

## **VT DOWNING FOX FUNDS ICVC**

**(Sub-funds VT Downing Fox 40% Equity, VT Downing Fox 60% Equity, VT Downing Fox 80% Equity and VT Downing Fox 100% Equity)**

**Interim Report and Financial Statements (Unaudited)  
For the period 27 June 2023 to 31 December 2023**

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## COMPANY OVERVIEW

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### **Type of Company**

VT Downing Fox Sub-funds ICVC (the "Company") is an investment company with variable capital incorporated in England and Wales under the OEIC Regulations with registered number IC154903 and authorised by the Financial Conduct Authority (PRN:997031) pursuant to an authorisation order dated 30 May 2023. The Company has an unlimited duration.

The Company is a non-UCITS retail scheme and is an umbrella company (as defined in the OEIC Regulations).

Shareholders are not liable for the debts of the Company.

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

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

- > comply with the Prospectus, the Statement of Recommended Practice for Authorised Sub-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; and
- > prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

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

## DIRECTOR'S STATEMENT

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

David E. Smith CA

Valu-Trac Investment Management Limited  
Authorised Fund Manager

Date

## ACCOUNTING POLICIES

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### For the period ended 31 December 2023

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

- (a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Sub-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.
- (d) Distributions on collective investment schemes and exchange traded funds are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. Rebates from the investment manager are recognised on an accruals basis. Excess Reportable Income is recognised once reported by the relevant funds. Equalisation on distributions from collectives is treated as capital. All equalisation on distributions from collectives is then reallocated to revenue, for distribution purposes.
- (e) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 12 noon on 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 the closing valuation point on 29 December 2023.
- (g) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.  
  
Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (h) The Sub-funds operates a dilution adjustment also known as swing pricing. This means that the daily price of the Sub-fund is swung up or down, depending on whether there are net inflows or outflows respectively. This means that the costs of transactions in the underlying investments of the Sub-funds are borne by those entering or exiting, rather than affecting the returns of existing unitholders. The dilution adjustment will be calculated by reference to the costs of dealing in the underlying investments of that Sub-funds, including any dealing spreads, and these can vary with market conditions. The AFM estimates that the estimated range of this adjustment will typically fall in the range of 0.00% to 0.50% when buying or selling units.
- (i) The Sub-funds currently issue Accumulation shares. The Sub-funds go ex dividend semi-annually and pay any income available to the shareholders two months in arrears, as a dividend distribution. Any revenue deficit at the year end is Sub-funded from capital.

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

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

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

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Downing Fox 40% Equity
<b>Size of Sub-fund</b>	£2,872,954
<b>Launch date</b>	27 June 2023
<b>Investment objective and policy</b>	<p>The investment objective of the Sub-fund is to achieve capital growth over the medium to long term (five years and over).</p> <p>The Sub-fund will seek to achieve its objective by actively selecting and investing approximately 40% of its portfolio in a range of actively-managed OEICS, Unit Trusts, and other collective investment vehicles (including Exchange Traded Funds and which may include Sub-funds managed by the AFM or Investment Manager) providing exposure to a globally-diversified range of equities. The Sub-funds held in this part of the Sub-fund's portfolio will be managed by a carefully selected range of active investment managers. As a global portfolio, this part of the Sub-fund will hold sterling and non-sterling assets. The UK will generally form one of the largest single country exposures, representing up to 30% of this portion of the portfolio.</p> <p>The other 60% of the Sub-fund will be invested in a combination of cash, money-market instruments and government bonds, and (particularly during the early stages of the Sub-fund's growth<sup>1</sup>) in collective investment vehicles (which may be actively or passively managed) that provide exposure (indirectly) to cash, money-market instruments and/or government bonds. There may also be incidental exposure other fixed income instruments, such as corporate bonds.</p> <p>The mix between cash, money market instruments and fixed income instruments is not fixed. This means that there may be times where a large portion of the Sub-fund is held in money market instruments, cash or cash equivalents, however the Sub-fund will not hold more than 20% in direct cash investments.</p> <p>This (non-equity) part of the Sub-fund will be actively managed with the aim of reducing the volatility of the overall Sub-fund, with the underlying exposure to different instruments and vehicles varying based on the Investment Manager's assessment of wider market conditions and which investments will best assist in the objective of the Sub-fund being achieved. This part of the Sub-fund will be exposed to both sterling and non-sterling currencies. Save as noted above, 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> <p>Through its investments in these Sub-funds and instruments noted above, the Sub-fund will have a medium exposure to lower risk asset classes, such as fixed income securities (bonds) and cash equivalents, whilst having some exposure to equities via collective schemes.</p> <p>This is expected to be until the Sub-fund reaches approximately £100m in size.</p>
<b>Temporary Investment Measures</b>	<p>The Sub-fund may temporarily depart from this investment policy in response to the Investment Manager's perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Manager deems it necessary, the Sub-fund may adjust the stated percentage limits with a view to avoiding losses.</p>

## SUB-FUND OVERVIEW (continued)

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**Performance Comparator:** The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.

However, many Funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare Funds with broadly similar characteristics.

In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA Mixed Investment 20% to 60% Shares Sector, which serves as a method of comparing the Sub-fund's performance with other Funds which have broadly similar characteristics. For the avoidance of doubt, the Investment Manager is not bound or influenced by any sector when making its decisions.

**Derivatives** Derivatives will not be used by the Sub-fund. However, the Sub-fund may invest in other collective investment schemes which may themselves use derivatives for EPM or investment purposes.

**Annual accounting date** 30 June (first one being 30 June 2024)

**Interim accounting date** 31 December

**Annual income allocation date** By 31 August (first one being 31 August 2024)

**Interim income allocation dates** By last day of February

**Share classes:** Class A (Income\*, Accumulation)  
Class F (Income\*, Accumulation)\*\*

\*Share classes inactive as at 31 December 2023.

\*\*The F share class will be available to those who invest in the early stages of the Company when AUM across the Downing Fox Fund range is less than £200m, after this point eligibility will only be for existing investors.

### Minimum investment\*

**Lump sum subscription:** Class A: £1,000  
Class F: £5,000,000

**Top-up:** Class A: £100  
Class F: £1,000

**Holding:** Class A: £1,000  
Class F: £5,000,000

**Initial, redemption and switching charges\*\*\*:** Nil

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

**ISA Eligible** Yes

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

## SUB-FUND OVERVIEW (continued)

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### Annual management charges

The annual management charges are £57,257<sup>^</sup> per annum plus

- (A)** A variable fee based on the Net Asset Value of the Sub-fund (plus VAT if applicable) as follows:
- On sums up to £100 million – 1.5 bps (0.015%) per annum
  - On sums between £100 million and £250 million – 0.75 bps (0.0075%) per annum
  - On sums between £250 million and £500 million – 0.5 bps (0.005%) per annum; and
  - and on all sums thereafter – 0.25 bps (0.0025%) per annum.

PLUS

- (B)** A variable fee depending on the share class as follows:
- Class A – 0.20% per annum
  - Class F – 0.16% per annum

The above percentages being a percentage of the Net Asset Value of the Sub-fund attributable to the relevant Class (plus VAT if applicable).

<sup>^</sup>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 April each year (from 1 April 2024). In the event of negative inflation, this fee will remain unchanged. For the first year from launch (i.e. until 27 June 2024) the fixed element of the fee shall be at a reduced rate of £35,149.74 (but then will revert to the fee noted, plus CPI).

### Ongoing charges

The Investment Manager aims to ensure that ongoing charges are maintained at or below a particular level.

In order to achieve such objective, the Investment Manager has, with the agreement of the AFM, undertaken that if the total OCF (as calculated at the end of the relevant accounting period) exceeds 0.40% in the case of the Class A shares or 0.36% in the case of Class F shares, the Investment Manager shall reimburse the Sub-fund for an amount which, when deducted from the operating costs incurred by the Sub-fund during the relevant accounting period, would result in the total OCF being equal to 0.40% in the case of the Class A shares or 0.36% in the case of Class F shares in the relevant accounting period.



## INVESTMENT MANAGER'S REVIEW

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The Fund produced a return of 4.4% over the six-month reporting period, as compared to the IA Mixed Investment 20-60% Shares Sector Average's return of 6.1%.

We launched the four VT Downing Fox funds on 27 June 2023. You can see the official objectives within this report and the prospectus, but informally our mission is to give you the long-term returns generated by exceptional active fund managers (by "active" we mean the shares held in their funds are selected by expert humans, rather than automatically mimicking those held by the market, a.k.a. "passive").

So our job is to find these fund managers and secure their services for you at a reasonable fee.

But it doesn't stop there. We know how hard it can be to stay invested in a good active fund. In fact, there is perhaps no bigger barrier standing between fund holders and a reasonable investment outcome, as the market has a knack for panicking them out of, or tempting them into, perfectly good funds at a perfectly bad moment.

This is why we work hard to make the journey bearable. Within this fund - the 40% equity version - that means two things.

Firstly, within the 40% part, it means striking a good balance between different types of fund managers. If we had all 'growth' managers and no 'value', for example, it might look great while the growth style is winning, but dire when it isn't. This makes the journey uncomfortable and heightens the risk of you giving up at an inopportune moment.

Secondly, it means trying to ensure the 60% held in non-equities dilutes the equity performance in a market downturn. To this end, unlike many of our peers, we only hold cash and government bonds alongside equities, and no other 'alternatives'. Some might think this is too cautious, but that 60% is there for a reason, and we're serious about it doing its job when needed.

One thing we are not doing is fiddling around with the Fund's exposure to equities. It will always be as close to 40% as we can reasonably manage, because we believe that 'time in the market beats timing the market'. In fact, the fund name itself is a way of lashing ourselves to the mast, lest the siren song of market timing tempt us into its casino.

This is why, when the Fund launched, we got it invested in our selection of ready-picked equity funds as quickly as possible (we have advised another fund – the VT Johnston Cautious Portfolio – on a near-identical basis since April 2022, so the portfolio was already established by the launch of the Downing Fox version).

However, on launch day, Murphy's Law stepped in. The technicalities of launching funds that hold other funds (funds of funds) means that the initial money enters our fund on day one, but cannot buy the underlying funds until day two.

Day one, naturally, turned out to be one of the year's strongest up days for global equities (the average global equity fund rose by 1.2%) due to some unexpectedly good news about inflation. This boosted stock markets and our sector average (against which we're compared) but not our newborn funds, as they were unable to invest until day two.

This gave our competitors a significant head start. If you're comparing us to our sector average (which is also our benchmark) it is by far the biggest driver of relative performance so far. This is something about which we're deeply irritated.

Cruel fate aside, we're pleased with how the portfolio has performed, despite being closer to average than we'd expect to be over the long term.

Why?

In short; 'The Magnificent Seven'. This describes the world's seven largest companies, which are all US tech-related firms (Microsoft, Apple, Alphabet, Amazon, Meta, Nvidia and Tesla).

As the name implies, their performance last year was "magnificent". Partly because they were rebounding from a drubbing in 2022, but also because the world became excited about AI (artificial intelligence), from which these companies will – supposedly – be big winners.

Our own funds work by allowing our chosen fund managers to pick the stocks they think are great investments. These then – collectively – make up your portfolio. They had a modest exposure to some of these companies, but nowhere near as much as our competitors do. This weighed on our relative performance.

## INVESTMENT MANAGER'S REVIEW (Continued)

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We are comfortable with this. If a collection of 34 expert fund managers believe there are better opportunities elsewhere, then we should listen. It's literally what we pay them for. None of them, for the record, suggest those seven companies aren't in some way "magnificent", they instead have an issue with them being too expensive. 1999 all over again? We shall see.

The other thing to note with this fund that doesn't apply to its three siblings, is that we believe this one is always likely to have a lower weighting to equities than its sector average. So in periods like November and December, in which markets rallied hard, it is likely to rise less quickly than its sector average (and our 60% equity fund, which sits in the same sector). The quid pro quo is that we expect it to fall less quickly when markets are falling. The choice sits with you.

Downing LLP  
Investment Manager to the Fund  
15 February 2024

## PERFORMANCE RECORD

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### Financial Highlights

	<b>Period 27 June 2023 to 31 December 2023<sup>^</sup></b>
<b>Class A (Accumulation)</b>	
Changes in net assets per share	GBp
Opening net asset value per share	100.0000
Return before operating charges	4.6272
Operating charges (note 1)	(0.2095)
Return after operating charges *	4.4177
Closing net asset value per share**	104.4177
Retained distributions on accumulated shares	0.9405
*after direct transactions costs of:	-
**after dilution adjustment of:	0.00%
Performance	
Return after charges	4.42%
Other information	
Closing net asset value	£52,261
Closing number of shares	50,050
Operating charges (note 2)	0.40%
Direct transaction costs	0.00%
Prices	
Highest share price	104.4361
Lowest share price	98.3514

<sup>^</sup>Share class launched 27 June 2023.

	<b>Period 27 June 2023 to 31 December 2023<sup>^</sup></b>
<b>Class F (Accumulation)</b>	
Changes in net assets per share	GBp
Opening net asset value per share	100.0000
Return before operating charges	4.6282
Operating charges (note 1)	(0.1875)
Return after operating charges *	4.4407
Closing net asset value per share**	104.4407
Retained distributions on accumulated shares	0.9628
*after direct transactions costs of:	-
**after dilution adjustment of:	0.00%
Performance	
Return after charges	4.44%
Other information	
Closing net asset value	£2,821,083
Closing number of shares	2,701,133
Operating charges (note 2)	0.36%
Direct transaction costs	0.00%
Prices	
Highest share price	104.4591
Lowest share price	98.3579

<sup>^</sup>Share class launched 27 June 2023.

## PERFORMANCE RECORD (Continued)

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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 ongoing charges figure 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. The Sub-fund is ranked 4 because simulated monthly historical performance data indicates that average rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 31 December 2023

Holding	Value £	% of net assets
<b>Collective Investment Schemes</b>		
3,034 Aikya Global Emerging Markets	32,800	1.14%
38,142 Allianz UK Listed Opportunities	38,813	1.35%
145 Berenberg Europe ex UK Focus	11,476	0.40%
19,176 BNY Mellon Global Infrastructure	21,901	0.76%
965 CC Indian Subcontinent Fund	11,241	0.39%
2,291 Cobas LUX SICAV - Palm Harbour Global Value Fund	29,841	1.04%
377 First Eagle US Small Cap Opportunity Fund	30,395	1.06%
103 GIB AM Emerging Markets Active Engagement	10,767	0.37%
344 HC Snyder US All Cap Equity Fund	41,148	1.43%
54 Kempen (Lux) Global Value Fund	57,538	2.00%
16,397 Kennox Strategic Value	28,875	1.01%
43,961 Latitude Global Fund	44,994	1.57%
90 Lazard Global Equity Franchise	23,280	0.81%
55,437 WS Gresham House UK Smaller Companies	53,408	1.86%
52,204 WS Havelock Global Select	62,233	2.17%
14,920 WS Lightman European	22,743	0.79%
14,628 WS Montanaro European Income Fund	17,665	0.61%
19,983 Liontrust Global Dividend	58,983	2.05%
1,113 Ninety One Global Sustainable Equity	40,375	1.41%
2,984 Pacific North American Opportunities	29,532	1.03%
499 Ranmore Global Equity	58,156	2.02%
3,564 Rathbone UK Opportunities	24,327	0.85%
7,398 Sanlam Global Artificial Intelligence Fund	22,513	0.78%
273 Sephira Global Emerging Markets	22,679	0.79%
2,695 Spyglass US Growth	33,384	1.16%
5,142 Stewart Investors European (ex UK) Sustainability Fund	5,440	0.19%
54,851 TB Evenlode Global Equity	80,056	2.79%
47,003 TB Whitman UK Small Cap Growth Fund	48,352	1.68%
229 Thornbridge Nissay Japan Contrarian Value Equity Fund	23,282	0.81%
2,773 UBS (Irl) Select Money Market Fund	301,434	10.49%
27,769 VT Cape Wrath UK Focus^	38,915	1.35%
32,089 VT Castlebay UK Equity^	57,632	2.01%
4,856 Wellington Global Stewards Fund	58,019	2.02%
161 Zennor Japan Fund	22,609	0.79%
	<b>1,464,806</b>	<b>50.98%</b>
<b>Exchange Traded Funds</b>		
5,120 Invesco US Treasury Bond UCITS ETF	148,394	5.17%
1,110 Invesco UK Gilt 1-5 Year UCITS ETF	41,459	1.44%
20,230 iShares Core UK Gilts UCITS ETF	213,983	7.45%
2,300 iShares UK Gilts 0-5yr UCITS ETF	296,493	10.32%
10,360 Vanguard U.K. Gilt UCITS ETF	213,779	7.44%
7,515 Vanguard USD Treasury Bond UCITS ETF	149,864	5.22%
	<b>1,063,972</b>	<b>37.04%</b>
<b>Portfolio of investments</b>	<b>2,528,778</b>	<b>88.02%</b>
<b>Net other assets</b>	<b>344,176</b>	<b>11.98%</b>
	<b>2,872,954</b>	<b>100.00%</b>

^related security due to the AFM of the company also being the AFM of this holding.

The Sub-fund was launched on 27 June 2023, hence there are no comparatives.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

<b>Purchases</b>	<b>£</b>
Invesco US Treasury Bond UCITS ETF	147,965
iShares Core UK Gilts UCITS ETF	207,103
iShares UK Gilts 0-5yr UCITS ETF	287,803
TB Evenlode Global Equity	78,980
UBS (Irl) Select Money Market Fund	333,480
Vanguard U.K. Gilt UCITS ETF	203,184
Vanguard USD Treasury Bond UCITS ETF	147,463
VT Castlebay UK Equity	56,300
Wellington Global Stewards Fund	79,610
WS Havelock Global Select	60,040
Other purchases	922,644
<b>Total purchases for the period</b>	<b>2,524,572</b>

  

<b>Sales</b>	<b>£</b>
Allianz UK Listed Opportunities	3,000
HC Snyder US All Cap Equity Fund	4,340
iShares Core UK Gilts UCITS ETF	4,802
Kennox Strategic Value	1,190
LF Havelock Global Select I Acc	3,720
Liontrust GF International Equity Fund	22,408
TB Evenlode Global Equity	3,040
UBS (Irl) Select Money Market Fund	36,000
Vanguard U.K. Gilt UCITS ETF	6,255
Wellington Global Stewards Fund	27,080
Other sales	3,579
<b>Total sales for the period</b>	<b>115,414</b>

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

## STATEMENT OF TOTAL RETURN

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For the period	27 June 2023 to 31 December 2023	
	£	£
Income		
Net capital gains		111,154
Revenue	46,102	
Expenses	(34,696)	
Interest payable and similar charges	<u>(21)</u>	
Net revenue before taxation	11,385	
Taxation	<u>-</u>	
Net revenue after taxation		<u>11,385</u>
Total return before distributions		122,539
Finance costs: distributions		<u>(12,032)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u><b>110,507</b></u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the period

	27 June 2023 to 31 December 2023 £
<b>Opening net assets attributable to shareholders</b>	-
Amounts receivable on creation of shares	2,759,162
Amounts payable on cancellation of shares	(23,191)
Dividend reinvested	26,476
Changes in net assets attributable to shareholders from investment activities (see above)	<u>110,507</u>
<b>Closing net assets attributable to shareholders</b>	<u><b>2,872,954</b></u>

The Sub-fund was launched on 27 June 2023, hence there are no comparatives.

## BALANCE SHEET

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As at	31.12.2023	
	£	£
<b>ASSETS</b>		
Investment assets		2,528,778
<b>Current assets</b>		
Debtors	39,807	
Cash and bank balances	<u>320,340</u>	
<b>Total current assets</b>		<u>360,147</u>
<b>Total assets</b>		2,888,925
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Creditors	<u>(15,971)</u>	
<b>Total current liabilities</b>		<u>(15,971)</u>
<b>Net assets attributable to shareholders</b>		<u>2,872,954</u>

The Sub-fund was launched on 27 June 2023, hence there are no comparatives.



## DISTRIBUTION TABLES

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### Interim distribution in pence per share

Group 1: Shares purchased prior to 27 June 2023\*

Group 2 : Shares purchased on or after 27 June 2023 and on or before 31 December 2023

<b>Class A (Accumulation)</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>
Group 1	0.9405p	-	0.9405p
Group 2	0.7005p	0.2400p	0.9405p

<b>Class F (Accumulation)</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>
Group 1	0.9628p	-	0.9628p
Group 2	0.4145p	0.5483p	0.9628p

\* Units bought in offer period prior to fund launch.

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Downing Fox 60% Equity
<b>Size of Sub-fund</b>	£4,051,905
<b>Launch date</b>	27 June 2023
<b>Investment objective and policy</b>	The investment objective of the Sub-fund is to achieve capital growth over the medium to long term (five years and over).

The Sub-fund will seek to achieve its objective by actively selecting and investing approximately 60% of its portfolio in a range of actively managed OEICS, Unit Trusts, and other collective investment vehicles (including Exchange Traded Funds and which may include Sub-funds managed by the AFM or Investment Manager) providing exposure to a globally diversified range of equities. The Sub-funds held in this part of the Sub-fund's portfolio will be managed by a carefully selected range of active investment managers. As a global portfolio, this part of the Sub-fund will hold sterling and non-sterling assets. The UK will generally form one of the largest single country exposures, representing up to 30% of this portion of the portfolio.

The remaining 40% of the Sub-fund will be invested in a combination of cash, money-market instruments and government bonds and (particularly during the early stages of the Sub-fund's growth<sup>1</sup>) in collective investment vehicles (which may be actively or passively managed) that provide exposure (indirectly) to cash, money-market instruments and/or government bonds. There may also be incidental exposure other fixed income instruments, such as corporate bonds.

The mix between cash, money market instruments and fixed income instruments is not fixed. This means that there may be times where a large portion of the Sub-fund is held in money market instruments, cash or cash equivalents, however the Sub-fund will not hold more than 20% in direct cash investments.

This (non-equity) part of the Sub-fund will be actively managed with the aim of reducing the volatility of the overall Sub-fund, with the underlying exposure to different instruments and vehicles varying based on the Investment Manager's assessment of wider market conditions and which investments will best assist in the objective of the Sub-fund being achieved. This part of the Sub-fund will be exposed to both sterling and non-sterling currencies. Save as noted above, the Sub-fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required.

Through its investments in these Sub-funds and instruments noted above, the Sub-fund will have a medium exposure to lower risk asset classes, such as fixed income securities (bonds) and cash equivalents, whilst having some exposure to equities via collective schemes.

<sup>1</sup> This is expected to be until the Sub-fund reaches approximately £100m in size.

<b>Temporary Investment Measures</b>	The Sub-fund may temporarily depart from this investment policy in response to the Investment Manager's perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Manager deems it necessary, the Sub-fund may adjust the stated percentage limits with a view to avoiding losses.
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## SUB-FUND OVERVIEW (continued)

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**Performance Comparator:** The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.

However, many Funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare Funds with broadly similar characteristics.

In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA Mixed Investment 20% to 60% Shares Sector, which serves as a method of comparing the Sub-fund's performance with other Funds which have broadly similar characteristics. For the avoidance of doubt, the Investment Manager is not bound or influenced by any sector when making its decisions.

**Derivatives** Derivatives will not be used by the Sub-fund. However, the Sub-fund may invest in other collective investment schemes which may themselves use derivatives for EPM or investment purposes.

**Annual accounting date** 30 June (first one being 30 June 2024)

**Interim accounting date** 31 December

**Annual income allocation date** By 31 August (first one being 30 August 2024)

**Interim income allocation dates** By last day of February

**Share classes:** Class A (Income\*, Accumulation)  
Class F (Income\*, Accumulation)\*\*

\*Share classes inactive as at 31 December 2023.

\*\*The F share class will be available to those who invest in the early stages of the Company when AUM across the Downing Fox Fund range is less than £200m, after this point eligibility will only be for existing investors.

### Minimum investment\*

**Lump sum subscription:** Class A: £1,000  
Class F: £5,000,000

**Top-up:** Class A: £100  
Class F: £1,000

**Holding:** Class A: £1,000  
Class F: £5,000,000

**Initial, redemption and switching charges\*\*\*:** Nil

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

**ISA Eligible** Yes

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

## SUB-FUND OVERVIEW (continued)

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### Annual management charges

The annual management charges are £57,257<sup>^</sup> per annum plus

- (A) A variable fee based on the Net Asset Value of the Sub-fund (plus VAT if applicable) as follows:
- On sums up to £100 million – 1.5 bps (0.015%) per annum
  - On sums between £100 million and £250 million – 0.75 bps (0.0075%) per annum
  - On sums between £250 million and £500 million – 0.5 bps (0.005%) per annum; and
  - and on all sums thereafter – 0.25 bps (0.0025%) per annum.

PLUS

- (B) A variable fee depending on the share class as follows:
- Class A – 0.30% per annum
  - Class F – 0.24% per annum

The above percentages being a percentage of the Net Asset Value of the Sub-fund attributable to the relevant Class (plus VAT if applicable).

<sup>^</sup>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 April each year (from 1 April 2024)). In the event of negative inflation, this fee will remain unchanged. For the first year from launch (i.e. until 27 June 2024) the fixed element of the fee shall be at a reduced rate of £35,149.74 (but then will revert to the fee noted, plus CPI).

### Ongoing charges

The Investment Manager aims to ensure that ongoing charges are maintained at or below a particular level.

In order to achieve such objective, the Investment Manager has, with the agreement of the AFM, undertaken that if the total OCF (as calculated at the end of the relevant accounting period) exceeds 0.60% in the case of the Class A shares or 0.54% in the case of Class F shares, the Investment Manager shall reimburse the Sub-fund for an amount which, when deducted from the operating costs incurred by the Sub-fund during the relevant accounting period, would result in the total OCF being equal to 0.60% in the case of the Class A shares or 0.54% in the case of Class F shares in the relevant accounting period.

## INVESTMENT MANAGER'S REVIEW

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The Fund produced a return of 5.3% over the six-month reporting period, as compared to the IA Mixed Investment 20-60% Shares Sector Average's return of 6.1%.

We launched the four VT Downing Fox Funds on 27 June 2023. You can see the official objectives within this report and the prospectus, but informally our mission is to give you the long-term returns generated by exceptional active fund managers (by "active" we mean the shares held in their funds are selected by expert humans, rather than automatically mimicking those held by the market, a.k.a. "passive").

So our job is to find these fund managers and secure their services for you at a reasonable fee.

But it doesn't stop there. We know how hard it can be to stay invested in a good active fund. In fact, there is perhaps no bigger barrier standing between fund holders and a reasonable investment outcome, as the market has a knack for panicking them out of, or tempting them into, perfectly good funds at a perfectly bad moment.

This is why we work hard to make the journey bearable. Within this fund - the 60% equity version - that means two things.

Firstly, within the 60% part, it means striking a good balance between different types of fund managers. If we had all 'growth' managers and no 'value', for example, it might look great while the growth style is winning, but dire when it isn't. This makes the journey uncomfortable and heightens the risk of you giving up at an inopportune moment.

Secondly, it means trying to ensure the 40% held in non-equities dilutes the equity performance in a market downturn. To this end, unlike many of our peers, we only hold cash and government bonds alongside equities, and no other 'alternatives'. Some might think this is too cautious, but that 40% is there for a reason, and we're serious about it doing its job when needed.

One thing we are not doing is fiddling around with the Fund's exposure to equities. It will always be as close to 60% as we can reasonably manage, because we believe that 'time in the market beats timing the market'. In fact, the fund name itself is a way of lashing ourselves to the mast, lest the siren song of market timing tempt us into its casino.

This is why, when the Fund launched, we got it invested in our selection of ready-picked equity funds as quickly as possible (we have been advising a couple of white-labelled funds – the VT Johnston Portfolios – on a near-identical basis since April 2022, so the portfolios were already well established by the launch of the Downing Fox versions).

However, on launch day, Murphy's Law stepped in. The technicalities of launching funds that hold other funds (funds of funds) means that the initial money enters our fund on day one, but cannot buy the underlying funds until day two.

Day one, naturally, turned out to be one of the year's strongest up days for global equities (the average global equity fund rose by 1.2%) due to some unexpectedly good news about inflation. This boosted stock markets and our sector average (against which we're compared) but not our newborn funds, as they were unable to invest until day two.

This gave our competitors a significant head start. If you're comparing us to our sector average (which is also our benchmark) it is by far the biggest driver of relative performance so far. This is something about which we're deeply irritated.

Cruel fate aside, we're pleased with how the portfolio has performed, despite being closer to average than we'd expect to be over the long term.

Why?

In short; 'The Magnificent Seven'. This describes the world's seven largest companies, which are all US tech-related firms (Microsoft, Apple, Alphabet, Amazon, Meta, Nvidia and Tesla).

As the name implies, their performance last year was "magnificent". Partly because they were rebounding from a drubbing in 2022, but also because the world became excited about AI (artificial intelligence), from which these companies will – supposedly – be big winners.

## INVESTMENT MANAGER'S REVIEW (Continued)

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Our own funds work by allowing our chosen fund managers to pick the stocks they think are great investments. These then – collectively – make up your portfolio. They had a modest exposure to some of these companies, but nowhere near as much as our competitors do. This weighed on our relative performance.

We are comfortable with this. If a collection of 34 expert fund managers believe there are better opportunities elsewhere, then we should listen. It's literally what we pay them for. None of them, for the record, suggest those seven companies aren't in some way "magnificent", they instead have an issue with them being too expensive. 1999 all over again? We shall see.

Downing LLP  
Investment Manager to the Fund  
15 February 2024

## PERFORMANCE RECORD

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### Financial Highlights

	<b>Period 27 June 2023 to 31 December 2023<sup>^</sup></b>
<b>Class A (Accumulation)</b>	
Changes in net assets per share	GBp
Opening net asset value per share	<u>100.0000</u>
Return before operating charges	5.5954
Operating charges (note 1)	<u>(0.3155)</u>
Return after operating charges *	5.2799
	<u>105.2799</u>
Closing net asset value per share**	<u>105.2799</u>
Retained distributions on accumulated shares	0.7829
	-
*after direct transactions costs of:	-
**after dilution adjustment of:	0.00%
Performance	
Return after charges	5.28%
Other information	
Closing net asset value	£434,820
Closing number of shares	413,013
Operating charges (note 2)	0.60%
Direct transaction costs	0.00%
Prices	
Highest share price	105.2799
Lowest share price	97.8569

<sup>^</sup>Share class launched 27 June 2023.

	<b>Period 27 June 2023 to 31 December 2023<sup>^</sup></b>
<b>Class F (Accumulation)</b>	
Changes in net assets per share	GBp
Opening net asset value per share	<u>100.0000</u>
Return before operating charges	5.5930
Operating charges (note 1)	<u>(0.2825)</u>
Return after operating charges *	5.3105
	<u>105.3105</u>
Closing net asset value per share**	<u>105.3105</u>
Retained distributions on accumulated shares	0.8122
	-
*after direct transactions costs of:	-
**after dilution adjustment of:	0.00%
Performance	
Return after charges	5.31%
Other information	
Closing net asset value	£3,617,455
Closing number of shares	3,435,038
Operating charges (note 2)	0.54%
Direct transaction costs	0.00%
Prices	
Highest share price	105.3105
Lowest share price	97.8776

<sup>^</sup>Share class launched 27 June 2023.

## PERFORMANCE RECORD (Continued)

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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 ongoing charges figure 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. The Sub-fund is ranked 4 because simulated monthly historical performance data indicates that average rises and falls in market prices would have occurred historically.



## PORTFOLIO STATEMENT

As at 31 December 2023

Holding	Value £	% of net assets
<b>Collective Investment Schemes</b>		
6,657 Aikya Global Emerging Markets	71,952	1.78%
77,850 Allianz UK Listed Opportunities	79,221	1.96%
298 Berenberg Europe ex UK Focus	23,525	0.58%
42,781 BNY Mellon Global Infrastructure	48,861	1.21%
2,113 CC Indian Subcontinent Fund	24,611	0.61%
4,692 Cobas LUX SICAV - Palm Harbour Global Value Fund	61,108	1.51%
755 First Eagle US Small Cap Opportunity Fund	60,788	1.50%
236 GIB AM Emerging Markets Active Engagement	24,609	0.61%
719 HC Snyder US All Cap Equity Fund	85,923	2.12%
114 Kempen (Lux) Global Value Fund	121,804	3.01%
34,795 Kennox Strategic Value	61,274	1.51%
95,488 Latitude Global Fund	97,732	2.41%
189 Lazard Global Equity Franchise	48,887	1.21%
114,467 WS Gresham House UK Smaller Companies	110,278	2.72%
108,316 WS Havelock Global Select	129,124	3.19%
32,192 WS Lightman European	49,070	1.21%
30,711 WS Montanaro European Income Fund	37,087	0.92%
41,500 Liontrust Global Dividend	122,490	3.02%
2,368 Ninety One Global Sustainable Equity	85,879	2.12%
6,148 Pacific North American Opportunities	60,841	1.50%
1,044 Ranmore Global Equity	121,700	3.00%
7,202 Rathbone UK Opportunities	49,159	1.21%
15,447 Sanlam Global Artificial Intelligence Fund	47,011	1.16%
563 Sephira Global Emerging Markets	46,814	1.16%
5,279 Spyglass US Growth	65,404	1.61%
10,852 Stewart Investors European (ex UK) Sustainability Fund	11,481	0.28%
117,243 TB Evenlode Global Equity	171,116	4.22%
94,962 TB Whitman UK Small Cap Growth Fund	97,688	2.41%
492 Thornbridge Nissay Japan Contrarian Value Equity Fund	49,893	1.23%
2,607 UBS (Irl) Select Money Market Fund	283,369	6.99%
56,179 VT Cape Wrath UK Focus^	78,727	1.94%
67,775 VT Castlebay UK Equity^	121,724	3.00%
10,249 Wellington Global Stewards Fund	122,461	3.02%
340 Zennor Japan Fund	47,836	1.18%
	<b>2,719,447</b>	<b>67.11%</b>
<b>Exchange Traded Funds</b>		
4,875 Invesco US Treasury Bond UCITS ETF	141,293	3.49%
1,050 Invesco UK Gilt 1-5 Year UCITS ETF	39,218	0.97%
19,020 iShares Core UK Gilts UCITS ETF	201,184	4.97%
2,200 iShares UK Gilts 0-5yr UCITS ETF	283,602	7.00%
9,750 Vanguard U.K. Gilt UCITS ETF	201,191	4.97%
7,090 Vanguard USD Treasury Bond UCITS ETF	141,389	3.49%
	<b>1,007,877</b>	<b>24.89%</b>
<b>Portfolio of investments</b>	<b>3,727,324</b>	<b>92.00%</b>
<b>Net other assets</b>	<b>324,581</b>	<b>8.00%</b>
	<b>4,051,905</b>	<b>100.00%</b>

^related security due to the AFM of the company also being the AFM of this holding.

The Sub-fund was launched on 27 June 2023, hence there are no comparatives.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

<b>Purchases</b>	<b>£</b>
HC Snyder US All Cap Equity Fund	132,852
Invesco US Treasury Bond UCITS ETF	140,593
iShares Core UK Gilts UCITS ETF	191,398
iShares UK Gilts 0-5yr UCITS ETF	274,636
TB Evenlode Global Equity	195,400
UBS (Irl) Select Money Market Fund	308,650
Vanguard U.K. Gilt UCITS ETF	187,517
Vanguard USD Treasury Bond UCITS ETF	139,222
Wellington Global Stewards Fund	191,550
WS Havelock Global Select	152,300
Other purchases	2,014,171
<b>Total purchases for the period</b>	<b>3,928,289</b>

  

<b>Sales</b>	<b>£</b>
Allianz UK Listed Opportunities	32,950
HC Snyder US All Cap Equity Fund	50,550
Kennox Strategic Value	13,000
Lazard Global Equity Franchise	7,800
LF Havelock Global Select I Acc	34,050
Liontrust GF International Equity Fund	64,113
TB Evenlode Global Equity	32,250
UBS (Irl) Select Money Market Fund	30,200
VT Castlebay UK Equity	10,950
Wellington Global Stewards Fund	79,100
Other sales	17,393
<b>Total sales for the period</b>	<b>372,356</b>

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

## STATEMENT OF TOTAL RETURN

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For the period	27 June 2023 to 31 December 2023	
	£	£
Income		
Net capital gains		156,102
Revenue	54,932	
Expenses	(36,827)	
Interest payable and similar charges	<u>(54)</u>	
Net revenue before taxation	18,051	
Taxation	<u>-</u>	
Net revenue after taxation		<u>18,051</u>
Total return before distributions		174,153
Finance costs: distributions		<u>(18,322)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u><b>155,831</b></u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the period

	27 June 2023 to 31 December 2023 £
<b>Opening net assets attributable to shareholders</b>	-
Amounts receivable on creation of shares	3,896,617
Amounts payable on cancellation of shares	(31,675)
Dividend reinvested	31,132
Changes in net assets attributable to shareholders from investment activities (see above)	<u>155,831</u>
<b>Closing net assets attributable to shareholders</b>	<u><b>4,051,905</b></u>

The Sub-fund was launched on 27 June 2023, hence there are no comparatives.

## BALANCE SHEET

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As at	31.12.2023	
	£	£
<b>ASSETS</b>		
Investment assets		3,727,324
<b>Current assets</b>		
Debtors	164,579	
Cash and bank balances	<u>302,106</u>	
<b>Total current assets</b>		<u>466,685</u>
<b>Total assets</b>		4,194,009
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Creditors	<u>(142,104)</u>	
<b>Total current liabilities</b>		<u>(142,104)</u>
<b>Net assets attributable to shareholders</b>		<u>4,051,905</u>

The Sub-fund was launched on 27 June 2023, hence there are no comparatives.

## DISTRIBUTION TABLES

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### Interim distribution in pence per share

Group 1: Shares purchased prior to 27 June 2023\*

Group 2 : Shares purchased on or after 27 June 2023 and on or before 31 December 2023

<b>Class A (Accumulation)</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>
Group 1	0.7829p	-	0.7829p
Group 2	0.1721p	0.6108p	0.7829p

<b>Class F (Accumulation)</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>
Group 1	0.8122p	-	0.8122p
Group 2	0.3653p	0.4469p	0.8122p

\* Units bought in offer period prior to fund launch.

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Downing Fox 80% Equity
<b>Size of Sub-fund</b>	£3,173,626
<b>Launch date</b>	27 June 2023
<b>Investment objective and policy</b>	<p>The investment objective of the Sub-fund is to achieve capital growth over the medium to long term (five years and over).</p> <p>The Sub-fund will seek to achieve its objective by actively selecting and investing approximately 80% of its portfolio in a range of actively-managed OEICS, Unit Trusts, and other collective investment vehicles (Exchange Traded Funds and which may include Sub-funds managed by the AFM or Investment Manager) providing exposure to a globally-diversified range of equities. The Sub-funds held in this part of the Sub-fund's portfolio will be managed by a carefully selected range of active investment managers. As a global portfolio, this part of the Sub-fund will hold sterling and non-sterling assets. The UK will generally form one of the largest single country exposures, representing up to 30% of this portion of the portfolio.</p> <p>The remainder of the Sub-fund will be invested in a combination of cash, money-market instruments and government bonds, and (particularly during the early stages of the Sub-fund's growth<sup>1</sup>) in collective investment vehicles (which may be actively or passively managed) that provide exposure (indirectly) to cash, money-market instruments and/or government bonds. There may also be incidental exposure other fixed income instruments, such as corporate bonds.</p> <p>The mix between cash, money market instruments and fixed income instruments is not fixed. This means that there may be times where a large portion of the Sub-fund is held in money market instruments, cash or cash equivalents, however the Sub-fund will not hold more than 20% in direct cash investments.</p> <p>This (non-equity) part of the Sub-fund will be actively managed with the aim of reducing the volatility of the overall Sub-fund, with the underlying exposure to different instruments and vehicles varying based on the Investment Manager's assessment of wider market conditions and which investments will best assist in the objective of the Sub-fund being achieved. This part of the Sub-fund will be exposed to both sterling and non-sterling currencies. Save as noted above, 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> <p>Through its investments in these Sub-funds and instruments noted above, the Sub-fund will have a medium exposure to lower risk asset classes, such as fixed income securities (bonds) and cash equivalents, whilst having some exposure to equities via collective schemes.</p>
<b>Temporary Investment Measures</b>	<p>The Sub-fund may temporarily depart from this investment policy in response to the Investment Manager's perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Manager deems it necessary, the Sub-fund may adjust the stated percentage limits with a view to avoiding losses.</p>

<sup>1</sup> This is expected to be until the Sub-fund reaches approximately £100m in size.

## SUB-FUND OVERVIEW (continued)

---

**Performance Comparator:** The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.

However, many Funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare Funds with broadly similar characteristics.

In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA Mixed Investment 40% to 85% Shares Sector, which serves as a method of comparing the Sub-fund's performance with other Funds which have broadly similar characteristics. For the avoidance of doubt, the Investment Manager is not bound or influenced by any sector when making its decisions.

**Derivatives** Derivatives will not be used by the Sub-fund. However, the Sub-fund may invest in other collective investment schemes which may themselves use derivatives for EPM or investment purposes.

**Annual accounting date** 30 June (first one being 30 June 2024)

**Interim accounting date** 31 December

**Annual income allocation date** By 31 August (first one being 30 August 2024)

**Interim income allocation dates** By last day of February

**Share classes:** Class A (Income\*, Accumulation)  
Class F (Income\*, Accumulation)\*\*

\*Share classes inactive as at 31 December 2023.

\*\*The F share class will be available to those who invest in the early stages of the Company when AUM across the Downing Fox Fund range is less than £200m, after this point eligibility will only be for existing investors.

### Minimum investment\*

**Lump sum subscription:** Class A: £1,000  
Class F: £5,000,000

**Top-up:** Class A: £100  
Class F: £1,000

**Holding:** Class A: £1,000  
Class F: £5,000,000

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

**Initial, redemption and switching charges\*\*\*:** Nil

**Initial, redemption and switching charges\*\*\*:** Nil

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

**ISA Eligible** Yes

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

## SUB-FUND OVERVIEW (continued)

---

### Annual management charges

The annual management charges are £57,257<sup>^</sup> per annum plus

- (A) A variable fee based on the Net Asset Value of the Sub-fund (plus VAT if applicable) as follows:
- On sums up to £100 million – 1.5 bps (0.015%) per annum
  - On sums between £100 million and £250 million – 0.75 bps (0.0075%) per annum
  - On sums between £250 million and £500 million – 0.5 bps (0.005%) per annum; and
  - and on all sums thereafter – 0.25 bps (0.0025%) per annum.
- PLUS
- (B) A variable fee depending on the share class as follows:
- Class A – 0.40% per annum
  - Class F – 0.32% per annum

The above percentages being a percentage of the Net Asset Value of the Sub-fund attributable to the relevant Class (plus VAT if applicable).

<sup>^</sup>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 April each year (from 1 April 2024)). In the event of negative inflation, this fee will remain unchanged. For the first year from launch (i.e. until 27 June 2024) the fixed element of the fee shall be at a reduced rate of £35,149.74 (but then will revert to the fee noted, plus CPI).

### Ongoing charges

The Investment Manager aims to ensure that ongoing charges are maintained at or below a particular level.

In order to achieve such objective, the Investment Manager has, with the agreement of the AFM, undertaken that if the total OCF (as calculated at the end of the relevant accounting period) exceeds 0.80% in the case of the Class A shares or 0.72% in the case of Class F shares, the Investment Manager shall reimburse the Sub-fund for an amount which, when deducted from the operating costs incurred by the Sub-fund during the relevant accounting period, would result in the total OCF being equal to 0.80% in the case of the Class A shares or 0.72% in the case of Class F shares in the relevant accounting period.



## INVESTMENT MANAGER'S REVIEW

---

The Fund produced a return of 4.6% over the six-month reporting period, as compared to the IA Mixed Investment 40-85% Shares Sector Average's return of 6.6%.

We launched the four VT Downing Fox Funds on 27 June 2023. You can see the official objectives within this report and the prospectus, but informally our mission is to give you the long-term returns generated by exceptional active fund managers (by "active" we mean the shares held in their funds are selected by expert humans, rather than automatically mimicking those held by the market, a.k.a. "passive").

So our job is to find these fund managers and secure their services for you at a reasonable fee.

But it doesn't stop there. We know how hard it can be to stay invested in a good active fund. In fact, there is perhaps no bigger barrier standing between fund holders and a reasonable investment outcome, as the market has a knack for panicking them out of, or tempting them into, perfectly good funds at a perfectly bad moment.

This is why we work hard to make the journey bearable. Within this fund - the 80% equity version - that means two things.

Firstly, within the 80% part, it means striking a good balance between different types of fund managers. If we had all 'growth' managers and no 'value', for example, it might look great while the growth style is winning, but dire when it isn't. This makes the journey uncomfortable and heightens the risk of you giving up at an inopportune moment.

Secondly, it means trying to ensure the 20% held in non-equities dilutes the equity performance in a market downturn. To this end, unlike many of our peers, we only hold cash and government bonds alongside equities, and no other 'alternatives'. Some might think this is too cautious, but that 20% is there for a reason, and we're serious about it doing its job when needed.

One thing we are not doing is fiddling around with the Fund's exposure to equities. It will always be as close to 80% as we can reasonably manage, because we believe that 'time in the market beats timing the market'. In fact, the fund name itself is a way of lashing ourselves to the mast, lest the siren song of market timing tempt us into its casino.

This is why, when the Fund launched, we got it invested in our selection of ready-picked equity funds as quickly as possible (we have advised another fund – the VT Johnston Growth Portfolio – on a near-identical basis since April 2022, so the portfolio was already established by the launch of the Downing Fox version).

However, on launch day, Murphy's Law stepped in. The technicalities of launching funds that hold other funds (funds of funds) means that the initial money enters our fund on day one, but cannot buy the underlying funds until day two.

Day one, naturally, turned out to be one of the year's strongest up days for global equities (the average global equity fund rose by 1.2%) due to some unexpectedly good news about inflation. This boosted stock markets and our sector average (against which we're compared) but not our newborn funds, as they were unable to invest until day two.

This gave our competitors a significant head start. If you're comparing us to our sector average (which is also our benchmark) it is by far the biggest driver of relative performance so far (the VT Johnston Growth Portfolio – see above - marginally outperformed over the same period). This is something about which we're deeply irritated.

Cruel fate aside, we're pleased with how the portfolio has performed, despite being closer to average than we'd expect to be over the long term.

Why?

In short; 'The Magnificent Seven'. This describes the world's seven largest companies, which are all US tech-related firms (Microsoft, Apple, Alphabet, Amazon, Meta, Nvidia and Tesla).

As the name implies, their performance last year was "magnificent". Partly because they were rebounding from a drubbing in 2022, but also because the world became excited about AI (artificial intelligence), from which these companies will – supposedly – be big winners.

## INVESTMENT MANAGER'S REVIEW (Continued)

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Our own funds work by allowing our chosen fund managers to pick the stocks they think are great investments. These then – collectively – make up your portfolio. They had a modest exposure to some of these companies, but nowhere near as much as our competitors do. This weighed on our relative performance.

We are comfortable with this. If a collection of 34 expert fund managers believe there are better opportunities elsewhere, then we should listen. It's literally what we pay them for. None of them, for the record, suggest those seven companies aren't in some way "magnificent", they instead have an issue with them being too expensive. 1999 all over again? We shall see.

Downing LLP  
Investment Manager to the Fund  
15 February 2024

## PERFORMANCE RECORD

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### Financial Highlights

	<b>Period 27 June 2023 to 31 December 2023<sup>^</sup></b>
<b>Class A (Accumulation)</b>	
Changes in net assets per share	GBp
Opening net asset value per share	<u>100.0000</u>
Return before operating charges	5.0390
Operating charges (note 1)	<u>(0.4193)</u>
Return after operating charges *	4.6197
Closing net asset value per share**	<u>104.6197</u>
Retained distributions on accumulated shares	0.7425
*after direct transactions costs of:	-
**after dilution adjustment of:	0.00%
Performance	
Return after charges	4.62%
Other information	
Closing net asset value	£816,720
Closing number of shares	780,656
Operating charges (note 2)	0.80%
Direct transaction costs	0.00%
Prices	
Highest share price	104.6197
Lowest share price	96.0163

<sup>^</sup>Share class launched 27 June 2023.

	<b>Period 27 June 2023 to 31 December 2023<sup>^</sup></b>
<b>Class F (Accumulation)</b>	
Changes in net assets per share	GBp
Opening net asset value per share	<u>100.0000</u>
Return before operating charges	5.0402
Operating charges (note 1)	<u>(0.3755)</u>
Return after operating charges *	4.6647
Closing net asset value per share**	<u>104.6647</u>
Retained distributions on accumulated shares	0.7855
*after direct transactions costs of:	-
**after dilution adjustment of:	0.00%
Performance	
Return after charges	4.66%
Other information	
Closing net asset value	£2,357,048
Closing number of shares	2,251,999
Operating charges (note 2)	0.72%
Direct transaction costs	0.00%
Prices	
Highest share price	104.6647
Lowest share price	96.0447

<sup>^</sup>Share class launched 27 June 2023.

## PERFORMANCE RECORD (Continued)

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

### **Risk Profile**

Based on past data, the Sub-fund is ranked a 5 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked 5 because simulated monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically.

**PORTFOLIO STATEMENT**

As at 31 December 2023

Holding	Value £	% of net assets
<b>Collective Investment Schemes</b>		
6,791 Aikya Global Emerging Markets	73,411	2.31%
80,281 Allianz UK Listed Opportunities	81,694	2.57%
321 Berenberg Europe ex UK Focus	25,356	0.80%
44,096 BNY Mellon Global Infrastructure	50,362	1.59%
2,056 CC Indian Subcontinent Fund	23,949	0.75%
4,944 Cobas LUX SICAV - Palm Harbour Global Value Fund	64,386	2.03%
814 First Eagle US Small Cap Opportunity Fund	65,521	2.06%
233 GIB AM Emerging Markets Active Engagement	24,331	0.77%
749 HC Snyder US All Cap Equity Fund	89,597	2.82%
118 Kempen (Lux) Global Value Fund	125,840	3.97%
35,677 Kennox Strategic Value	62,827	1.98%
98,602 Latitude Global Fund	100,919	3.18%
194 Lazard Global Equity Franchise	50,113	1.58%
119,090 WS Gresham House UK Smaller Companies	114,731	3.62%
112,091 WS Havelock Global Select	133,623	4.21%
32,259 WS Lightman European	49,172	1.55%
31,561 WS Montanaro European Income Fund	38,113	1.20%
42,881 Liontrust Global Dividend	126,568	3.99%
2,446 Ninety One Global Sustainable Equity	88,715	2.80%
6,374 Pacific North American Opportunities	63,080	1.99%
1,078 Ranmore Global Equity	125,658	3.96%
7,470 Rathbone UK Opportunities	50,991	1.61%
15,946 Sanlam Global Artificial Intelligence Fund	48,529	1.53%
600 Sephira Global Emerging Markets	49,904	1.57%
5,851 Spyglass US Growth	72,485	2.28%
12,239 Stewart Investors European (ex UK) Sustainability Fund	12,947	0.41%
120,196 TB Evenlode Global Equity	175,427	5.53%
98,707 TB Whitman UK Small Cap Growth Fund	101,540	3.20%
505 Thornbridge Nissay Japan Contrarian Value Equity Fund	51,236	1.61%
998 UBS (Irl) Select Money Market Fund	108,479	3.42%
59,838 VT Cape Wrath UK Focus^	83,856	2.64%
70,009 VT Castlebay UK Equity^	125,736	3.96%
10,482 Wellington Global Stewards Fund	125,244	3.95%
352 Zennor Japan Fund	49,528	1.56%
	2,633,868	83.00%
<b>Exchange Traded Funds</b>		
1,875 Invesco US Treasury Bond UCITS ETF	54,343	1.71%
400 Invesco UK Gilt 1-5 Year UCITS ETF	14,940	0.47%
7,360 iShares Core UK Gilts UCITS ETF	77,850	2.45%
848 iShares UK Gilts 0-5yr UCITS ETF	109,316	3.44%
3,800 Vanguard U.K. Gilt UCITS ETF	78,413	2.47%
2,660 Vanguard USD Treasury Bond UCITS ETF	53,046	1.67%
	387,908	12.21%
<b>Portfolio of investments</b>	<b>3,021,776</b>	<b>95.21%</b>
<b>Net other assets</b>	<b>151,850</b>	<b>4.79%</b>
	<b>3,173,626</b>	<b>100.00%</b>

^related security due to the AFM of the company also being the AFM of this holding.

The Sub-fund was launched on 27 June 2023, hence there are no comparatives.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

<b>Purchases</b>	<b>£</b>
HC Snyder US All Cap Equity Fund	120,272
iShares UK Gilts 0-5yr UCITS ETF	106,133
Kempen (Lux) Global Value Fund	120,339
Liontrust Global Dividend	115,950
Ranmore Global Equity	117,500
TB Evenlode Global Equity	184,830
UBS (Irl) Select Money Market Fund	114,620
VT Castlebay UK Equity	129,100
Wellington Global Stewards Fund	180,640
WS Havelock Global Select	138,810
Other purchases	1,762,065
<b>Total purchases for the period</b>	<b>3,090,259</b>
<b>Sales</b>	<b>£</b>
Allianz UK Listed Opportunities	24,800
BNY Mellon Global Infrastructure	3,690
HC Snyder US All Cap Equity Fund	35,950
Kennox Strategic Value	7,270
Liontrust GF International Equity Fund	44,697
TB Evenlode Global Equity	17,710
UBS (Irl) Select Money Market Fund	7,600
VT Castlebay UK Equity	8,200
Wellington Global Stewards Fund	66,470
WS Havelock Global Select	16,480
Other sales	-
<b>Total sales for the period</b>	<b>232,867</b>

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

## STATEMENT OF TOTAL RETURN

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For the period	27 June 2023 to 31 December 2023	
	£	£
Income		
Net capital gains		154,652
Revenue	43,773	
Expenses	(36,373)	
Interest payable and similar charges	<u>(18)</u>	
Net revenue before taxation	7,382	
Taxation	<u>-</u>	
Net revenue after taxation		<u>7,382</u>
Total return before distributions		162,034
Finance costs: distributions		<u>(9,272)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u><b>152,762</b></u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period	27 June 2023 to 31 December 2023 £
<b>Opening net assets attributable to shareholders</b>	-
Amounts receivable on creation of shares	3,064,297
Amounts payable on cancellation of shares	(66,920)
Dividend reinvested	23,487
Changes in net assets attributable to shareholders from investment activities (see above)	<u>152,762</u>
<b>Closing net assets attributable to shareholders</b>	<u><b>3,173,626</b></u>

The Sub-fund was launched on 27 June 2023, hence there are no comparatives.

## BALANCE SHEET

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As at	31.12.2023	
	£	£
<b>ASSETS</b>		
Investment assets		3,021,776
<b>Current assets</b>		
Debtors	56,338	
Cash and bank balances	<u>127,309</u>	
<b>Total current assets</b>		<u>183,647</u>
<b>Total assets</b>		3,205,423
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Creditors	<u>(31,797)</u>	
<b>Total current liabilities</b>		<u>(31,797)</u>
<b>Net assets attributable to shareholders</b>		<u>3,173,626</u>

The Sub-fund was launched on 27 June 2023, hence there are no comparatives.



## DISTRIBUTION TABLES

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### Interim distribution in pence per share

Group 1: Shares purchased prior to 27 June 2023\*

Group 2 : Shares purchased on or after 27 June 2023 and on or before 31 December 2023

<b>Class A (Accumulation)</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>
Group 1	0.7425p	-	0.7425p
Group 2	0.3569p	0.3856p	0.7425p

<b>Class F (Accumulation)</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>
Group 1	0.7855p	-	0.7855p
Group 2	0.2631p	0.5224p	0.7855p

\* Units bought in offer period prior to fund launch.

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Downing Fox 100% Equity
<b>Size of Sub-fund</b>	£5,880,768
<b>Launch date</b>	27 June 2023
<b>Investment objective and policy</b>	<p>The investment objective of the Sub-fund is to achieve capital growth over the medium to long term (five years and over).</p> <p>The Sub-fund will seek to achieve its objective by actively selecting and investing 100% (or as close to 100% as is practical given liquidity management considerations) of its portfolio in a range of actively-managed OEICS, Unit Trusts, and other collective investment vehicles (including Exchange Traded Funds and which may include Sub-funds managed by the AFM or Investment Manager) providing exposure to a globally-diversified range of equities. The Sub-funds held in will be managed by a carefully selected range of active investment managers. As a global portfolio, the Sub-fund will hold sterling and non-sterling assets. The UK will generally form one of the largest single country exposures, representing up to 30% of this</p> <p>The Sub-fund is permitted to fully invest in collective investment schemes however the Sub-fund may hold cash for ancillary purposes and general liquidity requirements.</p> <p>Save as noted above, 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> <p>Through its investments in these Sub-funds, the Sub-fund will be almost entirely exposed to equities (via collective investment schemes), up to 100%.</p>
<b>Temporary Investment Measures</b>	<p>The Sub-fund may temporarily depart from this investment policy in response to the Investment Manager's perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Manager deems it necessary, the Sub-fund may adjust the stated percentage limits with a view to avoiding losses.</p>
<b>Performance Comparator:</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many Funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare Funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA Global Sector, which serves as a method of comparing the Sub-fund's performance with other Funds which have broadly similar characteristics. For the avoidance of doubt, the Investment Manager is not bound or influenced by any sector when making its decisions.</p>
<b>Derivatives</b>	<p>Derivatives will not be used by the Sub-fund. However, the Sub-fund may invest in other collective investment schemes which may themselves use derivatives for EPM or investment purposes.</p>

## SUB-FUND OVERVIEW (continued)

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<b>Annual accounting date</b>	30 June (first one being 30 June 2024)
<b>Interim accounting date</b>	31 December
<b>Annual income allocation date</b>	By 31 August (first one being 30 August 2024)
<b>Interim income allocation dates</b>	By last day of February
<b>Share classes:</b>	Class A (Income*, Accumulation) Class F (Income*, Accumulation)**

\*Share classes inactive as at 31 December 2023.

\*\*The F share class will be available to those who invest in the early stages of the Company when AUM across the Downing Fox Fund range is less than £200m, after this point eligibility will only be for existing investors.

### Minimum investment\*

<b>Lump sum subscription:</b>	Class A: £1,000 Class F: £5,000,000
<b>Top-up:</b>	Class A: £100 Class F: £1,000
<b>Holding:</b>	Class A: £1,000 Class F: £5,000,000
<b>Redemption/switching:</b>	N/A (provided minimum holding is maintained)
<b>Initial, redemption and switching charges***:</b>	Nil
<b>Redemption/switching:</b>	N/A (provided minimum holding is maintained)
<b>ISA Eligible</b>	Yes

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

### Annual management charges

The annual management charges are £57,257<sup>^</sup> per annum plus

- (A) A variable fee based on the Net Asset Value of the Sub-fund (plus VAT if applicable) as follows:
- On sums up to £100 million – 1.5 bps (0.015%) per annum
  - On sums between £100 million and £250 million – 0.75 bps (0.0075%) per annum
  - On sums between £250 million and £500 million – 0.5 bps (0.005%) per annum; and
  - and on all sums thereafter – 0.25 bps (0.0025%) per annum.
- PLUS
- (B) A variable fee depending on the share class as follows:
- Class A – 0.50% per annum
  - Class F – 0.40% per annum

The above percentages being a percentage of the Net Asset Value of the Sub-fund attributable to the relevant Class (plus VAT if applicable).

<sup>^</sup>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 April each year (from 1 April 2024). In the event of negative inflation, this fee will remain unchanged. For the first year from launch (i.e. until 27 June 2024) the fixed element of the fee shall be at a reduced rate of £35,149.74 (but then will revert to the fee noted, plus CPI).

## SUB-FUND OVERVIEW (continued)

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### Ongoing charges

The Investment Manager aims to ensure that ongoing charges are maintained at or below a particular level.

In order to achieve such objective, the Investment Manager has, with the agreement of the AFM, undertaken that if the total OCF (as calculated at the end of the relevant accounting period) exceeds 1.00% in the case of the Class A shares or 0.90% in the case of Class F shares, the Investment Manager shall reimburse the Sub-fund for an amount which, when deducted from the operating costs incurred by the Sub-fund during the relevant accounting period, would result in the total OCF being equal to 1.00% in the case of the Class A shares or 0.90% in the case of Class F shares in the relevant accounting period.

## INVESTMENT MANAGER'S REVIEW

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The Fund produced a return of 6.5% over the six-month reporting period, as compared to the IA Global Sector average's return of 7.9%.

We launched the full range of four VT Downing Fox Funds on 27 June 2023. You can see the official within this report and the prospectus, but informally our mission is to give you, their holder, exposure to the long-term returns generated by exceptional active fund managers (by "active" we mean the shares held in their funds are selected by expert humans, rather than automatically mimicking those held by the market, a.k.a. "passive").

So our job is to find these fund managers and secure their services for you at a reasonable fee.

But it doesn't stop there. We know how hard it can be to stay invested in a good active fund. In fact, there is perhaps no bigger barrier standing between fund holders and a reasonable investment outcome, as the market has a knack for panicking them out of, or tempting them into, perfectly good funds at a perfectly bad moment.

This is why we work hard to make the journey bearable. Within this fund - the 100% equity version - that means striking a good balance between different types of fund managers. If we had all 'growth' managers and no 'value', for example, the Fund might look great while the growth style is winning, but dire when it isn't. This will make the journey far more uncomfortable and heighten the risk of you giving up at an inopportune moment.

One thing we are not doing, as the Fund's name suggests, is fiddling around with its exposure to equities. It will always be as close to 100% as we can reasonably manage because we believe that 'time in the market beats timing the market'. In fact, the fund name itself is a way of lashing ourselves to the mast, lest the siren song of market timing tempt us into its casino.

This is why, when the Fund launched, we got it invested in our selection of ready-picked equity funds as quickly as possible (we have been advising a couple of white-labelled funds – the VT Johnston Portfolios – on a near-identical basis since April 2022, so the portfolios were already well established by the launch of the Downing Fox versions).

However, on the day of their launch, Murphy's Law stepped in. The technicalities of launching funds that hold other funds (funds of funds) means that the initial seed money enters our fund on day one, but cannot buy the underlying funds until day two.

Day one, naturally, turned out to be one of the year's strongest up days for global equities (the average global equity fund rose by 1.2%). This boosted stock markets and our sector average (against which we're compared) but not our newborn funds, as they were unable to invest until day two.

This gave all our competitors, and the market itself, a significant head start on us. If you're comparing us to our sector average (which is also our benchmark) it is by far the biggest driver of relative performance so far. This is something, as you can probably tell, about which we're deeply irritated.

To the best of our estimates, that accounts for almost all of our initial underperformance versus our benchmark. That said, we think the Fund would otherwise still have been fractionally behind the sector average over this first interim reporting period.

Why?

In short; 'The Magnificent Seven'. This describes the world's seven largest companies, which are all US tech-related firms (Microsoft, Apple, Alphabet, Amazon, Meta, Nvidia and Tesla).

As the name implies, their performance last year was "magnificent". Partly because they were rebounding from a drubbing in 2022, but also because the world became excited about AI (artificial intelligence), from which these companies will – supposedly – be big winners.

Our own funds work by allowing our chosen fund managers to pick the stocks they think are great investments. These then – collectively – make up your portfolio. They had a modest exposure to some of these companies, but nowhere near as much as our competitors do. This weighed on our relative performance.

We are comfortable with this. If a collection of 34 expert fund managers believe there are better opportunities elsewhere, then we should listen. It's literally what we pay them for. None of them, for the record, suggest those seven companies aren't in some way "magnificent", they instead have an issue with them being too expensive. 1999 all over again? We shall see.

Downing LLP  
Investment Manager to the Fund  
15 February 2024

## PERFORMANCE RECORD

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### Financial Highlights

	<b>Period 27 June 2023 to 31 December 2023<sup>^</sup></b>
<b>Class A (Accumulation)</b>	
Changes in net assets per share	GBp
Opening net asset value per share	<u>100.0000</u>
Return before operating charges	6.9908
Operating charges (note 1)	<u>(0.5289)</u>
Return after operating charges *	6.4619
	<u>106.4619</u>
Closing net asset value per share**	<u>106.4619</u>
Retained distributions on accumulated shares	0.6132
	-
*after direct transactions costs of:	-
**after dilution adjustment of:	0.00%
Performance	
Return after charges	6.46%
Other information	
Closing net asset value	£3,258,990
Closing number of shares	3,061,180
Operating charges (note 2)	1.00%
Direct transaction costs	0.00%
Prices	
Highest share price	106.4619
Lowest share price	96.3013

<sup>^</sup>Share class launched 27 June 2023.

	<b>Period 27 June 2023 to 31 December 2023<sup>^</sup></b>
<b>Class F (Accumulation)</b>	
Changes in net assets per share	GBp
Opening net asset value per share	<u>100.0000</u>
Return before operating charges	6.9869
Operating charges (note 1)	<u>(0.4761)</u>
Return after operating charges *	6.5108
	<u>106.5108</u>
Closing net asset value per share**	<u>106.5108</u>
Retained distributions on accumulated shares	0.6576
	-
*after direct transactions costs of:	-
**after dilution adjustment of:	0.00%
Performance	
Return after charges	6.51%
Other information	
Closing net asset value	£2,621,778
Closing number of shares	2,461,513
Operating charges (note 2)	0.90%
Direct transaction costs	0.00%
Prices	
Highest share price	106.5108
Lowest share price	96.3301

<sup>^</sup>Share class launched 27 June 2023.

## PERFORMANCE RECORD (Continued)

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

### **Risk Profile**

Based on past data, the Sub-fund is ranked a 5 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked 5 because simulated monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 31 December 2023

Holding	Value £	% of net assets
<b>Collective Investment Schemes</b>		
15,889 Aikya Global Emerging Markets	171,747	2.91%
187,089 Allianz UK Listed Opportunities	190,383	3.23%
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101,161 BNY Mellon Global Infrastructure	115,536	1.96%
5,019 CC Indian Subcontinent Fund	58,462	0.99%
11,440 Cobas LUX SICAV - Palm Harbour Global Value Fund	148,997	2.53%
1,861 First Eagle US Small Cap Opportunity Fund	149,845	2.55%
541 GIB AM Emerging Markets Active Engagement	56,445	0.96%
1,690 HC Snyder US All Cap Equity Fund	202,034	3.44%
271 Kempen (Lux) Global Value Fund	289,687	4.93%
82,359 Kennox Strategic Value	145,034	2.47%
227,478 Latitude Global Fund	232,823	3.96%
447 Lazard Global Equity Franchise	115,464	1.96%
99,379 Liontrust Global Dividend	293,326	4.99%
5,670 Ninety One Global Sustainable Equity	205,648	3.50%
14,680 Pacific North American Opportunities	145,276	2.47%
2,498 Ranmore Global Equity	291,176	4.95%
17,130 Rathbone UK Opportunities	116,934	1.99%
37,087 Sanlam Global Artificial Intelligence Fund	112,867	1.92%
1,363 Sephira Global Emerging Markets	113,300	1.93%
13,213 Spyglass US Growth	163,700	2.78%
26,991 Stewart Investors European (ex UK) Sustainability Fund	28,553	0.49%
280,860 TB Evenlode Global Equity	409,916	6.97%
228,890 TB Whitman UK Small Cap Growth Fund	235,459	4.00%
1,183 Thornbridge Nissay Japan Contrarian Value Equity Fund	119,981	2.04%
138,732 VT Cape Wrath UK Focus^	194,415	3.31%
162,285 VT Castlebay UK Equity^	291,462	4.96%
24,438 Wellington Global Stewards Fund	291,983	4.97%
278,227 WS Gresham House UK Smaller Companies	268,044	4.56%
259,092 WS Havelock Global Select	308,863	5.25%
75,854 WS Lightman European	115,624	1.97%
73,496 WS Montanaro European Income Fund	88,753	1.51%
826 Zennor Japan Fund	116,291	1.98%
	<b>5,847,480</b>	<b>99.43%</b>
<b>Portfolio of investments</b>	<b>5,847,480</b>	<b>99.43%</b>
<b>Net other assets</b>	<b>33,288</b>	<b>0.57%</b>
	<b>5,880,768</b>	<b>100.00%</b>

^related security due to the AFM of the company also being the AFM of this holding

The Sub-fund was launched on 27 June 2023, hence there are no comparatives



## SUMMARY OF MATERIAL PORTFOLIO CHANGES

<b>Purchases</b>	<b>£</b>
Allianz UK Listed Opportunities	278,550
HC Snyder US All Cap Equity Fund	333,599
Kempen (Lux) Global Value Fund	276,377
Liontrust Global Dividend	267,800
Ranmore Global Equity	294,100
TB Evenlode Global Equity	500,900
VT Castlebay UK Equity	313,500
Wellington Global Stewards Fund	492,550
WS Gresham House UK Smaller Companies	250,250
WS Havelock Global Select	412,650
Other purchases	3,087,509
<b>Total purchases for the period</b>	<b>6,507,785</b>

  

<b>Sales</b>	<b>£</b>
Allianz UK Listed Opportunities	99,100
HC Snyder US All Cap Equity Fund	141,599
Kennox Strategic Value	49,400
Lazard Global Equity Franchise	26,200
Liontrust GF International Equity Fund	127,242
Ranmore Global Equity	29,500
TB Evenlode Global Equity	112,600
VT Castlebay UK Equity	35,500
Wellington Global Stewards Fund	226,900
WS Havelock Global Select	135,800
Other sales	43,668
<b>Total sales for the period</b>	<b>1,027,509</b>

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

## STATEMENT OF TOTAL RETURN

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For the period	27 June 2023 to 31 December 2023	
	£	£
Income		
Net capital gains		348,519
Revenue	54,088	
Expenses	(42,502)	
Interest payable and similar charges	<u>(25)</u>	
Net revenue before taxation	11,561	
Taxation	<u>-</u>	
Net revenue after taxation		<u>11,561</u>
Total return before distributions		360,080
Finance costs: distributions		<u>(17,216)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>		<u><b>342,864</b></u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period	27 June 2023 to 31 December 2023 £
<b>Opening net assets attributable to shareholders</b>	-
Amounts receivable on creation of shares	5,629,034
Amounts payable on cancellation of shares	(126,089)
Dividend reinvested	34,959
Changes in net assets attributable to shareholders from investment activities (see above)	<u>342,864</u>
<b>Closing net assets attributable to shareholders</b>	<u><b>5,880,768</b></u>

The Sub-fund was launched on 28 June 2023, hence there are no comparatives

## BALANCE SHEET

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As at	31.12.2023	
	£	£
<b>ASSETS</b>		
Investment assets		5,847,480
<b>Current assets</b>		
Debtors	57,308	
Cash and bank balances	<u>35,881</u>	
<b>Total current assets</b>		<u>93,189</u>
<b>Total assets</b>		5,940,669
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Creditors	<u>(59,901)</u>	
<b>Total current liabilities</b>		<u>(59,901)</u>
<b>Net assets attributable to shareholders</b>		<u>5,880,768</u>

The Sub-fund was launched on 27 June 2023, hence there are no comparatives.

## DISTRIBUTION TABLES

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### Interim distribution in pence per share

Group 1: Shares purchased prior to 27 June 2023\*

Group 2 : Shares purchased on or after 27 June 2023 and on or before 31 December 2023

<b>Class A (Accumulation)</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>
Group 1	0.6132p	-	0.6132p
Group 2	0.1808p	0.4324p	0.6132p

<b>Class F (Accumulation)</b>	<b>Net Revenue 29.02.2024</b>	<b>Equalisation</b>	<b>Distribution 29.02.2024</b>
Group 1	0.6576p	-	0.6576p
Group 2	0.0921p	0.5655p	0.6576p

\* Units bought in offer period prior to fund launch.

## INFORMATION FOR INVESTORS

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### Taxation

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

### Individual shareholders

**Income tax:** Tax-free annual dividend allowance now standing at £1,000 (2023/24). UK resident shareholders are subject to tax on dividend income in excess of the annual allowance. UK resident shareholders are subject to tax on dividend income in excess of the annual allowance.

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

### Corporate shareholders

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

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

### Issue and redemption of shares

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

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

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

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

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

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

**CORPORATE DIRECTORY**

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<b>Authorised Fund Manager, Alternative Investment Fund Manager &amp; Registrar</b>	<p>Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: Downing@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
<b>Investment Manager</b>	<p>Downing LLP St Magnus House 3 Lower Thames Street London EC3R 6HD</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Depository</b>	<p>NatWest Trustee and Depository Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised regulated by the Financial Conduct Authority</p>
<b>Auditor</b>	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>