

VT BLACKFINCH FUNDS ICVC
(Sub-funds VT Blackfinch Defensive Portfolio Fund, VT Blackfinch Cautious Portfolio Fund, VT Blackfinch Balanced Portfolio Fund and VT Blackfinch Income Portfolio Fund)

Annual Report and Financial Statements
For the year ended 31 December 2023

CONTENTS

	Page
Company Overview	1
Statement of the Authorised Fund Manager's (AFM's) Responsibilities	2
Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of VT Blackfinch Funds ICVC	3
Independent Auditor's Report to the Shareholders of VT Blackfinch Funds ICVC (Sub-funds VT Blackfinch Defensive Portfolio Fund, VT Blackfinch Cautious Portfolio Fund, VT Blackfinch Balanced Portfolio Fund and VT Blackfinch Income Portfolio Fund)	4
Accounting policies	7
VT Blackfinch Defensive Portfolio Fund	
Sub-fund Overview	8
Investment Manager's Review	10
Performance Record	11
Portfolio Summary	14
Summary of Material Portfolio Changes	15
Statement of Total Return	16
Statement of Changes in Net Assets Attributable to Shareholders	16
Balance Sheet	17
Notes to the Financial Statements	18
Distribution Tables	24
VT Blackfinch Cautious Portfolio Fund	
Sub-fund Overview	25
Investment Manager's Review	27
Performance Record	28
Portfolio Summary	31
Summary of Material Portfolio Changes	32
Statement of Total Return	33
Statement of Changes in Net Assets Attributable to Shareholders	33
Balance Sheet	34
Notes to the Financial Statements	35
Distribution Tables	41
VT Blackfinch Balanced Portfolio Fund	
Sub-fund Overview	42
Investment Manager's Review	44
Performance Record	45
Portfolio Summary	48
Summary of Material Portfolio Changes	49
Statement of Total Return	50
Statement of Changes in Net Assets Attributable to Shareholders	50
Balance Sheet	51
Notes to the Financial Statements	52
Distribution Tables	58
VT Blackfinch Income Portfolio Fund	
Sub-fund Overview	59
Investment Manager's Review	61
Performance Record	62
Portfolio Summary	65
Summary of Material Portfolio Changes	66
Statement of Total Return	67
Statement of Changes in Net Assets Attributable to Shareholders	67
Balance Sheet	68
Notes to the Financial Statements	69
Distribution Tables	75
Information for Investors	81
Corporate Directory	83

COMPANY OVERVIEW

Type of Company:

VT Blackfinch Funds ICVC (the Company) is an investment company with variable capital incorporated in England and Wales under the OEIC Regulations with registered number IC026707 and authorised by the Financial Conduct Authority (PRN: 925120) pursuant to an authorisation order dated 27 April 2020. The Company has an unlimited duration.

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

The Company has currently four Sub-funds available for investment, VT Blackfinch Defensive Portfolio Fund, VT Blackfinch Cautious Portfolio Fund, VT Blackfinch Balanced Portfolio Fund and VT Blackfinch Income Portfolio Fund. All four Sub-funds launched on 01 May 2020.

The shareholders are not liable for the debts of the Company.

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

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

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

The Authorised Fund Manager is required to keep proper accounting records and 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

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

Jonathan M. Child CA

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Fund Manager

Date

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT BLACKFINCH FUNDS ICVC

For the year ended 31 December 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 in all material respects the Company, acting through the AFM:

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

NatWest Trustee and Depositary Services Limited
01 January 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT BLACKFINCH FUNDS ICVC (SUB-FUNDS VT BLACKFINCH DEFENSIVE PORTFOLIO FUND, VT BLACKFINCH CAUTIOUS PORTFOLIO FUND, VT BLACKFINCH BALANCED PORTFOLIO FUND AND VT BLACKFINCH INCOME PORTFOLIO FUND)

Opinion

We have audited the financial statements of VT Blackfinch Funds ICVC ('the Company') for the year ended 31 December 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 Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > Give a true and fair view of the financial position of the Company as at 31 December 2023 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended;
- > Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

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

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the COLL Regulations

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT BLACKFINCH FUNDS ICVC (SUB-FUNDS VT BLACKFINCH DEFENSIVE PORTFOLIO FUND, VT BLACKFINCH CAUTIOUS PORTFOLIO FUND, VT BLACKFINCH BALANCED PORTFOLIO FUND AND VT BLACKFINCH INCOME PORTFOLIO FUND) (Continued)

Responsibilities of the Authorised Fund Manager

As explained more fully in the Authorised Fund Manager's responsibilities statement set out on page 2, the Authorised Fund Manager 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 wind up the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

- >Management override of controls

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT BLACKFINCH FUNDS ICVC (SUB-FUNDS VT BLACKFINCH DEFENSIVE PORTFOLIO FUND, VT BLACKFINCH CAUTIOUS PORTFOLIO FUND, VT BLACKFINCH BALANCED PORTFOLIO FUND AND VT BLACKFINCH INCOME PORTFOLIO FUND) (Continued)

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

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

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

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

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

Use of Our Report

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

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin, United Kingdom

ACCOUNTING POLICIES

For the year ended 31 December 2023

1 Accounting policies

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

- (a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.
- (b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The AFM believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.
- (c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis. All expenses are then reallocated to capital, net of any tax effect for distribution purposes.
- (d) Distributions from collective investment schemes are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. Rebate income is treated as revenue and recognised on an accruals basis and then reallocated to capital, for distribution purposes. All equalisation on distributions from collectives is then reallocated to revenue, for distribution purposes.
- (e) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 12 noon on 29 December 2023 with reference to quoted bid prices from reliable external sources. Unlisted collective investment schemes are valued at the closing bid price for dual priced funds and the closing single price for single priced funds.
- (f) All transactions in foreign currencies are converted into Sterling at the rate of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at 12 noon on 29 December 2023.
- (g) Corporation tax is provided using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided on income liable to corporation tax less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

- (h) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date 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.

In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-funds, is intended to cover dealing spread on assets bought and sold and certain charges such as applicable dealing taxes and brokers commission not included in the mid-market value of the Sub-funds used for Net Asset Value (NAV) calculations, which could have a diluting effect on the performance of the Sub-funds.

- (i) The Sub-funds currently issue Accumulation & Income shares. The Sub-funds go ex-dividend semi-annually and pay any income available to the shareholder two months in arrears, as a dividend distribution with the exception of Blackfinch Income which goes ex dividend monthly. Any revenue deficit at the year end is funded from capital.

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

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

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

SUB-FUND OVERVIEW

Name of Sub-fund	VT Blackfinch Defensive Portfolio Fund
Size of Sub-fund	£5,902,411
Launch date	01 May 2020
Investment objective and policy	<p>The investment objective of the Sub-fund is to achieve total returns comprised of income and capital growth equal to Consumer Price Index plus 1% over rolling five year periods (net of management fees and underlying fund charges). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a five year, or any, period.</p> <p>The Sub-fund will seek to achieve its objective by investing at least 80% in a portfolio of collective investment vehicles (which may include those managed and/or operated by the AFM or Investment Manager) and bonds (which may be government or corporate bonds and vary in terms of credit ratings). Investment in collective investment vehicles will provide exposure to asset classes such as equities, bonds, cash, property and commodities.</p> <p>The Sub-fund may also invest in equities, money market instruments, deposits, cash and near cash.</p> <p>The Sub-fund will be actively managed and the investments will be selected to achieve a mix of growth and defensive assets. A greater proportion of the portfolio will be allocated to defensive assets (such as bonds and cash (and collective investment schemes investing in/providing investment exposure to such assets)) than to growth assets (such as equities (and collective investment schemes investing in/providing investment exposure to such assets)).</p> <p>The Sub-fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	<p>The Sub-fund may hold derivatives for Efficient Portfolio Management purposes (EPM) (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>
Benchmark	<p>A target for the Sub-fund's performance has been set by reference to the UK Consumer Price Index (CPI) plus 1% (the "Index") over a five year period. The Consumer Price Index is published by the Office for National Statistics, further information for which can be obtained from www.ons.gov.uk.</p> <p>The Index has been recommended for comparison purposes as it is 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> <p>Performance comparisons against the Index may be least representative during periods of very strong performance (either positive or negative) in particular markets and comparison should be made over periods of at least 5 years in order to reduce the impact of short-term performance.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 December (Final) and 30 June (Interim)
Distribution dates	By last day of February (Final) and 31 August (Interim)
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Share classes	Class A (Accumulation, Income) Class F (Accumulation, Income) Class S (Accumulation, Income) - Share classes not yet launched
Minimum investment*	
Lump sum subscription:	Class A = £50,000,000 Class F = £10,000,000 Class S = £50
Top-up:	Class A = £1,000,000 Class F = £1,000,000 Class S = £50
Holding:	Class A = £50,000,000 Class F = £10,000,000 Class S = £50
Regular saving	£100 per month
Redemption:	N/A (provided minimum holding is maintained)
Switching:	N/A (provided minimum holding is maintained)
Initial, redemption and switching charges*:	Nil
*The AFM may waive the minimum levels (and initial charge and redemption charge) at its discretion.	
Annual management charges	£25,000 [^] per annum plus Class A – 0.35% per annum Class F – 0.45% per annum Class S – 0.55% per annum

[^]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 January each year (from 1 January 2021). In the event of negative inflation, this fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Overall, 2023 offered a host of opportunities for active investment management, as markets adjusted to the new higher interest rate regime. In the first quarter of the year, we added the Man GLG Sterling Corporate Bond Fund to the portfolio, aiming to strengthen our portfolio by focusing on high-quality assets. Our decision was based on the belief that this fund would provide stability during unpredictable market conditions and take advantage of growing confidence in the market. This confidence suggested that it was unnecessary to pursue riskier, lower-quality investments when the returns on higher-quality corporate and government bonds were so appealing. This strategy proved successful throughout the year. The Man GLG Sterling Corporate Bond Fund returned +17.87% from the initial investment until the year-end, a significant outperformance compared to the Investment Association (IA) Sterling Corporate Bond sector return of +6.49%.

We also continued with our preference for investing in active equity funds over their passive counterparts. Events in the banking sector in March reinforced our belief that the performance of different companies and sectors would vary greatly as they navigate through current economic challenges. As a result, we increased our exposure to actively managed UK, US, and European equity funds, at the expense of passive alternatives.

As the year progressed, investors' optimism grew that central bankers in Western developed economies were reaching the end of their interest rate hiking cycles. The US Federal Reserve (Fed), the Bank of England (BoE) and the European Central Bank (ECB) all kept rates on hold throughout the period. This apparent peak for interest rates, alongside a slowdown of inflation, helped markets to rally markedly in November and December. With interest rates expected to fall at some point in 2024, we took the opportunity to increase our allocation to property assets by investing in the Blackfinch NextGen Property Securities Fund. The property sector was hit hard by the uncertainty of the COVID-19 pandemic, and the situation worsened with sharp increases in interest rates. As a result, many investors reduced their investments in this area, leading to historically low prices that we found very appealing. Seeing this as an excellent opportunity, we invested in the sector through the Blackfinch NextGen Property Securities Fund, which paid off by earning a return of +10.30% by the end of the year. The fund significantly outperformed its peer group, the IA Property Other sector, which recorded an average return of +8.82%. We expect this trend to continue and possibly become more favourable if interest rates start to drop.

The Blackfinch Defensive Portfolio's investment objective is to outpace UK inflation, as measured by the consumer prices index (CPI), by 1% annually over any rolling five-year period. This investment objective underpins our investment process, from our Strategic Asset Allocation through to fund selection, portfolio construction, and any tactical decisions made when managing the portfolio. We base this investment objective on rolling five-year periods, rather than on an annual basis, given the potential for fluctuations in inflation over an economic cycle.

For us to construct and manage the portfolio effectively and efficiently, we expect long-term CPI inflation to be 2.0%, which is the BoE's inflation target. In periods when inflation is running significantly above the 2.0% target, the Blackfinch Defensive Portfolio will fall below its target return. Although we do not construct portfolios on a short-term basis, the Blackfinch Defensive Portfolio returned +5.78%* over the 2023 calendar year. This meant the portfolio achieved its objective as it outperformed CPI inflation + 1%, which equals 5.19%.

While UK inflation is currently running above the BoE's target, Governor Andrew Bailey believes the 2.0% target remains achievable, which has been reflected in recent inflation reports. In the short term, we expect the Blackfinch Cautious Portfolio to fall behind its CPI+ target return, but as CPI inflation returns to more normal levels, we expect this shortfall to reduce.

Blackfinch Investments Limited
Investment Manager to the Fund
14 March 2024

* F Accumulation Share Class calculated on a total return basis in Pounds Sterling. Source FE Analytics.

PERFORMANCE RECORD

Financial Highlights

Class A (Accumulation)	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	92.8516	105.2911	103.4466
Return before operating charges	6.4722	(11.4389)	3.0030
Operating charges (note 1)	(1.0417)	(1.0006)	(1.1585)
Return after operating charges *	5.4305	(12.4395)	1.8445
Closing net asset value per share	98.2821	92.8516	105.2911
Retained distributions on accumulated shares	3.4648	2.2320	1.4517
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	5.85%	(11.81%)	1.78%
Other information			
Closing net asset value	£121,784	£377,731	£475,273
Closing number of shares	123,913	406,812	451,389
Operating charges (note 2)	1.09%	1.01%	1.11%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	98.2821	105.2970	105.8720
Lowest share price	92.0393	89.6948	101.2243

Class A (Income)	Year ended 31 December 2023	Year ended 31 December 2022	Period 11 May 2021 to 31 December 2021 [^]
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	87.3225	101.4122	100.0000
Return before operating charges	6.0088	(11.0149)	2.9739
Operating charges (note 1)	(0.9617)	(0.9531)	(0.6986)
Return after operating charges *	5.0471	(11.9680)	2.2753
Distributions on income shares	(3.2277)	(2.1217)	(0.8631)
Closing net asset value per share	89.1419	87.3225	101.4122
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	5.78%	(11.80%)	2.28%
Other information			
Closing net asset value	£45	£44	£51
Closing number of shares	51	51	51
Operating charges (note 2)	1.09%	1.01%	1.11%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	91.0766	101.4178	102.6495
Lowest share price	85.2366	85.5087	98.6982

[^]Share class launched 11 May 2021

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class F (Accumulation)	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	98.1738	111.4386	109.5890
Return before operating charges	6.8804	(12.1015)	3.1868
Operating charges (note 1)	(1.2021)	(1.1633)	(1.3372)
Return after operating charges *	5.6783	(13.2648)	1.8496
Closing net asset value per share	103.8521	98.1738	111.4386
Retained distributions on accumulated shares	3.6619	2.3612	1.5372
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	5.78%	(11.90%)	1.69%
Other information			
Closing net asset value	£5,687,482	£8,122,394	£17,351,182
Closing number of shares	5,476,521	8,273,480	15,570,167
Operating charges (note 2)	1.19%	1.11%	1.21%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	103.8521	111.4436	112.0705
Lowest share price	97.2555	94.8565	107.2147

Class F (Income)	Year ended 31 December 2023	Year ended 31 December 2022	Period 26 April 2021 to 31 December 2021[^]
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	86.8194	100.9429	100.0000
Return before operating charges	5.9988	(10.9551)	2.6153
Operating charges (note 1)	(1.0435)	(1.0421)	(0.8105)
Return after operating charges *	4.9552	(11.9972)	1.8048
Distributions on income shares	(3.2093)	(2.1263)	(0.8619)
Closing net asset value per share	88.5653	86.8194	100.9429
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	5.71%	(11.89%)	1.80%
Other information			
Closing net asset value	£88,332	£84,843	£97,901
Closing number of shares	99,736	97,724	96,987
Operating charges (note 2)	1.19%	1.11%	1.21%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	90.5425	100.9474	102.2198
Lowest share price	84.6917	85.0346	98.3550

[^]Share class launched 26 April 2021

PERFORMANCE RECORD (Continued)

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

Risk Profile

Based on past data, the Sub-fund is ranked a 3 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 December 2022: ranked 3). The Sub-fund is ranked 3 because monthly historical performance data indicates that low to medium rises and falls in market prices would have occurred historically.

PORTFOLIO SUMMARY

As at 31 December 2023

Holding	Name	Value £	% of net assets
COLLECTIVES (31.12.2022: 94.12%)			
153,854	BCIF Corporate Bond Tracker	239,078	4.05
335,715	BNY Mellon Global Dynamic Bond	390,269	6.61
8,333	Brown Advisory US Sustainable Growth	149,748	2.54
7,947	Comgest Growth Japan	78,436	1.33
85,305	IFSL Blackfinch NextGen Infrastructure	93,836	1.59
59,000	IFSL Blackfinch NextGen Property Securities	64,900	1.10
145,117	iShares Overseas Corporate Bond Index (UK)	235,319	3.99
158,529	JPM Global Macro Opportunities	253,170	4.29
35,406	JPM US Equity Income	148,245	2.51
79,984	Jupiter Japan Income Fund	131,653	2.23
374,528	WS Canlife Sterling Liquidity	404,565	6.85
348,086	Liontrust Monthly Income Bond	295,721	5.01
271,477	Man GLG Sterling Corporate Bond	301,611	5.11
206,241	Ninety One Diversified Income	382,186	6.48
37,041	PIMCO GIS Income	339,300	5.75
66,639	Rathbone Ethical Bond	149,091	2.53
231,191	RM European Change For Better	276,274	4.68
216,583	TM Tellworth UK Select	286,323	4.85
1,992	Vanguard FTSE 100 Index Unit Trust	296,225	5.02
3,554	Vanguard Global Bond Index	529,334	8.97
2,784	Vanguard UK Government Bond Index	382,974	6.49
3,409	Vanguard US Government Bond Index	351,941	5.95
Portfolio of investments (31.12.2022: 94.12%)		5,780,199	97.93
Net other assets (31.12.2022: 5.88%)		122,212	2.07
		5,902,411	100.00

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Total purchases for the year (note 14)	£ 2,278,500
Brown Advisory US Sustainable Growth	208,000
IFSL Blackfinch NextGen Infrastructure	88,500
IFSL Blackfinch NextGen Property Securities	59,000
JPM US Equity Income	208,000
LF Canlife Sterling Liquidity	512,000
Man GLG Sterling Corporate Bond	415,000
RM European Change For Better	360,000
TM Tellworth UK Select	428,000
Total sales for the year (note 14)	£ 4,974,223
BCIF Corporate Bond Tracker	262,400
BNY Mellon Global Dynamic Bond	378,700
FP Foresight Global Real Infrastructure	235,150
HSBC European Index	345,957
iShares US Equity Index (UK)	614,701
Ninety One Diversified Income	382,500
Rathbone Ethical Bond	302,400
Vanguard Global Bond Index	284,799
Vanguard US Government Bond Index	182,097
VT RM Alternative Income	253,717
Other various sales	1,731,802

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

STATEMENT OF TOTAL RETURN

For the year ended 31 December

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		227,735		(2,001,618)
Revenue	3	277,966		362,491	
Expenses	4	(96,154)		(110,968)	
Interest payable and similar charges	6	<u>(3)</u>		<u>(616)</u>	
Net revenue before taxation		181,809		250,907	
Taxation	5	<u>(28,751)</u>		<u>(33,701)</u>	
Net revenue after taxation			<u>153,058</u>		<u>217,206</u>
Total return before distributions			380,793		(1,784,412)
Finance costs: distributions	6		<u>(257,777)</u>		<u>(279,049)</u>
Changes in net assets attributable to shareholders from investment activities			<u>123,016</u>		<u>(2,063,461)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December

	2023	2022
	£	£
Opening net assets attributable to shareholders	8,577,914	17,905,389
Amounts receivable on creation of shares	280,431	195,180
Amounts payable on cancellation of shares	(3,299,235)	(7,687,416)
Dilution levies	235	982
Accumulation dividends retained	220,050	227,240
Changes in net assets attributable to shareholders from investment activities (see above)	<u>123,016</u>	<u>(2,063,461)</u>
Closing net assets attributable to shareholders	<u>5,902,411</u>	<u>8,577,914</u>

BALANCE SHEET

As at		31.12.2023		31.12.2022	
	Notes	£	£	£	£
Assets					
Investment assets			5,780,199		8,073,847
Current assets					
Debtors	7	16,203		19,407	
Cash and bank balances	8	<u>157,085</u>		<u>575,469</u>	
Total current assets			<u>173,288</u>		<u>594,876</u>
Total assets			5,953,487		8,668,723
Current liabilities					
Creditors	9	(49,209)		(89,646)	
Distribution payable on income shares		<u>(1,867)</u>		<u>(1,163)</u>	
Total current liabilities			<u>(51,076)</u>		<u>(90,809)</u>
Net assets attributable to shareholders			<u>5,902,411</u>		<u>8,577,914</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on page 7.

2 Net capital gains/(losses)	2023	2022
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	228,276	(1,999,304)
Transaction charges (custodian)	(541)	(2,314)
Total net capital gains/(losses)	<u>227,735</u>	<u>(2,001,618)</u>

3 Revenue	2023	2022
	£	£
Non-taxable dividends	38,052	82,396
Interest distributions	184,536	254,116
Bank interest	12,348	4,945
Investment manager's fee rebate	43,030	21,034
Total revenue	<u>277,966</u>	<u>362,491</u>

4 Expenses	2023	2022
	£	£

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

Annual management charge	<u>60,920</u>	<u>81,278</u>
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**Payable to the depositary, associates of the
depositary, and agents of either of them:**

Depositary fee	17,951	17,951
Safe custody fee	753	1,350
	<u>18,704</u>	<u>19,301</u>

Other expenses:

Audit fee	9,734	7,626
FCA fee	27	49
Other expenses	6,769	2,714
	<u>16,530</u>	<u>10,389</u>

Total expenses	<u>96,154</u>	<u>110,968</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2023 £	2022 £
(a) Analysis of charge in the year		
UK corporation tax	28,751	33,701
Total tax charge for the year (note 5b)	<u>28,751</u>	<u>33,701</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2022: 20.00%)		
The differences are explained below:		
Net revenue before UK corporation tax	181,809	250,907
Corporation tax at 20.00% (2022: 20.00%)	36,362	50,181
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(7,611)	(16,480)
Total tax charge for the year (note 5a)	<u>28,751</u>	<u>33,701</u>

(c) Provision for deferred taxation

At 31 December 2023 there is no potential deferred tax asset or liability (31 December 2022: nil).

6 Finance costs	2023 £	2022 £
Interim dividend distribution	101,189	113,301
Final dividend distribution	122,048	116,012
	<u>223,237</u>	<u>229,313</u>
Add: Revenue deducted on cancellation of shares	37,867	50,632
Deduct: Revenue received on issue of shares	(3,327)	(896)
	<u>257,777</u>	<u>279,049</u>
Net distribution for the year	257,777	279,049
Interest payable and similar charges	3	616
Total finance costs	<u>257,780</u>	<u>279,665</u>
Reconciliation of distributions		
Net revenue after taxation	153,058	217,206
Expenses paid from capital (net of rebate)	53,124	89,934
Relief on expenses allocated to capital	(10,625)	(17,987)
Equalisation from collectives allocated to revenue	16,659	-
Balanced brought forward	21,456	11,352
Balanced carried forward	24,105	(21,456)
Net distribution for the year	<u>257,777</u>	<u>279,049</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.12.2023	31.12.2022
	£	£
Amounts receivable on unsettled trades	8,300	10,500
Amounts receivable on creation of shares	-	63
Accrued revenue:		
Interest distributions receivable	3,231	4,418
Investment manager's fee rebate receivable	4,646	2,135
Prepayments	26	2,291
Total debtors	<u>16,203</u>	<u>19,407</u>

8 Cash and bank balances	31.12.2023	31.12.2022
	£	£
Cash and bank balances	<u>157,085</u>	<u>575,469</u>

9 Creditors	31.12.2023	31.12.2022
	£	£
Amounts payable on cancellation of shares	1,677	37,615
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	4,406	5,407
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	1,430	1,479
Safe custody and other custodian charges	<u>2,135</u>	<u>3,919</u>
	3,565	5,398
Audit fee	8,951	7,253
UK corporation tax	28,750	33,701
Other accrued expenses	<u>1,860</u>	<u>272</u>
Total creditors	<u>49,209</u>	<u>89,646</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management policies

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

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

Market price risk

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

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

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

Market price risk (Continued)

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 December 2023 would have increased/decreased by £578,020 (31 December 2022: £807,385).

Foreign currency risk

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

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

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	£	£	£	£	£	£
Sterling	122,212	504,067	5,780,199	8,073,847	5,902,411	8,577,914
Total	122,212	504,067	5,780,199	8,073,847	5,902,411	8,577,914

Interest rate risk

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

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

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

	31.12.2023	31.12.2022
	£	£
Financial assets floating rate	157,085	575,469
Financial assets interest bearing instruments	4,001,389	5,510,421
Financial assets non-interest bearing instruments	1,795,013	2,582,833
Financial liabilities non-interest bearing instruments	(51,076)	(90,809)
	5,902,411	8,577,914

At 31 December 2023, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £393 (31 December 2022: £1,439).

10 Risk management policies (Continued)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 December 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

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

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.12.2023		31.12.2022	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	5,780	-	8,074	-
Total	5,780	-	8,074	-

11 Shares held

Class A (Accumulation)

Opening shares at 01.01.2023	406,812
Shares issued during the year	-
Shares cancelled during the year	(282,899)
Shares converted during the year	-
Closing shares as at 31.12.2023	123,913

Class A (Income)

Opening shares at 01.01.2023	51
Shares issued during the year	-
Shares cancelled during the year	-
Shares converted during the year	-
Closing shares as at 31.12.2023	51

Class F (Accumulation)

Opening shares at 01.01.2023	8,273,480
Shares issued during the year	281,872
Shares cancelled during the year	(3,078,831)
Shares converted during the year	-
Closing shares as at 31.12.2023	5,476,521

Class F (Income)

Opening shares at 01.01.2023	97,724
Shares issued during the year	2,848
Shares cancelled during the year	(836)
Shares converted during the year	-
Closing shares as at 31.12.2023	99,736

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 Contingent assets and liabilities

At 31 December 2023, the Sub-fund had no contingent liabilities or commitments.

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 29 December 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 29 December 2023	Price at 25 April 2024
	GBP	GBP
Class A (Accumulation)	98.2821	98.4068
Class A (Income)	89.1419	89.2550
Class F (Accumulation)	103.8521	103.9834
Class F (Income)	88.5653	88.6761

14 Direct transaction costs

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

15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2023 is 0.00% (31 December 2022: 0.00%)

16 Related party transactions

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

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

During the year, the Sub-fund held shares in related securities which are administered by the AFM. The total income receivable from these funds totalled £6,325 in the year.

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 January 2023

Group 2: Shares purchased on or after 01 January 2023 and on or before 30 June 2023

Class A (Accumulation)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.4316p	-	1.4316p	0.9778p
Group 2	1.4316p	-	1.4316p	0.9778p

Class A (Income)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.3465p	-	1.3465p	0.9336p
Group 2	1.3465p	-	1.3465p	0.9336p

Class F (Accumulation)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.5135p	-	1.5135p	1.0347p
Group 2	0.8992p	0.6143p	1.5135p	1.0347p

Class F (Income)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.3384p	-	1.3384p	0.9372p
Group 2	0.7950p	0.5434p	1.3384p	0.9372p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

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

Class A (Accumulation)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	2.0332p	-	2.0332p	1.2542p
Group 2	2.0332p	-	2.0332p	1.2542p

Class A (Income)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.8812p	-	1.8812p	1.1881p
Group 2	1.8812p	-	1.8812p	1.1881p

Class F (Accumulation)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	2.1485p	-	2.1485p	1.3265p
Group 2	0.6991p	1.4493p	2.1485p	1.3265p

Class F (Income)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.8709p	-	1.8709p	1.1891p
Group 2	0.6236p	1.2473p	1.8709p	1.1891p

Information for corporate shareholders

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

- i) 16.20% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 83.80% 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 Blackfinch Cautious Portfolio Fund
Size of Sub-fund	£23,842,273
Launch date	01 May 2020
Investment objective and policy	<p>The investment objective of the Sub-fund is to achieve total returns comprised of income and capital growth equal to Consumer Price Index plus 2% over rolling five year periods (net of management fees and underlying fund charges). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a five year, or any, period.</p> <p>The Sub-fund will seek to achieve its objective by investing at least 80% in a portfolio of collective investment vehicles (which may include those managed and/or operated by the AFM or Investment Manager) and bonds (which may be government or corporate bonds and vary in terms of credit ratings). Investment in collective investment vehicles will provide exposure to asset classes such as equities, bonds, cash, property and commodities.</p> <p>The Sub-fund may also invest in equities, money market instruments, deposits, cash and near cash.</p> <p>The Sub-fund will be actively managed and the investments will be selected to achieve a mix of growth and defensive assets. There will be a slight preference towards defensive assets (such as bonds and cash (and collective investment schemes investing in/providing investment exposure to such assets)) over growth assets (such as equities (and collective investment schemes investing in/providing investment exposure to such assets)).</p> <p>The Sub-fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	<p>The Sub-fund may hold derivatives for Efficient Portfolio Management purposes (EPM) (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>
Benchmark	<p>A target for the Sub-fund's performance has been set by reference to the UK Consumer Price Index (CPI) plus 2% (the "Index") over a five year period. The Consumer Price Index is published by the Office for National Statistics, further information for which can be obtained from www.ons.gov.uk.</p> <p>The Index has been recommended for comparison purposes as it is 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> <p>Performance comparisons against the Index may be least representative during periods of very strong performance (either positive or negative) in particular markets and comparison should be made over periods of at least 5 years in order to reduce the impact of short-term performance.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 December (Final) and 30 June (Interim)
Distribution dates	By last day of February (Final) and 31 August (Interim)
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Share classes Class A (Accumulation, Income)
Class F (Accumulation, Income)
Class S (Accumulation, Income) - Share classes not yet launched

Minimum investment*

Lump sum subscription: Class A = £50,000,000
Class F = £10,000,000
Class S = £50

Top-up: Class A = £1,000,000
Class F = £1,000,000
Class S = £50

Holding: Class A = £50,000,000
Class F = £10,000,000
Class S = £50

Regular saving £100 per month

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

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

Initial, redemption and switching charges*:

Nil

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

Annual management charges £25,000[^] per annum plus
Class A – 0.35% per annum
Class F – 0.45% per annum
Class S – 0.55% per annum

[^]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 January each year (from 1 January 2021). In the event of negative inflation, this fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Overall, 2023 offered a host of opportunities for active investment management, as markets adjusted to the new higher interest rate regime. In the first quarter of the year, we added the Man GLG Sterling Corporate Bond Fund to the portfolio, aiming to strengthen our portfolio by focusing on high-quality assets. Our decision was based on the belief that this fund would provide stability during unpredictable market conditions and take advantage of growing confidence in the market. This confidence suggested that it was unnecessary to pursue riskier, lower-quality investments when the returns on higher-quality corporate and government bonds were so appealing. This strategy proved successful throughout the year. The Man GLG Sterling Corporate Bond Fund returned +17.87% from the initial investment until the year-end, a significant outperformance compared to the Investment Association (IA) Sterling Corporate Bond sector return of +6.49%.

We also continued with our preference for investing in active equity funds over their passive counterparts. Events in the banking sector in March reinforced our belief that the performance of different companies and sectors would vary greatly as they navigate through current economic challenges. As a result, we increased our exposure to actively managed UK, US, and European equity funds, at the expense of passive alternatives.

As the year progressed, investors' optimism grew that central bankers in Western developed economies were reaching the end of their interest rate hiking cycles. The US Federal Reserve (Fed), the Bank of England (BoE) and the European Central Bank (ECB) all kept rates on hold throughout the period. This apparent peak for interest rates, alongside a slowdown of inflation, helped markets to rally markedly in November and December. With interest rates expected to fall at some point in 2024, we took the opportunity to increase our allocation to property assets by investing in the Blackfinch NextGen Property Securities Fund. The property sector was hit hard by the uncertainty of the COVID-19 pandemic, and the situation worsened with sharp increases in interest rates. As a result, many investors reduced their investments in this area, leading to historically low prices that we found very appealing. Seeing this as an excellent opportunity, we invested in the sector through the Blackfinch NextGen Property Securities Fund, which paid off by earning a return of +10.30% by the end of the year. The fund significantly outperformed its peer group, the IA Property Other sector, which recorded an average return of +8.82%. We expect this trend to continue and possibly become more favourable if interest rates start to drop.

The Blackfinch Cautious Portfolio's investment objective is to outpace UK inflation, as measured by the consumer prices index (CPI), by 2% annually over any rolling five-year period. This investment objective underpins our investment process, from our Strategic Asset Allocation through to fund selection, portfolio construction, and any tactical decisions made when managing the portfolio. We base this investment objective on rolling five-year periods, rather than on an annual basis, given the potential for fluctuations in inflation over an economic cycle.

For us to construct and manage the portfolio effectively and efficiently, we expect long-term CPI inflation to be 2.0%, which is the BoE's inflation target. In periods when inflation is running significantly above 2.0%, the Blackfinch Cautious Portfolio will fall below its target return. Although we do not construct portfolios on a short-term basis, the Blackfinch Cautious Portfolio returned +6.91%* over the 2023 calendar year. This meant the portfolio achieved its objective as it outperformed CPI inflation +2%, which equals +6.23%.

While UK inflation is currently running above the BoE's target, Governor Andrew Bailey believes the 2.0% target remains achievable, which has been reflected in recent inflation reports. In the short term, we expect the Blackfinch Cautious Portfolio to fall behind its CPI+ target return, but as CPI inflation returns to more normal levels, we expect this shortfall to reduce.

Blackfinch Investments Limited
Investment Manager to the Fund
14 March 2024

* F Accumulation Share Class calculated on a total return basis in Pounds Sterling. Source FE Analytics.

PERFORMANCE RECORD

Financial Highlights

Class A (Accumulation)	Year ended 31	Year ended 31	Period 19 January
	December 2023	December 2022	2021 to 31 December 2021 [^]
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	92.2194	103.5255	100.0000
Return before operating charges	7.5029	(10.3176)	4.5495
Operating charges (note 1)	(1.0594)	(0.9885)	(1.0240)
Return after operating charges *	6.4435	(11.3061)	3.5255
Closing net asset value per share	98.6629	92.2194	103.5255
Retained distributions on accumulated shares	3.1307	2.0038	1.3270
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	6.99%	(10.92%)	3.53%
Other information			
Closing net asset value	£2,469,666	£3,077,200	£2,861,027
Closing number of shares	2,503,137	3,336,824	2,763,596
Operating charges (note 2)	1.11%	1.01%	1.05%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	98.6629	103.6358	104.8896
Lowest share price	91.4448	88.6577	97.3268

[^]Share class launched 19 January 2021

Class A (Income)	Year ended 31	Year ended 31	Period 11 May 2021
	December 2023	December 2022	to 31 December 2021 [^]
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	90.6918	103.3894	100.0000
Return before operating charges	6.2163	(9.7204)	5.0139
Operating charges (note 1)	(1.0187)	(0.9801)	(0.6674)
Return after operating charges *	5.1976	(10.7005)	4.3465
Distributions on income shares	(3.0315)	(1.9971)	(0.9571)
Closing net asset value per share	92.8579	90.6918	103.3894
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	5.73%	(10.35%)	4.35%
Other information			
Closing net asset value	£47	£46	£53
Closing number of shares	51	51	51
Operating charges (note 2)	1.11%	1.01%	1.05%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	94.9212	103.5095	105.4237
Lowest share price	87.6805	88.2119	98.1007

[^]Share class launched 11 May 2021

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class F (Accumulation)	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	105.1353	118.1439	113.3508
Return before operating charges	8.5760	(11.7694)	6.1242
Operating charges (note 1)	(1.3161)	(1.2392)	(1.3311)
Return after operating charges *	7.2599	(13.0086)	4.7931
Closing net asset value per share	112.3952	105.1353	118.1439
Retained distributions on accumulated shares	3.5674	2.2854	1.6195
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	6.91%	(11.01%)	4.23%
Other information			
Closing net asset value	£21,172,073	£24,763,780	£37,086,946
Closing number of shares	18,837,170	23,554,195	31,391,326
Operating charges (note 2)	1.21%	1.11%	1.15%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	112.3952	118.2682	119.7156
Lowest share price	104.1785	101.0961	111.1633

Class F (Income)	Year ended 31 December 2023	Year ended 31 December 2022	Period 07 January 2021 to 31 December 2021[^]
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	89.3641	102.6370	100.0000
Return before operating charges	7.2004	(10.2323)	5.0872
Operating charges (note 1)	(1.1000)	(1.0656)	(1.1166)
Return after operating charges *	6.1004	(11.2979)	3.9706
Distributions on income shares	(3.0076)	(1.9750)	(1.3336)
Closing net asset value per share	92.4569	89.3641	102.6370
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	6.83%	(11.01%)	3.97%
Other information			
Closing net asset value	£213,026	£156,983	£32,981
Closing number of shares	230,405	175,667	32,133
Operating charges (note 2)	1.21%	1.11%	1.15%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	94.0868	102.7449	104.7691
Lowest share price	87.3098	87.0447	97.8354

[^]Share class launched 07 January 2021

PERFORMANCE RECORD (Continued)

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

Risk Profile

Based on past data, the Sub-fund is ranked a 4 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 December 2022: ranked 3). The Sub-fund is ranked 4 because monthly historical performance data indicates that average rises and falls in market prices would have occurred historically.

PORTFOLIO SUMMARY

As at 31 December 2023

Holding	Name	Value £	% of net assets
COLLECTIVES (31.12.2022: 94.97%)			
546,040	BCIF Corporate Bond Tracker	848,507	3.56
407,677	BNY Mellon Global Dynamic Bond	473,924	1.99
53,118	Brown Advisory US Sustainable Growth	954,533	4.00
23,727	Capital Group Global High Income Opportunities (LUX)	952,874	4.00
51,013	Comgest Growth Japan	503,498	2.11
335,927	Fidelity Asian Dividend	783,381	3.29
327,413	IFSL Blackfinch NextGen Infrastructure	360,155	1.51
326,493	IFSL Blackfinch NextGen Property Securities	359,142	1.51
367,540	iShares Overseas Corporate Bond Index (UK)	595,996	2.50
142,128	iShares US Equity Index (UK)	727,447	3.05
862,001	JPM Emerging Markets	767,180	3.22
506,295	JPM Global Macro Opportunities	808,554	3.39
230,568	JPM US Equity Income	965,387	4.05
587,638	Jupiter Japan Income Fund	967,252	4.06
1,148,705	Liontrust Monthly Income Bond	975,898	4.09
1,088,208	WS Canlife Sterling Liquidity	1,175,483	4.93
657,943	Montanaro UK Income	715,842	3.00
985,697	Man GLG Sterling Corporate Bond	1,095,110	4.59
71,089	Man GLG Continental European Growth	605,395	2.54
412,406	Ninety One Diversified Income	764,229	3.21
116,659	PIMCO GIS Income	1,068,597	4.48
324,691	Rathbone Ethical Bond	726,431	3.05
793,815	TM Tellworth UK Select	1,049,424	4.40
6,431	Vanguard Global Bond Index	957,889	4.02
6,887	Vanguard UK Government Bond Index	947,263	3.97
8,030	Vanguard FTSE 100 Index Unit Trust	1,194,059	5.01
9,258	Vanguard US Government Bond Index	955,755	4.01
921,181	RM European Change For Better	1,100,810	4.61
Portfolio of investments (31.12.2022: 94.97%)		23,400,015	98.15
Net other assets (31.12.2022: 5.03%)		442,258	1.85
		23,842,273	100.00

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	7,220,999
FP Foresight Global Real Infrastructure	79,000
IFSL Blackfinch NextGen Infrastructure	365,000
IFSL Blackfinch NextGen Property Securities	365,000
LF Canlife Sterling Liquidity	1,420,000
Man GLG Continental European Growth	688,000
Man GLG Sterling Corporate Bond	1,231,000
Montanaro UK Income	354,000
RM European Change For Better	1,220,000
TM Tellworth UK Select	1,261,000
Vanguard UK Government Bond Index	39,999
Other various purchases	198,000
	£
Total sales for the year (note 14)	12,131,141
BNY Mellon Global Dynamic Bond	469,000
Brown Advisory US Sustainable Growth	388,000
FP Foresight Global Real Infrastructure	947,887
HSBC European Index	1,882,370
iShares US Equity Index (UK)	960,000
Man GLG Sterling Corporate Bond	329,000
Ninety One Diversified Income	679,000
Rathbone Ethical Bond	498,000
Vanguard FTSE 100 Index Unit Trust	1,177,000
VT RM Alternative Income	811,885
Other various sales	3,988,999

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

STATEMENT OF TOTAL RETURN

For the year ended 31 December

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		1,199,208		(4,732,873)
Revenue	3	766,116		846,261	
Expenses	4	(180,408)		(200,561)	
Interest payable and similar charges	6	-		(812)	
Net revenue before taxation		585,708		644,888	
Taxation	5	(73,987)		(61,786)	
Net revenue after taxation			511,721		583,102
Total return before distributions			1,710,929		(4,149,771)
Finance costs: distributions	6		(856,205)		(670,756)
Changes in net assets attributable to shareholders from investment activities			854,724		(4,820,527)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December

	2023	2022
	£	£
Opening net assets attributable to shareholders	27,960,117	39,953,067
Amounts receivable on creation of shares	1,668,263	2,953,160
Amounts payable on cancellation of shares	(7,431,626)	(10,747,021)
Accumulation dividends retained	790,612	620,485
Dilution levies	183	953
Changes in net assets attributable to shareholders from investment activities (see above)	854,724	(4,820,527)
Closing net assets attributable to shareholders	23,842,273	27,960,117

BALANCE SHEET

As at	Notes	31.12.2023		31.12.2022	
		£	£	£	£
Assets					
Investment assets			23,400,015		26,555,989
Current assets					
Debtors	7	207,979		153,626	
Cash and bank balances	8	<u>528,593</u>		<u>1,350,602</u>	
Total current assets			<u>736,572</u>		<u>1,504,228</u>
Total assets			24,136,587		28,060,217
Current liabilities					
Creditors	9	(290,306)		(98,064)	
Distribution payable on income shares		<u>(4,008)</u>		<u>(2,036)</u>	
Total current liabilities			<u>(294,314)</u>		<u>(100,100)</u>
Net assets attributable to shareholders			<u>23,842,273</u>		<u>27,960,117</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on page 7.

2 Net capital gains/(losses)

	2023	2022
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	1,199,814	(4,731,080)
Transaction charges (custodian)	(606)	(1,793)
Total net capital gains/(losses)	<u>1,199,208</u>	<u>(4,732,873)</u>

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	215,773	335,956
Interest distributions	508,414	503,222
Investment manager's fee rebate	8,715	-
Bank interest received	33,214	7,083
Total revenue	<u>766,116</u>	<u>846,261</u>

4 Expenses

	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>142,184</u>	<u>167,666</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	17,951	17,951
Safe custody fee	2,884	3,384
	<u>20,835</u>	<u>21,335</u>
Other expenses:		
Audit fee	9,734	7,626
FCA fee	28	48
Other expenses	7,627	3,886
	<u>17,389</u>	<u>11,560</u>
Total expenses	<u>180,408</u>	<u>200,561</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£

(a) Analysis of charge in the year

UK corporation tax	73,987	61,786
Total tax charge for the year (note 5b)	73,987	61,786

(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	585,708	644,888
Corporation tax at 20.00% (2022: 20.00%)	117,142	128,978

Effects of:

Revenue not subject to UK corporation tax	(43,155)	(67,192)
Total tax charge for the year (note 5a)	73,987	61,786

(c) Provision for deferred taxation

At 31 December 2023 there is no potential deferred tax asset or liability (31 December 2022: nil).

6 Finance costs

	2023	2022
	£	£

Interim dividend distribution	356,908	264,340
Final dividend distribution	440,518	358,361
	797,426	622,701

Add: Revenue deducted on cancellation of shares	75,241	64,784
Deduct: Revenue received on issue of shares	(16,462)	(16,729)

Net distribution for the year	856,205	670,756
Interest payable and similar charges	-	812
Total finance costs	856,205	671,568

Reconciliation of distributions

Net revenue after taxation	511,721	583,102
Expenses paid from capital (net of rebate)	171,693	200,561
Relief on expenses allocated to capital	(34,339)	(40,112)
Equalisation from collectives allocated to revenue	60,590	-
Balanced brought forward	70,182	(2,613)
Balance carried forward	76,358	(70,182)
Net distribution for the year	856,205	670,756

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.12.2023	31.12.2022
	£	£
Amounts receivable on unsettled trades	192,000	-
Amounts receivable on creation of shares	3,050	139,912
Accrued revenue:		
Interest distributions receivable	10,623	11,423
Investment manager's fee rebate	2,280	-
Prepayments	26	2,291
Total debtors	207,979	153,626
8 Cash and bank balances	31.12.2023	31.12.2022
	£	£
Cash and bank balances	528,593	1,350,602
9 Creditors	31.12.2023	31.12.2022
	£	£
Amounts payable on cancellation of shares	189,708	9,062
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	10,667	12,353
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	1,430	1,479
Safe custody and other custodian charges	3,496	5,627
	4,926	7,106
Audit fee	8,951	7,253
UK corporation tax	73,987	61,787
Other accrued expenses	2,067	503
Total creditors	290,306	98,064

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management policies

In pursuing its investment objective as stated on page 25, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 December 2023 would have increased/decreased by £2,340,002 (31 December 2022: £2,655,599).

Foreign currency risk

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

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

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Sterling	442,258	1,404,128	23,400,015	26,555,989	23,842,273	27,960,117
Total	442,258	1,404,128	23,400,015	26,555,989	23,842,273	27,960,117

Interest rate risk

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

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

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

	31.12.2023	31.12.2022
	£	£
Financial assets floating rate	528,593	1,350,602
Financial assets interest bearing instruments	11,537,956	11,986,553
Financial assets non-interest bearing instruments	12,070,038	14,723,062
Financial liabilities non-interest bearing instruments	(294,314)	(100,100)
	23,842,273	27,960,117

At 31 December 2023, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £1,321 (31 December 2022: £3,377).

10 Risk management policies (Continued)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 December 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

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

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.12.2023		31.12.2022	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	23,400	-	26,556	-
Total	23,400	-	26,556	-

11 Shares held

Class A (Accumulation)

Opening shares at 01.01.2023	3,336,824
Shares issued during the year	297,355
Shares cancelled during the year	(1,131,042)
Shares converted during the year	-
Closing shares as at 31.12.2023	2,503,137

Class A (Income)

Opening shares at 01.01.2023	51
Shares issued during the year	-
Shares cancelled during the year	-
Shares converted during the year	-
Closing shares as at 31.12.2023	51

Class F (Accumulation)

Opening shares at 01.01.2023	23,554,195
Shares issued during the year	1,256,704
Shares cancelled during the year	(5,973,729)
Shares converted during the year	-
Closing shares as at 31.12.2023	18,837,170

Class F (Income)

Opening shares at 01.01.2023	175,667
Shares issued during the year	64,192
Shares cancelled during the year	(9,454)
Shares converted during the year	-
Closing shares as at 31.12.2023	230,405

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 Contingent assets and liabilities

At 31 December 2023, the Sub-fund had no contingent liabilities or commitments.

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 29 December 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 29 December 2023	Price at 25 April 2024
	GBp	GBp
Class A (Accumulation)	98.6629	100.1237
Class A (Income)	92.8579	94.2532
Class F (Accumulation)	112.3952	114.0580
Class F (Income)	92.4569	93.8252

14 Direct transaction costs

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

15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2023 is 0.00% (31 December 2023 0.00%)

16 Related party transactions

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

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

During the year, the Sub-fund held shares in related securities which are administered by the AFM. The total income receivable from these funds totalled £20,986 in the year.

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 January 2023

Group 2: Shares purchased on or after 01 January 2023 and on or before 30 June 2023

Class A (Accumulation)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.3092p	-	1.3092p	0.8238p
Group 2	0.5760p	0.7332p	1.3092p	0.8238p

Class A (Income)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.2795p	-	1.2795p	0.8240p
Group 2	1.2795p	-	1.2795p	0.8240p

Class F (Accumulation)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.4922p	-	1.4922p	0.9398p
Group 2	0.8015p	0.6907p	1.4922p	0.9398p

Class F (Income)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.2684p	-	1.2684p	0.8164p
Group 2	0.5808p	0.6876p	1.2684p	0.8164p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

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

Class A (Accumulation)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.8215p	-	1.8215p	1.1800p
Group 2	1.4784p	0.3431p	1.8215p	1.1800p

Class A (Income)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.7520p	-	1.7520p	1.1731p
Group 2	1.7520p	-	1.7520p	1.1731p

Class F (Accumulation)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	2.0752p	-	2.0752p	1.3456p
Group 2	0.6265p	1.4487p	2.0752p	1.3456p

Class F (Income)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.7392p	-	1.7392p	1.1586p
Group 2	1.5717p	0.1675p	1.7392p	1.1586p

Information for corporate shareholders

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

- i) 28.49% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 71.51% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Blackfinch Balanced Portfolio Fund
Size of Sub-fund	£25,641,787
Launch date	01 May 2020
Investment objective and policy	<p>The investment objective of the Sub-fund is to achieve total returns comprised of income and capital growth equal to Consumer Price Index plus 3% over rolling five year periods (net of management fees and underlying fund charges). Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a five year, or any, period.</p> <p>The Sub-fund will seek to achieve its objective by investing at least 80% in a portfolio of collective investment vehicles (which may include those managed and/or operated by the AFM or Investment Manager) and bonds (which may be government or corporate bonds and vary in terms of credit ratings). Investment in collective investment vehicles will provide exposure to asset classes such as equities, bonds, cash, property and commodities.</p> <p>The Sub-fund may also invest in equities, money market instruments, deposits, cash and near cash.</p> <p>The Sub-fund will be actively managed and the investments will be selected to achieve a balance between growth assets (such as equities (and collective investment schemes investing in/providing investment exposure to such assets)) and defensive assets (such as bonds and cash (and collective investment schemes investing in/providing investment exposure to such assets)). Whilst exposure between growth and defensive assets is expected to be balanced, the exposure to growth or defensive assets could, depending on the investment manager's assessment of market opportunities vary by up to 15% (i.e. the split could be 65% growth assets and 35% defensive assets or vice versa and in very unusual circumstances exposures could vary even further).</p> <p>The Sub-fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	<p>The Sub-fund may hold derivatives for Efficient Portfolio Management purposes (EPM) (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>
Benchmark	<p>A target for the Sub-fund's performance has been set by reference to the UK Consumer Price Index (CPI) plus 3% (the "Index") over a five year period. The Consumer Price Index is published by the Office for National Statistics, further information for which can be obtained from www.ons.gov.uk.</p> <p>The Index has been recommended for comparison purposes as it is 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> <p>Performance comparisons against the Index may be least representative during periods of very strong performance (either positive or negative) in particular markets and comparison should be made over periods of at least 5 years in order to reduce the impact of short-term performance.</p>

SUB-FUND OVERVIEW (Continued)

Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 December (Final) and 30 June (Interim)
Distribution dates	By last day of February (Final) and 31 August (Interim)
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Share classes	Class A (Accumulation, Income) Class F (Accumulation, Income) Class S (Accumulation, Income) - Share classes not yet launched
Minimum investment*	
Lump sum subscription:	Class A = £50,000,000 Class F = £10,000,000 Class S = £50
Top-up:	Class A = £1,000,000 Class F = £1,000,000 Class S = £50
Holding:	Class A = £50,000,000 Class F = £10,000,000 Class S = £50
Regular saving	£100 per month
Redemption:	N/A (provided minimum holding is maintained)
Switching:	N/A (provided minimum holding is maintained)
Initial, redemption and switching charges*:	Nil

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

Annual management charges

£25,000[^] per annum plus
Class A – 0.35% per annum
Class F – 0.45% per annum
Class S – 0.55% per annum

[^]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 January each year (from 1 January 2021). In the event of negative inflation, this fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Overall, 2023 offered a host of opportunities for active investment management, as markets adjusted to the new higher interest rate regime. In the first quarter of the year, we added the Man GLG Sterling Corporate Bond Fund to the portfolio, aiming to strengthen our portfolio by focusing on high-quality assets. Our decision was based on the belief that this fund would provide stability during unpredictable market conditions and take advantage of growing confidence in the market. This confidence suggested that it was unnecessary to pursue riskier, lower-quality investments when the returns on higher-quality corporate and government bonds were so appealing. This strategy proved successful throughout the year. The Man GLG Sterling Corporate Bond Fund returned +17.87% from the initial investment until the year-end, a significant outperformance compared to the Investment Association (IA) Sterling Corporate Bond sector return of +6.49%.

We also continued with our preference for investing in active equity funds over their passive counterparts. Events in the banking sector in March reinforced our belief that the performance of different companies and sectors would vary greatly as they navigate through current economic challenges. As a result, we increased our exposure to actively managed UK, US, and European equity funds, at the expense of passive alternatives.

As the year progressed, investors' optimism grew that central bankers in Western developed economies were reaching the end of their interest rate hiking cycles. The US Federal Reserve (Fed), the Bank of England (BoE) and the European Central Bank (ECB) all kept rates on hold throughout the period. This apparent peak for interest rates, alongside a slowdown of inflation, helped markets to rally markedly in November and December. With interest rates expected to fall at some point in 2024, we took the opportunity to increase our allocation to property assets by investing in the Blackfinch NextGen Property Securities Fund. The property sector was hit hard by the uncertainty of the COVID-19 pandemic, and the situation worsened with sharp increases in interest rates. As a result, many investors reduced their investments in this area, leading to historically low prices that we found very appealing. Seeing this as an excellent opportunity, we invested in the sector through the Blackfinch NextGen Property Securities Fund, which paid off by earning a return of +10.30% by the end of the year. The fund significantly outperformed its peer group, the IA Property Other sector, which recorded an average return of +8.82%. We expect this trend to continue and possibly become more favourable if interest rates start to drop.

The Blackfinch Balanced Portfolio's investment objective is to outpace UK inflation, as measured by the consumer prices index (CPI), by 3% annually over any rolling five-year period. This investment objective underpins our investment process, from our Strategic Asset Allocation through to fund selection, portfolio construction, and any tactical decisions made when managing the portfolio. We base this investment objective on rolling five-year periods, rather than on an annual basis, given the potential for fluctuations in inflation over an economic cycle.

For us to construct and manage the portfolio effectively and efficiently, we expect long-term CPI inflation to be 2.0%, which is the BoE's inflation target. In periods when inflation is running significantly above 2.0%, the Blackfinch Balanced Portfolio will fall below its target return. Although we do not construct portfolios on a short-term basis, the Blackfinch Balanced portfolio returned +8.33%* over the 2023 calendar year. This meant the portfolio achieved its objective as it outperformed CPI inflation + 3%, which equals +7.26%.

While UK inflation is currently running above the BoE's target, Governor Andrew Bailey believes the 2.0% target remains achievable, which has been reflected in recent inflation reports. In the short term, we expect the Blackfinch Balanced portfolio to fall behind its CPI+ target return, but as CPI inflation returns to more normal levels, we expect this shortfall to reduce.

Blackfinch Investments Limited
Investment Manager to the Fund
14 March 2024

* F Accumulation Share Class calculated on a total return basis in Pounds Sterling. Source FE Analytics.

PERFORMANCE RECORD

Financial Highlights

Class A (Accumulation)	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	99.4219	111.8918	105.3519
Return before operating charges	9.5409	(11.3394)	7.7130
Operating charges (note 1)	(1.1708)	(1.1305)	(1.1731)
Return after operating charges *	8.3701	(12.4699)	6.5399
Closing net asset value per share	107.7920	99.4219	111.8918
Retained distributions on accumulated shares	3.0716	2.0750	1.4950
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	8.42%	(11.14%)	6.21%
Other information			
Closing net asset value	£2,895,238	£3,430,759	£3,869,869
Closing number of shares	2,685,950	3,450,708	3,458,582
Operating charges (note 2)	1.13%	1.07%	1.08%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	107.7920	112.0748	113.9030
Lowest share price	98.6901	95.3064	103.1808

Class A (Income)	Year ended 31 December 2023	Year ended 31 December 2022	Period 11 May 2021 to 31 December 2021[^]
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	90.9548	104.5034	100.0000
Return before operating charges	8.6463	(10.5642)	6.1396
Operating charges (note 1)	(1.0549)	(1.0457)	(0.6902)
Return after operating charges *	7.5914	(11.6099)	5.4494
Distributions on income shares	(2.7898)	(1.9387)	(0.9460)
Closing net asset value per share	95.7564	90.9548	104.5034
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	8.35%	(11.11%)	5.45%
Other information			
Closing net asset value	£158,223	£46	£53
Closing number of shares	165,235	51	51
Operating charges (note 2)	1.13%	1.07%	1.08%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	97.2491	104.6743	107.1813
Lowest share price	89.1896	88.3013	97.6195

[^]Share class launched 11 May 2021

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class F (Accumulation)	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	109.3797	123.2217	116.1354
Return before operating charges	10.5093	(12.4813)	8.4985
Operating charges (note 1)	(1.4014)	(1.3607)	(1.4122)
Return after operating charges *	9.1079	(13.8420)	7.0863
Closing net asset value per share	118.4876	109.3797	123.2217
Retained distributions on accumulated shares	3.3772	2.2839	1.6472
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	8.33%	(11.23%)	6.10%
Other information			
Closing net asset value	£22,266,029	£26,327,724	£30,968,325
Closing number of shares	18,791,872	24,070,032	25,132,211
Operating charges (note 2)	1.23%	1.17%	1.18%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	118.4876	123.4215	125.4520
Lowest share price	108.4835	104.8742	113.7210

Class F (Income)	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	92.1609	106.0318	101.2869
Return before operating charges	8.7657	(10.7560)	7.4001
Operating charges (note 1)	(1.1630)	(1.1594)	(1.2232)
Return after operating charges *	7.6027	(11.9154)	6.1769
Distributions on income shares	(2.8248)	(1.9555)	(1.4320)
Closing net asset value per share	96.9388	92.1609	106.0318
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	8.25%	(11.24%)	6.10%
Other information			
Closing net asset value	£348,171	£326,355	£724,929
Closing number of shares	359,165	354,115	683,690
Operating charges (note 2)	1.23%	1.17%	1.18%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	98.4501	106.2037	108.7859
Lowest share price	90.2918	89.4994	99.1907

PERFORMANCE RECORD (Continued)

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

Risk Profile

Based on past data, the Sub-fund is ranked a 4 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 December 2022: ranked 4). The Sub-fund is ranked 4 because monthly historical performance data indicates that average rises and falls in market prices would have occurred historically.

PORTFOLIO SUMMARY

As at 31 December 2023

Holding	Name	Value £	% of net assets
COLLECTIVES (31.12.2022: 96.79%)			
77,026	Brown Advisory US Sustainable Growth	1,384,153	5.40
493,463	BCIF Corporate Bond Tracker	766,807	2.99
76,232	Comgest Growth Japan	752,413	2.93
21,637	Capital Group Global High Income Opportunities (LUX)	868,956	3.39
376,348	Fidelity Asian Dividend	877,644	3.42
713,809	IFSL Blackfinch NextGen Infrastructure	785,190	3.06
500,000	IFSL Blackfinch NextGen Property Securities	550,000	2.14
347,244	iShares Overseas Corporate Bond Index (UK)	563,084	2.20
118,487	iShares Pacific Ex Japan Equity Tracker	529,095	2.06
158,786	iShares US Equity Index (UK)	812,705	3.17
1,149,512	JPM Emerging Markets	1,023,065	3.99
329,432	JPM US Equity Income	1,379,331	5.38
369,988	JPM Global Macro Opportunities	590,871	2.30
904,020	Jupiter Japan Income Fund	1,488,017	5.80
216,419	Premier Miton European Opportunities	644,928	2.52
229,136	WS Canlife Sterling Liquidity	247,513	0.97
878,339	Liontrust Monthly Income Bond	746,205	2.91
286,863	M&G Emerging Markets Bond	565,952	2.21
76,054	Man GLG Continental European Growth	647,676	2.53
971,510	Man GLG Sterling Corporate Bond	1,079,347	4.21
1,121,550	Montanaro UK Income	1,220,246	4.76
346,715	Rathbone Ethical Bond	775,705	3.03
860,098	RM European Change For Better	1,027,817	4.01
11,192	T Rowe Price US Smaller Companies Equity	526,823	2.05
794,843	TM Tellworth UK Select	1,050,783	4.10
13,000	Vanguard FTSE 100 Index Unit Trust	1,933,104	7.54
7,396	Vanguard US Government Bond Index	763,514	2.98
5,524	Vanguard Global Bond Index	822,781	3.21
5,597	Vanguard UK Government Bond Index	769,796	2.99
Portfolio of investments (31.12.2022: 96.79%)		25,193,521	98.25
Net other assets (31.12.2022: 3.21%)		448,266	1.75
		25,641,787	100.00

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	8,018,001
Brown Advisory US Sustainable Growth	160,000
IFSL Blackfinch NextGen Infrastructure	750,000
IFSL Blackfinch NextGen Property Securities	500,000
JPM US Equity Income	157,000
LF Canlife Sterling Liquidity	1,010,000
Man GLG Sterling Corporate Bond	1,255,000
Montanaro UK Income	422,000
RM European Change For Better	1,230,000
TM Tellworth UK Select	1,330,000
Vanguard UK Government Bond Index	153,000
Other various purchases	1,051,001
	£
Total sales for the year (note 14)	14,146,592
Brown Advisory US Sustainable Growth	820,000
FP Foresight Global Real Infrastructure	1,309,162
HSBC European Index	1,210,938
iShares US Equity Index (UK)	1,892,000
JPM Global Macro Opportunities	469,000
Jupiter Japan Income Fund	543,000
Man GLG Sterling Corporate Bond	365,000
Vanguard FTSE 100 Index Unit Trust	1,007,000
VT RM Alternative Income	937,493
WS Canlife Sterling Liquidity	708,000
Other various sales	4,884,999

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

STATEMENT OF TOTAL RETURN

For the year ended 31 December

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		1,615,493		(4,526,044)
Revenue	3	740,839		756,524	
Expenses	4	(192,145)		(201,037)	
Interest payable and similar charges	6	<u>(3)</u>		<u>(774)</u>	
Net revenue before taxation		548,691		554,713	
Taxation	5	<u>(44,973)</u>		<u>(7,693)</u>	
Net revenue after taxation			<u>503,718</u>		<u>547,020</u>
Total return before distributions			2,119,211		(3,979,024)
Finance costs: distributions	6		<u>(854,403)</u>		<u>(654,368)</u>
Changes in net assets attributable to shareholders from investment activities			<u>1,264,808</u>		<u>(4,633,392)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December

	2023	2022
	£	£
Opening net assets attributable to shareholders	30,077,193	35,555,441
Amounts receivable on creation of shares	3,672,153	5,461,876
Amounts payable on cancellation of shares	(10,146,019)	(6,935,674)
Accumulation dividends retained	773,652	628,811
Dilution levies	-	131
Changes in net assets attributable to shareholders from investment activities (see above)	<u>1,264,808</u>	<u>(4,633,392)</u>
Closing net assets attributable to shareholders	<u>25,641,787</u>	<u>30,077,193</u>

BALANCE SHEET

As at	Notes	31.12.2023		31.12.2022	
		£	£	£	£
Assets					
Investment assets			25,193,521		29,112,270
Current assets					
Debtors	7	26,484		10,676	
Cash and bank balances	8	<u>525,016</u>		<u>1,037,838</u>	
Total current assets			<u>551,500</u>		<u>1,048,514</u>
Total assets			25,745,021		30,160,784
Current liabilities					
Creditors	9	(94,460)		(79,403)	
Distribution payable on income shares		<u>(8,774)</u>		<u>(4,188)</u>	
Total current liabilities			<u>(103,234)</u>		<u>(83,591)</u>
Net assets attributable to shareholders			<u>25,641,787</u>		<u>30,077,193</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on page 7.

2 Net capital gains/(losses)

	2023	2022
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	1,617,176	(4,524,511)
Transaction charges (custodian)	(1,683)	(1,533)
Total net capital gains/(losses)	<u>1,615,493</u>	<u>(4,526,044)</u>

3 Revenue

	2023	2022
	£	£
Non-taxable dividends	323,824	458,688
Interest distributions	373,726	292,603
Investment manager's fee rebate	12,304	-
Bank interest received	30,985	5,233
Total revenue	<u>740,839</u>	<u>756,524</u>

4 Expenses

	2023	2022
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	<u>152,580</u>	<u>166,931</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	17,951	17,951
Safe custody fee	<u>3,243</u>	<u>3,248</u>
	<u>21,194</u>	<u>21,199</u>
Other expenses:		
Audit fee	9,734	7,626
FCA fee	28	48
Other expenses	<u>8,609</u>	<u>5,233</u>
	<u>18,371</u>	<u>12,907</u>
Total expenses	<u>192,145</u>	<u>201,037</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2023 £	2022 £
(a) Analysis of charge in the year		
UK corporation tax	44,973	7,693
Total tax charge for the year (note 5b)	44,973	7,693
(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	548,691	554,713
Corporation tax at 20.00% (2022: 20.00%)	109,738	110,943
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(64,765)	(91,738)
Excess management expenses (utilised)	-	(11,512)
Total tax charge for the year (note 5a)	44,973	7,693

(c) Provision for deferred taxation

At 31 December 2023 there is a potential deferred tax asset of £Nil (31 December 2022: £Nil) in relation to surplus management expenses.

6 Finance costs	2023 £	2022 £
Interim dividend distribution	351,074	257,076
Final dividend distribution	437,298	381,131
	788,372	638,207
Add: Revenue deducted on cancellation of shares	96,314	50,717
Deduct: Revenue received on issue of shares	(30,283)	(34,556)
	854,403	654,368
Net distribution for the year	854,403	654,368
Interest payable and similar charges	3	774
Total finance costs	854,406	655,142
Reconciliation of distributions		
Net revenue after taxation	503,718	547,020
Expenses paid from capital (net of rebate)	179,841	201,037
Relief on expenses allocated to capital	(35,968)	(40,207)
Equalisation from collectives allocated to revenue	64,688	-
Balanced brought forward	57,861	4,379
Balanced carried forward	84,263	(57,861)
Net distribution for the year	854,403	654,368

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.12.2023	31.12.2022
	£	£
Amounts receivable on creation of shares	20,000	4,578
Accrued revenue:		
Interest distributions receivable	3,698	3,807
Investment manager's fee rebate	2,760	-
Prepayments	26	2,291
Total debtors	26,484	10,676

8 Cash and bank balances	31.12.2023	31.12.2022
	£	£
Cash and bank balances	525,016	1,037,838

9 Creditors	31.12.2023	31.12.2022
	£	£
Amounts payable on cancellation of shares	21,940	44,066
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	11,167	13,228
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary's fees	1,430	1,479
Safe custody and other custodian charges	3,942	5,180
	5,372	6,659
Audit fee	8,951	7,253
Other accrued expenses	2,057	505
Corporation tax	44,973	7,692
Total creditors	94,460	79,403

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management policies

In pursuing its investment objective as stated on page 42, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 December 2023 would have increased/decreased by £2,519,352 (31 December 2022: £2,911,227).

Foreign currency risk

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

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

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£	£	£	£	£	£
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Sterling	448,266	964,923	25,193,521	29,112,270	25,641,787	30,077,193
Total	448,266	964,923	25,193,521	29,112,270	25,641,787	30,077,193

Interest rate risk

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

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

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

	31.12.2023	31.12.2022
	£	£
Financial assets floating rate	525,016	1,037,838
Financial assets interest bearing instruments	7,969,660	7,787,324
Financial assets non-interest bearing instruments	17,250,345	21,335,622
Financial liabilities non-interest bearing instruments	(103,234)	(83,591)
	25,641,787	30,077,193

At 31 December 2023, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £1,313 (31 December 2022: £2,595).

10 Risk management policies (Continued)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 December 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

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

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.12.2023		31.12.2022	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	25,194	-	29,112	-
Total	25,194	-	29,112	-

11 Shares held

Class A (Accumulation)

Opening shares at 01.01.2023	3,450,708
Shares issued during the year	555,747
Shares cancelled during the year	(1,320,505)
Shares converted during the year	-
Closing shares as at 31.12.2023	2,685,950

Class A (Income)

Opening shares at 01.01.2023	51
Shares issued during the year	186,535
Shares cancelled during the year	(21,351)
Shares converted during the year	-
Closing shares as at 31.12.2023	165,235

Class F (Accumulation)

Opening shares at 01.01.2023	24,070,032
Shares issued during the year	2,611,550
Shares cancelled during the year	(7,889,710)
Shares converted during the year	-
Closing shares as at 31.12.2023	18,791,872

Class F (Income)

Opening shares at 01.01.2023	354,115
Shares issued during the year	22,405
Shares cancelled during the year	(17,355)
Shares converted during the year	-
Closing shares as at 31.12.2023	359,165

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 Contingent assets and liabilities

At 31 December 2023, the Sub-fund had no contingent liabilities or commitments.

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 29 December 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 29 December 2023	Price at 25 April 2024
	GBP	GBP
Class A (Accumulation)	107.7920	110.1873
Class A (Income)	95.7564	97.9086
Class F (Accumulation)	118.4876	121.1191
Class F (Income)	96.9388	99.1179

14 Direct transaction costs

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

15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2023 is 0.00% (31 December 2022: 0.00%).

16 Related party transactions

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

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

During the year, the Sub-fund held shares in related securities which are administered by the AFM. The total income receivable from these funds totalled £23,635 in the year.

DISTRIBUTION TABLES

Interim distribution in pence per share

Group 1: Shares purchased prior to 01 January 2023

Group 2: Shares purchased on or after 01 January 2023 and on or before 30 June 2023

Class A (Accumulation)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.2359p	-	1.2359p	0.8160p
Group 2	0.4009p	0.8350p	1.2359p	0.8160p

Class A (Income)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.1308p	-	1.1308p	0.7622p
Group 2	0.4161p	0.7147p	1.1308p	0.7622p

Class F (Accumulation)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.3592p	-	1.3592p	0.8984p
Group 2	0.5395p	0.8197p	1.3592p	0.8984p

Class F (Income)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	1.1452p	-	1.1452p	0.7731p
Group 2	0.8988p	0.2464p	1.1452p	0.7731p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 July 2023

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

Class A (Accumulation)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.8357p	-	1.8357p	1.2590p
Group 2	0.4123p	1.4234p	1.8357p	1.2590p

Class A (Income)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.6590p	-	1.6590p	1.1765p
Group 2	1.6590p	-	1.6590p	1.1765p

Class F (Accumulation)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	2.0180p	-	2.0180p	1.3855p
Group 2	0.6165p	1.4015p	2.0180p	1.3855p

Class F (Income)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	1.6796p	-	1.6796p	1.1824p
Group 2	0.5385p	1.1411p	1.6796p	1.1824p

Information for corporate shareholders

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

- i) 44.45% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 55.55% 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 Blackfinch Income Portfolio Fund
Size of Sub-fund	£4,249,340
Launch date	1 May 2020
Investment objective and policy	<p>The investment objective of the Sub-fund is to achieve a yield of 3.5% per annum (net of management fees and underlying fund charges).</p> <p>The Sub-fund will seek to achieve its objective by investing at least 80% in a portfolio of collective investment vehicles (which may include those managed and/or operated by the AFM or Investment Manager) and bonds (which may be government or corporate bonds and vary in terms of credit ratings). Investment in collective investment vehicles will provide exposure to asset classes such as equities, bonds, cash, property and commodities.</p> <p>The Sub-fund may also invest in equities, money market instruments, deposits, cash and near cash.</p> <p>The Sub-fund will be actively managed and it is expected that there will be a balance between growth assets (such as equities (and collective investment schemes investing in/providing investment exposure to such assets)) and defensive assets (such as bonds and cash (and collective investment schemes investing in/providing investment exposure to such assets)). Whilst exposure between growth and defensive assets is expected to be balanced, the exposure to growth or defensive assets could, depending on the investment manager's assessment of market opportunities vary by up to 15% (i.e. the split could be 65% growth assets and 35% defensive assets or vice versa and in very unusual circumstances exposures could vary even further).</p> <p>The Sub-fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.</p>
Derivatives	<p>The Sub-fund may hold derivatives for Efficient Portfolio Management purposes (EPM) (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Sub-fund. The Sub-fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p>
Benchmark	<p>To gauge the relative performance of the Sub-fund, Shareholders may compare the Sub-fund's performance against the UK Consumer Price Index (CPI) (the "Index") over a five year period. The Consumer Price Index is published by the Office for National Statistics, further information for which can be obtained from www.ons.gov.uk.</p> <p>The Index has been recommended for comparison purposes as it is 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> <p>Performance comparisons against the Index may be least representative during periods of very strong performance (either positive or negative) in particular markets and comparison should be made over periods of at least 5 years in order to reduce the impact of short-term performance.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	Final: 31 December Interim: 31 January, last day of February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October, 30 November
Distribution dates	Final: By last day of February Interim: By 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October, 30 November, 31 December, 31 January

SUB-FUND OVERVIEW (Continued)

Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Share classes	Class A (Accumulation, Income) Class F (Accumulation, Income) Class S (Accumulation, Income) - Share classes not yet launched
Minimum investment*	
Lump sum subscription:	Class A = £50,000,000 Class F = £10,000,000 Class S = £50
Top-up:	Class A = £1,000,000 Class F = £1,000,000 Class S = £50
Holding:	Class A = £50,000,000 Class F = £10,000,000 Class S = £50
Regular saving	£100 per month
Redemption:	N/A (provided minimum holding is maintained)
Switching:	N/A (provided minimum holding is maintained)
Initial, redemption and switching charges*:	Nil

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

Annual management charges

£25,000[^] per annum plus
Class A – 0.35% per annum
Class F – 0.45% per annum
Class S – 0.55% per annum

[^]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 January each year (from 1 January 2021). In the event of negative inflation, this fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Overall, 2023 offered a host of opportunities for active investment management, as markets adjusted to the new higher interest rate regime. In the first quarter of the year, we added the Man GLG Sterling Corporate Bond Fund to the portfolio, increasing our exposure to higher-quality assets. Our decision was based on the belief that this fund would provide stability during unpredictable market conditions and take advantage of growing confidence in the market. This confidence suggested that it was unnecessary to pursue riskier, lower-quality investments when the returns on higher-quality corporate and government bonds were so appealing. This strategy proved successful throughout the year. The Man GLG Sterling Corporate Bond Fund returned +17.87% from the initial investment until the year-end, a significant outperformance compared to the Investment Association (IA) Sterling Corporate Bond sector return of +6.49%.

Since the launch of the Blackfinch Income Portfolio, it has leaned heavily on income-generating alternative assets, specifically infrastructure investments and investments in real assets. We took this position for two key reasons. First, we wanted to maintain a zero weighting to traditional property due to the difficult economic outlook for this asset type. Second, this additional weighting could not be allocated to fixed income at the time, as yields on high-quality debt were so low that we would have had to take additional risk in other areas of the portfolio in order to meet its 3.5% income target. Taking an overweight position in infrastructure meant we could generate a higher income yield, while still offering some diversification from the equity portion of the portfolio.

As described above, the past year was an exciting time for investment managers seeking a sustainable level of income. Yields across the fixed income universe increased significantly over the period, which meant that introducing high-quality corporate and government debt into the portfolio was possible without sacrificing yield.

As central banks in developed countries (except for the Bank of Japan) approached what seems to be the highest point of interest rates, the potential for fixed income assets to fall in value diminished. In May, we took the opportunity to adjust our asset allocation and move capital away from alternatives and increase our exposure to government debt, both in the US and UK, decreasing the overall cost of the portfolio while strengthening our capacity to achieve our annual investment objective of a 3.5% return.

We were also able to change some of our UK equity holdings to take advantage of the new opportunities on offer. The Artemis Income Fund has been a holding in the Blackfinch Income Portfolio since its launch, on the basis that it could identify companies paying a higher-than-average yield compared to a standard FTSE 100 tracker – a passive fund designed to replicate the returns of the largest 100 companies in the UK. Given that the Artemis Income Fund offered no additional capital return above that available from a FTSE 100 tracker, we chose to sell our 3.5% holding in the Artemis Income Fund and reallocate the proceeds to other funds in the sector. We chose the Vanguard FTSE 100 Index Unit Trust and the Montanaro UK Income Fund at a split of 2.5% and 1.0%, respectively.

The Blackfinch Income Portfolio took advantage of the new market dynamics, with accessible yields much higher, on average, across the investment universe. By the end of December 2023, the estimated gross yield of the portfolio was 4.37%. As such, we are comfortable it is on course to meet its 3.5% annual income target, even with the prospects of potential interest rate cuts on the horizon. The portfolio ended the year with an income yield of 3.94% (Class A Income) up from 3.32% the previous year.

Blackfinch Investments Limited
Investment Manager to the Fund
14 March 2024

PERFORMANCE RECORD

Financial Highlights

Class A (Accumulation)	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Changes in net assets per share	Gbp	Gbp	Gbp
Opening net asset value per share	98.9297	107.8362	100.6900
Return before operating charges	7.2097	(7.7589)	8.2410
Operating charges (note 1)	(1.1217)	(1.1476)	(1.0948)
Return after operating charges *	6.0880	(8.9065)	7.1462
Closing net asset value per share	105.0177	98.9297	107.8362
Retained distributions on accumulated shares	3.9417	3.6373	3.0751
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	6.15%	(8.26%)	7.10%
Other information			
Closing net asset value	£304,522	£593,977	£563,454
Closing number of shares	289,972	600,403	522,509
Operating charges (note 2)	1.10%	1.11%	1.05%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	105.0177	108.1428	108.0194
Lowest share price	96.8651	93.8848	99.5205

Class A (Income)	Year ended 31 December 2023	Year ended 31 December 2022	Period 11 May 2021 to 31 December 2021 [^]
Changes in net assets per share	Gbp	Gbp	Gbp
Opening net asset value per share	91.3108	103.1949	100.0000
Return before operating charges	6.4627	(7.3793)	5.7445
Operating charges (note 1)	(1.0146)	(1.0795)	(0.6667)
Return after operating charges *	5.4481	(8.4588)	5.0778
Distributions on income shares	(3.5996)	(3.4253)	(1.8829)
Closing net asset value per share	93.1593	91.3108	103.1949
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	5.97%	(8.20%)	5.08%
Other information			
Closing net asset value	£3,183,693	£2,909,750	£2,953,549
Closing number of shares	3,417,473	3,186,646	2,862,108
Operating charges (note 2)	1.10%	1.11%	1.05%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	95.3567	103.4882	103.6716
Lowest share price	86.6046	87.3516	98.9178

[^]Share class launched 11 May 2021

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class F (Accumulation)	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	110.2519	120.2886	112.4289
Return before operating charges	8.0707	(8.6419)	9.1978
Operating charges (note 1)	(1.3633)	(1.3948)	(1.3381)
Return after operating charges *	6.7074	(10.0367)	7.8597
Closing net asset value per share	116.9593	110.2519	120.2886
Retained distributions on accumulated shares	4.4124	4.0554	3.4321
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	6.08%	(8.34%)	6.99%
Other information			
Closing net asset value	£184,434	£321,970	£267,076
Closing number of shares	157,690	292,031	222,030
Operating charges (note 2)	1.20%	1.21%	1.15%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	116.9593	120.6292	120.5005
Lowest share price	107.8787	104.6438	111.1026

Class F (Income)	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	93.1496	105.3779	101.4483
Return before operating charges	6.6257	(7.5314)	8.1742
Operating charges (note 1)	(1.1289)	(1.2011)	(1.1893)
Return after operating charges *	5.4968	(8.7325)	6.9849
Distributions on income shares	(3.6518)	(3.4958)	(3.0553)
Closing net asset value per share	94.9946	93.1496	105.3779
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	5.90%	(8.29%)	6.89%
Other information			
Closing net asset value	£582,845	£724,998	£801,839
Closing number of shares	613,556	778,316	760,918
Operating charges (note 2)	1.20%	1.21%	1.15%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	97.2551	105.6763	105.8777
Lowest share price	88.3109	89.1295	99.7456

PERFORMANCE RECORD (Continued)

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

Risk Profile

Based on past data, the Sub-fund is ranked a 4 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 December 2022: ranked 4). The Sub-fund is ranked 4 because monthly historical performance data indicates that average rises and falls in market prices would have occurred historically.

PORTFOLIO SUMMARY

As at 31 December 2023

Holding	Name	Value £	% of net assets
COLLECTIVES (31.12.2022: 97.65%)			
69,504	BlackRock Continental European Income	128,467	3.02
12,070	Capital Group Global High Income Opportunities (LUX)	255,159	6.00
128,425	Fidelity Asian Dividend	211,516	4.98
45,638	Fidelity Index US	148,460	3.49
105,418	FP Foresight Global Real Infrastructure	109,793	2.58
238,508	FTF Brandywine Global Income Optimiser	237,936	5.60
103,602	iShares Corporate Bond Index (UK)	120,303	2.83
152,081	iShares Overseas Corporate Bond Index (UK)	192,195	4.52
35,444	JPM US Equity Income	153,968	3.62
113,767	Jupiter Japan Income	128,762	3.03
284,747	WS Canlife Sterling Liquidity	288,107	6.78
284,658	Liontrust Monthly Income Bond	238,923	5.62
134,751	M&G Emerging Markets Bond	150,045	3.53
268,654	Man GLG Sterling Corporate Bond	256,001	6.02
81,128	Montanaro European Income	176,453	4.15
157,495	Montanaro UK Income	171,354	4.03
257,900	Ninety One Diversified Income Fund	239,538	5.64
31,940	PIMCO GIS Income	292,566	6.88
139,401	Rathbone Ethical Bond	120,387	2.84
2,964	Vanguard FTSE 100 Index Unit Trust	339,883	8.01
1,257	Vanguard UK Government Bond Index	130,693	3.09
950	Vanguard U.S. Government Bond Index	84,704	2.00
Portfolio of investments (31.12.2022: 97.65%)		4,175,212	98.26
Net other assets (31.12.2022: 2.35%)		74,128	1.74
		4,249,340	100.00

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	1,697,900
Capital Group Global High Income Opportunities (LUX)	42,000
iShares Corporate Bond Index (UK)	135,200
LF Canlife Sterling Liquidity	334,500
Liontrust Monthly Income Bond	108,100
Man GLG Sterling Corporate Bond	283,400
Montanaro UK Income	74,700
PIMCO GIS Income	33,800
Vanguard FTSE 100 Index Unit Trust	158,800
Vanguard U.S. Government Bond Index	95,800
Vanguard UK Government Bond Index	150,200
Other various purchases	281,400
	£
Total sales for the year (note 14)	2,047,478
Artemis Income	172,670
Capital Group Global High Income Opportunities (LUX)	60,000
FP Foresight Global Real Infrastructure	121,600
Hermes Unconstrained Credit	209,223
Liontrust Monthly Income Bond	60,200
Ninety One Diversified Income Fund	136,300
Rathbone Ethical Bond	145,600
Sanlam Real Assets	178,146
Vanguard FTSE 100 Index Unit Trust	91,100
VT RM Alternative Income	272,838
Other various sales	599,801

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

STATEMENT OF TOTAL RETURN

For the year ended 31 December

		2023		2022	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		103,598		(547,362)
Revenue	3	254,945		224,579	
Expenses	4	(79,833)		(71,696)	
Interest payable and similar charges	6	-		(41)	
Net revenue before taxation		175,112		152,842	
Taxation	5	(21,606)		(15,042)	
Net revenue after taxation			153,506		137,800
Total return before distributions			257,104		(409,562)
Finance costs: distributions	6		(178,413)		(166,298)
Changes in net assets attributable to shareholders from investment activities			78,691		(575,860)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December

	2023	2022
	£	£
Opening net assets attributable to shareholders	4,538,553	4,582,651
Amounts receivable on creation of shares	625,275	767,914
Amounts payable on cancellation of shares	(1,024,670)	(267,061)
Accumulation dividends retained	30,717	30,744
Dilution levies	774	165
Changes in net assets attributable to shareholders from investment activities (see above)	78,691	(575,860)
Closing net assets attributable to shareholders	4,249,340	4,538,553

BALANCE SHEET

As at	Notes	31.12.2023		31.12.2022	
		£	£	£	£
Assets					
Investment assets			4,175,212		4,431,505
Current assets					
Debtors	7	40,903		57,428	
Cash and bank balances	8	<u>108,140</u>		<u>121,304</u>	
Total current assets			<u>149,043</u>	<u>178,732</u>	
Total assets			4,324,255		4,610,237
Current liabilities					
Creditors	9	(43,597)		(42,068)	
Distribution payable on income shares		<u>(31,318)</u>		<u>(29,616)</u>	
Total current liabilities			<u>(74,915)</u>	<u>(71,684)</u>	
Net assets attributable to shareholders			<u>4,249,340</u>		<u>4,538,553</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December

1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on page 7.

2 Net capital gains/(losses)	2023	2022
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	101,918	(544,191)
Transaction charges (custodian)	1,680	(3,170)
Foreign currency gains/(losses)	-	(1)
Total net capital gains/(losses)	<u>103,598</u>	<u>(547,362)</u>

3 Revenue	2023	2022
	£	£
Non-taxable dividends	67,080	77,632
Interest distributions	129,860	95,162
Investment manager's fee rebate	53,745	51,113
Bank interest received	4,260	672
Total revenue	<u>254,945</u>	<u>224,579</u>

4 Expenses	2023	2022
	£	£

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

Annual management charge	<u>45,704</u>	<u>43,660</u>
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**Payable to the depositary, associates of the
depositary, and agents of either of them:**

Depositary fee	17,951	17,951
Safe custody fee	499	492
	<u>18,450</u>	<u>18,443</u>

Other expenses:

Audit fee	9,734	7,626
FCA fee	28	48
Other expenses	5,917	1,919
	<u>15,679</u>	<u>9,593</u>

Total expenses	<u>79,833</u>	<u>71,696</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	2023	2022
	£	£

(a) Analysis of charge in the year

UK corporation tax	21,606	15,042
Total tax charge for the year (note 5b)	21,606	15,042

(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	175,112	152,842
Corporation tax at 20.00% (2022: 20.00%)	35,022	30,568
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(13,416)	(15,526)
Total tax charge for the year (note 5a)	21,606	15,042

(c) Provision for deferred taxation

At 31 December 2023 there is no potential deferred tax asset or liability (31 December 2022: nil).

6 Finance costs

	2023	2022
	£	£

Interim dividend distributions	166,392	155,054
Final dividend distribution	9,524	12,143
	175,916	167,197

Add: Revenue deducted on cancellation of shares	3,016	746
Deduct: Revenue received on issue of shares	(519)	(1,645)

Net distribution for the year	178,413	166,298
Interest payable and similar charges	-	41
Total finance costs	178,413	166,339

Reconciliation of distributions

Net revenue after taxation	153,506	137,800
Expenses paid from capital (net of rebate)	26,088	20,583
Relief on expenses allocated to capital	(5,218)	(4,117)
Equalisation from collectives allocated to revenue	8,918	-
Balanced brought forward	(16,108)	(4,076)
Balanced carried forward	11,227	16,108
Net distribution for the year	178,413	166,298

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.12.2023	31.12.2022
	£	£
Amounts receivable on unsettled trades	17,500	-
Amounts receivable on creation of shares	440	-
Accrued revenue:		
Non-taxable dividends receivable	4,611	12,504
Interest distributions receivable	13,384	7,411
Investment manager's fee rebate	4,942	35,222
Prepayments	26	2,291
Total debtors	<u>40,903</u>	<u>57,428</u>

8 Cash and bank balances	31.12.2023	31.12.2022
	£	£
Cash and bank balances	<u>108,140</u>	<u>121,304</u>

9 Creditors	31.12.2023	31.12.2022
	£	£
Amounts payable on cancellation of shares	4,744	26
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	3,549	13,716
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	1,430	1,479
Safe custody and other custodian charges	1,491	4,361
	<u>2,921</u>	<u>5,840</u>
Audit fee	8,951	7,253
UK corporation tax	21,606	15,042
Other accrued expenses	1,826	191
Total creditors	<u>43,597</u>	<u>42,068</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Risk management policies

In pursuing its investment objective as stated on page 59, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 December 2023 would have increased/decreased by £417,521 (31 December 2022: £443,151).

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt. A portion of the net assets of the Sub-fund is denominated in currencies other than 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		Total net assets	
	£	£	£	£	£	£
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Sterling	74,128	107,048	4,175,212	4,431,505	4,249,340	4,538,553
Total	74,128	107,048	4,175,212	4,431,505	4,249,340	4,538,553

Interest rate risk

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

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

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

	31.12.2023	31.12.2022
	£	£
Financial assets floating rate	108,140	121,304
Financial assets interest bearing instruments	2,606,556	2,186,227
Financial assets non-interest bearing instruments	1,609,559	2,302,706
Financial liabilities non-interest bearing instruments	(74,915)	(71,684)
	4,249,340	4,538,553

At 31 December 2023, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £270 (31 December 2022: £303).

10 Risk management policies (Continued)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 December 2023 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

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

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

Fair value disclosure

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

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

Valuation Technique	31.12.2023		31.12.2022	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	4,175	-	4,432	-
Total	4,175	-	4,432	-

11 Shares held

Class A (Accumulation)

Opening shares at 01.01.2023	600,403
Shares issued during the year	38,940
Shares cancelled during the year	(349,371)
Shares converted during the year	-
Closing shares as at 31.12.2023	289,972

Class A (Income)

Opening shares at 01.01.2023	3,186,646
Shares issued during the year	327,961
Shares cancelled during the year	(97,134)
Shares converted during the year	-
Closing shares as at 31.12.2023	3,417,473

Class F (Accumulation)

Opening shares at 01.01.2023	292,031
Shares issued during the year	73,362
Shares cancelled during the year	(207,703)
Shares converted during the year	-
Closing shares as at 31.12.2023	157,690

Class F (Income)

Opening shares at 01.01.2023	778,316
Shares issued during the year	225,788
Shares cancelled during the year	(390,548)
Shares converted during the year	-
Closing shares as at 31.12.2023	613,556

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 Contingent assets and liabilities

At 31 December 2023, the Sub-fund had no contingent liabilities or commitments.

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 29 December 2023. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 29 December 2023	Price at 25 April 2024
	GBP	GBP
Class A (Accumulation)	105.0177	105.9526
Class A (Income)	93.1593	93.0311
Class F (Accumulation)	116.9593	117.9989
Class F (Income)	94.9946	94.8641

14 Direct transaction costs

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

15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2023 is 0.01% (31 December 2022: 0.01%).

16 Related party transactions

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

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

During the year, the Sub-fund held shares in related securities which are administered by the AFM. The total income receivable from these funds totalled £11,398 in the year.

DISTRIBUTION TABLES

1st Interim distribution in pence per share

Group 1: Shares purchased prior to 01 January 2023

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

Class A (Accumulation)	Net Revenue 31.03.2023	Equalisation	Distribution 31.03.2023	Distribution 31.03.2022
Group 1	0.6210p	-	0.6210p	0.3353p
Group 2	0.6210p	-	0.6210p	0.3353p

Class A (Income)	Net Revenue 31.03.2023	Equalisation	Distribution 31.03.2022	Distribution 31.03.2022
Group 1	0.5732p	-	0.5732p	0.3209p
Group 2	0.5732p	-	0.5732p	0.3209p

Class F (Accumulation)	Net Revenue 31.03.2023	Equalisation	Distribution 31.03.2023	Distribution 31.03.2022
Group 1	0.6921p	-	0.6921p	0.3740p
Group 2	0.6921p	-	0.6921p	0.3740p

Class F (Income)	Net Revenue 31.03.2023	Equalisation	Distribution 31.03.2022	Distribution 31.03.2022
Group 1	0.5847p	-	0.5847p	0.3277p
Group 2	0.4785p	0.1062p	0.5847p	0.3277p

2nd Interim distribution in pence per share

Group 1: Shares purchased prior to 01 February 2023

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

Class A (Accumulation)	Net Revenue 28.04.2023	Equalisation	Distribution 28.04.2023	Distribution 29.04.2022
Group 1	0.1111p	-	0.1111p	0.2688p
Group 2	0.1111p	-	0.1111p	0.2688p

Class A (Income)	Net Revenue 28.04.2023	Equalisation	Distribution 28.04.2023	Distribution 29.04.2022
Group 1	0.1020p	-	0.1020p	0.2564p
Group 2	0.1020p	-	0.1020p	0.2564p

Class F (Accumulation)	Net Revenue 28.04.2023	Equalisation	Distribution 28.04.2023	Distribution 29.04.2022
Group 1	0.1239p	-	0.1239p	0.2998p
Group 2	0.1239p	-	0.1239p	0.2998p

Class F (Income)	Net Revenue 28.04.2023	Equalisation	Distribution 28.04.2023	Distribution 29.04.2022
Group 1	0.1040p	-	0.1040p	0.2618p
Group 2	0.0001p	0.1039p	0.1040p	0.2618p

DISTRIBUTION TABLES (Continued)**3rd Interim distribution in pence per share**

Group 1: Shares purchased prior to 01 March 2023

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

Class A (Accumulation)	Net Revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	0.3515p	-	0.3515p	0.2619p
Group 2	0.3515p	-	0.3515p	0.2619p

Class A (Income)	Net Revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	0.3223p	-	0.3223p	0.2492p
Group 2	-	0.3223p	0.3223p	0.2492p

Class F (Accumulation)	Net Revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	0.3919p	-	0.3919p	0.2921p
Group 2	0.3919p	-	0.3919p	0.2921p

Class F (Income)	Net Revenue 31.05.2023	Equalisation	Distribution 31.05.2023	Distribution 31.05.2022
Group 1	0.3287p	-	0.3287p	0.2544p
Group 2	0.3287p	-	0.3287p	0.2544p

4th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 April 2023

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

Class A (Accumulation)	Net Revenue 30.06.2023	Equalisation	Distribution 30.06.2023	Distribution 30.06.2022
Group 1	0.4701p	-	0.4701p	0.3038p
Group 2	0.1534p	0.3167p	0.4701p	0.3038p

Class A (Income)	Net Revenue 30.06.2023	Equalisation	Distribution 30.06.2023	Distribution 30.06.2022
Group 1	0.4296p	-	0.4296p	0.2883p
Group 2	0.4296p	-	0.4296p	0.2883p

Class F (Accumulation)	Net Revenue 30.06.2023	Equalisation	Distribution 30.06.2023	Distribution 30.06.2022
Group 1	0.5241p	-	0.5241p	0.3388p
Group 2	0.5241p	-	0.5241p	0.3388p

Class F (Income)	Net Revenue 30.06.2023	Equalisation	Distribution 30.06.2023	Distribution 30.06.2022
Group 1	0.4381p	-	0.4381p	0.2943p
Group 2	0.4381p	-	0.4381p	0.2943p

DISTRIBUTION TABLES (Continued)**5th 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 May 2023

Class A (Accumulation)	Net Revenue 31.07.2023	Equalisation	Distribution 31.07.2023	Distribution 29.07.2022
Group 1	-	-	-	0.0631p
Group 2	-	-	-	0.0631p

Class A (Income)	Net Revenue 31.07.2023	Equalisation	Distribution 31.07.2023	Distribution 29.07.2022
Group 1	-	-	-	0.0597p
Group 2	-	-	-	0.0597p

Class F (Accumulation)	Net Revenue 31.07.2023	Equalisation	Distribution 31.07.2023	Distribution 29.07.2022
Group 1	-	-	-	0.0704p
Group 2	-	-	-	0.0704p

Class F (Income)	Net Revenue 31.07.2023	Equalisation	Distribution 31.07.2023	Distribution 29.07.2022
Group 1	-	-	-	0.0610p
Group 2	-	-	-	0.0610p

6th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 June 2023

Group 2: Shares purchased on or after 01 June 2023 and on or before 30 June 2023

Class A (Accumulation)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	0.0068p	-	0.0068p	0.3166p
Group 2	0.0068p	-	0.0068p	0.3166p

Class A (Income)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	0.0294p	-	0.0294p	0.2994p
Group 2	0.0294p	-	0.0294p	0.2994p

Class F (Accumulation)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	0.0279p	-	0.0279p	0.3530p
Group 2	0.0279p	-	0.0279p	0.3530p

Class F (Income)	Net Revenue 31.08.2023	Equalisation	Distribution 31.08.2023	Distribution 31.08.2022
Group 1	0.0109p	-	0.0109p	0.3056p
Group 2	0.0109p	-	0.0109p	0.3056p

DISTRIBUTION TABLES (Continued)**7th Interim distribution in pence per share**

Group 1: Shares purchased prior to 01 July 2023

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

Class A (Accumulation)	Net revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Group 1	0.6110p	-	0.6110p	0.6244p
Group 2	0.6110p	-	0.6110p	0.6244p

Class A (Income)	Net revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Group 1	0.5554p	-	0.5554p	0.5886p
Group 2	0.5554p	-	0.5554p	0.5886p

Class F (Accumulation)	Net revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Group 1	0.6809p	-	0.6809p	0.6962p
Group 2	0.0238p	0.6571p	0.6809p	0.6962p

Class F (Income)	Net revenue 29.09.2023	Equalisation	Distribution 29.09.2023	Distribution 30.09.2022
Group 1	0.5664p	-	0.5664p	0.6007p
Group 2	0.5664p	-	0.5664p	0.6007p

8th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 August 2023

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

Class A (Accumulation)	Net revenue 31.10.2023	Equalisation	Distribution 31.10.2023	Distribution 31.10.2022
Group 1	0.6070p	-	0.6070p	0.3429p
Group 2	0.6070p	-	0.6070p	0.3429p

Class A (Income)	Net revenue 31.10.2023	Equalisation	Distribution 31.10.2023	Distribution 31.10.2022
Group 1	0.5482p	-	0.5482p	0.3212p
Group 2	0.5482p	-	0.5482p	0.3212p

Class F (Accumulation)	Net revenue 31.10.2023	Equalisation	Distribution 31.10.2023	Distribution 31.10.2022
Group 1	0.6761p	-	0.6761p	0.3823p
Group 2	0.1597p	0.5164p	0.6761p	0.3823p

Class F (Income)	Net revenue 31.10.2023	Equalisation	Distribution 31.10.2023	Distribution 31.10.2022
Group 1	0.5590p	-	0.5590p	0.3278p
Group 2	0.0502p	0.5088p	0.5590p	0.3278p

DISTRIBUTION TABLES (Continued)
9th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 September 2023

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

Class A (Accumulation)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	0.3057p	-	0.3057p	0.3214p
Group 2	0.3057p	-	0.3057p	0.3214p

Class A (Income)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	0.2744p	-	0.2744p	0.3000p
Group 2	0.2744p	-	0.2744p	0.3000p

Class F (Accumulation)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	0.3405p	-	0.3405p	0.3582p
Group 2	0.0630p	0.2775p	0.3405p	0.3582p

Class F (Income)	Net revenue 30.11.2023	Equalisation	Distribution 30.11.2023	Distribution 30.11.2022
Group 1	0.2798p	-	0.2798p	0.3061p
Group 2	0.0511p	0.2287p	0.2798p	0.3061p

10th Interim distribution in pence per share

Group 1: Shares purchased prior to 01 October 2023

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

Class A (Accumulation)	Net revenue 29.12.2023	Equalisation	Distribution 29.12.2023	Distribution 30.12.2022
Group 1	0.3702p	-	0.3702p	0.3451p
Group 2	0.3702p	-	0.3702p	0.3451p

Class A (Income)	Net revenue 29.12.2023	Equalisation	Distribution 29.12.2023	Distribution 30.12.2022
Group 1	0.3313p	-	0.3313p	0.3211p
Group 2	0.0153p	0.3160p	0.3313p	0.3211p

Class F (Accumulation)	Net revenue 29.12.2023	Equalisation	Distribution 29.12.2023	Distribution 30.12.2022
Group 1	0.4123p	-	0.4123p	0.3846p
Group 2	0.0141p	0.3982p	0.4123p	0.3846p

Class F (Income)	Net revenue 29.12.2023	Equalisation	Distribution 29.12.2023	Distribution 30.12.2022
Group 1	0.3378p	-	0.3378p	0.3274p
Group 2	0.0363p	0.3015p	0.3378p	0.3274p

DISTRIBUTION TABLES (Continued)**11th Interim distribution in pence per share**

Group 1: Shares purchased prior to 01 November 2023

Group 2: Shares purchased on or after 01 November 2023 and on or before 30 November 2023

Class A (Accumulation)	Net revenue 31.01.2024	Equalisation	Distribution 31.01.2024	Distribution 31.01.2023
Group 1	0.2527p	-	0.2527p	0.1906p
Group 2	0.2527p	-	0.2527p	0.1906p

Class A (Income)	Net revenue 31.01.2024	Equalisation	Distribution 31.01.2024	Distribution 31.01.2023
Group 1	0.2253p	-	0.2253p	0.1767p
Group 2	0.2253p	-	0.2253p	0.1767p

Class F (Accumulation)	Net revenue 31.01.2024	Equalisation	Distribution 31.01.2024	Distribution 31.01.2023
Group 1	0.2815p	-	0.2815p	0.2124p
Group 2	0.1409p	0.1406p	0.2815p	0.2124p

Class F (Income)	Net revenue 31.01.2024	Equalisation	Distribution 31.01.2024	Distribution 31.01.2023
Group 1	0.2297p	-	0.2297p	0.1803p
Group 2	0.0873p	0.1424p	0.2297p	0.1803p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 December 2023

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

Class A (Accumulation)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	0.2346p	-	0.2346p	0.2634p
Group 2	0.2346p	-	0.2346p	0.2634p

Class A (Income)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	0.2085p	-	0.2085p	0.2438p
Group 2	0.2085p	-	0.2085p	0.2438p

Class F (Accumulation)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	0.2612p	-	0.2612p	0.2936p
Group 2	0.0448p	0.2164p	0.2612p	0.2936p

Class F (Income)	Net revenue 29.02.2024	Equalisation	Distribution 29.02.2024	Distribution 28.02.2023
Group 1	0.2127p	-	0.2127p	0.2487p
Group 2	0.0533p	0.1594p	0.2127p	0.2487p

Information for corporate shareholders

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

- i) 33.34% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 66.66% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

INFORMATION FOR INVESTORS

Taxation

The Company will pay corporation tax on its profits for the year ended 31 December 2023. Capital gains within the Company will not be taxed.

Individual shareholders

Income tax: Tax-free annual dividend allowance now standing at £1,000 (2023/2024). UK resident shareholders are 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 (2023/2024) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Corporate shareholders

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

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

Issue and redemption of shares

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

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

The AFM has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the AFM will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the AFM may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined.

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.

Assessment of Value

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

INFORMATION FOR INVESTORS (Continued)

Remuneration

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

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

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

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

28.05.2023	Number of Beneficiaries	Fixed Remuneration	Variable Remuneration Paid	Total Remuneration Paid
Total remuneration paid by the AFM during the year	86	£3,462,948	£ nil	£3,462,948
Remuneration paid to employees of the AFM who have a material impact on the risk profile of the UK UCITS	18	£1,043,732	£ nil	£1,043,732
Senior Management	14	£779,584	£ nil	£779,584
Control Functions	4	£264,148	£ nil	£264,148
Employees receiving total remuneration that takes them into the same remuneration brackets as senior management and risk takers	0	£ -	£ nil	£ -

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

CORPORATE DIRECTORY

Authorised Fund Manager & Registrar	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: Blackfinch@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Director	Valu-Trac Investment Management Limited as AFM
Investment Manager	Blackfinch Investments Limited 1350-1360 Montpellier Court Brockworth Gloucester GL3 4AH
Depository	NatWest Trustee and Depository Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ Authorised and regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE