

**VT REDLANDS NURS ICVC**  
**(Sub-fund VT Redlands Property Portfolio)**

**Interim Report and Financial Statements (unaudited)**  
**for the six month period ended 31 October 2023**

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## COMPANY OVERVIEW

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### **Type of Company**

VT Redlands NURS ICVC (the 'Company') is an investment company (company number IC001089) with variable capital incorporated in England and Wales under the Open Ended Investment Company Regulations 2001 (SI2001/1228).

The Company was incorporated and authorised by the Financial Conduct Authority on 11 May 2017.

The Company is a Non-UCITS Retail Scheme (NURS) and is an umbrella company (as defined in the OEIC Regulations). Each sub-fund would be a NURS if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company.

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

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

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

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

## DIRECTOR'S STATEMENT

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

David E. Smith CA

Valu-Trac Investment Management Limited  
Authorised Fund Manager

Date 18 December 2023

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Redlands Property Portfolio
<b>Size of Sub-fund</b>	£87,872,655
<b>Launch date</b>	07 June 2017
<b>Investment objective and policy</b>	<p>The investment objective of VT Redlands Property Portfolio is to generate capital growth over the long term (5 years +).</p> <p>The Sub-fund seeks to achieve its objective by investing at least 70% in collective investment vehicles which have exposure to physical property and property related assets (such as real estate investment trusts and other investments which have a property connection). The Sub-fund may also invest in other collective investment schemes (including those managed and/or advised by the AFM or Investment Manager), transferable securities, money market instruments, deposits, cash and near cash.</p> <p>The Sub-fund may hold derivatives only for efficient portfolio management purposes.</p> <p>There is no particular emphasis on any geographical area or industry or economic sector.</p>
<b>Performance comparator to 19 June 2023</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, to gauge the relative performance of the Sub-fund, Shareholders may compare the Sub-fund's performance against the UK Consumer Price Index over a rolling five-year period.</p> <p>This measure has been selected for comparison purposes as it a common standard which will allow assessment as to whether shareholders' investments are growing in real terms over a time period which is consistent with the Sub-fund's long-term investment horizon.</p>
<b>Performance comparator from 19 June 2023</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>In order to assess the Fund's performance, investors may find it useful to compare the performance of the Fund over a rolling five year period against the performance of a composite (60/40) of the performance of the IA UK Direct Property sector and IA Property Other sector, as it is considered that this serves as a method of comparing the Fund's performance with a measure which is broadly reflective of the underlying investments held by the Fund over time.</p>
<b>Derivatives</b>	<p>The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.</p>

## SUB-FUND OVERVIEW (continued)

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<b>Ex-distribution dates</b>	30 April and 31 October
<b>Distribution dates</b>	30 June and 31 December
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.
<b>Minimum investment<sup>^</sup></b>	
Lump sum subscription:	Class A (£) (Net Accumulation) = £5,000
Top-up:	Class A (£) (Net Accumulation) = £1,000
Holding:	Class A (£) (Net Accumulation) = £2,000
Redemption:	Class A (£) (Net Accumulation) = N/A (provided minimum holding is maintained)
Switching:	Class A (£) (Net Accumulation) = N/A (provided minimum holding is maintained)
<b>Initial, redemption and switching charges</b>	Nil

<sup>^</sup>The AFM may waive the minimum levels and initial charge at its discretion.

### Annual management charges to 19 June 2023

The annual management charge is £26,243\* per annum plus:

The variable element in respect of the Class A shares is equal to 0.2% (per annum) on the first £55 million; 0.1% per annum on the next £55 million; and 0.05% per annum thereafter the above percentages being a percentage of the Net Asset Value of the Sub-fund attributable to the relevant Class (plus VAT if applicable).

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

### Annual management charges from 19 June 2023

The annual management charge is £46,770\* per annum plus:

(A) A variable fee based on the Net Asset Value of the sub-fund as follows:

- Up to £100 million – 1.5 bps (0.015%) per annum
- £100 million to £250 million – 0.75 bps (0.0075%) per annum
- £250 million to £500 million – 0.5 bps (0.005%) per annum
- thereafter – 0.25 bps (0.0025%) per annum

PLUS

(B) A variable fee depending on the share class as follows:

Class A	Class A 0.2% (per annum) on the first £55 million; 0.1% per annum on the next £55 million; and 0.05% per annum thereafter
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the above percentages being a percentage of the Net Asset Value of the Fund attributable to the relevant Class (plus VAT if applicable).

\* The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 June each year. However, for three years from the update (i.e. from 2023 – 2026) there will be a minimum increase of 2% per annum and maximum of 5%. Thereafter the annual change will be in accordance with CPI, albeit, in the event of negative inflation, the fixed element of the fee will remain unchanged.

## INVESTMENT MANAGER'S REVIEW

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Although an office building serves a different purpose to a warehouse, and a supermarket has different characteristics to a gym, the “diversification” argument to constructing a broadly blended portfolio isn’t really working currently. Investing in property can be rewarding over the long-term. The scope to add value is present – location, quality of tenant, age of building, size of building, demand, the characteristics of it from an Environmental perspective and many other factors contribute to the attractiveness of it, as well as the rent that can be achieved.

But, in a world where interest rates and inflation are taking centre stage, the appeal for bricks and mortar becomes a little tarnished. Even though you can achieve significant diversification as explained above, buildings tend to be valued off the yields that can be achieved and from a starting base of interest rates. As is well documented, interest rates have been rising significantly, and quickly over the last 18 months or so and this has made pricing very difficult. Even though buildings are being bought and sold, we are not in an environment where any real consistency is being achieved, and this is causing problems.

Many buildings are not owned outright, so when interest rates rise, margins and profits fall, and this has a knock-on impact with the valuation of the assets. The changing landscape of retail, the rise of the online buyer for instance and the decline of the high street, has also created opportunities and challenges for the property buying market. The increase in working from home due to Covid has also impacted the office market. When things settle down there will be potential and opportunity for returns, but it certainly feels like the asset class is very much in the eye of the storm presently. With the peak of interest rates nearly upon us (if not already here) then valuations will settle down and a fairer, true value will start to emerge.

The VT Redlands Property fund is diversified across the real estate spectrum, with some assets overseas. It has allocation, as well, to the shares of property companies and it invests in infrastructure assets to create greater diversity and balance. It invests in specialised property funds (such as supermarkets, student accommodation, life sciences) as well as into generalist funds with a broad spread of office, industrial, retail assets too. Over the last six months the unit price fell by 7.00% and we believe this could be considered a great time to increase exposure. The fund suffered due to poor returns from a couple of holdings – some specific - abrdn European Logistics Income, Cordiant Digital Infrastructure, Urban Logistics, some generalist – Balanced Commercial Property Trust, iShares UK Property. The selling felt very indiscriminate. Looking forward we believe the worst is now behind us, but it could still be some time until the dust fully settles.

Richard Philbin – CIO  
Investment Manager to the Fund  
Hawksmoor Investment Management Limited  
28 November 2023

## PERFORMANCE RECORD

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### Financial Highlights

#### Class A (£) (Net Accumulation)

	Period ended 31 October 2023	Year ended 30 April 2023	Year ended 30 April 2022
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	100.5130	122.4013	106.5220
Return before operating charges	(6.4276)	(20.4951)	17.3559
Operating charges	(0.6111)	(1.3932)	(1.4766)
Return after operating charges *	(7.0387)	(21.8883)	15.8793
Closing net asset value per share	93.4743	100.5130	122.4013
Retained distribution on accumulated shares	2.0869	3.5868	3.0240
*after direct transactions costs of:	0.0000	0.0446	0.0477
Performance			
Return after charges	(7.00%)	(17.88%)	14.91%
Other information			
Closing net asset value	£88,172,975	£95,632,244	£116,457,756
Closing number of shares	94,328,578	95,144,151	95,144,202
Operating charges	1.26%	1.25%	1.29%
Direct transaction costs	0.00%	0.04%	0.04%
Prices			
Highest share price	101.1218	122.4013	122.7238
Lowest share price	92.4638	97.0789	106.0495

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

2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund together with the ongoing charges included within the underlying holdings held within the Sub-fund.

#### Risk Profile

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 April 2023: ranked '4'). The Sub-fund is ranked '4' because monthly historical performance data indicates that it has experienced average rises and falls in market prices historically.



**PORTFOLIO STATEMENT**

**As at 31 October 2023 (unaudited)**

Holding	Value £	% of net assets
<b>Collective Investment Schemes (30.04.2023: 42.97%)</b>		
346,821 Aviva Investors UK Property Fund	370,232	0.42%
9,360,000 CT UK Property Feeder	7,046,208	8.02%
3,790,000 BNY Mellon Global Infrastructure	4,109,876	4.68%
6,000,000 Legal & General Global Infrastructure Index	4,322,400	4.92%
8,141,566 Legal & General UK Property	7,618,878	8.67%
136,500 M&G Feeder of Property Portfolio	1,554,872	1.77%
900,000 M&G Global Listed Infrastructure	1,317,780	1.50%
5,788,000 abrdn UK Real Estate Feeder Fund	7,547,552	8.59%
7,227,500 ARC TIME Commercial Long Income PAIF Class	8,889,102	10.12%
	42,776,900	48.69%
<b>Exchange Traded Funds (30.04.2023: 13.98%)</b>		
9,050 Amundi FTSE EPRA Europe Real Estate UCITS ETF	2,020,003	2.30%
158,750 Xtrackers FTSE Developed Europe Real Estate UCITS ETF	2,590,483	2.95%
400,000 iShares UK Property UCITS ETF	1,570,000	1.79%
96,000 iShares Developed Markets Property Yield UCITS ETF	1,524,480	1.73%
141,000 SPDR Dow Jones Global Real Estate UCITS ETF	3,211,980	3.66%
	10,916,946	12.43%
<b>Investment Trusts (30.04.2023: 14.62%)</b>		
5,468,500 abrdn European Logistics Income plc	2,816,278	3.20%
4,800,000 Cordiant Digital Infrastructure Ltd	3,033,600	3.45%
250,000 Cordiant Digital Infrastructure Ltd (SUB SHS)	7,250	0.01%
1,595,000 Digital 9 Infrastructure	727,320	0.83%
2,177,668 Downing Renewables & Infrastructure Trust PLC	2,003,455	2.28%
2,235,000 Asian Energy Impact Trust PLC	1,789,538	2.04%
300,000 TR Property Investment Trust PLC	798,000	0.91%
	11,175,441	12.72%
<b>Real Estate Investment Trusts (30.04.2023: 20.99%)</b>		
2,387,153 AEW UK REIT PLC	2,231,988	2.54%
3,353,000 Alternative Income REIT PLC	2,045,330	2.33%
3,220,000 Balanced Commercial Property Trust Limited	2,047,920	2.33%
2,145,000 Empiric Student Property PLC	1,829,685	2.08%
1,975,000 Home REIT plc	601,585	0.68%
3,875,000 Life Science REIT plc	2,340,500	2.66%
5,715,000 Schroder Real Estate Investment Trust Ltd	2,260,282	2.57%
1,852,545 Supermarket Income REIT PLC	1,378,292	1.57%
2,852,500 Urban Logistics Reit PLC	2,995,124	3.41%
	17,730,706	20.17%
<b>Portfolio of investments (30.04.2023: 92.56%)</b>	<b>82,599,993</b>	<b>94.01%</b>
<b>Net other assets (30.04.2023: 7.44%)</b>	<b>5,272,662</b>	<b>5.99%</b>
	<b>87,872,655</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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<b>Total purchases for the period</b>	<b>£</b> <b>6,747,171</b>
abrdrn UK Real Estate Feeder Fund	1,493,568
M&G Global Listed Infrastructure	1,374,795
CT UK Property Feeder	1,246,850
BNY Mellon Global Infrastructure	1,030,782
Legal & General Global Infrastructure Index	870,810
Urban Logistics Reit PLC	342,580
Life Science REIT plc	185,014
Supermarket Income REIT PLC	111,175
M&G Feeder of Property Portfolio Sterling	91,597
<b>Total sales for the period</b>	<b>£</b> <b>4,696,749</b>
Premier Miton Global Infrastructure	3,093,450
iShares Developed Markets Property Yield UCITS ETF	711,812
ARC TIME Commercial Long Income PAIF Class	430,625
iShares UK Property UCITS ETF	360,828
AEW UK REIT PLC	100,034

The above represents all of the purchases and sales in the period.

## STATEMENT OF TOTAL RETURN

### For the six month period ended 31 October (unaudited)

	2023		2022	
	£	£	£	£
Income				
Net capital (losses)		(8,550,046)		(19,699,891)
Revenue	2,267,686		1,945,969	
Expenses	(140,462)		(130,671)	
Finance costs: bank interest	<u>-</u>		<u>(14)</u>	
Net revenue before taxation	2,127,224		1,815,284	
Taxation	<u>(143,183)</u>		<u>(120,669)</u>	
Net revenue after taxation		<u>1,984,041</u>		<u>1,694,615</u>
Total return before distributions		(6,566,005)		(18,005,276)
Finance costs: distributions		<u>(1,983,805)</u>		<u>(1,669,481)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>(8,549,810)</u>		<u>(19,674,757)</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the six month period ended 31 October (unaudited)

	2023	2022
	£	£
<b>Opening net assets attributable to shareholders</b>	95,201,725	115,745,558
Amounts receivable on creation of shares	3,697,796	4,721,740
Amounts payable on cancellation of shares	(4,445,564)	(4,912,269)
Accumulation dividends retained	1,968,508	1,662,779
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(8,549,810)</u>	<u>(19,674,757)</u>
<b>Closing net assets attributable to shareholders</b>	<u>87,872,655</u>	<u>97,543,051</u>

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives are shown for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Company net asset value as at 30 April 2023 was £95,201,725.

## BALANCE SHEET

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As at (unaudited)	31.10.2023		30.04.2023	
	£	£	£	£
<b>Assets</b>				
Investment assets		82,599,993		88,130,964
<b>Current assets</b>				
Debtors	617,432		222,369	
Cash and cash equivalent	<u>5,703,542</u>		<u>7,480,552</u>	
<b>Total current assets</b>		<u>6,320,974</u>		<u>7,702,921</u>
<b>Total assets</b>		88,920,967		95,833,885
<b>Current liabilities</b>				
Bank overdraft	-		(70,222)	
Creditors	<u>(1,048,312)</u>		<u>(561,938)</u>	
<b>Total current liabilities</b>		<u>(1,048,312)</u>		<u>(632,160)</u>
<b>Net assets attributable to shareholders</b>		<u>87,872,655</u>		<u>95,201,725</u>

### Accounting Policies

The accounting policies applied are consistent with those of the financial statements for the year ended 30 April 2023 and are described in those financial statements.

The financial statements have been prepared in compliance with the FRS 102 and in accordance with 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 of the Sub-fund is Sterling.

## DISTRIBUTION TABLES

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### Interim distribution in pence per share

Group 1: Shares purchased prior to 01 May 2023

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

<b>Class A (£) (Net Accumulation)</b>	<b>Net Revenue 29.12.2023</b>	<b>Equalisation</b>	<b>Distribution 29.12.2023</b>	<b>Distribution 30.12.2022</b>
Group 1	2.0869p	-	2.0869p	1.7565p
Group 2	1.0219p	1.0650p	2.0869p	1.7565p

## INFORMATION FOR INVESTORS

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### Taxation

The Company will pay no corporation tax on its profits for the period ended 31 October 2023 and capital gains within the Company will not be taxed.

### Individual shareholders

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

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

### Corporate shareholders

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

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

### Issue and redemption of shares

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

The price of shares will be determined by reference to a valuation of the Sub-fund's net assets at 12:00 noon on each dealing day.

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

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. Settlement is due by the purchaser T+4 days from the date of the contract note and should be made to the AFM's dealing account.

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

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

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

**CORPORATE DIRECTORY**

<b>Authorised Fund Manager, Alternative Investment Fund Manager &amp; Registrar</b>	Valu-Trac Investment Management Limited Mains of Orton Fochabers Moray IV32 7QE  Telephone: 01343 880344 Fax: 01343 880267 Email: redlands@valu-trac.com  Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
<b>Director</b>	Valu-Trac Investment Management Limited as AFM
<b>Investment Manager</b>	Hawksmoor Investment Management Limited 17 Dix's Field Exeter EX1 1QA  Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ  Authorised and regulated by the Financial Conduct Authority
<b>Auditor</b>	Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE