow the Sub-fund to benefit economically from the fall in the price of the underlying securities to which the derivatives relate. In pursuit of its investment policy, all or a substantial proportion of the Sub-fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments; the Sub-fund may also invest in government bonds and other transferable securities collective investment schemes (and use may be made of stock lending, borrowing, hedging techniques permitted by the FCA Rules).

Investment strategy (continued)

In addition to a cash holding being maintained to contribute to the absolute return, substantial cash holdings could be required in support of derivatives to achieve the same economic return as holding the securities themselves.

The Sub-fund's over-the-counter financial derivatives may be transacted with a single counterparty and strategies may be generated through a single derivative contract. In all circumstances, however, the Sub-fund will comply with the investment restrictions and limits set out in the Prospectus. Derivatives strategies are designed to have the same economic effect as if the Sub-fund were investing directly in the equities underlying the derivatives.

In addition, the Sub-fund has the ability to invest in transferable securities embedding derivatives such as convertible bonds and to employ techniques involving, foreign exchange forwards, futures, options, stock lending and contracts for difference for the purpose of efficient portfolio management. These strategies may be used for reducing risk, reducing cost or generating additional capital for the Sub-fund.

The Sub-fund aims to generate absolute returns from five principal strategies:

• Long investing where there is a strong conviction that the stock price will rise;
• Short investing where there is a strong conviction that the stock price will fall;
• Pair trades – a combination of long and short investments to minimise sector and market risk. This could take the form of arbitrage opportunities such as long corporate debt paired with short equity;
• Cash holdings of up to 100% of the portfolio;
• Leverage to increase exposure to equity and corporate debt securities whether long or short but only to the extent permitted by the FCA Regulations.†

† The AFM has taken the decision to not permit the Sub-fund's leverage to exceed a maximum limit of 200% of the Net Asset Value of the Sub-fund.

Performance Comparator:

The Sub-fund is not managed against any formal benchmark. The Sub-fund uses the Investment Association's (IA) IA Targeted Absolute Return Sector for performance comparison purposes only ("Performance Comparator"). The Performance Comparator is not used as a performance target or as a constraint in relation to the composition of the Sub-fund's portfolio.

The Performance Comparator was chosen because it enables investors to compare the performance of the portfolio against competing funds in the same sector.

The Performance Comparator is used to compare the Sub-fund's rank or quartile as compared to the performance of other Sub-funds in the IA Targeted Absolute Return Sector over a variety of time frames.

The AFM reserves the right to change the comparator following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the AFM determines that an alternative may be more appropriate. Shareholders will be notified of such a change, in accordance with the rules in COLL.

Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 August, Last day of February
Distribution dates	31 October, 30 April
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

Share class information

Share class*	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Minimum redemption	Initial charge **
Class A (Currency Hedged) Retail Net Accumulation	£ 500	£ 250	£ 250	£ 100	5.25%
Class R (Currency Hedged) Retail Net Accumulation	£ 500	£ 250	£ 250	£ 100	0.00%
Class I (Currency Hedged) Institutional Net Accumulation	£ 3,000,000	£ 1,000	£ 3,000,000	£ 1,000	0.00%
Class O (Currency Hedged) Institutional Net Accumulation	£ 500	£ 250	£ 250	£ 100	5.00%
Class A (Eur) (Currency Hedged) Retail Net Accumulation	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.25%
Class I (Eur) (Currency Hedged) Institutional Net Accumulation	€ 3,000,000	€ 1,000	€ 3,000,000	€ 1,000	0.00%
Class O (Eur) (Currency Hedged) Institutional Net Accumulation	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.00%
Class A (USD) (Currency Hedged) Retail Net Accumulation	$ 2,500	$ 1,000	$ 2,500	$ 1,000	5.25%
Class I (USD) (Currency Hedged) Institutional Net Accumulation	$ 3,000,000	$ 1,000	$ 3,000,000	$ 1,000	0.00%
Class O (USD) (Currency Hedged) Institutional Net Accumulation	$ 2,500	$ 1,000	$ 2,500	$ 1,000	5.00%
Class A (CHF) (Currency Hedged) Retail Net Accumulation^	2,500 CHF	1,000 CHF	2,500 CHF	1,000 CHF	5.25%
Class I (CHF) (Currency Hedged) Institutional Net Accumulation^	3,000,000 CHF	1,000 CHF	3,000,000 CHF	1,000 CHF	0.00%

^Share classes not launched

* Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

**The initial charge is shown as a percentage of the amount invested which is equivalent to 5.5409% of the price of shares.

Annual management charges
In respect of the A shares, it is equal to 1.50% per annum of the net asset value of the A shares.

In respect of the R shares, it is equal to 0.75% per annum of the net asset value of the B shares.

In respect of the I shares, it is equal to 0.75% per annum of the net asset value of the I shares.

In respect of the O shares, it is equal to 1.50% per annum of the net asset value of the O shares.

Performance fee

The performance fee will be calculated and accrued daily but will only become payable annually in arrears in respect of each discrete period of twelve months ending 31 December (the “Performance Period”). The performance fee will accrue daily as if each day were the end of a performance period, therefore if relevant; the fee may be payable upon redemptions and will be paid to the Investment Manager at the end of the performance period. There is no maximum value on the performance fee that could be taken. Full details can be found in the Prospectus.

The amount of performance fee payable in respect of each performance period is a Sterling amount equivalent to the product of:

(a) the higher of:

• the excess performance over 5% (the “Hurdle Rate”); and

• the highest mid price, net of any performance fee, calculated at the end of any previous performance period (the “High Watermark”); the higher being the “Target Price”;

(b) the rate of the performance fee (being 20% of the outperformance of the Target Price); and

(c) the average number of shares in issue during the calculation period.

The accrual for a performance fee shall reflect the average number of shares in issue during the performance period. However, where the actual number of shares in issue (on any day) is less than 95% of the average number of shares in issue shown on the performance fee calculation (which could occur where large redemptions of shares are placed relative to the number of shares in issue in that share class), the average number of shares in issue will be reset to the actual number of shares in issue.

Investment Review
The Fund returned -2.6% over the 12-month review period (28th February 2022 to 28th February 2023) vs. the IA Targeted Absolute Return sector of 0.0% and the Lipper equity long/short sector of -0.8%. The correlation of the Fund was negative at -0.1. Since launch the Fund has returned 160.2% vs. the IA Targeted Absolute Return sector of 46.1% and the Lipper equity long/short sector of 38.8%, with a correlation of just 0.1 (Class I (currency hedged) Institutional Net Accumulation).

The review period saw volatility for both equity and bond investors as high inflation and rising interest rates weighed on all asset classes. In our long book our biggest winners were all energy shipping, (Torm +197%, Norden +185%, Hafnia +177%) with ton-mileage benefitting from robust demand, lack of an indigenous refining industry and EU sanctions on Russia. In our short book our biggest winners were US online car platform Carvana (-97%), German real estate outfit Adler (-92%) and bankrupt cinema chain Cineworld (-92%). Overall, the fund made money in its long book but lost money in its short book.

The aim of the Fund is to deliver positive uncorrelated returns which blend well with equity beta, whether active or passive. There were 6 negative market months during the review period where the market produced a cumulative return of -22.1%, but in which the Fund made a cumulative positive return of 8.1%. Although the Fund made a small loss over the (somewhat arbitrary February-February) review period, the Fund delivered positive returns at different times to the market and therefore most other funds, thus lowering the volatility of overall returns for our shareholders.

Market Overview
It is incredible to think that in March 2022, the US Fed Funds interest rate was still just 25bps, where it had been since the COVID crisis began in March 2020. Less than 12 months later, after 8 hikes, the rate is now 4.75%, with the market now pricing in two more 25bps further hikes. This 450bps in 11 months represents the fastest pace of Fed rate hikes since the 1970s, and the 18-fold rise from 25bps, the biggest monetary tightening of all time.

In the face of such rapid monetary tightening, the resilience of the real economy has been remarkable, with employment at record levels, consumer confidence high and corporate profits resilient. Because of inflation there has been an ongoing nominal growth boom which has masked an underlying anaemic economy with declining productivity, which is what investors should care about. This also reflects an over-weening public sector, geopolitical de-globalisation, and de-carbonisation, all of which will contribute to long-term stagflation.

Nevertheless, this cycle of inflation peaked in the summer of 2022, with Fed Chairman Powell belatedly recognising in the February FOMC conference that “the disinflationary process has started”. Although year-on-year headline inflation is trending downward (now 6.0% in the US from its June 2022 peak of 9%, 8.5% in the EU from 10.5% in October 2022 and 10.1% from 11.1% in October 2022 in the UK), inflation prints have generally been stickier than expected and in our opinion are unlikely to fall back to the 2% level - that would justify monetary easing - without a significant economic crisis.

Outlook
The Fed tightening cycle is already resulting in significant stresses in the banking industry, with commercial banks previously used to “free funding” with near zero interest deposits now having to bid up for funding, squeezing net interest margins. At the same time, the rise of interest rates along the yield curve (the yield on the 10-year Treasury rose from 1.82% to 3.92% over the review period) has resulted in significant mark-to-market losses for banks holding government and mortgage bond securities, which they are not required to recognise as losses if the bank can fund the assets to maturity. But if banks suffer a run – whereby in a collective loss of confidence its customers demand their deposits back – then the bank must not only have enough liquidity to meet these redemptions, but also enough capital to replace any losses from assets they have had to sell to fund liquidity needs.
Following Walter Bagehot’s advice to central banks in a liquidity crisis to “lend freely, at a penalty rate, against good collateral”, troubled banks can access short-term liquidity by placing their assets temporarily in the custody of the central bank in return for cash (a process known as “repo”). But this comes at the Fed Funds rate, which is much higher than the rate they were previously paying for deposits, putting further pressure on profitability. Hence, even when a commercial bank can meet a bank run on deposits through access to central bank liquidity, this can soon morph into a solvency crisis where the bank does not hold enough capital to meet losses to its equity. This is why when depositors flee a bank – which today can happen much faster than in the past - this is nearly always fatal to its shareholders: if liquidity doesn’t get you, then solvency will.

The US government may attempt to ringfence contagion by a full depositor guarantee against losses (only the first $250k for US citizens is currently covered) but this probably requires congressional approval and is not without controversy since it means that bad banks will have the same access to deposit funding – at the same price - as good banks. The Federal Reserve could also start reversing its interest rate hikes which would pump liquidity back into the banking sector on the liability side which would also boost asset prices. This would, however, require a more severe crisis since inflation currently remains stubbornly high. Hence, the banking crisis is likely to get worse before it gets better. Weaker banks will likely fall like dominoes until the severity of the crisis demands a central bank U-turn.

The Fund has hedged some of its market exposure through shorts in banks which our analysis suggested would be vulnerable to a crisis including Silicon Valley Bank, Signature Bank, Credit Suisse AG. and First Republic Bank. We also see good opportunities on the long side, particularly in energy shipping, salmon farming, precious metals, energy pipeline companies, and defence industries. As always, we will remain opportunistic to ongoing developments.

Barry Norris
Argonaut Capital Partners LLP
Investment Manager to the Fund
22 March 2023

Data Source for all performance figures Refinitiv Lipper

Financial Highlights

Class A (currency hedged) Retail Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	241.9389	197.4838	188.6200
Return before operating charges	(2.9684)	48.1902	13.3233
Operating charges (note 1)	(3.8404)	(3.7351)	(4.4595)
Return after operating charges *	(6.8088)	44.4551	8.8638
Closing net asset value per share	235.1301	241.9389	197.4838
Distributions on accumulation shares	3.3991	-	-
*after direct transactions costs of:	0.0477	-	0.0579
Performance			
Return after charges	(2.81%)	22.51%	4.70%
Other information			
Closing net asset value	£5,960,726	£3,887,581	£7,799,997
Closing number of shares	2,535,076	1,606,844	3,949,689
Operating charges (note 2)	1.61%	1.70%	2.31%
Performance fee	0.79%	2.44%	0.00%
Direct transaction costs	0.02%	0.00%	0.03%
Prices			
Highest share price	282.7941	249.4626	238.1400
Lowest share price	218.9774	192.3120	188.6400

Class A (EUR) (currency hedged) Retail Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Period from 8 February 2021 to 28 February 2021**
Changes in net assets per share			
	EURc	EURc	EURc
Opening net asset value per share	150.6643	123.2633	131.8700
Return before operating charges	(2.7155)	29.7294	(8.3611)
Operating charges (note 1)	(2.3846)	(2.3284)	(0.2456)
Return after operating charges *	(5.1001)	27.4010	(8.6067)
Closing net asset value per share	145.5642	150.6643	123.2633
Distributions on accumulation shares	2.1754	-	-
*after direct transactions costs of:	0.0296	-	0.0383
Performance			
Return after charges	(3.39%)	22.23%	(6.53%)
Other information			
Closing net asset value	€ 1,784,288	€ 1,435,803	€ 1,866,692
Closing number of shares	1,225,773	952,981	1,514,393
Operating charges (note 2)	1.61%	1.70%	2.31%
Performance fee	0.79%	2.44%	0.00%
Direct transaction costs	0.02%	0.00%	0.03%
Prices			
Highest share price	175.3945	155.3442	132.1961
Lowest share price	135.8332	119.7111	124.0904

**Share class re-opened on 8 February 2021

Financial Highlights (Continued)

Class A (USD) (currency hedged) Retail Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Period from 3 December 2020 to 28 February 2021+
Changes in net assets per share			
	USDc	USDc	USDc
Opening net asset value per share	121.5182	99.0746	100.0000
Return before operating charges	(2.8403)	24.3186	1.3739
Operating charges (note 1)	(1.9181)	(1.8750)	(2.2993)
Return after operating charges *	(4.7584)	22.4436	(0.9254)
Closing net asset value per share	116.7598	121.5182	99.0746
Distributions on accumulation shares	1.9707	-	-
*after direct transactions costs of:	0.0238	-	0.0299
Performance			
Return after charges	(3.92%)	22.66%	(0.93%)
Other information			
Closing net asset value	$4,488,764	$655,582	$125,737
Closing number of shares	3,844,444	539,493	126,917
Operating charges (note 2)	1.61%	1.70%	2.31%
Performance fee	0.79%	2.44%	0.00%
Direct transaction costs	0.02%	0.00%	0.03%
Prices			
Highest share price	141.4550	125.6109	106.8700
Lowest share price	108.7141	96.5889	97.5700

+Share class launched on 3 December 2020

Class I (currency hedged) Institutional Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	267.2182	216.9423	204.4200
Return before operating charges	(4.7617)	52.5757	15.8089
Operating charges (note 1)	(2.2678)	(2.2998)	(3.2866)
Return after operating charges *	(7.0295)	50.2759	12.5223
Closing net asset value per share	260.1887	267.2182	216.9423
Retained distributions on accumulated shares	4.3660	0.7970	-
*after direct transactions costs of:	0.0527	-	0.0632
Performance			
Return after charges	(2.63%)	23.17%	6.13%
Other information			
Closing net asset value	£25,458,876	£12,589,807	£10,747,979
Closing number of shares	9,784,773	4,711,434	4,954,303
Operating charges (note 2)	0.86%	0.95%	1.56%
Performance fee	0.79%	2.44%	0.00%
Direct transaction costs	0.02%	0.00%	0.03%
Prices			
Highest share price	312.9567	275.7339	255.0900
Lowest share price	242.1453	211.9241	204.4400

Financial Highlights (Continued)

Class I (EUR) (currency hedged) Institutional Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share			
	EURc	EURc	EURc
Opening net asset value per share	219.9703	169.7268	162.1400
Return before operating charges	(5.2850)	52.0946	10.1754
Operating charges (note 1)	(1.8610)	(1.8511)	(2.5886)
Return after operating charges *	(7.1460)	50.2435	7.5868
Closing net asset value per share	212.8243	219.9703	169.7268
Retained distributions on accumulated shares	3.8874	0.6432	-
*after direct transactions costs of:	0.0433	-	0.0498
Performance			
Return after charges	(3.25%)	29.60%	4.68%
Other information			
Closing net asset value	€ 1,985,038	€ 1,200,225	€ 1,697,095
Closing number of shares	932,712	545,630	999,898
Operating charges (note 2)	0.86%	0.95%	1.56%
Performance fee	0.79%	2.44%	0.00%
Direct transaction costs	0.02%	0.00%	0.03%
Prices			
Highest share price	257.7488	227.8202	203.0000
Lowest share price	198.4557	165.4052	162.0000

Class I (USD) (currency hedged) Institutional Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share			
	USDc	USDc	USDc
Opening net asset value per share	151.9790	123.3970	117.7200
Return before operating charges	(3.0322)	29.8900	7.5577
Operating charges (note 1)	(1.2884)	(1.3080)	(1.8807)
Return after operating charges *	(4.3206)	28.5820	5.6770
Closing net asset value per share	147.6584	151.9790	123.3970
Retained distributions on accumulated shares	2.8289	0.4412	-
*after direct transactions costs of:	0.0300	-	0.0362
Performance			
Return after charges	(2.84%)	23.16%	4.82%
Other information			
Closing net asset value	$4,017,607	$1,349,925	$1,086,634
Closing number of shares	2,720,880	888,231	880,600
Operating charges (note 2)	0.86%	0.95%	1.56%
Performance fee	0.79%	2.44%	0.00%
Direct transaction costs	0.02%	0.00%	0.03%
Prices			
Highest share price	178.2502	156.8412	146.0000
Lowest share price	137.3407	120.8196	118.0000

Financial Highlights (Continued)

Class R (currency hedged) Retail Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	227.6359	184.5625	174.2600
Return before operating charges	(4.2606)	45.0313	13.1013
Operating charges (note 1)	(1.9310)	(1.9579)	(2.7988)
Return after operating charges *	(6.1916)	43.0734	10.3025
Closing net asset value per share	221.4443	227.6359	184.5625
Retained distributions on accumulated shares	3.9825	0.6764	-
*after direct transactions costs of:	0.0449	-	0.0538
Performance			
Return after charges	(2.72%)	23.34%	5.91%
Other information			
Closing net asset value	£40,577,241	£16,976,360	£9,363,674
Closing number of shares	18,323,907	7,457,682	5,073,444
Operating charges (note 2)	0.86%	0.95%	1.56%
Performance fee	0.79%	2.44%	0.00%
Direct transaction costs	0.02%	0.00%	0.03%
Prices			
Highest share price	266.8351	235.1684	217.1300
Lowest share price	206.0870	180.3914	174.2800

Class O (currency hedged) Institutional Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Period from 3 December 2020 to 28 February 2021+
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	123.6336	100.3522	100.0000
Return before operating charges	(2.0238)	25.1853	0.9307
Operating charges (note 1)	(1.9584)	(1.9039)	(0.5785)
Return after operating charges *	(3.9822)	23.2814	0.3522
Closing net asset value per share	119.6514	123.6336	100.3522
Retained distributions on accumulated shares	1.7237	-	-
*after direct transactions costs of:	0.0243	-	0.0301
Performance			
Return after charges	(3.22%)	23.20%	0.35%
Other information			
Closing net asset value	£6,922,236	£2,702,616	£156,909
Closing number of shares	5,785,337	2,185,989	156,358
Operating charges (note 2)	1.61%	1.70%	2.31%
Performance fee	0.79%	2.44%	0.00%
Direct transaction costs	0.02%	0.00%	0.03%
Prices			
Highest share price	145.2882	127.7276	108.4200
Lowest share price	111.4315	97.6923	99.0300

+Share class launched on 3 December 2020

Financial Highlights (Continued)

Class O (Eur) (currency hedged) Institutional Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Period from 3 December 2020 to 28 February 2021+
Changes in net assets per share	EURc	EURc	EURc
Opening net asset value per share	121.8838	98.8343	100.0000
Return before operating charges	(3.7093)	24.9256	(0.5916)
Operating charges (note 1)	(1.9170)	(1.8761)	(0.5741)
Return after operating charges *	(5.6263)	23.0495	(1.1657)
Closing net asset value per share	116.2575	121.8838	98.8343
Retained distributions on accumulated shares	1.8335	-	-
*after direct transactions costs of:	0.0238	-	0.0298
Performance			
Return after charges	(4.62%)	23.32%	(1.17%)
Other information			
Closing net asset value	€ 1,156,208	€ 424,694	€ 479
Closing number of shares	994,523	348,441	485
Operating charges (note 2)	1.61%	1.70%	2.31%
Performance fee	0.79%	2.44%	0.00%
Direct transaction costs	0.02%	0.00%	0.03%
Prices			
Highest share price	142.2586	125.9370	106.7700
Lowest share price	108.5200	96.3169	97.4800

+Share class launched on 3 December 2020

Class O (USD) (currency hedged) Institutional Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Period from 3 December 2020 to 28 February 2021+
Changes in net assets per share	USDc	USDc	USDc
Opening net asset value per share	121.9787	99.2606	100.0000
Return before operating charges	(2.5736)	24.5986	(0.1640)
Operating charges (note 1)	(1.9276)	(1.8805)	(0.5754)
Return after operating charges *	(4.5012)	22.7181	(0.7394)
Closing net asset value per share	117.4775	121.9787	99.2606
Retained distributions on accumulated shares	1.9468	-	-
*after direct transactions costs of:	0.0239	-	0.0299
Performance			
Return after charges	(3.69%)	22.89%	(0.74%)
Other information			
Closing net asset value	$3,536,258	$989,951	$247,588
Closing number of shares	3,010,159	811,577	249,432
Operating charges (note 2)	1.61%	1.70%	2.31%
Performance fee	0.79%	2.44%	0.00%
Direct transaction costs	0.02%	0.00%	0.03%
Prices			
Highest share price	142.7770	126.2431	106.8700
Lowest share price	109.3863	96.8812	97.6300

+Share class launched on 3 December 2020

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

Risk Profile

Based on past data, the Sub-fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (28 February 2022: ranked 6). The Sub-fund is ranked 6 because historical performance data indicates that significant rises and falls in market prices would have occurred historically.

As at 28 February 2023

Holding		Value £	% of net assets
	Equities (28.02.2022: 6.27%)		
60,000	Euronav NV	905,744	0.98%
	Collective Investment Schemes (28.02.2022: 8.57%)		
8,006,842	Goldman Sachs Sterling Liquid Reserves Value	8,006,841	8.61%
	Government Bonds (28.02.2022: 0.00%)		
7,000,000	UK T Bill 0.00% 06/03/2023	6,995,730	7.52%
9,500,000	UK T Bill 0.00% 27/03/2023	9,472,593	10.18%
2,000,000	UK T Bill 0.00% 11/04/2023	1,990,890	2.14%
2,300,000	UK T Bill 0.00% 03/04/2023	2,291,916	2.46%
2,500,000	UK T Bill 0.00% 08/05/2023	2,481,713	2.67%
3,200,000	UK T Bill 0.00% 22/05/2023	3,170,976	3.41%
2,500,000	UK T Bill 0.00% 30/05/2023	2,475,075	2.66%
1,500,000	United States Treasury 0.00% 27/04/2023	1,231,076	1.32%
2,000,000	United States Treasury 4.25% 30/09/2024	1,634,963	1.76%
5,000,000	United States Treasury 3.25% 31/08/2024	4,027,419	4.33%
5,000,000	United States Treasury 3.00% 31/07/2024	4,017,085	4.32%
		39,789,436	42.77%
	Contracts for Difference (28.02.2022: 1.68%)		
(350,246)	ADO Properties SA	74,808	0.08%
(130,000)	ADT Inc	(8,716)	(0.01%)
18,000	Airbnb Inc	(214,454)	(0.23%)
24,000	Amazon.com Inc	(146,533)	(0.16%)
(150,801)	Ambu A/S	103,992	0.11%
200,000	BAE Systems PLC	5,290	0.01%
(500)	AP Moeller - Maersk A/S	(81,461)	(0.09%)
55,000	Bayer AG	(164,705)	(0.18%)
220,452	Beazley PLC	40,232	0.04%
180,000	Borr Drilling Ltd	54,843	0.06%
(3,500)	Boston Beer Company Inc	25,390	0.03%
60,000	Builders FirstSource Inc	(107,172)	(0.12%)
(30,106)	Burford Capital Ltd	5,344	0.01%
1,000,000	Caixabank SA	77,189	0.08%
(20,000)	Campbell Soup Co	(35,881)	(0.04%)
100,000	Carnival PLC	(80,700)	(0.09%)
200,000	Carnival Corp	(134,355)	(0.14%)
(7,000)	Clorox Co	(7,610)	(0.01%)
(1,000)	Credit Acceptance Corp	37,625	0.04%
90,000	Dampskibsselskabet Norden A/S	621,521	0.67%
35,000	D.R. Horton Inc	(148,631)	(0.16%)
80,000	Enbridge Inc	(98,218)	(0.11%)
250,000	Energy Transfer LP	(79,575)	(0.09%)
(15,000)	EPR Properties	17,729	0.02%
32,021	Eramet SA	(75,835)	(0.08%)
30,000	Erste Group Bank AG	19,999	0.02%
(15,000)	Eurofins Scientific SE	16,578	0.02%
(10,000)	Expeditors International of Washington Inc	14,842	0.02%
(80,000)	Fevertree Drinks PLC	21,268	0.02%
(119,868)	Figs Inc	76,803	0.08%
(229,777)	Fisker Inc	(122,498)	(0.13%)
(10,000)	Forward Air Corp	(7,482)	(0.01%)
(18,000)	Freshpet Inc	86,536	0.09%
(400,000)	Full Truck Alliance Co Ltd	18,122	0.02%
(29,767)	Future PLC	32,000	0.03%

Holding		Value £	% of net assets
	Contracts for Difference (continued)		
(20,000)	Gen Digital Inc	3,677	-
50,000	Grieg Seafood ASA	1,945	-
350,000	Grifols SA	(439,849)	(0.47%)
1,100,099	Hafnia Ltd	100,956	0.11%
(150,000)	Haleon	14,475	0.02%
(9,000)	Hasbro Inc	22,955	0.02%
(360,000)	Hexatronic Group AB	236,880	0.25%
128,465	Hiscox Ltd	17,985	0.02%
17,000	Hovnanian Enterprises Inc	(15,812)	(0.02%)
75,000	International Seaways Inc	185,380	0.20%
1,600,000	Intesa Sanpaolo SpA	124,906	0.13%
(198,974)	IWG Plc	4,974	0.01%
100,000	Just Eat Takeaway.com NV	(72,146)	(0.08%)
180,000	Kinder Morgan Inc	(124,261)	(0.13%)
(25,000)	Kion Group AG	49,120	0.05%
211,530	Koninklijke Vopak NV	(66,796)	(0.07%)
600,000	Lancashire Holdings Ltd	(33,000)	(0.04%)
33,000	Lennar Corp	(153,532)	(0.17%)
136,018	Leroy Seafood Group ASA	5,861	0.01%
7,000	Lockheed Martin Corp	(3,805)	-
(50,000)	Lucid Group Inc	93,216	0.10%
(300,000)	Medical Properties Trust Inc	476,776	0.51%
(25,000)	Moderna Inc	596,697	0.64%
199,980	Mowi ASA	26,372	0.03%
(699,997)	Nel ASA	43,665	0.05%
(160,001)	Neobo Fastigheter AB (publ)	46,874	0.05%
7,000	Northrop Grumman Corp	(30,175)	(0.03%)
2,000,000	Norwegian Air Shuttle ASA	137,546	0.15%
200,000	Norwegian Cruise Line Holdings Ltd	(195,689)	(0.21%)
(499,713)	Oatly Group AB (publ)	(25,607)	(0.03%)
(3,000,000)	Orron Energy AB	220,479	0.24%
(50,000)	Orsted A/S	39,985	0.04%
35,000	OTP Bank Nyrt	(33,662)	(0.04%)
(1,628,204)	Petrofac Ltd	92,808	0.10%
249,847	Plains All American Pipeline LP	9,295	0.01%
(90,000)	Rivian Automotive Inc	53,943	0.06%
(700,000)	Rolls-Royce Holdings PLC	(150,967)	(0.16%)
45,000	Royal Caribbean Cruises Ltd	(93,985)	(0.10%)
(349,603)	International Distributions Services PLC	(1,748)	-
14,000	Salesforce Inc	(91,959)	(0.10%)
120,000	SalMar ASA	(93,445)	(0.10%)
(1,500,009)	Samhallsbyggnadsbolaget I Norden AB	(8,562)	(0.01%)
32,680	Seadrill Ltd	(30,395)	(0.03%)
110,000	Scorpio Tankers Inc	84,719	0.09%
(20,000)	Signature Bank	313,014	0.34%
18,000	Spotify Technology SA	(169,798)	(0.18%)
(100,000)	Sunrun Inc	63,579	0.07%
(4,000)	SVB Financial Group	70,335	0.08%
(120,000)	Sweetgreen Inc	48,887	0.05%
100,542	Telenet Group Holding NV	(61,733)	(0.07%)
190,000	Tenaris SA	(4,166)	-
60,000	TGS ASA	17,753	0.02%
(133,496)	Thungela Resources Ltd	31,705	0.03%
190,000	Torm PLC	490,358	0.53%
66,000	Uber Technologies Inc	(108,786)	(0.12%)
200,000	US Silica Holdings Inc	89,289	0.10%
300,000	Vallourec SA	(47,013)	(0.05%)
(100,000)	Vestas Wind Systems A/S	53,000	0.06%
(50,000)	ZIM Integrated Shipping Services Ltd	(127,320)	(0.14%)
		1,521,483	1.62%

Holding		Value £	% of net assets
	Forward currency contracts (28.02.2022: 0.02%)		
	DKK Forward currency contract Gain	6,023	0.01%
	EUR Forward currency contract Gain	2,531	-
	HUF Forward currency contract Loss	(248)	-
	NOK Forward currency contract Gain	1,892	-
	SEK Forward currency contract Gain	2,891	-
	USD Forward currency contract Gain	54,368	0.06%
		67,457	0.07%
	Hedged currency forward contracts (28.02.2022: (0.02%))		
	USD Hedged share classes forward contract Loss	(17,359)	(0.02%)
	EUR Hedged share classes forward contract Loss	(6,060)	(0.01%)
	USD Hedged share classes forward contract Loss	(15,537)	(0.02%)
	EUR Hedged share classes forward contract Loss	(3,530)	-
	USD Hedged share classes forward contract Loss	(13,675)	(0.01%)
	EUR Hedged share classes forward contract Loss	(5,447)	(0.01%)
		(61,608)	(0.07%)
	Portfolio of investments (28.02.2022: 16.52%)	**50,229,353**	**53.98%**
	Net other assets (28.02.2022: 83.48%)	**42,819,990**	**46.02%**
		93,049,343	**100.00%**

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the year (note 14)	**131,232,398**
Euronav NV	19,572,077
Goldman Sachs Sterling Liquid Reserves Value Dis	10,400,000
UK T Bill 0.00% 05/12/2022	9,500,000
UK T Bill 0.00% 12/12/2022	9,500,000
UK T Bill 0.00% 28/12/2022	9,500,000
Scorpio Tankers Inc	8,790,270
International Seaways Inc	7,746,686
Frontline Ltd	5,765,791
Dorian LPG Ltd	5,628,213
Direxion Daily 20+ Year Treasury Bull 3X Shares	4,665,163

	£
Total purchases for the year (note 14)	**171,586,325**
Euronav NV	18,397,757
Goldman Sachs Sterling Liquid Reserves Value Dis	14,900,000
UK T Bill 0.00% 05/12/2022	9,452,176
UK T Bill 0.00% 12/12/2022	9,446,929
UK T Bill 0.00% 28/12/2022	9,433,107
UK T Bill 0.00% 06/03/2023	9,431,110
UK T Bill 0.00% 27/03/2023	9,415,708
Scorpio Tankers Inc	9,165,588
International Seaways Inc	8,349,335
Frontline Ltd	6,021,723

The above transactions represent the top ten sales and top ten purchases for the year.

STATEMENT OF TOTAL RETURN

For the year ended 28 February	Notes	2023 £	2023 £	2022 £	2022 £
Income					
Net capital (losses)/gains	2		(9,593,743)		6,391,843
Revenue	3	7,155,349		953,853	
Expenses	4	(2,550,313)		(1,114,272)	
Interest payable and similar charges	6	(1,434,532)		(188,069)	
Net revenue/(expenses) before taxation		3,170,504		(348,488)	
Taxation	5	(1,035,632)		(97,035)	
Net revenue/(expenses) after taxation			2,134,872		(445,523)
Total return before distributions			(7,458,871)		5,946,320
Finance costs: distributions	6		(1,773,852)		(55,893)
Changes in net assets attributable to shareholders from investment activities			(9,232,723)		5,890,427

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February	2023 £	2022 £
Opening net assets attributable to shareholders	40,950,548	32,204,574
Amounts receivable on creation of shares	119,014,454	19,151,554
Amounts payable on cancellation of shares	(59,338,251)	(16,368,935)
Dividends reinvested	1,655,315	72,928
Changes in net assets attributable to shareholders from investment activities (see above)	(9,232,723)	5,890,427
Closing net assets attributable to shareholders	93,049,343	40,950,548

BALANCE SHEET

As at		28.02.2023		28.02.2022	
	Notes	£	£	£	£
ASSETS					
Investment assets			53,989,246		10,083,292
Current assets					
Debtors	7	925,185		3,015,461	
Cash and bank balances	8	47,619,510		33,644,788	
Total current assets			48,544,695		36,660,249
Total assets			102,533,941		46,743,541
LIABILITIES					
Investment liabilities			(3,759,893)		(3,316,810)
Current liabilities					
Bank overdraft	8	(3,579,390)		(1,384,039)	
Creditors	9	(2,145,315)		(1,092,144)	
Total current liabilities			(5,724,705)		(2,476,183)
Net assets attributable to shareholders			93,049,343		40,950,548

1 Accounting policies, financial instruments and related party transactions are on pages 7-10.

2 Net capital (losses)/gains

The net capital (losses)/gains comprise:	2023 £	2022 £
Derivatives contract (losses)/gains	(9,589,238)	6,833,313
Non-derivative security gains	1,781,758	381,500
Currency (losses)/gains	(104,589)	17,453
Forward currency contract gains/(losses)	88,816	(212,650)
Transaction charges	(1,770,490)	(627,773)
Total net capital gains/(losses)	(9,593,743)	6,391,843

3 Revenue

	2023 £	2022 £
Non-taxable dividends	559,785	(573)
Interest on non derivative securities	514,068	-
CFD long position	5,332,396	946,797
Bank interest received	749,100	7,629
Total revenue	7,155,349	953,853

4 Expenses

	2023 £	2022 £
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	815,956	206,520
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	30,999	13,493
Safe custody fee	4,007	327
	35,006	13,820
Other expenses:		
Audit fee	10,067	14,449
FCA fee	47	57
CFD short position	951,484	112,491
Performance fee	701,669	731,921
Other expenses	36,084	35,014
	1,699,351	893,932
Total expenses	2,550,313	1,114,272

5 Taxation

	2023	2022
	£	£
(a) Analysis of charge in the year		
Overseas irrecoverable withholding tax	1,035,632	97,035
Total tax charge for the year (note 5b)	1,035,632	97,035

(b) Factors affecting current tax charge for the year

	2023	2022
The tax assessed for the year is lower (2022: higher) than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue/(expenses) before UK corporation tax	3,170,504	(348,488)
Corporation tax at 20.00% (2022: 20.00%)	634,101	(69,698)
Effects of:		
Revenue not subject to UK corporation tax	(111,957)	115
Excess management expenses	-	69,583
Management expenses utilised	(522,144)	-
Overseas irrecoverable withholding tax	1,035,632	97,035
Total tax charge for the year (note 5a)	1,035,632	97,035

(c) Provision for deferred taxation

At 28 February 2023 there is a potential deferred tax asset of £2,215,706 (2022: £2,737,850) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs

	2023	2022
	£	£
Interim dividend distribution	1,027,084	72,928
Final dividend distribution	628,231	-
	1,655,315	72,928
Add: Revenue deducted on cancellation of shares	445,089	63,026
Deduct: Revenue received on issue of shares	(326,552)	(80,061)
Net distribution for the year	1,773,852	55,893
Interest payable and similar charges	1,434,532	188,069
Total finance costs	3,208,384	243,962
Reconciliation of distributions		
Net revenue/(expenses) after taxation	2,134,872	(445,523)
Balance carried forward	(361,020)	-
Revenue deficit charged to capital	-	501,416
Net distribution for the year	1,773,852	55,893

7 Debtors	**28.02.2023**	**28.02.2022**
	£	**£**
Amounts receivable on creation of shares	276,944	2,271,370
Amounts receivable on unsettled trades	-	513,798
Amounts receivable on currency hedge	257,707	25,478
Overseas withholding tax recoverable	191,495	167,626
Accrued revenue:		
Interest on non derivative securities	106,818	-
CFD long position	78,012	36,203
Bank interest receivable	7,538	548
Prepaid expenses	6,671	438
Total debtors	925,185	3,015,461

8 Cash and bank balances	**28.02.2023**	**28.02.2022**
	£	**£**
Cash and bank balances	31,675,085	24,333,061
Amount held at futures clearing houses and brokers	15,944,425	9,311,727
	47,619,510	33,644,788
Bank overdraft	(3,579,390)	(1,384,039)

9 Creditors	**28.02.2023**	**28.02.2022**
	£	**£**
Amounts payable on cancellation of shares	395,083	257,271
Amounts payable on unsettled trades	1,190,819	290,815
Amounts receivable on currency hedge	165,676	53,357
Annual management charge	208,744	46,346
Performance fee payable	-	345,128
Amounts payable accrued interest and bank charges	102,861	39,695
CFD short position	16,475	-
Amounts payable for taxation refund	1,331	1,331
Other accrued expenses	64,326	58,201
Total creditors	2,145,315	1,092,144

10 Shares held

Shares Held - Class A (currency hedged) Retail Net Accumulation	
Opening shares at 01.03.2022	**1,606,844**
Shares issued during the year	2,297,519
Shares cancelled during the year	(1,365,323)
Shares converted during the year	(3,964)
Closing shares as at 28.02.2023	**2,535,076**

Shares Held - Class A (Eur) (currency hedged) Retail Net Accumulation	
Opening shares at 01.03.2022	**952,981**
Shares issued during the year	477,328
Shares cancelled during the year	(204,536)
Shares converted during the year	-
Closing shares as at 28.02.2023	**1,225,773**

10 Shares held (continued)

Shares Held - Class A (USD) (currency hedged) Retail Net Accumulation	
Opening shares at 01.03.2022	**539,493**
Shares issued during the year	3,518,746
Shares cancelled during the year	(213,795)
Shares converted during the year	-
Closing shares as at 28.02.2023	**3,844,444**

Shares Held - Class I (currency hedged) Institutional Net Accumulation	
Opening shares at 01.03.2022	**4,711,434**
Shares issued during the year	12,420,396
Shares cancelled during the year	(7,345,836)
Shares converted during the year	(1,221)
Closing shares as at 28.02.2023	**9,784,773**

Shares Held - Class I (Eur) (currency hedged) Institutional Net Accumulation	
Opening shares at 01.03.2022	**545,630**
Shares issued during the year	590,553
Shares cancelled during the year	(203,471)
Shares converted during the year	-
Closing shares as at 28.02.2023	**932,712**

Shares Held - Class I (USD) (currency hedged) Institutional Net Accumulation	
Opening shares at 01.03.2022	**888,231**
Shares issued during the year	2,692,183
Shares cancelled during the year	(859,534)
Shares converted during the year	-
Closing shares as at 28.02.2023	**2,720,880**

Shares Held - Class R (currency hedged) Retail Net Accumulation	
Opening shares at 01.03.2022	**7,457,682**
Shares issued during the year	23,965,468
Shares cancelled during the year	(13,104,897)
Shares converted during the year	5,654
Closing shares as at 28.02.2023	**18,323,907**

Shares Held - Class O (currency hedged) Institutional Net Accumulation	
Opening shares at 01.03.2022	**2,185,989**
Shares issued during the year	6,550,423
Shares cancelled during the year	(2,951,075)
Shares converted during the year	-
Closing shares as at 28.02.2023	**5,785,337**

Shares Held - Class O (Eur) (currency hedged) Institutional Net Accumulation	
Opening shares at 01.03.2022	**348,441**
Shares issued during the year	851,079
Shares cancelled during the year	(204,997)
Shares converted during the year	-
Closing shares as at 28.02.2023	**994,523**

Shares Held - Class O (USD) (currency hedged) Institutional Net Accumulation	
Opening shares at 01.03.2022	**811,577**
Shares issued during the year	4,042,731
Shares cancelled during the year	(1,844,149)
Shares converted during the year	-
Closing shares as at 28.02.2023	**3,010,159**

11 Contingent assets and liabilities

At 28 February 2023, the Sub-fund had no contingent liabilities or commitments (28 February 2022: £nil).

12 Risk management

In pursuing its investment objective as stated on page 33, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, derivatives, 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 discussed in pages 8-9. These policies have been applied throughout the year.

Market price risk

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 28.02.2023 would have increased/decreased by £11,868,846 (2022: £2,130,587).

Foreign currency risk

A portion of the net assets of the Sub-fund is denominated in currencies other then Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Net non-monetary assets and liabilities		Total net assets	
	£		£		£	
	28.02.2023	28.02.2022	28.02.2023	28.02.2022	28.02.2023	28.02.2022
Czech koruna	23	20	-	-	23	20
Danish krone	(4,624)	83,366	1,233,417	(497,444)	1,228,793	(414,078)
Euro	(637,386)	134,636	323,597	447,763	(313,789)	582,399
Hungarian forint	(6,357)	(51,079)	(33,910)	(388,480)	(40,267)	(439,559)
Norwegian krone	(10,218)	(303,850)	297,389	2,607,397	287,171	2,303,547
Canadian dollar	-	(2,061)	-	-	-	(2,061)
Swedish krona	(11,063)	548,189	498,563	(185,234)	487,500	362,955
Swiss franc	736	(2,791)	-	-	736	(2,791)
US dollar	291,059	(108,865)	11,024,899	909,292	11,315,958	800,427
					-	-
Total foreign currency exposure	(377,830)	297,565	13,343,955	2,893,294	12,966,125	3,190,859
Sterling	43,197,820	33,886,501	36,885,398	3,873,188	80,083,218	37,759,689
Total	42,819,990	34,184,066	50,229,353	6,766,482	93,049,343	40,950,548

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets (prior to the effect of currency hedging on applicable share classes) will affect the Sub-fund by £1,296,613 (28 February 2022: £319,086).

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 and inherent risk on the collectives that distributes interest.

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

	28.02.2023	**28.02.2022**
	£	**£**
Financial assets floating rate	47,619,510	33,644,788
Financial assets non-interest bearing instruments	7,118,154	9,591,911
Financial assets interest bearing instruments	47,796,277	3,506,842
Financial liabilities non-interest bearing instruments	(5,905,208)	(4,408,954)
Financial liabilities floating rate	(3,579,390)	(1,384,039)
	93,049,343	**40,950,548**

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 28 February 2023 are payable either within one year or on demand.

12 Risk management (continued)

Credit risk

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

During the year the AFM entered into derivative contracts on behalf of the Sub-fund for Efficient Portfolio Management ("EPM"). At the year end, a sensitivity analysis or value at risk approach is not significant given the level and nature of the derivatives held.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

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.

	28.02.2023		**28.02.2022**	
Valuation Technique	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	40,695	-	2,564	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	13,294	(3,760)	7,519	(3,317)
Total	53,989	(3,760)	10,083	(3,317)

Derivative risk

Derivatives (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) may be used for purposes of meeting the Sub-fund's investment objectives and efficient portfolio management purposes and are expected to form a significant part of the Sub-fund's portfolio.

Derivative transactions are entered into directly with an eligible person or institution (a 'counterparty').

There is a risk that the counterparty may not meet its obligations or become insolvent which could cause the Sub-fund to incur a loss. To mitigate this risk the Sub-fund has entered a collateral arrangement with the counterparty. As at 28 February 2023, there was £19,332,375 of net collateral posted by the counterparty (2022: £12,124,754).

Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

	Counterparty	**Derivative Exposure £**	**Net Collateral Posted £**	**Net Collateral Received £**	**Collateral Asset Class**
2023	UBS	-	19,332,375	-	Cash
2022	UBS	-	12,124,754	-	Cash

Leverage

Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives (calculated as the incremental exposure through the derivatives divided by the net asset value).

There was 193.14% leverage as at 28 February 2023, other than that available to the Sub-fund as a result of its ability to borrow up to 10% of its value on a permanent basis (2022: 200.13%).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 28 February 2023 Since that date, the Sub-fund's quoted price has moved as follows for each share class:

	Price (GBp) at 28 February 2023	Price (GBp) at 3 August 2023
Class A (currency hedged) Retail Net Accumulation	235.1301	240.5210
Class I (currency hedged) Institutional Net Accumulation	260.1887	266.9411
Class R (currency hedged) Retail Net Accumulation	221.4443	227.2437
Class O (currency hedged) Institutional Net Accumulation	119.6514	122.4022

	Price (EURc) at 28 February 2023	Price (EURc) at 3 August 2023
Class A (EUR) (currency hedged) Retail Net Accumulation	145.5642	148.0983
Class I (EUR) (currency hedged) Institutional Net Accumulation	212.8243	217.2824
Class O (Eur) (currency hedged) Institutional Net Accumulation	116.2575	118.2247

	Price (USDc) at 28 February 2023	Price (USDc) at 3 August 2023
Class A (USD) (currency hedged) Retail Net Accumulation	116.7598	119.8998
Class I (USD) (currency hedged) Institutional Net Accumulation	147.6584	152.2544
Class O (USD) (currency hedged) Institutional Net Accumulation	117.4775	120.7083

SVB Financial Group and Signature Bank

The Sub-fund held short position in both SVB Financial Group and also Signature Bank. On 10 March 2023 the news started to break that SVB Financial Group had become the largest bank to fail since the 2008 Financial Crisis and had been shut down by the regulators. Over the weekend the regulator also took steps to shut down Signature Bank. Both stocks are suspended and did not open for trading on 13 March. On 10 March the Sub-fund had shorted -50,000 shares in SVB Financial Group and -15,000 shares in Signature Bank. The prime broker honoured the stock price going to $0.00 and on 17 March the Sub-fund received gains of $1,776,841 from the short position in SVB Financial Group and $5,276,838 from the short position in Signature Bank.

14 Direct transaction costs

	2023		2022	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	171,580,312		4,771,525	
Commissions	6,013	0.00%	977	0.02%
Total purchase costs	6,013	0.00%	977	0.02%
Total purchases including transaction costs	171,586,325		4,772,502	
Analysis of total sale costs				
Sales in the year before transaction costs	131,241,541		2,100,000	
Commissions	(9,143)	(0.01%)	-	(0.00%)
	(9,143)	(0.01%)	-	(0.00%)
Total sales net of transaction costs	131,232,398		2,100,000	

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:

	2023 £	% of average net asset value	2022 £	% of average net asset value
Commissions	15,156	0.02%	977	0.00%
	15,156	0.02%	977	0.00%

15 Portfolio dealing spread

The average portfolio dealing spread at 28 February 2023 is 0.00% (2022: 0.00%).

Interim distributions in pence per share
Group 1: Shares purchased prior to 01 March 2022
Group 2 : Shares purchased on or after 01 March 2022 and on or before 31 August 2022

Share Class	Net Revenue 31.10.2022	Equalisation	Distribution 31.10.2022	Distribution 29.10.2021
group 1 Class A (Cur Hdg) Retail Net Accumulation	1.6653p	-	1.6653p	-
group 2 Class A (Cur Hdg) Retail Net Accumulation	1.4390p	0.2263p	1.6653p	-
group 1 Class A (Eur) (Cur Hdg) Retail Net Accumulation	0.7373p	-	0.7373p	-
group 2 Class A (Eur) (Cur Hdg) Retail Net Accumulation	0.6585p	0.0788p	0.7373p	-
group 1 Class A (USD) (Cur Hdg) Retail Net Accumulation	1.0747p	-	1.0747p	-
group 2 Class A (USD) (Cur Hdg) Retail Net Accumulation	0.6287p	0.4460p	1.0747p	-
group 1 Class I (Cur Hdg) Institutional Net Accumulation	2.6590p	-	2.6590p	0.7970p
group 2 Class I (Cur Hdg) Institutional Net Accumulation	2.3794p	0.2796p	2.6590p	0.7970p
group 1 Class I (Eur) (Cur Hdg) Institutional Net Accumulation	1.9074p	-	1.9074p	0.5528p
group 2 Class I (Eur) (Cur Hdg) Institutional Net Accumulation	1.7079p	0.1995p	1.9074p	0.5528p
group 1 Class I (USD) (Cur Hdg) Institutional Net Accumulation	1.4236p	-	1.4236p	0.3204p
group 2 Class I (USD) (Cur Hdg) Institutional Net Accumulation	1.3833p	0.0403p	1.4236p	0.3204p
group 1 Class R (Cur Hdg) Retail Net Accumulation	2.4932p	-	2.4932p	0.6764p
group 2 Class R (Cur Hdg) Retail Net Accumulation	1.8967p	0.5965p	2.4932p	0.6764p
group 1 Class O (Cur Hdg) Institutional Net Accumulation	1.0265p	-	1.0265p	0.0006p
group 2 Class O (Cur Hdg) Institutional Net Accumulation	0.8738p	0.1527p	1.0265p	0.0006p
group 1 Class O (Eur) (Cur Hdg) Institutional Net Accumulation	1.0232p	-	1.0232p	-
group 2 Class O (Eur) (Cur Hdg) Institutional Net Accumulation	0.9292p	0.0940p	1.0232p	-
group 1 Class O (USD) (Cur Hdg) Institutional Net Accumulation	0.9428p	-	0.9428p	-
group 2 Class O (USD) (Cur Hdg) Institutional Net Accumulation	0.8146p	0.1282p	0.9428p	-

Final distributions in pence per share

Group 1: Shares purchased prior to 01 September 2022

Group 2 : Shares purchased 01 September 2022 and on or before 28 February 2023

Share Class	Net Revenue 28.04.2023	Equalisation	Distribution 28.04.2023	Distribution 29.04.2022
group 1 Class A (Cur Hdg) Retail Net Accumulation	1.7338p	-	1.7338p	-
group 2 Class A (Cur Hdg) Retail Net Accumulation	0.1891p	1.5447p	1.7338p	-
group 1 Class A (Eur) (Cur Hdg) Retail Net Accumulation	1.1554p	-	1.1554p	-
group 2 Class A (Eur) (Cur Hdg) Retail Net Accumulation	0.0661p	1.0893p	1.1554p	-
				-
group 1 Class A (USD) (Cur Hdg) Retail Net Accumulation	0.5974p	-	0.5974p	-
group 2 Class A (USD) (Cur Hdg) Retail Net Accumulation	0.0903p	0.5071p	0.5974p	-
				-
group 1 Class I (Cur Hdg) Institutional Net Accumulation	1.7070p	-	1.7070p	-
group 2 Class I (Cur Hdg) Institutional Net Accumulation	0.0762p	1.6308p	1.7070p	-
				-
group 1 Class I (Eur) (Cur Hdg) Institutional Net Accumulation	1.4625p	-	1.4625p	-
group 2 Class I (Eur) (Cur Hdg) Institutional Net Accumulation	0.1850p	1.2775p	1.4625p	-
				-
group 1 Class I (USD) (Cur Hdg) Institutional Net Accumulation	0.9719p	-	0.9719p	-
group 2 Class I (USD) (Cur Hdg) Institutional Net Accumulation	0.4108p	0.5611p	0.9719p	-
				-
group 1 Class R (Cur Hdg) Retail Net Accumulation	1.4893p	-	1.4893p	-
group 2 Class R (Cur Hdg) Retail Net Accumulation	0.3199p	1.1694p	1.4893p	-
				-
group 1 Class O (Cur Hdg) Institutional Net Accumulation	0.6972p	-	0.6972p	-
group 2 Class O (Cur Hdg) Institutional Net Accumulation	0.0262p	0.6710p	0.6972p	-
				-
group 1 Class O (Eur) (Cur Hdg) Institutional Net Accumulation	0.5636p	-	0.5636p	-
group 2 Class O (Eur) (Cur Hdg) Institutional Net Accumulation	0.3133p	0.2503p	0.5636p	-
				-
group 1 Class O (USD) (Cur Hdg) Institutional Net Accumulation	0.7043p	-	0.7043p	-
group 2 Class O (USD) (Cur Hdg) Institutional Net Accumulation	0.0847p	0.6196p	0.7043p	-

Information for corporate shareholders

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

i) 7.82% of the total dividend allocation together with the tax credit is received as franked investment income.

ii) 92.18% 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.

Name of Sub-fund VT Argonaut Equity Income Fund

Size of Sub-fund £3,534,218

Launch date 30 December 2016

Sub-fund objective and policy

The Sub-fund aims to provide an income (net of fees) in excess of the yield of the European market (as represented by the IA Europe ex UK sector) with capital growth over any 5 year calendar period.

The Sub-fund will invest in a concentrated portfolio of approximately 30-60 stocks. The Sub-fund will invest predominantly in securities of companies incorporated in Europe (including up to 5% in UK companies).

The Sub-fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities or derivatives exchange. The Sub-fund may also invest in emerging European markets including Russia and Eastern Europe.

The Sub-fund is not constrained by any index weightings and will not concentrate on any particular country, sector or market capitalisation.

To aid liquidity, the Sub-fund also has the ability to invest in assets such as American Depositary Receipts and Global Depositary Receipts.

The Sub-fund may also invest in other transferable securities, units in collective investment schemes, money market instruments and deposits.

The Sub-fund may make use of derivatives and forward transactions for the purposes of investment and for efficient portfolio management, including the use of hedging techniques and stock lending.

Benchmark

The Sub-fund aims to provide an income (net of fees) in excess of the yield of the IA (Investment Association's) Europe ex UK sector with capital growth over any 5 year calendar period. The Europe ex UK sector is therefore a target benchmark against which the performance of the Fund has been set ("Target Benchmark").

Investors may use the Sub-fund's performance against the Target Benchmark to assess the risks of investing in the Sub-fund.

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

Ex-distribution dates 30 November, last day of February, 31 May, 31 August

Distribution dates 15 January, 15 April, 15 July, 15 October

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

Share class information

Share class*	Minimum initial subscription	Minimum subsequent	Minimum holding	Minimum redemption	Initial charge
Class R Retail Net Income	£500	£250	£250	£100	0.00%
Class R Retail Net Accumulation	£500	£250	£250	£100	0.00%
Class R (currency hedged) Retail Net Income^	£500	£250	£250	£100	0.00%
Class R (currency hedged) Retail Net Accumulation^	£500	£250	£250	£100	0.00%

^Share classes not launched

* Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

Annual management charges
In respect of the R shares, it is equal to 0.65% per annum of the net asset value of the relevant share class.

Investment Review

The Fund returned +17.7% over the 12-month review period (28th February 2022 to 28th February 2023) vs. the IA Europe-ex-UK Equity sector of 10.1%. Since launch the Fund has delivered +63.0% vs. a peer group of +55.2% (20/80 funds) in the IA Europe-ex-UK Equity sector and +43.5% in its European-ex-UK peer group (1/8 funds) (Class R Retail Net Accumulation).

The review period saw volatility for both equity and bond investors as high inflation and rising interest rates weighed on all asset classes. In our long book our biggest winners were all product tankers, (D/S Norden +149%, Hafnia +137%, Torm +105%, D'Amico International +87%) with ton-mileage benefitting from robust demand, lack of an indigenous refining industry and EU sanctions on Russia. By contrast, the fund's worst performer was Spanish blood plasma outfit Grifols (-56%) owing to its high levels of indebtedness.

It is important to note that periods of high inflation favour dividend strategies since the opportunity cost of capital is elevated and therefore stocks which return capital to their shareholders sooner are more in demand. Conversely "growth" strategies suffer since they lock up shareholders' capital for a long period of time with little visibility on when it will be returned, if ever. We believe that the fund has some unique low duration qualities within the equity fund universe which merits wider investor consideration as an inflation hedge.

Market Overview

It is incredible to think that in March 2022, the US Fed Funds interest rate was still just 25bps, where it had been since the COVID crisis began in March 2020. Less than 12 months later, after 8 hikes, the rate is now 4.75%, with the market now pricing in two more 25bps further hikes. This 450bps in 11 months represents the fastest pace of Fed rate hikes since the 1970s, and the 18-fold rise from 25bps, the biggest monetary tightening of all time.

In the face of such rapid monetary tightening, the resilience of the real economy has been remarkable, with employment at record levels, consumer confidence high and corporate profits resilient. Because of inflation there has been an ongoing nominal growth boom which has masked an underlying anaemic economy with declining productivity, which is what investors should care about. This also reflects an over-weening public sector, geopolitical de-globalisation, and de-carbonisation, all of which will contribute to long-term stagflation.

Nevertheless, this cycle of inflation peaked in the summer of 2022, with Fed Chairman Powell belatedly recognising in the February FOMC conference that "the disinflationary process has started". Although year-on-year headline inflation is trending downward (now 6.0% in the US from its June 2022 peak of 9%, 8.5% in the EU from 10.5% in October 2022 and 10.1% from 11.1% in October 2022 in the UK), inflation prints have generally been stickier than expected and in our opinion are unlikely to fall back to the 2% level - that would justify monetary easing - without a significant economic crisis.

Outlook

The Fed tightening cycle is already resulting in significant stresses in the banking industry, with commercial banks previously used to "free funding" with near zero interest deposits now having to bid up for funding, squeezing net interest margins. At the same time, the rise of interest rates along the yield curve (the yield on the 10-year Treasury rose from 1.82% to 3.92% over the review period) has resulted in significant mark-to-market losses for banks holding government and mortgage bond securities, which they are not required to recognise as losses if the bank can fund the assets to maturity. But if banks suffer a run – whereby in a collective loss of confidence its customers demand their deposits back – then the bank must not only have enough liquidity to meet these redemptions, but also enough capital to replace any losses from assets they have had to sell to fund liquidity needs.

Following Walter Bagehot's advice to central banks in a liquidity crisis to "lend freely, at a penalty rate, against good collateral", troubled banks can access short-term liquidity by placing their assets temporarily in the custody of the central bank in return for cash (a process known as "repo"). But this comes at the Fed Funds rate, which is much higher than the rate they were previously paying for deposits, putting further pressure on profitability. Hence, even when a commercial bank can meet a bank run on deposits through access to central bank liquidity, this can soon morph into a solvency crisis where the bank does not hold enough capital to meet losses to its equity. This is why when depositors flee a bank – which today can happen much faster than in the past - this is nearly always fatal to its shareholders: if liquidity doesn't get you, then solvency will.

The US government may attempt to ringfence contagion by a full depositor guarantee against losses (only the first $250k for US citizens is currently covered) but this probably requires congressional approval and is not without controversy since it means that bad banks will have the same access to deposit funding – at the same price - as good banks. The Federal Reserve could also start reversing its interest rate hikes which would pump liquidity back into the banking sector on the liability side which would also boost asset prices. This would, however, require a more severe crisis since inflation currently remains stubbornly high. Hence, the banking crisis is likely to get worse before it gets better. Weaker banks will likely fall like dominoes until the severity of the crisis demands a central bank U-turn.

The Fund is currently avoiding financials, especially banks and commercial property. Nevertheless, on our estimates the forward gross yield of the fund is over 6%, without having to compromise on capital opportunities. We also see good opportunities on the long side, particularly in energy shipping, salmon farming, oil services, precious metals, and defence industries. As always, we will remain opportunistic to ongoing developments.

Barry Norris
Argonaut Capital Partners LLP
Investment Manager to the Fund
21 March 2023

Data Source for all performance figures Refinitiv Lipper

Financial Highlights

Class R Retail Net Income

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	111.0305	114.3525	97.7600
Return before operating charges	19.5643	2.8918	20.0338
Operating charges (note 1)	(0.9843)	(0.9579)	(0.9015)
Return after operating charges *	18.5801	1.9339	19.1323
Distributions on income shares	(9.0475)	(5.2559)	(2.5398)
Closing net asset value per share	120.5631	111.0305	114.3525
*after direct transactions costs of:	0.8685	0.8790	0.6151
Performance			
Return after charges	16.73%	1.69%	19.57%
Other information			
Closing net asset value	£1,992,148	£1,475,606	£1,868,128
Closing number of shares	1,652,369	1,329,010	1,633,658
Operating charges (note 2)	0.85%	0.85%	0.85%
Direct transaction costs	0.75%	0.78%	0.58%
Prices			
Highest share price	126.5303	127.8785	120.5300
Lowest share price	107.8590	107.0618	79.9100

Class R Retail Net Accumulation

	Year to 28 February 2023	Year to 28 February 2022	Year to 28 February 2021
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	138.5356	137.3900	114.2900
Return before operating charges	25.7787	2.3156	24.1696
Operating charges (note 1)	(1.2817)	(1.1727)	(1.0696)
Return after operating charges *	24.4970	1.1456	23.1000
Closing net asset value per share	163.0326	138.5356	137.3900
Distributions on accumulation shares	11.7351	6.3997	3.3000
*after direct transactions costs of:	1.2817	1.1727	1.0696
Performance			
Return after charges	17.68%	0.83%	20.21%
Other information			
Closing net asset value	£1,544,522	£532,209	£652,976
Closing number of shares	947,370	384,168	475,259
Operating charges (note 2)	0.85%	0.85%	0.85%
Direct transaction costs	0.75%	0.78%	0.58%
Prices			
Highest share price	166.0864	153.6316	144.4800
Lowest share price	135.7156	133.0894	93.2900

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

Risk Profile

Based on past data, the Sub-fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (28 February 2022: ranked 6). The Sub-fund is ranked 6 because historical performance data indicates that significant rises and falls in market prices would have occurred historically.

As at 28 February 2023

Holding	EQUITIES & WARRANTS	Value £	% of net assets
	Austria (28.02.2022: 4.31%)		
4,000	Erste Group Bank AG	128,907	3.64%
	Belgium (28.02.2022: 2.51%)		
8,000	Euronav NV	120,767	3.42%
10,000	Telenet Group Holding NV	126,397	3.58%
		247,164	7.00%
	Bermuda (28.02.2022: 7.96%)		
20,000	Borr Drilling Ltd	115,507	3.27%
50,047	Hafnia Ltd	255,340	7.22%
4,000	Seadrill Ltd	133,196	3.77%
		504,043	14.26%
	Denmark (28.02.2022: 2.38%)		
3,291	Dampskibsselskabet Norden A/S	192,365	5.44%
	Finland (28.02.2022: 1.54%)		
	France (28.02.2022: 13.15%)		
7,000	ALD SA	76,996	2.18%
	Germany (28.02.2022: 19.90%)		
2,000	Bayer AG	98,574	2.79%
	Greece (28.02.2022: 0.00%)		
3,500	Okeanis Eco Tankers Corp	70,812	2.00%
	Italy (28.02.2022: 2.28%)		
70,000	Intesa Sanpaolo SpA	158,628	4.49%
	Luxembourg (28.02.2022: 0.00%)		
350,000	d'Amico International Shipping SA	132,318	3.74%
10,000	Tenaris SA	140,563	3.98%
		272,881	7.72%
	Netherlands (28.02.2022: 3.00%)		
2,000	BE Semiconductor Industries NV	129,432	3.66%
9,000	Koninklijke Vopak NV	237,699	6.73%
		367,131	10.39%
	Norway (28.02.2022: 17.32%)		
25,000	Leroy Seafood Group ASA	101,860	2.88%
7,500	Mowi ASA	106,339	3.01%
5,000	Norsk Hydro ASA	30,396	0.86%
130,000	Norwegian Air Shuttle ASA	117,318	3.32%
20,000	Rana Gruber ASA	98,842	2.80%
3,000	SalMar ASA	102,248	2.89%
		557,003	15.76%
	Portugal (28.02.2022: 2.03%)		

Holding		Value £	% of net assets
	Spain (28.02.2022: 4.06%)		
35,000	Caixabank SA	125,625	3.55%
15,000	Grifols SA	108,087	3.06%
11,000	Repsol SA	144,778	4.10%
		378,490	10.71%
	Sweden (28.02.2022: 2.54%)		
3,000	Boliden AB	101,025	2.86%
	Switzerland (28.02.2022: 2.47%)		
1,500	Swiss Re AG	130,399	3.69%
	United Kingdom (28.02.2022: 0.00%)		
7,000	Torm PLC	202,106	5.72%
	United States (28.02.2022: 14.54%)		
	Portfolio of investments (28.02.2022: 99.99%)	**3,486,524**	**98.65%**
	Net other assets (28.02.2022: 0.08%)	**47,694**	**1.35%**
		3,534,218	**100.00%**

Note: The 28 February 2022 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 28 February 2022 was (0.07%).

	£
Total sales for the year (note 14)	**12,877,814**
Euronav NV	516,603
Repsol SA	414,990
Var Energi ASA	374,837
Glencore PLC	369,286
Frontline Ltd	347,330
TGS ASA	347,238
OCI NV	322,541
Hafnia Ltd	304,536
Eramet SA	292,514
ArcelorMittal SA	288,999

	£
Total purchase for the year (note 14)	**14,109,163**
Repsol SA	561,834
Euronav NV	529,443
Hafnia Ltd	465,723
Koninklijke Vopak NV	392,701
Glencore PLC	362,193
OCI NV	356,191
Dampskibsselskabet Norden A/S	331,839
SalMar ASA	316,929
ArcelorMittal SA	307,868
Eramet SA	293,551

The above transactions represent the top ten sales and top ten purchases for the year.

STATEMENT OF TOTAL RETURN

For the year ended 28 February

	Notes	**2023** £	**2023** £	**2022** £	**2022** £
Net capital gains/(losses)	**2**		217,027		(77,059)
Revenue	**3**	252,837		165,298	
Expenses	**4**	(52,185)		(54,241)	
Interest payable and similar charges	**6**	(1,132)		(445)	
Net revenue before taxation		199,520		110,612	
Taxation	**5**	(19,478)		(17,572)	
Net revenue after taxation			180,042		93,040
Total return before distributions			397,069		15,981
Finance costs: distributions	**6**		(204,231)		(119,524)
Changes in net assets attributable to shareholders from investment activities			192,838		(103,543)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February

	2023 £	**2022** £
Opening net assets attributable to shareholders	1,997,171	2,525,126
Amounts receivable on creation of shares	2,749,232	1,287,274
Amounts payable on cancellation of shares	(1,495,555)	(1,740,996)
Dividends reinvested	90,532	29,310
Changes in net assets attributable to shareholders from investment activities (see above)	192,838	(103,543)
Closing net assets attributable to shareholders	3,534,218	1,997,171

BALANCE SHEET

As at	Notes	28.02.2023 £	28.02.2023 £	28.02.2022 £	28.02.2022 £
ASSETS					
Investment assets			3,486,524		1,995,746
Current assets					
Debtors	**7**	392,825		315,764	
Cash and bank balances	**8**	27,548		48,979	
Total current assets			420,373		364,743
Total assets			3,906,897		2,360,489
LIABILITIES					
Current liabilities					
Distribution payable on income shares		(12,529)		(14,882)	
Bank overdraft	**8**	(41,444)		(20,129)	
Creditors	**9**	(318,706)		(328,307)	
Total current liabilities			(372,679)		(363,318)
Net assets attributable to shareholders			3,534,218		1,997,171

1 Accounting policies, financial instruments and related party transactions are on pages 7-10.

2 Net capital gains/(losses)

The net capital gains/(losses) comprise:	2023 £	2022 £
Non-derivative security gains/(losses)	259,325	(34,812)
Currency losses	(34,955)	(33,590)
Transaction charges	(7,343)	(8,657)
Total net capital gains/(losses)	217,027	(77,059)

3 Revenue

	2023 £	2022 £
Non-taxable dividends	222,869	137,539
Annual management charge rebate	27,996	27,757
Bank interest	1,972	2
Total revenue	252,837	165,298

4 Expenses

	2023 £	2022 £
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	18,382	17,425
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,000	18,271
Safe custody fee	276	156
	18,276	18,427
Other expenses:		
Audit fee	8,724	7,842
FCA fee	47	46
Other expenses	6,756	10,501
	15,527	18,389
Total expenses	52,185	54,241

5 Taxation	2023	2022
	£	£
(a) Analysis of charge in the year		
Overseas irrecoverable withholding tax	19,478	17,572
Total tax charge for the year (note 5b)	19,478	17,572
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	199,520	110,612
Corporation tax at 20.00% (2022: 20.00%)	39,904	22,122
Effects of:		
Revenue not subject to UK corporation tax	(44,574)	(27,507)
Excess management expenses not utilised	4,670	5,385
Overseas irrecoverable withholding tax	19,478	17,572
Total tax charge for the year (note 5a)	19,478	17,572

(c) Provision for deferred taxation

At 28 February 2023 there is a potential deferred tax asset of £19,957 (2021: £15,288) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs	2023	2022
	£	£
Interim dividend distributions	200,382	99,574
Final dividend distribution	22,182	20,229
	222,564	119,803
Add: Revenue deducted on cancellation of shares	12,718	8,326
Deduct: Revenue received on issue of shares	(31,051)	(8,605)
Net distribution for the year	204,231	119,524
Interest payable and similar charges	1,132	445
Total finance costs	205,363	119,969
Reconciliation of distributions		
Net revenue after taxation	180,042	93,040
Expenses charged to capital (net of AMC rebate)	24,189	26,484
Relief on expenses allocated to capital	(168)	-
Balance carried forward	168	-
Net distribution for the year	204,231	119,524

7 Debtors

	28.02.2023	28.02.2022
	£	£
Amounts receivable on creation of shares	34,607	42
Amounts receivable on unsettled trades	310,096	283,182
Overseas withholding tax recoverable	28,768	27,202
Accrued revenue	5,676	753
Annual management charge rebate receivable	7,002	-
Prepaid expenses	6,676	4,585
Total debtors	392,825	315,764

8 Cash and bank balances

	28.02.2023	28.02.2022
	£	£
Cash and bank balances	27,548	48,979
Bank overdraft	(41,444)	(20,129)

9 Creditors

	28.02.2023	28.02.2022
	£	£
Amounts payable on cancellation of shares	8	157,828
Amounts payable on unsettled trades	293,741	150,080
Other accrued expenses	24,957	20,399
Total creditors	318,706	328,307

10 Shares held

Shares Held - Share Class R Retail Net Income	
Opening shares 01.03.2022	**1,329,010**
Shares issued during the year	781,180
Shares cancelled during the year	(457,821)
Shares converted during the year	-
Closing shares as at 28.02.2023	**1,652,369**

Shares Held - Share Class R Retail Net Accumulation	
Opening shares 01.03.2022	**384,168**
Shares issued during the year	1,199,245
Shares cancelled during the year	(636,043)
Shares converted during the year	-
Closing shares as at 28.02.2023	**947,370**

11 Contingent assets and liabilities

At 28 February 2023, the Sub-fund had no contingent liabilities or commitments (28 February 2022: £nil).

12 Risk management

In pursuing its investment objective as stated on page 60, 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 discussed in pages 8-9. These policies have been applied throughout the year.

Market price risk

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 28 February 2023 would have increased/decreased by £348,652 (2022: £199,575).

Foreign currency risk

A portion of the net assets of the Sub-fund is denominated in currencies other then Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets and liabilities		Total net assets	
	£		£		£	
	28.02.2023	28.02.2022	28.02.2023	28.02.2022	28.02.2023	28.02.2022
Danish krone	722	36,345	394,470	47,578	395,192	83,923
Euro	136,587	72,361	1,728,771	1,053,066	1,865,358	1,125,427
Hungarian forint	-	-	-	-	-	-
Norwegian krone	(87,897)	(51,807)	1,131,859	504,191	1,043,962	452,384
Polish zloty	13	12	-		13	12
South African rand	-	-	-	-	-	-
Swedish krona	-	-	101,025	50,630	101,025	50,630
Swiss franc	596	41,975	130,399	49,256	130,995	91,231
US dollar	3,285	59,229	-	291,025	3,285	350,254
Total foreign currency exposure	53,306	158,115	3,486,524	1,995,746	3,539,830	2,153,861
Sterling	(5,612)	(156,690)	-	-	(5,612)	(156,690)
Total	47,694	1,425	3,486,524	1,995,746	3,534,218	1,997,171

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets will affect the Sub-fund by £353,983 (28 February 2022: £215,386).

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.

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

	28.02.2023	**28.02.2022**
	£	**£**
Financial assets floating rate	7,084	48,979
Financial assets non-interest bearing instruments	3,899,813	2,311,510
Financial liabilities non-interest bearing instruments	(331,235)	(343,189)
Financial liabilities floating rate	(41,444)	(20,129)
	3,534,218	**1,997,171**

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 28 February 2023 are payable either within one year or on demand.

12 Risk management (continued)

Credit risk

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

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related

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.

	28.02.2023		**28.02.2022**	
Valuation Technique	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	3,487	-	1,996	-
Total	3,487	-	1,996	-

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 28 February 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

	Price (GBp) at 28 February 2023	**Price (GBp) at 3 August 2023**
Class R Retail Net Income	120.5631	107.8004
Class R Retail Net Accumulation	163.0326	150.7409

14 Direct transaction costs

	2023 £	%	2022 £	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	14,094,776		13,139,545	
Commissions	8,247	0.06%	7,321	0.06%
Taxes & levies	6,140	0.04%	6,158	0.05%
Total purchase costs	14,387	0.10%	13,479	0.11%
Total purchases including transaction costs	14,109,163		13,153,024	
Analysis of total sale costs				
Sales in the year before transaction costs	12,884,704		13,625,341	
Commissions	(6,833)	(0.05%)	(7,282)	(0.05%)
Taxes & levies	(57)	(0.00%)	(24)	(0.00%)
	(6,890)	(0.05%)	(7,306)	(0.05%)
Total sales net of transaction costs	12,877,814		13,618,035	

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:

	2023 £	% of average net asset value	2022 £	% of average net asset value
Commissions	15,080	0.53%	14,603	0.55%
Taxes & levies	6,197	0.22%	6,182	0.23%
	21,277	0.75%	20,785	0.78%

15 Portfolio dealing spread

The average portfolio dealing spread at 28 February 2023 is 0.14% (2022: 0.14%).

Q1 Interim distributions in pence per share
Group 1: Shares purchased prior to 01 March 2022
Group 2 : Shares purchased 01 March 2022 and on or before 31 May 2022

Unit Type	Share Class	Net Revenue 15.07.2022	Equalisation	Distribution 15.07.2022	Distribution 15.07.2021
group 1	Class R Retail Net Income	3.6423p	-	3.6423p	2.7888p
group 2	Class R Retail Net Income	1.6080p	2.0343p	3.6423p	2.7888p
group 1	Class R Retail Net Accumulation	4.6527p	-	4.6527p	3.3478p
group 2	Class R Retail Net Accumulation	1.9682p	2.6845p	4.6527p	3.3478p

Q2 Interim distributions in pence per share
Group 1: Shares purchased prior to 01 June 2022
Group 2 : Shares purchased 01 June 2022 and on or before 31 August 2022

Unit Type	Share Class	Net Revenue 14.10.2022	Equalisation	Distribution 14.10.2022	Distribution 14.10.2021
group 1	Class R Retail Net Income	1.8371p	-	1.8371p	0.8701p
group 2	Class R Retail Net Income	0.4295p	1.4076p	1.8371p	0.8701p
group 1	Class R Retail Net Accumulation	2.3742p	-	2.3742p	1.0695p
group 2	Class R Retail Net Accumulation	0.4271p	1.9471p	2.3742p	1.0695p

Q3 Interim distributions in pence per share
Group 1: Shares purchased prior to 01 September 2022
Group 2 : Shares purchased 01 September 2022 and on or before 30 November 2022

Unit Type	Share Class	Net Revenue 13.01.2023	Equalisation	Distribution 13.01.2023	Distribution 14.01.2022
group 1	Class R Retail Net Income	2.8098p	-	2.8098p	0.4772p
group 2	Class R Retail Net Income	1.6502p	1.1596p	2.8098p	0.4772p
group 1	Class R Retail Net Accumulation	3.6893p	-	3.6893p	0.5905p
group 2	Class R Retail Net Accumulation	2.0693p	1.6200p	3.6893p	0.5905p

Final distributions in pence per share
Group 1: Shares purchased prior to 01 December 2022
Group 2 : Shares purchased 01 December 2022 and on or before 28 February 2023

Unit Type	Share Class	Net Revenue 14.04.2023	Equalisation	Distribution 14.04.2023	Distribution 15.04.2022
group 1	Class R Retail Net Income	0.7583p	-	0.7583p	1.1198p
group 2	Class R Retail Net Income	0.2078p	0.5505p	0.7583p	1.1198p
group 1	Class R Retail Net Accumulation	1.0189p	-	1.0189p	1.3919p
group 2	Class R Retail Net Accumulation	0.4492p	0.5697p	1.0189p	1.3919p

Information for corporate shareholders
A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:
i) 99.12% of the total dividend allocation together with the tax credit is received as franked investment income.
ii) 0.88% 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.

Distribution

Distributions of the revenue of the Company will be made to shareholders on or before 30 April each year and interim allocations of revenue on or before 31 October for VT Argonaut European Alpha Fund and for VT Argonaut Absolute Return Fund. For VT Argonaut Equity Income Fund distribution dates are 15 January, 15 April, 15 July and 15 October.

Individual shareholders

Income tax: Tax-free annual dividend allowance now standing at £2,000 (2022/23). UK resident shareholders are now subject to new, higher rates of tax on dividend income in excess of the annual allowance. UK resident shareholders are subject to tax on dividend income in excess of the annual allowance.

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £12,300 (2022/23) 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.

Taxation

The Company has no corporation tax to pay on its profits in the VT Argonaut Funds for the year ended 28 February 2023. Capital gains within the Company will not be taxed.

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 to the below email addresses or by sending an application form to the Registrar. Application forms are available from the Registrar.

For VT Argonaut European Alpha Fund, VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund; Argonaut@valu-trac.com

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

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

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

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

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

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

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

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.

30.09.2022	Number of Beneficiaries	Fixed Remuneration	Variable Remuneration Paid	Total Remuneration Paid
Total remuneration paid by the AFM during the year	95	£ 2,760,167	£ nil	£ 2,760,167
Remuneration paid to employees of the AFM who have a material impact on the risk profile of the UK UCITS	8	£ 492,146	£ nil	£ 492,146
Senior Management	18	£ 1,042,368	£ nil	£ 1,042,368
Control Functions	13	£ 652,722	£ nil	£ 652,722
Employees receiving total remuneration that takes them into the same remuneration brackets as senior management and risk takers	3	£ 149,085	£ nil	£ 149.085

Further information is available in the AFM's Remuneration Policy document which can be obtained from https://www.valu-trac.com/Pillar%203%202021-09.pdf. A paper copy of the remuneration policy is available on request from the registered office of the Authorised Fund Manager free of charge.

Authorised Fund Manager & Registrar	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE Authorised and regulated by the Financial Conduct Authority
Investment Manager	Argonaut Capital Partners LLP 4th Floor 115 George Street Edinburgh EH2 4JN 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 regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE

Statement by the Authorised Fund Manager (AFM) to the unitholders of the VT Argonaut European Alpha Fund on the outcome of the AFM's assessment of the value provided to unitholders

For the year ended 28 February 2023

This assessment is to establish what the VT Argonaut European Alpha Fund (the Fund) has delivered to you in return for the price you have had to pay.

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a 'traffic light' system, where green (G) indicates receiving good value, amber (A) indicates receiving reasonable value and red (R) indicates not receiving good value.

The dashboard below shows the overall summary of this assessment, **as at 28 February 2023**:

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Argonaut European Alpha Fund	G	R	A	G	A	G	A	A
Class A Retail Net Accumulation	G	R	R	G	R	G	R	R
Class A Retail Net Income	G	R	R	G	R	G	R	R
Class A Retail Net Accumulation (EUR)	G	R	R	G	R	G	R	R
Class I Institutional Net Accumulation	G	R	G	G	A	G	G	A
Class I Institutional Net Income	G	R	G	G	A	G	G	A
Class I Institutional Net Accumulation (H)	G	R	G	G	A	G	G	A
Class I Institutional Net Accumulation (EUR)	G	R	G	G	A	G	G	A
Class R Retail Net Accumulation	G	R	G	G	A	G	G	A
Class R Retail Net Income	G	R	G	G	A	G	G	A

The dashboard below shows the overall summary for the previous assessment i.e. carried out as at 28 February 2022:

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Argonaut European Alpha Fund	G	R	G	G	G	G	G	R
Class A	G	R	R	G	G	G	A	R
Class I	G	R	G	G	G	G	G	R
Class R	G	R	G	G	G	G	G	R

The VT Argonaut European Alpha Fund was launched on 14 July 2012.

The AFM is the Authorised Corporate Director of the Fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Manager is Argonaut Capital Partners LLP.

The objective of the Fund is to achieve returns (capital and income) in excess of the returns of the Investment Association (IA) Europe ex UK Sector over the long term (five years).

The Fund will seek to achieve its objective by investing in a concentrated portfolio of approximately 30-60 stocks. The Fund will invest at least 80% in companies incorporated in countries in Europe. The Fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities exchange.

The Fund will not concentrate on any particular sector but will invest in a broad range of companies without regard to market capitalisation.

The Fund may also invest in other equities, fixed interest, units in collective investment schemes, money market instruments and deposits.

The Fund may also make use of certain financial contracts known as derivatives and forward transactions for the purpose of efficient portfolio management, including the use of hedging techniques and stock lending. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Fund.

The value of each share class at the end of the last five financial years are as follows:

At and for the year ended					
	28-Feb-23	**28-Feb-22**	**28-Feb-21**	**28-Feb-20**	**28-Feb-19**
Value of Fund (per Performance Record)					
Class A Retail Net Accumulation	£13.33m	£14.42m	£20.50m	£22.83m	£30.86m
Class A Retail Net Income	£0.26m	£0.26m	£0.27m	£0.29m	£0.33m
Class A Retail Net Accumulation (EUR)	€0.01m	€0.01m	€0.02m	€0.02m	€0.03m
Class I Institutional Net Accumulation	£2.56m	£2.72m	£3.74m	£5.30m	£8.82m
Class I Institutional Net Income	£1.01m	£1.75m	£2.07m	£3.99m	£6.33m
Class I Institutional Net Accumulation (H)	£0.18m	£0.20m	£0.16m	£0.19m	£0.54m
Class I Institutional Net Accumulation (EUR)	€0.07m	€0.07m	€0.07m	€4.75m	€4.56m
Class R Retail Net Accumulation	£9.37m	£10.04m	£13.45m	£15.92m	£19.15m
Class R Retail Net Income	£0.81m	£0.90m	£1.16m	£1.32m	£1.82m

Source: Valu-Trac, since 05/02/2021; prior to 05/02/2021, FundRock Partners Limited

In carrying out the assessment of value the following criteria were considered:

1. **Quality of service**

The AFM includes the performance of following operational services in the assessment:

Fund Accounting & Administration – Valu-Trac Investment Management

Authorised Fund Manager - Valu-Trac Investment Management

Delegated Investment Management – Argonaut Capital Partners

Depositary – NatWest Trustee and Depositary Services Limited

Custodian – RBC Investor Services Trust, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP.

These services are essential in ensuring that the Fund operated efficiently and in the case of the Depositary and Custodian the service is supervised on an on-going daily basis by the AFM. As a unitholder this means that you can be certain that your requests such as investment and redemption of the Fund's units will always be carried out exactly as set out in the documentation.

Valu-Trac does not delegate any of the core operating functions of the Fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the unitholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with the investment manager to coordinate any required investment communications.

The AFM has concluded that the unitholders within the Fund are receiving good value for the quality of services provided by each party (detailed analysis on how we have arrived at this conclusion can be provided on request).

2. Performance

The AFM has assessed performance of the Fund net (after) of all the charges that are outlined in its prospectus.

The objective of the Fund is to achieve returns (capital and income) in excess of the returns of the Investment Association (IA) Europe ex UK Sector over the long term (five years).

While it may be possible to derive a specific, capital growth value for a number of share classes within the Fund, it is not possible to derive a specific capital growth figure for the selected performance comparator. Therefore, it is not possible to perform a comparison between Fund and performance comparator on this measure.

However, the table below shows the annual dividend yield for each share class over the near and longer term. The table also shows the average dividend yield for the performance comparator (noted as 'Indicative Market Dividend Yield'), for the most recent twelve-month period.

	Indicative Market Dividend Yield	**12m to 28-Feb-23**	**12m to 28-Feb-22**	**12m to 28-Feb-21**	**12m to 28-Feb-20**	**12m to 28-Feb-19**	**5 Years to Feb-23**
Class A Retail Net Accumulation	1.46%	4.38%	0.88%	0.29%	0.65%	0.69%	**6.14%**
Class A Retail Net Income	1.46%	4.34%	0.89%	0.29%	0.64%	0.69%	**5.98%**
Class A Retail Net Accumulation (EUR)	1.46%	4.19%	0.87%	0.29%	0.62%	0.68%	**5.45%**
Class I Institutional Net Accumulation	1.46%	5.39%	1.42%	0.77%	1.31%	1.18%	**7.71%**
Class I Institutional Net Income	1.46%	5.41%	1.42%	0.77%	1.32%	1.18%	**8.95%**
Class I Institutional Net Accumulation (H)	1.46%	5.29%	1.29%	0.00%	1.13%	1.18%	**6.89%**
Class I Institutional Net Accumulation (EUR)	1.46%	5.19%	1.44%	0.74%	1.26%	1.16%	**7.62%**
Class R Retail Net Accumulation	1.46%	5.46%	1.42%	0.77%	1.32%	1.18%	**9.34%**
Class R Retail Net Income	1.46%	5.42%	1.42%	0.77%	1.33%	1.18%	**8.96%**

Source: Valu-Trac / Morningstar

The net total return (combining capital growth and income) for each available share class and for the comparator, are shown in the table below. Shorter periods are also reviewed to provide context for longer term performance. This is after on-going charges (OCF). This includes the fee paid to the Investment Manager, and transaction costs, which vary depending on the class of shares.

Note the comparator has been adjusted for the relevant share class currencies to provide relevant comparison. Please also note that, for the hedged share class, no directly appropriate comparator may be available. The performance of this share class, therefore, has been partly assessed in the context of the return(s) generated by the relevant, un-hedged share class, after making a reasonable allowance for current hedging arrangements and for hedging costs.

	2023 Performance	2023 Comparator Performance	5-Year Performance (per year)	5-Year Comparator Performance (per year)
Class A Retail Net Accumulation	4.38%	10.12%	-1.78%	6.15%
Class A Retail Net Income	5.64%	10.12%	-1.68%	6.15%
Class A Retail Net Accumulation (EUR)	-0.50%	5.24%	-1.64%	6.38%
Class I Institutional Net Accumulation	5.42%	10.12%	-0.79%	6.15%
Class I Institutional Net Income	7.23%	10.12%	-0.70%	6.15%
Class I Institutional Net Accumulation (H)	3.19%	n/a	0.49%	n/a
Class I Institutional Net Accumulation (EUR)	0.49%	5.24%	-0.70%	6.38%
Class R Retail Net Accumulation	5.42%	10.12%	-0.79%	6.15%
Class R Retail Net Income	7.24%	10.12%	-0.70%	6.15%

Source: Morningstar

The AFM has referred to both internal and external data sources for performance statistics, where the AFM has felt this to be appropriate. Typically, statistics such as capital gain and historic yield, are not readily available via external data sources.

The AFM has also assessed the investment risk within the Fund. The AFM has concluded that investment risk is not out of keeping for an actively managed Fund of this type. Further details may be provided upon request.

Each share class has generated a yield higher than that of the performance comparator, over the preceding twelve months.

The total net return performance of each share class is significantly below that of the performance comparator over the long term (where applicable).

The AFM has concluded that unitholders within the Fund are not receiving good value, with regard to performance.

3. AFM costs - general

The costs directly charged to the Fund, during the year ended 28 February 2023, were as follows:

	£	%age of average fund value
Investment manager's fee	315,942	1.10%
ACD fee	39,891	0.14%
Depositary fee	18,000	0.06%
Audit fee	8,724	0.03%
FCA fee	447	0.00%

Safe custody fee	3,163	0.01%
Transaction charges (custodian)	14,135	0.05%
Other expenses	10,758	0.04%
Total Costs	**411,060**	**1.43%**

Source: Valu-Trac

Each share class within the Fund has its own Annual Management Charge (AMC). The AMC of each share class within the Fund is shown in the table below. Note that the share class-specific AMCs may differ from the total costs % shown in the table above, as the total cost % figure is calculated at the level of the Fund rather than at the level of each share class.

	AMC
Class A Retail Net Accumulation	1.75%
Class A Retail Net Income	1.75%
Class A Retail Net Accumulation (EUR)	1.75%
Class I Institutional Net Accumulation	0.75%
Class I Institutional Net Income	0.75%
Class I Institutional Net Accumulation (H)	0.75%
Class I Institutional Net Accumulation (EUR)	0.75%
Class R Retail Net Accumulation	0.75%
Class R Retail Net Income	0.75%

Source: Valu-Trac

For an actively managed fund of this type, an AMC of 1.75% appears high and the AFM has concluded that unitholders in the A share class are not receiving good value, with regard to AFM costs.

For the I & R share classes the charges are lower. The AFM has concluded that unitholders in the I & R share classes are receiving good value, with regard to AFM costs.

4. Economies of scale

The AFM has assessed to what extent it has been able to achieve any savings as a result of economies of scale. Where any such savings have been made this has in every case been passed on to the unitholders. An example of this is the safe custody fee, where competitive rates have been negotiated due to the overall size of the AFM's total assets under management, and which have no minimum amount charged. As the AFM grows its total assets across all schemes it uses this purchasing power to benefit all schemes in this way

The AFM has therefore concluded that all unitholders within the Fund are receiving good value, with regard to economies of scale.

5. **Comparable market rates**

The AFM has considered the costs charged to the Fund by comparing the current ongoing charges (OCF) of the share classes to the average OCF of the IA Europe ex UK Sector, retail classes where available, alongside the historical change for each share class. This is shown below:

OCF	28-Feb-23	28-Feb-22	28-Feb-21	28-Feb-20	28-Feb-19
Class A Retail Net Accumulation	1.90%	1.91%	2.00%	2.04%	1.98%
Class A Retail Net Income	1.90%	1.91%	2.00%	2.04%	1.98%
Class A Retail Net Accumulation (EUR)	1.90%	1.91%	2.00%	2.04%	1.98%
Class I Institutional Net Accumulation	0.90%	0.91%	1.00%	1.04%	0.98%
Class I Institutional Net Income	0.90%	0.91%	1.00%	1.04%	0.98%
Class I Institutional Net Accumulation (H)	0.90%	0.91%	1.00%	1.09%	1.04%
Class I Institutional Net Accumulation (EUR)	0.90%	0.91%	1.00%	1.04%	0.98%
Class R Retail Net Accumulation	0.90%	0.91%	1.00%	1.04%	0.98%
Class R Retail Net Income	0.90%	0.91%	1.00%	1.04%	0.98%
IA Europe ex UK Sector Average	0.90%	-	-	-	-

Source: Valu-Trac / Morningstar

Unitholders within the Class A share class are currently paying an OCF greater than that of the market average for similar funds. This is would also appear to be among the most expensive among peers. Unitholders within the Class I and R share classes are currently paying an OCF in line with that of the market average for similar funds.

The AFM has therefore concluded that unitholders within the Class A share class are not receiving good value, with regard to market rates; whereas, unitholders within the Class I and R share classes are receiving reasonable value, with regard to market rates.

6. **Comparable services**

The services provided to this Fund and the costs are also comparable amongst other similar funds operated by the AFM with the same investment manager, and are aligned with its normal operating model.

The AFM concludes that unitholders in all share classes are receiving good value, with regard to comparable services.

7. **Classes of units**

The AMC charged to the Class A share class includes rebates and trail commissions paid out, which is not considered in the ongoing charges. The AFM cannot be assured that in all cases this is being passed back to unitholders.

The GBP denominated Class A and Class R share classes have a minimum investment amount of £500. The EUR denominated Class A share class has a minimum investment amount of €2,500.

The GBP denominated Class I share class has a higher minimum of £3m and the EUR denominated Class I share class has a minimum investment amount of €3m.

A larger minimum amount helps the overall fund scale quicker, and the servicing required per £ / € invested is generally lower; thus, lower ongoing charges.

The AFM has concluded that unitholders within the Class A share class are not receiving good value, with regard to classes of units.

The AFM has concluded that unitholders within the Class I and R share classes are receiving good value, with regard to classes of units.

CONCLUSION

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a 'traffic light' system, where green (G) indicates receiving good value, amber (A) indicates receiving reasonable value and red (R) indicates not receiving good value.

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Argonaut European Alpha Fund	G	R	A	G	A	G	A	A
Class A Retail Net Accumulation	G	R	R	G	R	G	R	R
Class A Retail Net Income	G	R	R	G	R	G	R	R
Class A Retail Net Accumulation (EUR)	G	R	R	G	R	G	R	R
Class I Institutional Net Accumulation	G	R	G	G	A	G	G	A
Class I Institutional Net Income	G	R	G	G	A	G	G	A
Class I Institutional Net Accumulation (H)	G	R	G	G	A	G	G	A
Class I Institutional Net Accumulation (EUR)	G	R	G	G	A	G	G	A
Class R Retail Net Accumulation	G	R	G	G	A	G	G	A
Class R Retail Net Income	G	R	G	G	A	G	G	A

In taking all of these criteria into consideration, the AFM has concluded whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to unitholders.

The total net performance of each Fund share class is significantly below that of the performance comparator, over the previous twelve months. More significantly, Fund performance is significantly below that of the performance comparator over the key investment horizon of five years. The AFM has concluded that unitholders within the Fund are not receiving good value, with regard to performance. The AFM will continue to monitor performance trends, and where appropriate will work with the Investment Manager to ensure the Fund is well positioned to perform in line with both its objectives and any performance comparator or benchmark.

The AFM has concluded that an AMC of 1.75% for the Class A shares, appears high, for an actively managed fund of this type. The AFM has concluded that unitholders in the Class A share class are not receiving good value, with regard to AFM costs. The AFM will continue to monitor costs, and will work with the Investment Manager, where appropriate, to ensure that costs reduce to an appropriate level.

The OCF of the Class A Shares is greater than that of the selected peer group average. The OCF of the Class A Shares would appear to be among the most expensive within that peer group. The AFM has concluded that unitholders within the Class A share class are not receiving good value, with regard to market rates. The AFM will continue to monitor all costs over the next 12 months, to ensure it continues to fall towards the average.

Overall, the AFM concludes that the unitholders of the VT Argonaut European Alpha Fund are receiving reasonable value.

The AFM is working with the Delegated Investment Manager to address the points raised within this assessment which have led to a conclusion of not receiving good value on some of the factors (performance, AFM Costs – General, Comparable Market Rates and Classes of Units). The Delegated Investment Manager has provided a commitment to improve the overall value delivered to shareholders. The AFM and the Depositary will continue to closely monitor the performance of the Fund to evaluate the effectiveness of the improvements delivered.

04/08/2023

Statement by the Authorised Fund Manager (AFM) to the unitholders of the VT Argonaut Absolute Return Fund on the outcome of the AFM's assessment of the value provided to unitholders

For the year ended 28 February 2023

This assessment is to establish what the VT Argonaut Absolute Return Fund (the Fund) has delivered to you in return for the price you have had to pay.

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a 'traffic light' system, where green (G) indicates receiving good value, amber (A) indicates receiving reasonable value and red (R) indicates not receiving good value.

The dashboard below shows the overall summary of this assessment, **as at 28 February 2023**:

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Argonaut Absolute Return Fund	R	G	A	G	A	G	A	A
Class A Retail Net Accumulation (H)	R	G	R	G	A	G	R	R
Class A Retail Net Accumulation (EUR) (H)	R	G	R	G	A	G	R	R
Class A Retail Net Accumulation (USD) (H)	R	G	R	G	A	G	R	R
Class I Institutional Net Accumulation (H)	R	G	G	G	G	G	G	A
Class I Institutional Net Accumulation (EUR) (H)	R	G	G	G	G	G	G	A
Class I Institutional Net Accumulation (USD) (H)	R	G	G	G	G	G	G	A
Class R Retail Net Accumulation (H)	R	G	G	G	G	G	G	A
Class O Institutional Net Accumulation (H)	R	G	R	G	A	G	R	R
Class O Institutional Net Accumulation (EUR) (H)	R	G	R	G	A	G	R	R
Class O Institutional Net Accumulation (USD) (H)	R	G	R	G	A	G	R	R

The dashboard below shows the overall summary for the previous assessment i.e. carried out as at 28 February 2022:

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Argonaut Absolute Return Fund	G	G	A	G	G	G	A	G
Class A Retail Net Accumulation (H)	G	G	R	G	G	G	A	A
Class A Retail Net Accumulation (EUR) (H)	G	G	R	G	G	G	A	A
Class A Retail Net Accumulation (USD) (H)	G	G	R	G	G	G	A	A
Class I Institutional Net Accumulation (H)	G	G	G	G	G	G	G	G
Class I Institutional Net Accumulation (EUR) (H)	G	G	G	G	G	G	G	G
Class I Institutional Net Accumulation (USD) (H)	G	G	G	G	G	G	G	G
Class R Retail Net Accumulation (H)	G	G	G	G	G	G	G	G
Class O Institutional Net Accumulation (H)	G	G	R	G	G	G	A	A
Class O Institutional Net Accumulation (EUR) (H)	G	G	R	G	G	G	A	A
Class O Institutional Net Accumulation (USD) (H)	G	G	R	G	G	G	A	A

The VT Argonaut Absolute Return Fund was launched on 14 July 2012.

The objective of the fund is to provide positive returns over a 3-year period, regardless of market conditions.

Capital invested in the fund is at risk and there is no guarantee that the investment objective will be met over a 3 year, or any other period.

The fund may, at times, invest in a relatively small number of equities, the selection of which will not be restricted either by size, industry, or geographical location of the underlying companies, although exposure is expected to be mainly (over 50% of gross exposure) to companies incorporated in Europe.

The fund may take investment exposure to equities, fixed interest instruments, collective investment schemes (which may include those managed/operated by the ACD) cash and near cash (which includes money market instruments and deposits in any currency).

Any such exposures could be gained by direct investment or through funds or derivative instruments.

In pursuit of its investment policy, all or a substantial proportion of the fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments.

The fund may use derivatives and forward transactions (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) for the purposes of meeting the investment objective or efficient portfolio management.

The value of each share class at the end of the last three financial years are as follows:

At and for the year ended			
	28-Feb-23	**28-Feb-22**	**28-Feb-21**
Value of Fund **(per Performance Record)**			
Class A Retail Net Accumulation (H)	£5.96m	£3.89m	£7.80m
Class A Retail Net Accumulation (EUR) (H)	€1.78m	€1.44m	€1.87m
Class A Retail Net Accumulation (USD) (H)	$4.49m	$0.66m	$0.13m
Class I Institutional Net Accumulation (H)	£25.46m	£12.59m	£10.75m
Class I Institutional Net Accumulation (EUR) (H)	€1.99m	€1.20m	€1.70m
Class I Institutional Net Accumulation (USD) (H)	$4.02m	$1.35m	$1.09m
Class R Retail Net Accumulation (H)	£40.58m	£16.98m	£9.36m
Class O Institutional Net Accumulation (H)	£6.92m	£2.70m	£0.16m
Class O Institutional Net Accumulation (EUR) (H)	€1.16m	€0.43m	€0.00m
Class O Institutional Net Accumulation (USD) (H)	$3.54m	$0.99m	$0.25m

Source: Valu-Trac Administration Services, since 05/02/2021; prior to 05/02/2021, FundRock Partners Limited
The Class A Retail Net Accumulation (EUR) (H) was closed on 3 May 2019 and re-opened on 8 February 2021
The Class A Retail Net Accumulation (USD) (H), Class O Institutional Net Accumulation (H), Class O Institutional Net Accumulation (EUR) (H) and the Class O Institutional Net Accumulation (USD) (H), launched on 3 December 2020.

In carrying out the assessment of value the following criteria were considered:

1. **Quality of service**

The AFM includes the quality and performance of the following operational services in the assessment:

Fund Accounting & Administration – Valu-Trac Investment Management Limited (Valu-Trac)

Authorised Fund Manager - Valu-Trac Investment Management Limited

Delegated Investment Management – Argonaut Capital Partners LLP

Depositary – NatWest Trustee and Depositary Services Limited

Custodian – RBC Investor Services Trust, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP

These services are essential in ensuring that the Fund operates efficiently and in line with the description in the fund investor documentation. As a unitholder this means that you can be confident that your instructions such as investment and redemption of the Fund's units will be carried out as set out in the documentation and the Fund is managed in accordance with the investment objectives stated in the prospectus.

Valu-Trac does not delegate any of the core operating functions of the Fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes generally that the unitholders can expect that their instructions will be carried out efficiently and that the reporting they receive is timely and focused.

The investment management of the Fund is delegated to Argonaut Capital Partners LLP (the Delegated Investment Manager). Valu-Trac acts as the AFM, and it is our responsibility to appoint and oversee the investment management services provided in respect of the Fund. As part of our assessment, we have identified the following concerns regarding the quality of services provided in respect of the Fund over the past 12 months:

- a number of breaches of investment and borrowing powers limits were identified and resolved during the period, including breaches relating to higher than permitted counterparty exposure, market risk above permitted limits and failure to adhere to required limits to ensure diversification of underlying assets within the Fund.

- In addition to the investment breaches, the AFM made and resolved a number of pricing errors during the period of the assessment.

The AFM has worked with the Delegated Investment Manager and the Depositary to ensure that all investment breaches were rectified, and unitholders of the Fund were not adversely impacted.

Similarly, all pricing errors were rectified by the AFM with no unfavourable impact to unitholders, but in specific instances may have caused some disruption whilst the errors were corrected.

Notwithstanding the fact that the investment and borrowing powers breaches were often driven by market movements and there was no adverse impact on shareholders, the AFM remains concerned that the high frequency of such breaches (compared to other funds operated by the AFM and wider industry benchmarking) indicates a potential weakness in the controls of the Delegated Investment Manager and creates a risk that the Fund is not consistently managed in line with the investment objectives stated in the prospectus. In this respect, the AFM notes that the Depositary, in its independent report to unitholders, which is included in the Fund's Report and Accounts, has also drawn attention to the investment breaches and pricing errors relating to the Fund umbrella.

The AFM is working with the Delegated Investment Manager to address the controls which prevent investment breaches in the future. The Delegated Investment Manager has provided a commitment to preventing future breaches and thus improve the overall quality of service delivered to shareholders. In this respect, a number of tangible improvements have already been made at the time of writing this report, such as:

- A reduction in counterparty exposure to the Fund's prime broker.
- Introduction of stricter 'soft limits' around trading, to help mitigate against investment and borrowing powers breaches due to market movements.

The AFM is confident that these improvements will lead to fewer breaches going forward and an enhanced quality of service for unitholders. It should also be noted that, in some cases, communication of the underlying issues causing breaches of investment and borrowing powers happened relatively late within the period, and the Delegated Investment Manager has acted promptly to address them once notified. Furthermore, the framework around the recording of breaches of investment and borrowing powers, including the categorisation into advertent and inadvertent breaches and the approach to counterparty monitoring was clarified over the course of the period. Again, once notified of these changes the Delegated Investment Manager acted quickly to remediate any issues.

The AFM and the Depositary will continue to closely monitor the performance of the Fund to evaluate the effectiveness of the improvements delivered.

The AFM has concluded that the investment breaches had the potential to materially adversely impact the quality of investment management service received by unitholders during the period covered by this assessment of value report. A reasonable quality of service was otherwise received by unitholders in respect of fund accounting & administration, authorised fund management, depositary and custody services.

In light of the factors outlined above, the AFM has therefore rated the quality of service provided in respect of the Fund as Red.

2. Performance

The AFM has assessed performance of the Fund net (after) of all the charges that are outlined in its prospectus.

The objective of the Fund is to provide positive returns over a 3-year period, regardless of market conditions.

While the fund is not managed against any formal benchmark, the fund can be compared to the Investment Association's (IA) Targeted Absolute Return Sector Average (the comparator).

The net total return for each available share class and for the comparator, are shown in the table below. Shorter periods are also reviewed to provide context for longer term performance. This is after on-going charges (OCF). This includes the fee paid to the Investment Manager, and transaction costs, which vary depending on the class of shares. Please note that, for the € hedged and $ hedged share classes, no directly appropriate comparator may be available. The performance of these share classes, therefore, has been partly assessed in the context of the return(s) generated by the relevant, un-hedged share class, after making a reasonable allowance for current hedging arrangements and for hedging costs.

Total Net Return	2023 Performance	2023 Comparator Performance	3-Year Performance (per year)	3-Year Comparator Performance (per year)
Class A Retail Net Accumulation (H)	-2.81%	1.08%	7.92%	2.45%
Class A Retail Net Accumulation (EUR) (H)	-3.39%	n/a	7.52%	n/a
Class A Retail Net Accumulation (USD) (H)	-3.92%	n/a	7.16%	n/a
Class I Institutional Net Accumulation (H)	-2.63%	1.08%	8.67%	2.45%

Class I Institutional Net Accumulation (EUR) (H)	-3.25%	n/a	9.79%	n/a
Class I Institutional Net Accumulation (USD) (H)	-2.84%	n/a	8.14%	n/a
Class R Retail Net Accumulation (H)	-2.72%	1.08%	8.61%	2.45%
Class O Institutional Net Accumulation (H)	-3.22%	1.08%	8.33%	2.10%
Class O Institutional Net Accumulation (EUR) (H)	-4.62%	n/a	6.95%	n/a
Class O Institutional Net Accumulation (USD) (H)	-3.69%	n/a	7.45%	n/a

Source: Morningster / Valu-Trac
The Class A Retail Net Accumulation (EUR) (H) was closed on 3 May 2019 and re-opened on 8 February 2021
The Class A Retail Net Accumulation (USD) (H), Class O Institutional Net Accumulation (H), Class O Institutional Net Accumulation (EUR) (H) and the Class O Institutional Net Accumulation (USD) (H), launched on 3 December 2020.

The AFM has also assessed the investment risk within the Fund. The AFM has concluded that investment risk is not out of keeping for an actively managed Fund of this type. Further details may be provided upon request.

While each share class has generated a negative return over the most recent twelve-month period, all share classes have generated a positive return, over a longer period up to 3 years. Performance is also comfortably ahead of the performance comparator over that longer period, where applicable.

The AFM has concluded that unitholders within the Fund are receiving good value, with regard to performance.

3. AFM costs - general

The costs directly charged to the Fund, during the year ended 28 February 2023, were as follows:

	£	**%age of average fund value**
Investment manager's fee	770,703	0.87%
ACD fee	45,253	0.05%
Depositary fee	30,999	0.04%
Audit fee	10,067	0.01%
FCA fee	47	0.00%
Safe custody fee	4,007	0.00%
Transaction charges (custodian)	1,770,490	2.01%
Other expenses	36,084	0.04%
Total Costs	**2,667,650**	**3.02%**
Performance fee	701,669	0.79%

Source: Valu-Trac

Note that transaction charges are the costs of buying and selling the underlying securities within the fund, including explicit charges such as commission and taxes, and implicit charges such as market timing and slippage. For the Fund, the transaction charges appear relatively large in relation to the other charges noted in the table. This is linked to the strategy of the Fund and some of the assets held within its portfolio, such as Contracts for Difference (CFDs), which involve costs relating to financing, cash interest and borrowing. The absolute return nature of the Fund also means that transaction volume can be quite high, however this volume is a key part of how the Fund generates its returns and so a higher than average transaction cost would be expected.

Each share class within the Fund has its own Annual Management Charge (AMC). The AMC of each share class within the Fund is shown in the table below. Note that the share class-specific AMCs may differ from the total costs % shown in the table above, as the total cost % figure is calculated at the level of the Fund rather than at the level of each share class.

	AMC
Class A Retail Net Accumulation (H)	1.50%
Class A Retail Net Accumulation (EUR) (H)	1.50%
Class A Retail Net Accumulation (USD) (H)	1.50%
Class I Institutional Net Accumulation (H)	0.75%
Class I Institutional Net Accumulation (EUR) (H)	0.75%
Class I Institutional Net Accumulation (USD) (H)	0.75%
Class R Retail Net Accumulation (H)	0.75%
Class O Institutional Net Accumulation (H)	1.50%
Class O Institutional Net Accumulation (EUR) (H)	1.50%
Class O Institutional Net Accumulation (USD) (H)	1.50%

Source: Valu-Trac

For an actively managed fund of this type, an AMC of 1.50% appears high and the AFM has concluded that unitholders in the A and O share classes are not receiving good value, with regard to AFM costs.

For the I & R share classes the charges appear more appropriate, and the AFM has concluded unitholders in these share classes are receiving good value.

4. **Economies of scale**

The AFM has assessed to what extent it has been able to achieve any savings as a result of economies of scale. Where any such savings have been made this has in every case been passed on to the unitholders. An example of this is the depositary fees charged being on a sliding scale so reduce in cost as the Fund exceeds certain thresholds. As the AFM grows its total assets across all schemes it uses this purchasing power to benefit all schemes.

The AFM has therefore concluded that all unitholders within the Fund are receiving good value, with regard to economies of scale.

5. **Comparable market rates**

The AFM has considered the costs charged to the Fund by comparing the current ongoing charges (OCF) of the share classes to the average OCF of the IA Targeted Absolute Return Sector, retail classes where available, alongside the historical change for each share class. This is shown below:**OCF**	**28-Feb-23**	**28-Feb-22**	**28-Feb-21**
Class A Retail Net Accumulation (H)	1.61%	1.70%	2.31%
Class A Retail Net Accumulation (EUR) (H)	1.61%	1.70%	2.31%
Class A Retail Net Accumulation (USD) (H)	1.61%	1.70%	2.31%
Class I Institutional Net Accumulation (H)	0.86%	0.95%	1.56%
Class I Institutional Net Accumulation (EUR) (H)	0.86%	0.95%	1.56%
Class I Institutional Net Accumulation (USD) (H)	0.86%	0.95%	1.56%
Class R Retail Net Accumulation (H)	0.86%	0.95%	1.56%
Class O Institutional Net Accumulation (H)	1.61%	1.70%	2.31%
Class O Institutional Net Accumulation (EUR) (H)	1.61%	1.70%	2.31%
Class O Institutional Net Accumulation (USD) (H)	1.61%	1.70%	2.31%
IA Targeted Absolute Return Sector Average	0.91%	-	-

Source: Valu-Trac / Morningstar

Unitholders within the Class A and Class O share classes are currently paying an OCF greater than that of the market average for similar funds.

Unitholders within the Class I and R share classes are currently paying an OCF below that of the market average for similar funds.

The AFM has therefore concluded that unitholders within the Class A share class are receiving reasonable value, with regard to market rates; whereas, unitholders within the Class I and R share classes are receiving good value, with regard to market rates.

6. **Comparable services**

The services provided to this Fund and the costs are also comparable amongst other similar funds operated by the AFM with the same investment manager, and is aligned with its normal operating model.

The AFM concludes that unitholders in all share classes are receiving good value, with regard to comparable services.

7. **Classes of units**

The AMC charged to the Class A share class includes rebates and trail commissions paid out, which is not considered in the ongoing charges. The AFM cannot be assured that in all cases this is being passed back to unitholders.

The Class A share class comes with an initial charge of 5.25% and the Class O share class comes with an initial charge of 5.00%. These may be waved at the discretion of the Authorised Corporate Director (ACD). The ACD will continue to review policies and procedures for the waiving of charges.

The Class I share classes have a minimum investment amount of £3m, whereas other share classes have a minimum that is significantly lower. A larger minimum amount helps the overall fund scale quicker, and the servicing required per £ invested is generally lower; thus, lower ongoing charges.

The AFM has concluded that unitholders within the Class A and Class O share classes are not receiving good value, with regards to classes of units.

The AFM has concluded that unitholders within the Class I and R share classes are receiving good value, with regards to classes of units.

CONCLUSION

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a 'traffic light' system, where green (G) indicates receiving good value, amber (A) indicates receiving reasonable value and red (R) indicates not receiving good value.

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Argonaut Absolute Return Fund	R	G	A	G	A	G	A	A
Class A Retail Net Accumulation (H)	R	G	R	G	A	G	R	R
Class A Retail Net Accumulation (EUR) (H)	R	G	R	G	A	G	R	R
Class A Retail Net Accumulation (USD) (H)	R	G	R	G	A	G	R	R
Class I Institutional Net Accumulation (H)	R	G	G	G	G	G	G	A
Class I Institutional Net Accumulation (EUR) (H)	R	G	G	G	G	G	G	A
Class I Institutional Net Accumulation (USD) (H)	R	G	G	G	G	G	G	A
Class R Retail Net Accumulation (H)	R	G	G	G	G	G	G	A
Class O Institutional Net Accumulation (H)	R	G	R	G	A	G	R	R
Class O Institutional Net Accumulation (EUR) (H)	R	G	R	G	A	G	R	R
Class O Institutional Net Accumulation (USD) (H)	R	G	R	G	A	G	R	R

In taking all these criteria into consideration, the AFM will conclude whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to unitholders.

For all share classes we have concluded that unit holders are not receiving good value for quality of service, the AFM is currently working with the Delegated Investment Manager to address these issues with a plan to bring it back to a level that delivers good value for investors. This has a particular focus on the control environment to prevent investment breaches and pricing errors in the future. The Delegated Investment Manager has provided a commitment to preventing future breaches and improve the overall quality of service delivered to shareholders. The AFM and the Depositary will continue to closely monitor the performance of the Fund to evaluate the effectiveness of the improvements delivered.

For A and O share classes, an AMC of 1.50% appears high and the AFM has concluded that unitholders within these share classes are not receiving good value, with regard to AFM costs. The AFM will continue to monitor costs, and will work with the Investment Manager, where appropriate, to ensure that costs reduce to an appropriate level.

The OCF of the Class A and Class O Shares is greater than that of the selected peer group average. The AFM has concluded that unitholders within these share classes are receiving reasonable value, with regard to market rates. The AFM will continue to monitor all costs over the next 12 months, to ensure it continues to fall towards the average.

The AFM has concluded that unitholders within the Class A and Class O share classes are not receiving good value, with regards to classes of units.

Overall, the AFM concludes that the unitholders of the VT Argonaut Absolute Return Fund are receiving reasonable value.

04/08/2023

Statement by the Authorised Fund Manager (AFM) to the unitholders of the VT Argonaut Equity Income Fund on the outcome of the AFM's assessment of the value provided to unitholders

For the year ended 28 February 2023

This assessment is to establish what the VT Argonaut Equity Income Fund (the Fund) has delivered to you in return for the price you have had to pay.

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a 'traffic light' system, where green (G) indicates receiving good value, amber (A) indicates receiving reasonable value and red (R) indicates not receiving good value.

The dashboard below shows the overall summary of this assessment, **as at 28 February 2023**:

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Argonaut European Equity Income Fund	G	G	A	G	G	G	G	G
Class R Retail Net Accumulation	G	G	A	G	G	G	G	G
Class R Retail Net Income	G	G	A	G	G	G	G	G

The dashboard below shows the overall summary for the previous assessment i.e. carried out as at 28 February 2022:

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Argonaut European Equity Income Fund	G	G	G	G	G	G	G	G
Class R Retail Net Accumulation	G	G	G	G	G	G	G	G
Class R Retail Net Income	G	G	G	G	G	G	G	G

The VT Argonaut Equity Income Fund was launched on 30 December 2016.

The Fund objective is to provide an income (net of fees) in excess of the yield of the European market (as represented by the IA Europe ex UK sector) with capital growth over any 5-year calendar period.

The Fund will invest in a concentrated portfolio of approximately 30-60 stocks. The Fund will invest predominantly in securities of companies incorporated in Europe (including up to 5% in UK companies).

The Fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities or derivatives exchange. The Fund may also invest in emerging European markets including Russia and Eastern Europe.

The Fund is not constrained by any index weightings and will not concentrate on any particular country, sector or market capitalisation.

To aid liquidity, the Fund also has the ability to invest in assets such as American Depositary Receipts and Global Depositary Receipts.

The Fund may also invest in other transferable securities, units in collective investment schemes, money market instruments and deposits.

The Fund may make use of derivatives and forward transactions for the purposes of investment and for efficient portfolio management, including the use of hedging techniques and stock lending.

The value of each share class at the end of the last five financial years are as follows:

At and for the year ended					
	28-Feb-23	**28-Feb-22**	**28-Feb-21**	**28-Feb-20**	**28-Feb-19**
Value of Fund (per Performance Record)					
Class R Retail Net Accumulation	£1.54m	£0.53m	£0.65m	£0.41m	£0.62m
Class R Retail Net Income	£1.99m	£1.48m	£1.87m	£1.36m	£1.19m

Source: Valu-Trac Administration Services, since 05/02/2021; prior to 05/02/2021, FundRock Partners Limited

In carrying out the assessment of value the following criteria were considered:

1. **Quality of service**

The AFM includes the performance of following operational services in the assessment:

Fund Accounting & Administration – Valu-Trac Investment Management

Authorised Fund Manager - Valu-Trac Investment Management

Delegated Investment Management – Argonaut Capital Partners

Depositary – NatWest Trustee and Depositary Services Limited

Custodian – RBC Investor Services Trust, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP.

These services are essential in ensuring that the Fund operated efficiently and in the case of the Depositary and Custodian the service is supervised on an on-going daily basis by the AFM. As a unitholder this means that you can be certain that your requests such as investment and redemption of the Fund's units will always be carried out exactly as set out in the documentation.

Valu-Trac does not delegate any of the core operating functions of the Fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the unitholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with the investment manager to coordinate any required investment communications.

The AFM has concluded that the unitholders within the Fund are receiving good value for the quality of services provided by each party (detailed analysis on how we have arrived at this conclusion can be provided on request).

2. **Performance**

The AFM has assessed performance of the Fund net (after) of all the charges that are outlined in its prospectus.

The objective of the Fund is to provide an income (net of fees) in excess of the yield of the European market (as represented by the IA Europe ex UK sector) with capital growth over any 5-year calendar period.

The table below shows the annual dividend yield for each share class over the near and longer term. The table also shows the average dividend yield for the performance comparator, for the most recent twelve-month period.

Yield	**Indicative Market Dividend Yield**	**12m to 28-Feb-23**	**12m to 28-Feb-22**	**12m to 28-Feb-21**	**12m to 28-Feb-20**	**12m to 28-Feb-19**	**5 Years to Feb-23**
Class R Retail Net Accumulation	1.46%	8.47%	4.66%	2.89%	6.70%	4.29%	**27.84%**
Class R Retail Net Income	1.46%	8.15%	4.60%	2.60%	6.57%	4.24%	**24.35%**

Source: Morningstar / Valu-Trac

The net total return (combining capital growth and income) for each available share class and for the comparator, are shown in the table below. Shorter periods are also reviewed to provide context for longer term performance. This is after on-going charges (OCF). This includes the fee paid to the Investment Manager, and transaction costs, which vary depending on the class of shares.

Total Net Return	**2023 Performance**	**2023 Comparator Performance**	**5-Year Performance (per year)**	**5-Year Comparator Performance (per year)**
Class R Retail Net Accumulation	17.68%	10.12%	5.82%	6.15%
Class R Retail Net Income	16.99%	10.12%	5.82%	6.15%

Source: Morningstar

The AFM has referred to both internal and external data sources for performance statistics, where the AFM has felt this to be appropriate. Typically, statistics such as capital gain and historic yield, are not readily available via external data sources.

The AFM has also assessed the investment risk within the Fund. The AFM has concluded that investment risk is not out of keeping for an actively managed Fund of this type. Further details may be provided upon request.

Each share class has generated a yield significantly higher than that of the performance comparator (noted as 'Indicative Market Dividend Yield above), over the preceding twelve months.

The total net return performance of each share class is significantly ahead of that of the performance comparator, over the preceding twelve months. Total net return of each share class is marginally below that of the performance comparator, over the longer-term.

The AFM has concluded that unitholders within the Fund are receiving good value, with regard to performance.

3. AFM costs - general

The costs directly charged to the Fund, during the year ended 28 February 2023, were as follows:

	£	%age of average fund value
Investment manager's fee	7,828	0.28%
Investment manager's rebate	-27,996	-0.99%
ACD fee	10,554	0.37%
Depositary fees	18,000	0.63%
Audit fee	8,724	0.31%
FCA fee	47	0.00%
Safe custody fee	276	0.01%
Transaction charges (custodian)	7,343	0.26%
Other expenses	6,756	0.24%
Total Costs	**31,532**	**1.11%**

Source: Valu-Trac

The current Annual Management Charge (before any investment management rebate) (AMC), is 0.65%. Note that the Investment Manager pays a rebate to the Fund such that the average operating costs excluding capital transaction charges and legal fees, do not exceed 0.85%. The AFM has concluded that the current AMC is not unreasonable for an actively managed Fund of this type. However, owing to the modest size of the Fund, overall, the sum of all direct charges is higher than other, similar Funds, managed by the AFM. The AFM has therefore concluded that unitholders within these share classes are receiving reasonable value, with regard to AFM costs. The AFM is working with the Investment Manager on a strategy to grow the Fund, which will enable costs to be brought down over time.

4. Economies of scale

The AFM has assessed to what extent it has been able to achieve any savings as a result of economies of scale. Where any such savings have been made this has in every case been passed on to the unitholders. An example of this is the safe custody fee, where competitive rates have been negotiated due to the overall size of the AFM's total assets under management, and which have no minimum amount charged. As the AFM grows its total assets across all schemes it uses this purchasing power to benefit all schemes in this way.

The AFM has therefore concluded that all unitholders within the Fund are receiving good value, with regard to economies of scale.

5. Comparable market rates

The AFM has considered the costs charged to the Fund by comparing the current ongoing charges (OCF) of the share classes to the average OCF of the IA Europe ex UK Sector, retail classes where available, alongside the historical change for each share class. This is shown below:

OCF	28-Feb-23	28-Feb-22	28-Feb-21	28-Feb-20	28-Feb-19
Class R Retail Net Accumulation	0.85%	0.85%	0.85%	0.85%	0.99%
Class R Retail Net Income	0.85%	0.85%	0.85%	0.85%	0.99%
IA Europe ex UK Sector Average	0.90%	-	-	-	-

Source: Valu-Trac / Morningstar

The AFM has concluded that unitholders are receiving good value, with regard to market rates.

6. Comparable services

The services provided to this Fund and the costs are also comparable amongst other similar funds operated by the AFM with the same investment manager, and is aligned with its normal operating model.

The AFM concludes that unitholders in all share classes are receiving good value, with regard to comparable services.

7. **Classes of units**

There is only one type of share class in this Fund; therefore, all unitholders of this Fund are treated equally in all respects.

The AFM has therefore concluded that unitholders within the Fund are receiving good value, with regard to classes of units.

CONCLUSION

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a 'traffic light' system, where green (G) indicates receiving good value, amber (A) indicates receiving reasonable value and red (R) indicates not receiving good value.

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Argonaut European Equity Income Fund	G	G	A	G	G	G	G	G
Class R Retail Net Accumulation	G	G	A	G	G	G	G	G
Class R Retail Net Income	G	G	A	G	G	G	G	G

In taking all of these criteria into consideration, the AFM has concluded whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to unitholders.

The current Annual Management Charge within the Fund (before any investment management rebate) (AMC), is 0.65%. The AFM has concluded that the current AMC is not unreasonable for an actively managed Fund of this type. However, owing to the modest size of the Fund, overall, the sum of all direct charges is higher than other, similar Funds, managed by the AFM. The AFM has therefore concluded that unitholders within these share classes are receiving reasonable value, with regard to AFM costs. As noted elsewhere in the report, the AFM is working with the Investment Manager on a strategy to grow the Fund, which will enable costs to be brought down over time

Overall, the AFM concludes that the unitholders of the VT Argonaut Equity Income Fund are receiving good value.

04/08/2023