VT ROSSIE HOUSE INVESTMENT MANAGEMENT FUNDS ICVC
(Sub-fund VT Rossie House Portfolio Fund)

Annual Report and Financial Statements
For the year ended 31 December 2022

CONTENTS

COMPANY OVERVIEW

Type of Company: VT Rossie House Investment Management Funds ICVC is an investment company with variable capital under regulation 12 (Authorisation) of the Open Ended Investment Companies (OEIC) Regulations 2001, authorised by the FCA. The company is incorporated under registration number IC000991. The company is a 'Non-UCITS Retail Scheme' umbrella company comprising one sub-fund, VT Rossie House Portfolio Fund ("the Fund"). You as a shareholder are not liable for the debts of the company.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S (ACD'S) RESPONSIBILITIES

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

> comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.

> select suitable accounting policies and then apply them consistently.

> make judgements and estimates that are reasonable and prudent.

> prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the COLL Sourcebook, Investment Funds Sourcebook (FUND), the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

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

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date 28 April 2023

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT ROSSIE HOUSE INVESTMENT MANAGEMENT FUNDS ICVC

For the year ended 31 December 2022

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

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

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

The Depositary must ensure that:
> the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
> the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
> the value of shares in the Company is calculated in accordance with the Regulations;
> any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
> the Company's income is applied in accordance with the Regulations; and
> the instructions of the Alternative Investment Fund Manager (“the AIFM”) are carried out (unless they conflict with the Regulations).

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

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

i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

ii) has observed the Investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
01 January 2023

Opinion

We have audited the financial statements of VT Rossie House Investment Management Funds ICVC ("the Company") for the year ended 31 December 2022 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

> give a true and fair view of the financial position of the Company at 31 December 2022 and of the net revenue and the net capital losses the scheme property of the Company for the year then ended; and

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

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

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

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the COLL Regulations

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

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

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

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

Responsibilities of the Authorised Corporate Director

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

> UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds
> the Financial Conduct Authority's Collective Investment Schemes Sourcebook
> the Financial Conduct Authority's Investment Funds Sourcebook
> the Company's Prospectus

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of the Authorised Corporate Director. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Company's breaches register.

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

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:
> Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Corporate Director in its calculation of accounting estimates for potential management bias; and
> Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook, Investment Funds Sourcebook and its Prospectus.

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

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

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

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

Use of Our Report

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

Johnston Carmichael LLP

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

Date 28 April 2023

Name of Sub-fund	VT Rossie House Portfolio Fund
Size of Sub-fund	£10,950,722
Launch date	11 April 2014
Sub-fund objective and policy	The Sub-fund's objective is to achieve long term capital and income growth. The Sub-fund will aim to meet its objectives by investing primarily, though not exclusively, in investment trusts and collective investment schemes that invest predominantly in equity securities. The Sub-fund may also have some direct exposure to bonds and other non-equity investments, including cash, gold and derivatives. The Sub-fund can use derivatives for the purpose of meeting its investment objective and for efficient portfolio management (including hedging) ("EPM"). It is envisaged however that the Investment Manager will not make a significant use of derivatives in the ordinary course of investing the assets of the Sub-fund.
Benchmark	The Sub-fund does not have a specific benchmark. However, the performance of the Sub-fund can be assessed by considering whether the objective is achieved (i.e. whether there has been capital growth over the long term (+5 years)).
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited
Ex-distribution dates	30 June, 31 December
Distribution dates	31 August, 28 February
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.
Share Classes	A Class^ B Class
Types of Shares	Net Income Shares; Net Accumulation Shares

^Unless the ACD determines otherwise in its discretion, the Class A shares are only available to employees and partners of the Investment Manager and certain clients of the Investment Manager at the discretion of the ACD.

Minimum investment*

Lump sum subscription:	A Class = £250,000 B Class = £10,000
Top-up:	A Class = £1,000 B Class = £1,000
Holding:	A Class = £1,000 B Class = £1,000
Redemption:*	A Class = lower of £1,000 or total remaining holding B Class = lower of £1,000 or total remaining holding
Switching:	A Class = £10,000 B Class = £10,000
Initial charges*	9%
Redemption charges*	3%

*The ACD may at its discretion reduce or waive the investment minima and reduce or waive the initial and redemption charges.

Annual management charges

The annual management charge is comprised of a fixed element which is retained by the ACD for its own account and a variable element which is paid by the ACD to the Investment Manager.

The fixed element, which is equal to £10,000 per annum, is taken from A Class and B Class Shares pro-rata to their Net Asset Value.

The variable element in respect of the A Class Shares is nil.

The variable element in respect of the B Class Shares is equal to 0.8% per annum of the Net Asset Value of the B Class Shares.

Performance
The Rossie House Portfolio Fund Class B income shares (1) fell 12.9% in the 2022 calendar year. The Fund has no formal benchmark but a useful comparator is the MSCI PIMFA Balanced Index which fell 8.1%. The result compares a little unfavourably with the comparable index partly caused by discounts on investment trusts widening out in what was a difficult year.

(1) With distributions added back

Top Ten Holdings
We list our top ten holdings as usual. Concentration of the top 10 holdings now represents just over 59% of the net assets. Below we have given a brief summary of each holding, with the percentage value of the Fund in brackets.

1. Findlay Park American Fund (7.17%)
The fund has grown to be the largest holding. It has become a very large fund and is the only portfolio the firm manages. Perhaps as a consequence, it has become more concentrated in recent years and now holds mostly larger companies. The managers are mindful of absolute returns and concentrate on companies that have strong free cash flow and pricing power. They have held quite high cash balances at times only investing it when the managers find attractive stock ideas.

2. Monks Investment Trust (7.07%)
The Baillie Gifford investment style is active, biased to high growth and long term. Capital growth takes priority over income. The growth stock bias has proved successful over the long term, though it has been difficult more recently. The managers hold a spread of fast-growing companies, earlier stage growth stocks and also some cyclical companies. The holding was reduced in the year.

3. Gold Bullion Securities (6.39%)
This is a liquid ETF listed on the London Stock Exchange. It invests in physical gold that is “allocated”. The gold cannot be lent and conforms to the London Bullion Market Association standards. Each bar is segregated, individually identified and has particular weight, dimensions, fineness and serial marks. The trustee is Law Debenture and the gold is inspected twice per year.

4. Mid Wynd International Investment Trust (6.22%)
This trust invests thematically and is very international in its outlook. Their style is biased to growth companies, but they are value conscious, moving out of some higher rated growth stocks at the end of last year into companies on lower ratings and with strong asset backing. They have been tilting their investments to Japan and Asia as well as adding to banks and telco companies.

5. Trojan Fund (6.06%)
The fund aims to grow capital in real terms over the long term whilst also preserving capital in difficult times. It holds index-linked bonds, gold through ETFs (exchange traded funds), as well as mainly large international consumer companies. In recent times these have included the biggest US technology companies. They have a very consistent style and have proved adept at avoiding large draw downs in difficult markets.

6. Capital Gearing Trust (5.62%)
The trust aims for capital growth in absolute terms, and preservation of shareholders’ wealth is an important consideration. It holds large positions in index-linked gilts as well as corporate bonds and some preference shares. Equity exposure is held mainly through investment trusts which have performed well. Over recent years the trust has adopted a zero discount policy that has enabled it to grow very substantially by issuing new shares.

7. Morant Wright Japan Fund (5.57%)
This fund is invested in companies with very strong balance sheets. The Japanese equity market is depressed after a bear market that has gone on for about 30 years. This has left many companies with no debt and market capitalisations below book value. Morant Wright specialises in looking for these type of companies but with growth and some catalyst for unlocking the value – usually a management change or becoming more shareholder focused.

8. Herald Investment Trust (5.34%)
Herald invests in smaller technology, media and telecom companies around the globe. The trust has a bias to UK companies, often on the AIM market. Recently the managers have added to Europe and Asia at the expense of US companies due to their higher ratings. Owing to the small size, lack of liquidity and risk of the underlying companies the trust has a large number of holdings. The trust has been actively buying back shares which increases the NAV to remaining investors.

9. Law Debenture (5.07%)
Although this trust is now categorised as a UK trust it has significant overseas equity exposure as well as a stand-alone Fiduciary Services business. The trust pays an attractive dividend and has a low fee. The manager is very experienced and draws on the Janus Henderson team for overseas stock selection.

10. CG Real Return Fund (4.94%)
The trust invests in overseas, sovereign, index linked bonds. At present, and in recent years, it has been very heavily weighted in US TIPS (~70%). These have offered some of the best real yields and in a currency that the manager felt was attractive for UK investors. More recently that exposure has reduced slightly to include other countries such as Germany, Sweden, Japan and Canada.

Market Review and Portfolio Highlights
It is unusual to report that the UK equity market was one of the strongest performers last year falling only 3%. The US market, which has outperformed all other major markets consistently for many years, fell 11% in Sterling terms even with support from a strong US Dollar. Japan (-7%) and the Pacific ex Japan markets (-9%) did slightly better and Europe (-12%) was a laggard. However, equities did notably better than UK Gilts (-25%) which gave back about ten years of returns and justified our nil exposure to fixed income assets. These figures demonstrate that it was a tricky year for all investors in almost all asset classes.

Any changes we made were largely the result of flows in and out of the fund. However, we made some changes in the Asian exposure. We sold Asia Dragon Trust and Scottish Oriental Smaller Companies Trust in favour of Crux Asia ex Japan Fund and also Samarang Asian Prosperity Fund. The former is run by a talented manager who was starting a new fund and we felt it worth backing him. In the case of Samarang Asian Prosperity, this manager has a long track record which had recently been weak. We are persuaded his value style in southern Asian markets has great potential. The holding of Independent Investment Trust was rolled into Monks Investment Trust after the manager retired.

In what was a difficult year, growth investments such as Monks Investment Trust (-31%) and Herald Investment Trust (-29%) were very weak. Although very large capitalisation stocks in the UK did well, smaller and medium sized companies were generally poor performers. This affected Artemis Alpha Trust (-24%) and North Atlantic Smaller Companies Trust (-24%). Law Debenture (-3%) holds larger companies and benefited accordingly. Value investors such as Overstone Global Equity (-1%) and Morant Wright Japan Fund (+3%) held up well. The defensive holdings benefited from high US Dollar exposure which covered up some falls in underlying assets. Gold Bullion Securities (+12%) benefited from both the strong price and Dollar strength.

Outlook
At the time of writing equity markets have strengthened following dovish comments from the Federal Reserve at the end of last year suggesting that the interest rates increases were slowing down and the peak was in sight. There are clear signs in monetary statistics that a slowdown (and quite likely a recession) is coming but that doesn’t necessarily mean that interest rates will be able to be reduced. It is possible that inflation will remain stubbornly high as a result of the monetary splurge during the pandemic. We remain open minded on how economies perform this year.

The very high levels of debt that developed countries are left with following years of QE and the pandemic spending will have much longer term implications. We believe governments and central banks may well try to erode these debts by keeping the interest rate below the inflation rate. We call this “financial repression”. In order to make this possible governments may well take more direct intervention in savings markets. This is potentially a very different and difficult environment for investors.

We believe fixed coupon government bonds will be a poor investment. We hope that equities may provide the best long term protection against these policies but acknowledge even that may be a difficult strategy. Diversification, funds managed by experienced and talented individuals and a healthy dose of cynicism to the norms we have been used to for many years will be the best form of defence.

Rossie House Investment Management LLP
Investment Manager to the Fund
31 March 2023

PERFORMANCE RECORD

Financial Highlights

A Class Net Income

	Year to 31 December 2022	Year to 31 December 2021	Year to 31 December 2020
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	174.5741	158.8477	144.2427
Return before operating charges	(19.3312)	19.1361	18.0982
Operating charges (note 1)	(1.9389)	(1.7838)	(1.6215)
Return after operating charges *	(21.2701)	17.3523	16.4767
Distribution on income shares	(2.0055)	(1.6259)	(1.8717)
Closing net asset value per share	151.2985	174.5741	158.8477
*after direct transactions costs of:	-	0.0347	0.1212
Performance			
Return after charges	(12.18%)	10.92%	11.42%
Other information			
Closing net asset value	£1,016,362	£1,172,592	£1,301,201
Closing number of shares	671,759	671,687	819,150
Operating charges (note 2)	1.19%	1.07%	1.07%
Direct transaction costs	0.00%	0.02%	0.08%
Prices			
Highest share price	175.0309	179.2256	160.3416
Lowest share price	146.3114	155.7959	109.1304

B Class Net Income

	Year to 31 December 2022	Year to 31 December 2021	Year to 31 December 2020
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	163.2057	149.6832	137.0123
Return before operating charges	(17.9920)	17.9791	17.1223
Operating charges (note 1)	(3.0201)	(2.9255)	(2.6806)
Return after operating charges *	(21.0121)	15.0536	14.4417
Distribution on income shares	(1.8668)	(1.5311)	(1.7708)
Closing net asset value per share	140.3268	163.2057	149.6832
*after direct transactions costs of:	-	0.0326	0.1147
Performance			
Return after charges	(12.87%)	10.06%	10.54%
Other information			
Closing net asset value	£690,607	£866,380	£1,059,616
Closing number of shares	492,142	530,851	707,905
Operating charges (note 2)	1.99%	1.87%	1.87%
Direct transaction costs	0.00%	0.02%	0.08%
Prices			
Highest share price	163.6183	167.7201	151.0979
Lowest share price	135.9357	146.6065	103.4908

Financial Highlights (Continued)

A Class Net Accumulation

	Year to 31 December 2022	Year to 31 December 2021	Year to 31 December 2020
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	172.1905	155.2048	139.1729
Return before operating charges	(19.0414)	18.7373	17.6068
Operating charges (note 1)	(1.9243)	(1.7516)	(1.5749)
Return after operating charges *	(20.9657)	16.9857	16.0319
Closing net asset value per share	151.2248	172.1905	155.2048
Retained distributions on accumulated shares	1.9847	1.5961	1.8110
*after direct transactions costs of:	-	0.0341	0.1178
Performance			
Return after charges	(12.18%)	10.94%	11.52%
Other information			
Closing net asset value	£7,567,924	£8,794,447	£8,613,412
Closing number of shares	5,004,419	5,107,393	5,549,706
Operating charges (note 2)	1.19%	1.07%	1.07%
Direct transaction costs	0.00%	0.02%	0.08%
Prices			
Highest share price	172.6410	175.9796	155.7579
Lowest share price	145.2287	152.2230	105.2905

B Class Net Accumulation

	Year to 31 December 2022	Year to 31 December 2021	Year to 31 December 2020
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	163.0746	148.1789	133.9438
Return before operating charges	(17.9585)	17.8059	16.8729
Operating charges (note 1)	(3.0363)	(2.9102)	(2.6378)
Return after operating charges *	(20.9948)	14.8957	14.2351
Closing net asset value per share	142.0798	163.0746	148.1789
Retained distributions on accumulated shares	1.8714	1.5144	1.7360
*after direct transactions costs of:	-	0.0324	0.1128
Performance			
Return after charges	(12.87%)	10.05%	10.63%
Other information			
Closing net asset value	£1,727,696	£1,778,144	£1,140,948
Closing number of shares	1,216,004	1,090,387	769,980
Operating charges (note 2)	1.99%	1.87%	1.87%
Direct transaction costs	0.00%	0.02%	0.08%
Prices			
Highest share price	163.4869	166.8301	148.7131
Lowest share price	136.6817	145.1314	101.1630

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

2 The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund together with the ongoing charges included within the underlying holdings held by 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 (31 December 2021: ranked 5). The Sub-fund is ranked '5' because weekly historical performance data indicates that it has experienced relatively high rises and falls in market prices historically.

PORTFOLIO STATEMENT

As at 31 December 2022

Holding		Value £	% of total net assets
	FIXED INTEREST (31 December 2021: 4.52%)		
2,700	CG Real Return	540,810	4.94%
		540,810	4.94%
	CAPITAL PRESERVATION (31 December 2021: 14.47%)		
536,000	Trojan Fund	664,104	6.06%
164,000	Ruffer Investments	510,040	4.66%
12,550	Capital Gearing Trust	614,950	5.62%
		1,789,094	16.34%
	UK (31 December 2021: 18.23%)		
22,500	Aberforth UK Smaller Companies	294,300	2.69%
177,500	Artemis Alpha Trust	527,175	4.81%
72,000	Law Debenture	555,120	5.07%
		1,376,595	12.57%
	INTERNATIONAL (31 December 2021: 28.14%)		
1,454	Egerton Capital Equity	531,982	4.86%
82,131	Monks Investment Trust	774,495	7.07%
96,000	Mid Wynd International Investment Trust	680,640	6.22%
2,400	Overstone Global Equity Fund	345,614	3.16%
17,500	RIT Capital Partners	371,875	3.40%
36,000	Scottish Mortgage Trust	259,920	2.37%
		2,964,526	27.08%
	US (31 December 2021: 7.35%)		
6,000	Findlay Park American Fund	785,460	7.17%
		785,460	7.17%
	GOLD (31 December 2021: 4.97%)		
5,000	Gold Bullion Securities	699,448	6.39%
		699,448	6.39%
	JAPAN (31 December 2021: 4.74%)		
155,000	LF Morant Wright Japan Fund	610,406	5.57%
		610,406	5.57%
	ASIA (31 December 2021: 3.48%)		
3,150	CRUX (Lux) Asia ex-Japan	230,234	2.10%
650	Samarang Asian Prosperity	164,093	1.50%
		394,327	3.60%
	EMERGING MARKETS (31 December 2021: 1.95%)		
115,600	Utilico Emerging Markets Investment Trust	238,135	2.17%
		238,135	2.17%
	SPECIALIST (31 December 2021: 11.97%)		
30,000	Hansa Investment Company Limited	52,200	0.48%
33,000	Herald Investment Trust	584,760	5.34%
13,000	North Atlantic Smaller Companies Investment Trust	455,000	4.15%
250,000	Taylor Maritime Investment Ltd	225,000	2.05%
		1,316,960	12.02%
	Portfolio of Investments (31 December 2021: 99.82%)	**10,715,761**	**97.85%**
	Net Other Assets (31 December 2021: 0.54%)	**234,961**	**2.15%**
		10,950,722	**100.00%**

Note: The 31 December 2021 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 31 December 2021 was (0.36%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Sales for the year (note 14)	**551,922**
Artemis Alpha Trust PLC	19,296
Asia Dragon Trust PLC	145,835
Findlay Park American	31,050
Law Debenture Corporation PLC	32,023
Scottish Oriental Smaller Companies Trust PLC	273,015
Taylor Maritime Investments Ltd	50,703

	£
Purchases for the year (note 14)	**431,776**
CRUX (Lux) Asia ex-Japan	272,318
Samarang Asian Prosperity	159,458

The above transactions represent all of the sales and purchases during the year.

STATEMENT OF TOTAL RETURN

For the year ended 31 December

	Notes	2022 £	2022 £	2021 £	2021 £
Income					
Net capital (losses)/gains	**2**		(1,664,162)		1,223,399
Revenue	**3**	149,003		124,461	
Expenses	**4**	(58,024)		(57,471)	
Interest payable and similar charges	**6**	(58)		(1,007)	
Net revenue before taxation		90,921		65,983	
Taxation	**5**	(27)		-	
Net revenue after taxation			90,894		65,983
Total return before distributions			(1,573,268)		1,289,382
Finance costs: distributions	**6**		(145,509)		(123,454)
Changes in net assets attributable to shareholders from investment activities			(1,718,777)		1,165,928

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December

	2022 £	2021 £
Opening net assets attributable to shareholders	12,567,460	12,085,525
Amounts receivable on creation of shares	356,079	531,670
Amounts payable on cancellation of shares	(376,252)	(1,316,141)
Retained accumulation distributions	122,212	100,478
Changes in net assets attributable to shareholders from investment activities (see above)	(1,718,777)	1,165,928
Closing net assets attributable to shareholders	10,950,722	12,567,460

BALANCE SHEET

As at

	Notes	31.12.2022 £	31.12.2022 £	31.12.2021 £	31.12.2021 £
ASSETS					
Investment assets			10,715,761		12,500,005
Current Assets					
Debtors	**7**	12,161		12,051	
Cash and bank balances	**8**	254,197		83,459	
Total current assets			266,358		95,510
Total assets			10,982,119		12,595,515
LIABILITIES					
Creditors					
Distribution payable on income shares		(11,896)		(9,268)	
Other creditors	**9**	(19,501)		(18,787)	
Total liabilities			(31,397)		(28,055)
Net assets attributable to shareholders			10,950,722		12,567,460

For the year ended 31 December 2022

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

1 Accounting policies

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

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

(c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis. All expenses are then reallocated to capital, net of any tax effect for distribution purposes.

(d) Distributions on equities and collectives are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis.

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

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

(g) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 4.30pm on 30 December 2022 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.

(h) 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 30 December 2022.

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

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

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

(k) The Sub-fund currently issues Accumulation & Income shares. The Sub-fund goes ex dividend semi-annually and pays any income available to the shareholder two months in arrears, as a dividend distribution. Any revenue deficit at the year end is funded from capital.

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

For the treatment of expenses revert to policy 'c' and special dividends revert to policy 'f'.

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

2 Net capital (losses)/gains

		2022	2021
		£	£
Net capital (losses)/gains comprise:			
Non-derivative securities (losses)/gains	- unrealised	(1,826,459)	1,010,349
	- realised	162,361	213,419
Transaction charges		(92)	6
Currency gains/(losses)		28	(375)
Total net capital (losses)/gains		(1,664,162)	1,223,399

3 Revenue

	2022	2021
	£	£
Non taxable dividends	138,632	106,407
Interest distributions	9,247	8,113
Property income distributions (PID)	-	9,922
Bank interest	1,124	19
Total revenue	149,003	124,461

4 Expenses

	2022	2021
	£	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Annual management charge	29,642	29,548
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	17,951	18,000
Safe custody fee	762	609
	18,713	18,609
Other expenses:		
Audit fee	9,145	8,304
FCA fee	48	54
Other expenses	476	956
	9,669	9,314
Total expenses	58,024	57,471

5 Taxation

	2022	2021
	£	£
(a) Analysis of charge in the year		
Overseas withholding tax	27	-
Total tax charge for the year (note 5b)	27	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2021: 20.00%). The differences are explained below:

	2022	2021
Net revenue before taxation	90,921	65,983
Corporation tax at 20.00% (2021: 20.00%)	18,184	13,197
Effects of:		
Revenue not subject to UK corporation tax	(27,726)	(21,282)
Current year expenses not utilised	9,542	8,085
Overseas withholding tax	27	-
Total tax charge for the year (note 5a)	27	-

(c) Provision for deferred taxation

At 31 December 2022 there is a potential deferred tax asset of £49,209 (31 December 2021: £39,667) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs

	2022	2021
	£	£
Interim dividend distribution	68,684	64,272
Final dividend distribution	76,206	57,284
	144,890	121,556
Add: Revenue deducted on cancellation of shares	1,519	2,950
Deduct: Revenue received on issue of shares	(900)	(1,052)
	145,509	123,454
Interest payable and similar charges	58	1,007
Total finance costs	145,567	124,461
Reconciliation of distributions		
Net revenue after taxation	90,894	65,983
Expenses paid by capital	58,024	57,471
Relief on expenses allocated to capital	(2,063)	(3,409)
Balance brought forward	(3,409)	-
Balance carried forward	2,063	3,409
Net distribution for the year	145,509	123,454

7 Debtors	**31.12.2022**	**31.12.2021**
	£	**£**
Accrued revenue:		
Non-taxable dividends receivable	9,356	12,051
Prepayments	2,805	-
	12,161	12,051

8 Cash and bank balances	**31.12.2022**	**31.12.2021**
	£	**£**
Cash and bank balances	254,197	83,459

9 Creditors	**31.12.2022**	**31.12.2021**
	£	**£**
Investment manager fee	9,761	10,293
Other accrued expenses	9,740	8,494
Total creditors	19,501	18,787

10 Shares held

Shares Held - A Class Net Income	
Opening Shares at 01.01.2022	**671,687**
Shares issued during the year	72
Shares cancelled during the year	-
Shares converted during the year	-
Closing Shares as at 31.12.2022	**671,759**
Shares Held - A Class Net Accumulation	
Opening Shares at 01.01.2022	**5,107,393**
Shares issued during the year	17,080
Shares cancelled during the year	(120,054)
Shares converted during the year	-
Closing Shares as at 31.12.2022	**5,004,419**
Shares Held - B Class Net Income	
Opening Shares at 01.01.2022	**530,851**
Shares issued during the year	13,791
Shares cancelled during the year	(52,500)
Shares converted during the year	-
Closing Shares as at 31.12.2022	**492,142**
Shares Held - B Class Net Accumulation	
Opening Shares at 01.01.2022	**1,090,387**
Shares issued during the year	205,826
Shares cancelled during the year	(80,209)
Shares converted during the year	-
Closing Shares as at 31.12.2022	**1,216,004**

11 Risk management

In pursuing its investment objective as stated on page 7, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

11 Risk management (continued)

Market price risk

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 December 2022 would have increased/decreased by £1,071,576 (31 December 2021: £1,250,001).

Foreign currency risk

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

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

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

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Sterling	234,961	67,455	8,885,239	10,607,096	9,120,200	10,674,551
US Dollars	-	-	1,830,522	1,892,909	1,830,522	1,892,909
Total	234,961	67,455	10,715,761	12,500,005	10,950,722	12,567,460

Interest rate risk

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

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

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

	31.12.2022	**31.12.2021**
	£	**£**
Financial assets floating rate	254,197	83,459
Financial assets interest bearing instruments	540,810	568,215
Financial assets non-interest bearing instruments	10,187,112	11,943,841
Financial liabilities non-interest bearing instruments	(31,397)	(28,055)
Financial liabilities floating rate	-	-
	10,950,722	**12,567,460**

11 Risk management (continued)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 December 2022 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for sale after the Sub-fund has fulfilled its responsibilities.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

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

Fair value disclosure

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

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

	31.12.2022		**31.12.2021**	
Valuation Technique	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Unadjusted quoted price in an active market for an identical instrument	6,843	-	8,770	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	3,873		3,730	
Total	10,716	-	12,500	-

12 Contingent assets and liabilities

At 31 December 2022, the Sub-fund had no contingent liabilities or commitments (31 December 2021: £nil)

13 Post balance sheet events

Since the year end, the prices of the share classes have changed as follows:

	As at 30 December 2022	**As at 26 April 2023**
	GBp	GBp
Class A Net Income	151.2985	151.8882
Class A Net Accumulation	151.2248	151.8142
Class B Net Income	140.3268	140.5151
Class B Net Accumulation	142.0798	142.2654

14 Portfolio transaction costs

	2022		2021	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	431,776		555,397	
Commissions	-	0.00%	214	0.04%
Taxes & Levies	-	0.00%	1,529	0.27%
Total purchase costs	-	0.00%	1,743	0.31%
Total purchases including transaction costs	431,776		557,140	

	2022		2021	
	£	%	£	%
Analysis of total sale costs				
Sales in the year before transaction costs	552,287		1,148,069	
Commissions	(365)	(0.07%)	(922)	(0.08%)
Taxes & Levies	-	(0.00%)	(7)	(0.00%)
Total sale costs	(365)	(0.07%)	(929)	(0.08%)
Total sales net of transaction costs	551,922		1,147,140	

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

	2022		2021	
	£	% of average net asset value	£	% of average net asset value
Commissions	365	0.00%	1,136	0.01%
Taxes & Levies	-	0.00%	1,536	0.01%
	365	0.00%	2,672	0.02%

15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2022 is 0.96% (2021: 0.72%).

16 Related Party transactions

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

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

Interim distribution in pence per share
Group 1: Shares purchased prior to 01 January 2022
Group 2 : Shares purchased on or after 01 January 2022 and on or before 30 June 2022

01 January 2022 to 30 June 2022

A Class Net Income	Net revenue 31.08.2022	Equalisation	Distribution 31.08.2022	Distribution 31.08.2021
Group 1	0.9518p	-	0.9518p	0.8334p
Group 2	0.7646p	0.1872p	0.9518p	0.8334p

B Class Net Income	Net revenue 31.08.2022	Equalisation	Distribution 31.08.2022	Distribution 31.08.2021
Group 1	0.8879p	-	0.8879p	0.7880p
Group 2	0.7720p	0.1159p	0.8879p	0.7880p

A Class Net Accumulation	Net revenue 31.08.2022	Equalisation	Distribution 31.08.2022	Distribution 31.08.2021
Group 1	0.9388p	-	0.9388p	0.8143p
Group 2	0.3280p	0.6108p	0.9388p	0.8143p

B Class Net Accumulation	Net revenue 31.08.2022	Equalisation	Distribution 31.08.2022	Distribution 31.08.2021
Group 1	0.8872p	-	0.8872p	0.7728p
Group 2	0.5003p	0.3869p	0.8872p	0.7728p

Final distribution in pence per share
Group 1: Shares purchased prior to 01 July 2022
Group 2 : Shares purchased on or after 01 July 2022 and on or before 31 December 2022

01 July 2022 to 31 December 2022

A Class Net Income	Net Revenue 28.02.2023	Equalisation	Distribution 28.02.2023	Distribution 28.02.2022
Group 1	1.0537p	-	1.0537p	0.7925p
Group 2	0.9035p	0.1502p	1.0537p	0.7925p

B Class Net Income	Net Revenue 28.02.2023	Equalisation	Distribution 28.02.2023	Distribution 28.02.2022
Group 1	0.9789p	-	0.9789p	0.7431p
Group 2	0.9789p	-	0.9789p	0.7431p

A Class Net Accumulation	Net Revenue 28.02.2023	Equalisation	Distribution 28.02.2023	Distribution 28.02.2022
Group 1	1.0459p	-	1.0459p	0.7818p
Group 2	1.0459p	-	1.0459p	0.7818p

B Class Net Accumulation	Net Revenue 28.02.2023	Equalisation	Distribution 28.02.2023	Distribution 28.02.2022
Group 1	0.9842p	-	0.9842p	0.7416p
Group 2	0.6439p	0.3403p	0.9842p	0.7416p

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

i) 93.04% of the total dividend allocation together with the tax credit is received as franked investment income.
ii) 6.96% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

Distribution
Distributions of the revenue of the Sub-fund will be made to shareholders on or before 28 February each year and interim allocations of revenue on or before 31 August.

Taxation
The Sub-fund will pay no corporation tax on its profits for the year ended 31 December 2022 and capital gains within the Sub-fund will not be taxed.

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

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £12,300 (2022/23) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Debts of the ICVC fund
Unit holders of the ICVC are not liable for the debts of the ICVC.

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 ACD and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours (8.30am and 5.30pm). Instructions may be given by email to (rhpf@valu-trac.com) or by sending an application form to the Registrar. Application forms are available from the Registrar.

The price of shares will be determined by reference to a valuation of the Sub-fund's net assets at 4.30pm daily.

The ACD 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 ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. Settlement is due on receipt by the purchaser of the contract note and should be made to the Company's account at the custodian.

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.

Alternative Investment Fund Managers Directive

The ACD is subject to a remuneration policy which meets the requirements of the ESMA published Guidelines on sound remuneration policies under the AIFMD as set out in SYSC 19B of the FCA Handbook.

risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the ACD compliance with its duty to act in the best interests of the funds it manages.

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

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

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

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

CORPORATE DIRECTORY

Authorised Corporate Director, Alternative investment Fund Manager & Registrar	Valu-Trac Investment Management Limited Mains of Orton Fochabers Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: rhpf@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Director	Valu-Trac Investment Management Limited as ACD
Investment Manager	Rossie House Investment Management LLP 50 Moray Place Edinburgh EH3 6BQ Authorised and regulated by the Financial Conduct Authority
Depositary	NatWest Trustee and Depositary Services Limited Floor A House 0 175 Glasgow Road Gogarburn Edinburgh EH12 9JN Authorised and regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP Commerce House South Street Elgin IV30 1JE

Statement by the Authorised Fund Manager (AFM) to the shareholders of the VT Rossie House Portfolio Fund on the outcome of the AFM's assessment of the value provided to shareholders

For the year ended 31 December 2022

This assessment is to establish what the VT Rossie House Portfolio Fund (the Fund) has delivered to you in return for the price you have had to pay.

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a 'traffic light' system, where green (G) indicates good value: amber (A) room for improvement, and red (R) poor value.

The dashboard below shows the overall summary of this assessment, **as at 31 December 2022:**

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Rossie House Portfolio Fund								
Class A Net Income	G	G	G	G	G	G	G	G
Class A Net Accumulation	G	G	G	G	G	G	G	G
Class B Net Income	G	A	G	G	G	G	A	A
Class B Net Accumulation	G	A	G	G	G	G	A	A

The dashboard below shows the overall summary for the previous assessment i.e. carried out as at 31 December 2021:

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Rossie House Portfolio Fund								
Class A Net Income	G	G	G	G	G	G	G	G
Class A Net Accumulation	G	G	G	G	G	G	G	G
Class B Net Income	G	G	G	G	G	G	A	G
Class B Net Accumulation	G	G	G	G	G	G	A	G

The AFM is the Authorised Corporate Director (ACD) of the Fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Manager is Rossie House Investment Management LLP.

The Fund was launched on 11 April 2014 with the A Net Income shares; the B Net Income shares were launched on 1 May 2014.

The Fund's objective is to achieve long term capital and income growth. The Fund will aim to meet its objective by investing primarily, though not exclusively, in investment trusts and collective investment schemes that invest predominantly in equity securities. The Fund may also have some direct exposure to bonds and other non-equity investments, including cash, gold and derivatives.

At and for the year ended					
	31-Dec-22	**31-Dec-21**	**31-Dec-20**	**31-Dec-19**	**31-Dec-18**
Value of Fund (per Performance Record)					
Class A Net Income	£1.02m	£1.17m	£1.30m	£1.18m	£1.03m
Class A Net Accumulation	£7.57m	£8.79m	£8.61m	£8.54m	£7.67m
Class B Net Income	£0.69m	£0.87m	£1.06m	£0.93m	£0.89m
Class B Net Accumulation	£1.73m	£1.78m	£1.14m	£0.82m	£0.60m

Shares outstanding					
Class A Net Income	0.67m	0.67m	0.82m	0.82m	0.82m
Class A Net Accumulation	5.00m	5.11m	5.55m	6.14m	6.39m
Class B Net Income	0.49m	0.53m	0.71m	0.68m	0.74m
Class B Net Accumulation	1.22m	1.09m	0.77m	0.61m	0.51m
NAV per share					
Class A Net Income	151.30p	174.57p	158.85p	144.24p	125.82p
Class A Net Accumulation	151.22p	172.19p	155.20p	139.17p	119.90p
Class B Net Income	140.33p	163.21p	149.68p	137.01p	120.47p
Class B Net Accumulation	142.08p	163.07p	148.18p	133.94p	116.34p
Dividend per share					
Class A Net Income	2.01p	1.63p	1.87p	1.74p	1.78p
Class A Net Accumulation	1.98p	1.60p	1.81p	1.67p	1.67p
Class B Net Income	1.87p	1.53p	1.77p	1.66p	1.70p
Class B Net Accumulation	1.87p	1.51p	1.74p	1.61p	1.62p
Operating charges					
Class A Net Income	1.19%	1.07%	1.07%	1.10%	1.24%
Class A Net Accumulation	1.19%	1.07%	1.07%	1.10%	1.24%
Class B Net Income	1.99%	1.87%	1.87%	1.90%	2.04%
Class B Net Accumulation	1.99%	1.87%	1.87%	1.90%	2.04%
Net (losses) / gains before expenses					
Capital (losses) / gains	(£1.66m)	£1.22m	£1.12m	£1.52m	(£0.63m)
Total Net (losses) / gains	(£1.52m)	£1.35m	£1.26m	£1.66m	(£0.48m)

Source: Valu-Trac Administration services

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

1. **Quality of service**

The AFM considers that a good level of service was provided to shareholders by all parties involved commensurate to the amount paid by the Fund for those services. The AFM monitors the following operational services:

Depositary – NatWest Trustee and Depositary Services Limited

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

The external audit is conducted by Johnston Carmichael LLP.

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

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

The AFM has also assessed the costing of each of these services to comparable providers and has concluded that the company is receiving good value for the services provided by each party (detailed analysis on how we have arrived at this conclusion can be provided on request).

2. Performance

The AFM has assessed performance of the Fund net of all the charges that are outlined in its prospectus. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed by considering whether the objective is achieved (i.e. whether there has been capital growth over the long term (+5 years) and also income growth over the period). To aid this the Fund performance is compared to the performance of the MSCI PIMFA Private Investor Balanced Index (TR) (the comparator).

To show capital and income growth, the total returns generated are shown on the table below this is after operating costs, including the fee paid to the investment manager, and transaction costs which vary depending on the class of shares, this is discussed more in the Classes of Units section below.

	2022 Performance	**2022 Comparator Performance**	**5-Year Performance (p.a)**	**5-Year Comparator Performance (p.a)**
Class A Net Income	(12.18%)	(8.10%)	3.69%	3.14%
Class A Net Accumulation	(12.18%)	(8.10%)	3.69%	3.14%
Class B Net Income	(12.87%)	(8.10%)	2.86%	3.14%
Class B Net Accumulation	(12.87%)	(8.10%)	2.86%	3.14%

Source: Morningstar

The AFM has also assessed the risk the Fund took to achieve the above performance and has concluded that the Fund not taken excessive risk to achieve this performance (detailed analysis on how we have arrived at this conclusion can be provided on request).

3. AFM costs - general

The costs charged during the year ended 31 December 2022 were as follows:

	£	**%age of average Fund value**
Investment Manager's fee	19,669	0.17%
ACD fee	9,973	0.09%
Depositary fee	17,951	0.16%
Audit fee	9,145	0.08%
FCA fee	48	0.00%
Safe custody fee	762	0.01%
Transaction charges (custodian)	476	0.00%
Total Costs	**58,024**	**0.51%**

Total losses for the year (capital and revenue) less costs were £1.573m. Taxation was £27.

It should be noted that the prospectus does allow for a dilution levy charged in the following circumstances: where the Scheme Property of a Fund is in continual decline; on a Fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the relevant Fund); in any case where the AFM is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

There were no preliminary charges, redemption charges or dilution levies paid by shareholders during the year.

The AFM has considered the costs charged to the Fund by comparing the operating charges of the share classes to the average OCF of the largest 10 funds in the IA Specialist sector, retail classes where available. This is shown below.

	Operating charges
Class A Net Income	1.19%
Class A Net Accumulation	1.19%
Class B Net Income	1.99%
Class B Net Accumulation	1.99%
IA Specialist Sector (average of 10 largest funds)	1.13%

Source - Morningstar

The AFM has concluded that, while there may be room for improvement in relation to the costs of the B share classes, on balance, the investment management fees are appropriate and justified for the Fund. It should be noted that a significant portion of the operating charges is the costs of underlying funds it holds at 0.86%. Excluding this, the operating charges would be 0.33% for the A Class and 1.13% for the B Class. Section 7 discusses the difference in the annual management fee charged to the two share classes.

4. **Economies of scale**

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

5. **Comparable market rates**

The AFM has compared the charges of this Fund with that of comparable funds. The AFM selected funds that are classified in the IA Specialist sector along with similar style funds that the AFM administer. The AFM believes that the shareholders of the Fund are achieving efficient market rates as a whole and are not excessive as discussed in section 3. As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

6. **Comparable services**

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

7. **Classes of units**

The A Class shares are only available to the employees and partners of the Investment Manager and certain clients of the Investment Manager. The issuance of these shares is at the discretion of the AFM. The A class shares have no investment manager charge, whilst the B class shares have an investment management charge of 0.80% of the net asset value of those share classes.

CONCLUSION

As mentioned in the introduction, we have rated the Fund based on a ‘traffic light’ assessment system. This is shown in the table below, where green (G) indicates good value; amber (A) indicates room for improvement, and red (R) indicates poor value.

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
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Class A Net Accumulation	G	G	G	G	G	G	G	G
Class B Net Income	G	A	G	G	G	G	A	A
Class B Net Accumulation	G	A	G	G	G	G	A	A

In taking all these criteria into consideration the AFM concludes that in assessing whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to shareholders.

The performance of each share class is below that of the performance comparator during the period under review. Of more significance, is the fact that long-term performance has notably weakened against benchmark over previous 12 months. The performance of the more readily available B share classes is now marginally below benchmark, on the key 5 year measure.

Overall, the AFM considers that the shareholders of VT Rossie House Portfolio Fund are receiving reasonable value.

04 April 2023