# VT BROMPTON FUNDS ICVC

## (Sub-funds VT Brompton Cautious Fund and VT Brompton Adventurous Fund)

**Annual Report and Financial Statements**
**For the year ended 31 December 2024**

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| | |
|---|---|
| **Type of Company** | VT Brompton Funds ICVC (the 'Company') is an investment company (company number IC001077) with variable capital incorporated in England and Wales under the Open Ended Investment Company Regulations 2001 (SI2001/1228).<br><br>The Company was incorporated and authorised by the Financial Conduct Authority on 20 December 2016.<br><br>The Company is a UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.<br><br>Shareholders are not liable for the debts of the Company. |

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

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

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

> select suitable accounting policies and then apply them consistently.

> make judgements and estimates that are reasonable and prudent.

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

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

## AUTHORISED FUND MANAGER'S STATEMENT

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

Jonathan Sim MA CA

Jonathan M. Child CA

On behalf of Valu-Trac Investment Management Limited
Authorised Fund Manager

Date

**For the year ended 31 December 2024**

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

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

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

The Depositary must ensure that:

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

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

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:
i) has carried out the issue, sale, redemption, cancellation and calculation of the price of the Company's shares and application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
ii) has observed the Investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
01 January 2025

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT BROMPTON FUNDS ICVC (SUB-FUNDS VT BROMPTON CAUTIOUS FUND AND VT BROMPTON ADVENTUROUS FUND)

**Opinion**

We have audited the financial statements of VT Brompton Funds ICVC ('the Company') for the year ended 31 December 2024, which comprise the Statements of Total Return, Statements of Changes in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
> Give a true and fair view of the financial position of the Company as at 31 December 2024 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended;
> Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
> Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the COLL Rules**

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

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

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

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

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

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

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

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

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

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

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

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

> Management override of controls; and
> the completeness and classification of special dividends between revenue and capital.

**Auditor responsibilities for the audit of the financial statements (Continued)**

***Extent to which the audit was considered capable of detecting irregularities, including fraud (Continued)***
In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

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

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

**Use of our report**

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

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin, United Kingdom

**For the year ended 31 December 2024**

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

**1 Accounting policies**

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

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

(c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on the financial statement on an accruals basis.

(d) Distributions on equities and collectives are recognised when the security is quoted ex-dividend. Interest on deposits and non-derivative securities is accounted for on an accruals basis. Rebates from underlying holdings are recognised on an accruals basis and are allocated to revenue or capital being decided by the allocation of the expense in the underlying funds. 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) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-funds, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.

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

(g) The listed investments of the Sub-funds have been valued at bid market prices at the closing valuation point at 12 noon on 31 December 2024, whilst unlisted collectives 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 rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting year are translated at the exchange rates at the closing valuation point on 31 December 2024.

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

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

(j) Tax is provided using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

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

(l) The Sub-funds currently issue Accumulation shares. The Sub-funds go ex dividend twice annually and pay any income available to the shareholder two months in arrears, as a dividend distribution. Any revenue deficit is funded from capital.

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

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

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

| | |
|---|---|
| **Name of Sub-fund** | VT Brompton Cautious Fund |
| **Size of Sub-fund** | £179,157,100 |
| **Launch date** | 06 January 2017 |
| **Investment objective and policy** | and / or income growth), by utilising a cautious approach to investing, over the longer term (at least 5 years). |

The composition of the portfolio will reflect the Investment Manager view of the potential future return of different asset classes and specific investments - for this Sub-fund the Investments Manager aims to take a cautious approach, with a higher proportion of the Sub-fund exposed to assets which it considers "lower risk" (such as fixed income) and less in those which may be "higher risk" (such as certain equities). The Sub-fund will be actively managed and will typically invest at least 80% of its Net Asset Value in collective investment schemes (including exchange traded funds and investment trusts, and which may include schemes which are managed and/or advised by the AFM and/or Investment Manager).

The collective investment vehicles will provide exposure to fixed income (including but not limited to sovereign bonds, corporate bonds and convertible bonds) and other conservative alternative investments (including, but not limited to, UCITS Long Short funds, market neutral funds and structured products) as well as equities. The Sub-fund's exposure to equities will not exceed 35% of the Net asset Value of the Sub-fund .

The Sub-fund may also invest directly in other transferable securities (Including equities), money market instruments, cash and near cash.

Investments will not be confined by geographical, industrial or economic sector.

Derivatives may be used only for Efficient Portfolio Management (including hedging) in accordance with the FCA Rules. Efficient portfolio management means using derivatives in a way that is designed to reduce risk or cost and/or generate extra income or growth. Use of derivatives is expected to be limited.

**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 0% - 35% Shares sector, which serves as a method of comparing the Sub-fund’s performance with other funds which have broadly similar characteristics.

| | |
|---|---|
| **Ex-distribution dates** | 30 June and 31 December |
| **Distribution dates** | 31 August and last day of February |
| **Individual Savings Account (ISA)** | The Sub-fund is a qualifying investment for inclusion in an ISA. |
| **Share Classes** | Class A: Accumulation Retail<br>Class B: Accumulation Staff |

**Minimum investment***

| | |
|---|---|
| Lump sum subscription: | Class A: Accumulation Retail = £1,000<br>Class B: Accumulation Staff = £1,000 |
| Top-up: | Class A: Accumulation Retail = £1,000<br>Class B: Accumulation Staff = £1,000 |
| Holding: | Class A: Accumulation Retail = £1,000<br>Class B: Accumulation Staff = £1,000 |
| Redemption: | Class A: Accumulation Retail = N/A (provided minimum holding is maintained)<br>Class B: Accumulation Staff = N/A (provided minimum holding is maintained) |
| Switching: | Class A: Accumulation Retail = N/A (provided minimum holding is maintained)<br>Class B: Accumulation Staff = N/A (provided minimum holding is maintained) |

*The AFM may waive the minimum levels at its discretion.

The Class B shares are only available to employees (as at the time of initial investment) of the Sub-fund's sponsor, Brompton Asset Management LLP, or otherwise at the AFM's discretion.

**Initial, redemption and switching cha** Nil

**Annual management charges to 18 August 2024**

The Annual management charges are: Class A: Accumulation Retail = 0.65%
Class B: Accumulation Staff = 0.45%

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant share class (plus VAT if applicable).

**Annual management charges from 19 August 2024**

£48,442.85 per annum[1] plus 0.005% per annum

the above amounts which will be paid to the AFM;

Plus

The Annual management charges are: Class A: Accumulation Retail = 0.65%
Class B: Accumulation Staff = 0.45%

The above percentage being a percentage of the Net Asset Value of the Company attributable to the relevant Class of Shares, and which will be paid to the Investment Manager (plus VAT if applicable).

[1]The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year (from 1 January 2025). In the event of negative inflation, the fixed element of the fee will remain unchanged.

**Fund performance**
VT Brompton Cautious A Acc rose 5.64% over the year to 31 December 2024, outperforming the IA Mixed Investment 0-35% Total Return Shares peer group, which rose 4.42%*.

**Investment review**
Global equities rose 20.13% in sterling over the year to 31 December 2024, with stocks benefitting from easing price pressures as US, UK and eurozone inflation fell to 2.4%, 1.7% and 1.7% respectively in September. Investors' exuberance about the commercial prospects for artificial intelligence (AI) generated outperformance for growth stocks, which gained 26.69% in sterling, while value stocks lagged, rising 13.56%. Gold gained 28.89% as geopolitical risks increased and central banks increased gold reserves.

Leading central banks in developed markets, including the Federal Reserve, Bank of England, and the European Central Bank, began to ease monetary policy but equity market momentum slowed in the final quarter as inflation ticked up, ending the year under review at 2.9%, 2.5% and 2.4% respectively. This led to fears that interest rates would fall more slowly than expected.

The US was one of the stronger-performing economies over the year but the UK was weaker, with the latest gross domestic product figures showing the economy stagnating over the third quarter.

In fixed income, global bonds rose 0.07% in sterling but UK government bonds fell 3.99%. President Donald Trump's policies of trade protectionism and tighter rules on immigration may add to price pressures. The Federal Reserve may, therefore, keep interest rates higher for longer, which may lead to falls for longer-dated bonds.

In response, the duration of the portfolio's bond investments was reduced through the sale of Janus Henderson Fixed Interest Monthly Income while Pimco Global Low Duration Real Return, which invests in shorter-dated inflation-linked bonds, was added. An unhedged holding in the iShares $ Treasury Bond 7-10 Years exchange-traded fund (ETF) was also sold in favour of the iShares $ Treasure Bond 0-1 Year ETF. The portfolio had no direct investments in UK government

With US economic growth strong and potential tailwinds from deregulation and tax cuts following the US election, US equities rose 27.26% in sterling. US technology stocks rose 40.77%, led by the AI pioneer, Nvidia, up 171%. The commercialisation of AI is in its infancy but investors' enthusiasm for AI and for technology stocks in general has led to a high level of concentration, with just 10 companies, of which eight are in the technology sector, accounting for 32% of the S&P 500 index by market value.

In response to stretched technology sector valuations, the allocation to large technology stocks was trimmed, with profits taken through the sale of Polar Capital Global Technology. The iShares S&P 500 Equal Weight ETF was added. This investment holds the same amount in each S&P500 stock, ensuring broader diversification than conventional passive investments weighted by market value. Within the global equity allocation, Clearbridge Global Infrastructure Income was added because infrastructure stocks may benefit from governments' decarbonisation goals.

The UK stockmarket, which has a low technology weighting, underperformed, gaining 9.06%, although smaller companies did marginally better, up 9.48%. After Labour won a landslide general election victory, the autumn budget included increased spending, funded by higher taxes and borrowing. The UK equity allocation was increased following initial post-election optimism, with valuations appearing attractive at below their historic average. The Artemis UK Special Situations holding was increased. Investor sentiment faded, however, near the year end in response to weak economic activity levels and stubborn inflation.

Equities in Europe excluding the UK were particularly weak, up only 2.77%, as leading indicators continued to imply manufacturing decline and France and Germany faced fractured politics. The portfolio ended the year with no dedicated Europe ex-UK equity investments.

The portfolio was, however, overweight in emerging market equities, which rose 9.98% in sterling. Emerging market equities were trading on attractive valuations and were likely to benefit from lower interest rates and a weaker dollar. Baillie Gifford Emerging Markets Growth was trimmed towards the year end, however, as it became apparent that interest rates would remain higher for longer and while investors waited for clarity on President Trump's trade policies.

Chinese equities rose 21.82% in sterling thanks to policy measures aimed at propping up China's property sector and a raft of additional monetary and fiscal stimulus measures announced in September. Economic challenges remained at the year end, however, and investments that that steer away from China may fare better over the coming months. An investment in Indian equities was added through Stewart Investors Indian Subcontinent. India should benefit from the government's pro-market policies, favourable demographics and the China Plus One strategy, which involves investors diversifying away from China towards other markets.

**Investment review (Continued)**

The Bank of Japan raised its policy interest rate for the first time since 2007, ending Japan's era of negative interest rates. Large cap value stocks performed well thanks to yen weakness and the Tokyo Stock Exchange's corporate governance reforms, which focus on companies trading below a price-to-book value of one, and profits were taken through the sale of Man Japan CoreAlpha.

**Outlook**

There are grounds to be positive about prospects for equities this year, particularly US equities, given the likely stimulus from Trump's policies. The high concentration of technology stocks amongst the largest US stocks may mean, however, that equally-weighted US passive investments with lower allocations to technology may outperform market value-weighted indices. Interest rates may remain higher for longer, favouring value-oriented equity strategies as opposed to growth-biased portfolios, which may underperform should the expected future cash flows from growth stocks be discounted more aggressively at higher interest rates. For the same reason, shorter-dated and inflation-linked bonds look more attractive than longer-dated bonds. Beyond Wall Street, lowly-valued large UK companies may prove defensive should equities overall experience weakness. Alternative holdings such as daily-traded long/short equity investments may provide diversification. Gold may also provide some protection for capital given the mercurial nature of Trump's policy-making and elevated political risks in some regions.

Brompton Asset Management Limited
Investment Manager to the Fund
10 April 2025

This document is intended to form part of the annual accounts of the VT Brompton Funds ICVC. It is based on the opinions of the asset management team at the time of writing, supported by publicly-available information and other sources Brompton Asset Management Limited believes to be reliable. Brompton cannot guarantee the accuracy of the information in the document. The opinions expressed are subject to change. This document is for information purposes only and is not intended to constitute financial, legal, tax, investment or other professional advice. It should not be relied upon as such and Brompton cannot accept any liability for loss for doing so. Any forecasts, expected future returns or expected future volatilities are not guaranteed and should not be relied upon. The value of investments, and any income from them, may fall as well as rise and you may not recover the amount of your original investment. Past performance is not a reliable indicator of future performance. Portfolio holdings and asset allocation can change at any time. Brompton Asset Management Limited is authorised and regulated by the Financial Conduct Authority, firm reference number 942254.

*Source: LSEG Lipper IM

**Financial Highlights**

| **Class A: Accumulation Retail** | **Year ended 31 December 2024** | **Year ended 31 December 2023** | **Year ended 31 December 2022** |
|---|---|---|---|
| Changes in net assets per share | GBp | GBp | GBp |
| Opening net asset value per share | 113.2206 | 108.6889 | 118.2277 |
| Return before operating charges | 7.7443 | 5.8521 | (8.1433) |
| Operating charges (note 1) | (1.3620) | (1.3204) | (1.3955) |
| Return after operating charges * | 6.3823 | 4.5317 | (9.5388) |
| Closing net asset value per share | 119.6029 | 113.2206 | 108.6889 |
| Retained distributions on accumulated shares | 2.7784 | 2.5879 | 1.7895 |
| *after direct transactions costs of: | - | - | 0.0113 |
| Performance | | | |
| Return after charges | 5.64% | 4.17% | (8.07%) |
| Other information | | | |
| Closing net asset value | £175,625,316 | £168,640,383 | £164,812,710 |
| Closing number of shares | 146,840,407 | 148,948,473 | 151,637,134 |
| Operating charges (note 2) | 1.17% | 1.19% | 1.23% |
| Direct transaction costs | 0.00% | 0.00% | 0.01% |
| Prices | | | |
| Highest share price | 121.2503 | 113.2206 | 118.4466 |
| Lowest share price | 111.6934 | 106.4932 | 105.3030 |

| **Class B: Accumulation Staff** | **Year ended 31 December 2024** | **Year ended 31 December 2023** | **Year ended 31 December 2022** |
|---|---|---|---|
| Changes in net assets per share | GBp | GBp | GBp |
| Opening net asset value per share | 115.0221 | 110.4151 | 119.8255 |
| Return before operating charges | 8.1373 | 5.7229 | (8.2247) |
| Operating charges (note 1) | (1.1496) | (1.1159) | (1.1857) |
| Return after operating charges * | 6.9877 | 4.6070 | (9.4104) |
| Closing net asset value per share | 122.0098 | 115.0221 | 110.4151 |
| Retained distributions on accumulated shares | 3.3217 | 2.6322 | 1.8149 |
| *after direct transactions costs of: | - | - | 0.0115 |
| Performance | | | |
| Return after charges | 6.08% | 4.17% | (7.85%) |
| Other information | | | |
| Closing net asset value | £3,731,142 | £3,408,093 | £3,188,796 |
| Closing number of shares | 3,058,066 | 2,962,990 | 2,888,006 |
| Operating charges (note 2) | 0.97% | 0.99% | 1.03% |
| Direct transaction costs | 0.00% | 0.00% | 0.01% |
| Prices | | | |
| Highest share price | 123.6756 | 115.0221 | 120.0500 |
| Lowest share price | 113.4706 | 108.1877 | 106.9650 |

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 plus the costs of the open-ended funds the Sub-fund holds. Note, the 2022 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

**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 funds of this type have experienced average rises and falls in market prices historically (31 December 2023: ranked 4). The higher the rank, the greater the potential reward but the greater the risk of losing money.

## PORTFOLIO SUMMARY

**As at 31 December 2024**

| Holding | | Value £ | % of net assets |
|---|---|---|---|
| | **Collective investment Schemes (31.12.2023: 72.46%)** | | |
| 745,128 | Artemis UK Special Situations | 6,948,169 | 3.88% |
| 308,164 | Baillie Gifford Emerging Markets Growth | 2,940,811 | 1.64% |
| 228,317 | Baillie Gifford Pacific | 2,142,530 | 1.20% |
| 520,824 | BlackRock European Absolute Alpha | 1,008,908 | 0.56% |
| 248,146 | Comgest Growth Japan GBP | 1,905,763 | 1.06% |
| 62,222 | CT Real Estate Equity Market Neutral Fund | 976,889 | 0.55% |
| 4,632,553 | Fidelity Funds - Global Inflation Linked Bond | 6,258,580 | 3.49% |
| 2,128,271 | Fidelity Index UK | 3,869,409 | 2.16% |
| 1,051,940 | FTF ClearBridge Global Infrastructure Infrastructure | 1,920,842 | 1.07% |
| 85,677 | Guinness Global Equity Income | 1,918,042 | 1.07% |
| 824,754 | Jupiter JGF Dynamic Bond | 7,513,507 | 4.19% |
| 1,162,125 | Man GLG Absolute Value CX Professional | 1,993,044 | 1.11% |
| 1,672,165 | Man GLG Income Professional | 6,805,710 | 3.80% |
| 551,138 | MI Chelverton UK Equity Growth | 1,802,024 | 1.01% |
| 154,184 | MI TwentyFour Dynamic Bond | 14,571,166 | 8.13% |
| 1,799,499 | PIMCO GIS Global Low Duration Real Return Fund | 21,468,023 | 11.98% |
| 298,394 | Polar Capital Global Insurance | 3,929,187 | 2.19% |
| 12,344 | Prusik Asian Equity Income | 1,896,184 | 1.06% |
| 6,312,471 | Schroder Investment Fund Company - Schroder Strategic Credit Fund | 13,937,937 | 7.78% |
| 368,041 | Stewart Investors Indian Subcontinent All Cap Fund Class | 1,862,839 | 1.04% |
| 140,405 | Vanguard Global Bond Index | 16,935,510 | 9.45% |
| | | 122,605,074 | 68.42% |
| | **Exchange Traded Commodities (31.12.2023: 2.18%)** | | |
| 125,471 | iShares Physical Gold ETC | 5,076,557 | 2.83% |
| | | 5,076,557 | 2.83% |
| | **Exchange Traded Funds (31.12.2023: 19.62%)** | | |
| 3,952,935 | iShares $ Treasury Bond 7-10y UCITS ETF | 16,730,797 | 9.35% |
| 93,056 | iShares $ Treasury Bond 0-1yr UCITS ETF | 8,454,037 | 4.73% |
| 48,104 | iShares Core MSCI World UCITS ETF | 4,154,742 | 2.33% |
| 17,022 | iShares Core S&P 500 UCITS ETF | 8,533,469 | 4.76% |
| 1,420,823 | iShares S&P 500 Equal Weight UCITS ETF | 7,054,386 | 3.94% |
| | | 44,927,431 | 25.11% |
| | **Investment Trusts (31.12.2023: 2.21%)** | | |
| 592,096 | 3i Infrastructure PLC | 1,871,022 | 1.03% |
| | | 1,871,022 | 1.03% |
| | **Portfolio of investments (31.12.2023: 96.47%)** | **174,480,084** | **97.39%** |
| | **Net other assets (31.12.2023: 3.53%)** | **4,677,016** | **2.61%** |
| | | **179,157,100** | **100.00%** |

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

| | £ |
|---|---|
| **Total purchases for the year (note 14)** | **108,534,119** |
| | |
| PIMCO GIS Global Low Duration Real Return | 23,311,015 |
| Schroder Investment Fund Company - Schroder Strategic Credit Fund | 15,253,530 |
| iShares Core S&P 500 UCITS ETF | 9,211,610 |
| iShares $ Treasury Bond 0-1yr UCITS ETF | 8,479,172 |
| Baillie Gifford Emerging Markets Growth | 5,442,735 |
| iShares Core MSCI World UCITS ETF | 5,360,797 |
| MI TwentyFour Dynamic Bond | 5,089,651 |
| Janus Henderson Fixed Interest Monthly Income | 4,563,535 |
| Fidelity Index UK | 3,900,481 |
| Jupiter JGF Dynamic Bond | 3,835,482 |
| Other purchases | 24,086,111 |

| | £ |
|---|---|
| **Total sales for the year (note 14)** | **108,224,398** |
| | |
| Vanguard Global Bond Index | 13,041,326 |
| Janus Henderson Fixed Interest Monthly Income | 11,745,429 |
| iShares $ Treasury Bond 7-10y UCITS ETF | 10,290,944 |
| Jupiter JGF Dynamic Bond | 7,810,860 |
| Baillie Gifford Global Income Growth | 5,421,889 |
| MI TwentyFour Dynamic Bond | 5,391,988 |
| Schroder ISF Strategic Credit | 4,919,681 |
| Polar Capital Global Technology | 4,331,876 |
| RWC Global Emerging Markets | 3,967,827 |
| Dimensional Global Targeted Value | 3,488,429 |
| Other sales | 37,814,149 |

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

## STATEMENT OF TOTAL RETURN

**For the year ended 31 December**

| | | Notes | 2024 £ | 2024 £ | 2023 £ | 2023 £ |
|---|---|---|---|---|---|---|
| Income | | | | | | |
| | Net capital gains | **2** | | 6,110,618 | | 4,147,057 |
| | Revenue | **3** | 5,866,388 | | 4,635,023 | |
| Expenses | | **4** | (1,315,546) | | (1,182,821) | |
| Interest payable and similar charges | | **6** | (10,132) | | - | |
| Net revenue before taxation | | | 4,540,710 | | 3,452,202 | |
| Taxation | | **5** | (680,904) | | (467,967) | |
| Net revenue after taxation | | | | 3,859,806 | | 2,984,235 |
| Total return before distributions | | | | 9,970,424 | | 7,131,292 |
| Finance costs: distributions | | **6** | | (4,402,351) | | (3,990,882) |
| **Changes in net assets attributable to shareholders from investment activities** | | | | 5,568,073 | | 3,140,410 |

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

**For the year ended 31 December**

| | 2024 £ | 2023 £ |
|---|---|---|
| **Opening net assets attributable to shareholders** | 172,037,071 | 167,829,500 |
| Amounts receivable on creation of shares | 30,337,727 | 20,561,732 |
| Amounts payable on cancellation of shares | (33,102,582) | (23,438,481) |
| Accumulation dividends retained | 4,310,274 | 3,943,910 |
| Dilution levies | 6,537 | - |
| Changes in net assets attributable to shareholders from investment activities (see above) | 5,568,073 | 3,140,410 |
| **Closing net assets attributable to shareholders** | 179,157,100 | 172,037,071 |

## BALANCE SHEET

| As at | Notes | 31.12.2024 £ | 31.12.2024 £ | 31.12.2023 £ | 31.12.2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Investment assets | | | 174,480,084 | | 165,982,353 |
| **Current assets** | | | | | |
| Debtors | **7** | 636,332 | | 12,596,747 | |
| Cash and bank balances | **8** | 5,000,103 | | 5,515,238 | |
| **Total current assets** | | | 5,636,435 | | 18,111,985 |
| **Total assets** | | | 180,116,519 | | 184,094,338 |
| **CURRENT LIABILITIES** | | | | | |
| **Creditors** | | | | | |
| Bank overdraft | **8** | - | | (2,028,714) | |
| Creditors | **9** | (959,419) | | (10,028,553) | |
| **Total current liabilities** | | | (959,419) | | (12,057,267) |
| **Net assets attributable to shareholders** | | | 179,157,100 | | 172,037,071 |

**1 Accounting policies**

The principal accounting policies, which have been applied in both the current and prior year, are set out below on pages 7-8.

**2 Net capital gains**

| The net capital gains comprise: | 2024 £ | 2023 £ |
|---|---|---|
| Non-derivative securities gains | 5,986,397 | 4,109,170 |
| Transaction charges (custodian) | (338) | 84 |
| Currency (losses)/gains | (1) | 37,803 |
| Equalisation received on collectives | 111,873 | - |
| Rebates from underlying holdings | 12,687 | - |
| Total net capital gains | 6,110,618 | 4,147,057 |

**3 Revenue**

| | 2024 £ | 2023 £ |
|---|---|---|
| Non-taxable dividends | 1,148,877 | 1,112,367 |
| Property income distributions (PIDs) | - | 34,023 |
| Interest on non-derivative securities | 4,380,286 | 3,314,053 |
| Bank interest | 337,225 | 174,580 |
| Total revenue | 5,866,388 | 4,635,023 |

**4 Expenses**

| | 2024 £ | 2023 £ |
|---|---|---|
| **Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:** | | |
| Annual management charge | 1,217,162 | 1,091,169 |
| **Payable to the depositary, associates of the depositary, and agents of either of them:** | | |
| Depositary fee | 61,258 | 56,617 |
| Safe custody fee | 14,643 | 12,525 |
| | 75,901 | 69,142 |
| **Other expenses:** | | |
| Audit fee | 9,049 | 9,749 |
| Other expenses | 13,434 | 12,761 |
| | 22,483 | 22,510 |
| Total expenses | 1,315,546 | 1,182,821 |

## 5 Taxation

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| **(a) Analysis of charge in the year** | | |
| UK corporation tax | 680,904 | 467,967 |
| **Total tax charge for the year (note 5b)** | 680,904 | 467,967 |
| | | |
| **(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% (2023: 20.00%). The differences are explained below: | | |
| Net revenue before taxation | 4,540,710 | 3,452,202 |
| Corporation tax at 20.00% (2023: 20.00%) | 908,142 | 690,440 |
| Effects of: | | |
| Tax effect on rebates in capital | 2,537 | - |
| Revenue not subject to UK corporation tax | (229,775) | (222,473) |
| **Total tax charge for the year (note 5a)** | 680,904 | 467,967 |

**(c) Provision for deferred taxation**

At 31 December 2024 there is no potential deferred tax asset or liability (31 December 2023: £nil).

## 6 Finance costs

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Interim dividend distribution | 1,696,203 | 2,158,910 |
| Final dividend distribution | 2,614,071 | 1,785,000 |
| | 4,310,274 | 3,943,910 |
| | | |
| Add: Revenue deducted on cancellation of shares | 323,331 | 140,234 |
| Deduct: Revenue received on issue of shares | (231,254) | (93,262) |
| | | |
| **Net distribution for the year** | 4,402,351 | 3,990,882 |
| Interest payable and similar charges | 10,132 | - |
| **Total finance costs** | 4,412,483 | 3,990,882 |
| | | |
| **Reconciliation of distributions** | | |
| Net revenue after taxation | 3,859,806 | 2,984,235 |
| Expenses paid from capital | - | (1,094) |
| Relief on expenses allocated to capital | - | 219 |
| Equalisation from collectives allocated to revenue | 111,873 | 117,657 |
| Balance brought forward | 125,313 | 1,015,178 |
| Balance carried forward | 305,359 | (125,313) |
| **Net distribution for the year** | 4,402,351 | 3,990,882 |

| 7 | Debtors | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| | | £ | £ |
| | Amounts receivable on creation of shares | 49,559 | 258,543 |
| | Amounts receivable on unsettled trades | - | 11,861,014 |
| | Accrued revenue: | | |
| | Non-taxable dividends receivable | - | 33,290 |
| | Interest on non-derivative securities receivable | 579,225 | 443,889 |
| | Rebates from underlying holdings receivable | 7,548 | - |
| | Prepayments | - | 11 |
| | Total debtors | 636,332 | 12,596,747 |

| 8 | Cash and bank balances | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| | | £ | £ |
| | Cash and bank balances | 5,000,103 | 5,515,238 |
| | Bank overdraft | - | (2,028,714) |

| 9 | Creditors | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| | | £ | £ |
| | Amounts payable on cancellation of shares | 378,016 | 109,721 |
| | Amounts payable on unsettled trades | - | 9,549,182 |
| | **Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:** | | |
| | Annual management charge | 107,022 | 86,929 |
| | **Payable to the depositary, associates of the depositary, and agents of either of them:** | | |
| | Depositary fee | 5,281 | 4,550 |
| | Safe custody and other custodian charges | 11,299 | 12,599 |
| | | 16,580 | 17,149 |
| | UK Corporation tax payable | 446,921 | 254,226 |
| | Other accrued expenses | 10,880 | 11,346 |
| | Total creditors | 959,419 | 10,028,553 |

**10 Risk management policies**

In pursuing its investment objective as stated on page 9, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

**Market price risk**

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 December 2024 would have increased/decreased by £17,448,008 (31 December 2023: £16,598,235).

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

Net currency assets and liabilities consist of:

| | Net monetary assets and liabilities | | Non-monetary assets | | Total net assets | |
|---|---|---|---|---|---|---|
| | £ | | £ | | £ | |
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Sterling | 4,677,016 | 6,054,718 | 166,026,047 | 165,982,353 | 170,703,063 | 172,037,071 |
| US Dollars | - | - | 8,454,037 | - | 8,454,037 | - |
| Total | 4,677,016 | 6,054,718 | 174,480,084 | 165,982,353 | 179,157,100 | 172,037,071 |

If foreign exchange rates 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 2024 would have increased/decreased by £845,404 (31 December 2023: £Nil).

## 10 Risk management policies (Continued)

**Interest rate risk**

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

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

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

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| | £ | £ |
| Financial assets floating rate | 5,000,103 | 5,515,238 |
| Financial assets interest bearing instruments | 105,869,557 | 102,351,168 |
| Financial assets non-interest bearing instruments | 69,246,859 | 76,227,932 |
| Financial liabilities non-interest bearing instruments | (959,419) | (10,028,553) |
| Financial liabilities floating rate | - | (2,028,714) |
| | **179,157,100** | **172,037,071** |

At 31 December 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £12,500 (31 December 2023: £8,716).

**Maturity of financial liabilities**

The financial liabilities of the Sub-fund as at 31 December 2024 are payable either within one year or on demand.

**Liquidity risk**

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

**Credit risk**

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

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

**Fair value disclosure**

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

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

| | 31.12.2024 | | 31.12.2023 | |
|---|---|---|---|---|
| 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 | 51,875 | - | 41,306 | - |
| Level 2: Valuation techniques using observable inputs other than quoted prices within level 1 | 122,605 | - | 124,676 | - |
| Total | 174,480 | - | 165,982 | - |

## 11 Shares held

| | |
|---|---|
| **Class A: Accumulation Retail** | |
| **Opening shares at 01.01.2024** | **148,948,473** |
| Shares issued during the year | 25,748,088 |
| Shares cancelled during the year | (27,856,154) |
| Shares converted during the year | - |
| **Closing shares at 31.12.2024** | **146,840,407** |
| | |
| **Class B: Accumulation Staff** | |
| **Opening shares at 01.01.2024** | **2,962,990** |
| Shares issued during the year | 337,526 |
| Shares cancelled during the year | (242,450) |
| Shares converted during the year | |
| **Closing shares at 31.12.2024** | **3,058,066** |

## 12 Contingent assets and liabilities

At 31 December 2024, the Sub-fund had no contingent liabilities or commitments (31 December 2023: £nil).

## 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 December 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

| Share class | Price at 31 December 2024 (GBp) | Price at 22 April 2025 |
|---|---|---|
| Class A: Accumulation Retail | 119.6029 | 118.3192 |
| Class B: Accumulation Staff | 122.0098 | 120.7952 |

## 14 Direct transaction costs

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | £ | % | £ | % |
| **Analysis of total purchase costs** | | | | |
| Purchases in the year before transaction costs | 108,534,119 | | 53,909,605 | |
| Commission | - | - | - | - |
| Total purchase costs | - | - | - | - |
| Total purchases including transaction costs | 108,534,119 | | 53,909,605 | |
| | | | | |
| **Analysis of total sale costs** | | | | |
| Sales in the year before transaction costs | 108,224,398 | | 59,146,764 | |
| Commission | - | - | (2,040) | - |
| Total sale costs | - | - | (2,040) | - |
| Total sales net of transaction costs | 108,224,398 | | 59,144,724 | |

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:

| | 2024 £ | % of average net asset value | 2023 £ | % of average net asset value |
|---|---|---|---|---|
| Commission | - | - | 2,040 | 0.00% |
| | - | - | 2,040 | 0.00% |

**15 Portfolio Dealing Spread**

The average portfolio dealing spread at 31 December 2024 is 0.03% (31 December 2023: 0.02%).

**16 Related party transactions**

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

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

## DISTRIBUTION TABLES

**Interim distribution in pence per share**
Group 1: Shares purchased prior to 01 January 2024
Group 2 : Shares purchased on or after 01 January 2024 and on or before 30 June 2024

| Class A: Accumulation Retail | Net revenue 30.08.2024 | Equalisation | Distribution 30.08.2024 | Distribution 31.08.2023 |
|---|---|---|---|---|
| Group 1 | 1.0377p | - | 1.0377p | 1.4132p |
| Group 2 | 0.2408p | 0.7969p | 1.0377p | 1.4132p |

| Class B: Accumulation Staff | Net revenue 30.08.2024 | Equalisation | Distribution 30.08.2024 | Distribution 31.08.2023 |
|---|---|---|---|---|
| Group 1 | 1.4223p | - | 1.4223p | 1.4383p |
| Group 2 | 0.7844p | 0.6379p | 1.4223p | 1.4383p |

**Final distribution in pence per share**
Group 1: Shares purchased prior to 01 July 2024
Group 2 : Shares purchased on or after 01 July 2024 and on or before 31 December 2024

| Class A: Accumulation Retail | Net Revenue 28.02.2025 | Equalisation | Distribution 28.02.2025 | Distribution 29.02.2024 |
|---|---|---|---|---|
| Group 1 | 1.7407p | - | 1.7407p | 1.1747p |
| Group 2 | 0.6675p | 1.0732p | 1.7407p | 1.1747p |

| Class B: Accumulation Staff | Net Revenue 28.02.2025 | Equalisation | Distribution 28.02.2025 | Distribution 29.02.2024 |
|---|---|---|---|---|
| Group 1 | 1.8994p | - | 1.8994p | 1.1939p |
| Group 2 | 0.8112p | 1.0882p | 1.8994p | 1.1939p |

SUB-FUND OVERVIEW

| | |
|---|---|
| **Name of Sub-fund** | VT Brompton Adventurous Fund |
| **Size of Sub-fund** | £227,684,661 |
| **Launch date** | 06 January 2017 |
| **Investment objective and policy** | The Sub-fund aims to generate capital growth (i.e. the increase in the value of the shares in the fund) over the longer term (at least 5 years).<br><br>The composition of the portfolio will reflect the Investment Manager's view of the potential future return of different asset classes and specific investments - for this Sub-fund the Investment Manager aims to take an adventurous approach, with a greater proportion of the fund exposed to assets which it considers 'higher risk' (such as certain equities) and less on those which may be 'lower risk'.<br><br>The Sub-fund will be actively managed and will typically invest at least 80% of its Net Asset Value in collective investment schemes (including exchange traded funds and investment trusts, and which may include schemes which are managed and / or advised by the AFM and / or Investment Manager).<br><br>The Sub-fund will generally be exposed to equity markets. However, the Sub-fund will also have exposure (directly or indirectly) to other asset classes such as fixed income and alternatives (including, but not limited to, UCITS Long Short funds, market neutral funds and structured products), although exposure to such assets will not exceed 35% of the Net Asset Value of the Sub-fund except in exceptional circumstances (e.g. where the Investment Manager anticipates sharp falls in asset values due to severe market stress).<br><br>The Sub-fund may also invest directly in other transferable securities (Including equities), money market instruments, cash and near cash.<br><br>Investments will not be confined by geographical, industrial or economic sector.<br><br>Derivatives may be used only for Efficient Portfolio Management (including hedging) in accordance with the FCA Rules. Efficient portfolio management means using derivatives in a way that is designed to reduce risk or cost and/or generate extra income or growth. Derivative use is expected to be limited. |
| **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.<br><br>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.<br><br>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance IA Flexible Sector, which serves as a method of comparing the Fund's performance with other funds which have broadly similar characteristics. |
| **Ex-distribution dates** | 30 June and 31 December |
| **Distribution dates** | 31 August and last day of February |
| **Individual Savings Account (ISA)** | The Sub-fund is a qualifying investment for inclusion in an ISA. |
| **Share Classes** | Class A: Accumulation Retail<br>Class B: Accumulation Staff^ |

**Minimum investment***

| | |
|---|---|
| Lump sum subscription: | Class A: Accumulation Retail = £1,000<br>Class B: Accumulation Staff = £1,000 |
| Top-up: | Class A: Accumulation Retail = £1,000<br>Class B: Accumulation Staff = £1,000 |
| Holding: | Class A: Accumulation Retail = £1,000<br>Class B: Accumulation Staff = £1,000 |
| Redemption: | Class A: Accumulation Retail = N/A (provided minimum holding is maintained)<br>Class B: Accumulation Staff = N/A (provided minimum holding is maintained) |
| Switching: | Class A: Accumulation Retail = N/A (provided minimum holding is maintained)<br>Class B: Accumulation Staff = N/A (provided minimum holding is maintained) |

*The AFM may waive the minimum levels at its discretion.

The Class B shares are only available to employees (as at the time of initial investment) of the Sub-fund's sponsor, Brompton Asset Management LLP, or otherwise at the AFM's discretion.

**Initial, redemption and switching charges** Nil

**Annual management charges to 18 August 2024**

| | |
|---|---|
| The annual management charges are: | Class A: Accumulation Retail = 0.65%<br>Class B: Accumulation Staff = 0.45% |

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant share class (plus VAT if applicable).

**Annual management charges from 18 August 2024**

£48,442.85 per annum[1] plus 0.005% per annum

the above amounts which will be paid to the AFM;

Plus

| | |
|---|---|
| The annual management charges are: | Class A: Accumulation Retail 0.65% per annum<br>Class B: Accumulation Staff 0.45% per annum |

The above percentage being a percentage of the Net Asset Value of the Company attributable to the relevant Class of Shares, and which will be paid to the Investment Manager (plus VAT if applicable)..

[1]The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year (from 1 January 2025). In the event of negative inflation, the fixed element of the fee will remain unchanged.

**Fund performance**
VT Brompton Adventurous A Acc rose 11.97% over the year to 31 December 2024, outperforming the IA Flexible Investment Shares peer group, which rose 9.27%*.

**Investment review**
Global equities rose 20.13% in sterling over the year to 31 December 2024, with stocks benefitting from easing price pressures as US, UK and eurozone inflation fell to 2.4%, 1.7% and 1.7% respectively in September. Investors' exuberance about the commercial prospects for artificial intelligence (AI) generated outperformance for growth stocks, which gained 26.69% in sterling, while value stocks lagged, rising 13.56%. Gold gained 28.89% as geopolitical risks increased and central banks increased gold reserves.

Leading central banks in developed markets, including the Federal Reserve, Bank of England, and the European Central Bank, began to ease monetary policy but equity market momentum slowed in the final quarter as inflation ticked up, ending the year under review at 2.9%, 2.5% and 2.4% respectively. This led to fears that interest rates would fall more slowly than expected.

The US was one of the stronger-performing economies over the year but the UK was weaker, with the latest gross domestic product figures showing the economy stagnating over the third quarter.

In fixed income, global bonds rose 0.07% in sterling but UK government bonds fell 3.99%. President Donald Trump's policies of trade protectionism and tighter rules on immigration may add to price pressures. The Federal Reserve may, therefore, keep interest rates higher for longer, which may lead to falls for longer-dated bonds.

In response, the duration of the portfolio's bond investments was reduced through the sale of Janus Henderson Fixed Interest Monthly Income while Pimco Global Low Duration Real Return, which invests in shorter-dated inflation-linked bonds, was added. The portfolio had no direct investments in UK government bonds.

With US economic growth strong and potential tailwinds from deregulation and tax cuts following the US election, US equities rose 27.26% in sterling. US technology stocks rose 40.77%, led by the AI pioneer, Nvidia, up 171%. The commercialisation of AI is in its infancy but investors' enthusiasm for AI and for technology stocks in general has led to a high level of concentration, with just 10 companies, of which eight are in the technology sector, accounting for 32% of the S&P 500 index by market value.

In response to stretched technology sector valuations, the allocation to large technology stocks was trimmed, with profits taken through the sale of the iShares Nasdaq 100 exchange-traded fund (ETF). The iShares S&P 500 Equal Weight ETF was added. This investment holds the same amount in each S&P500 stock, ensuring broader diversification than conventional passive investments weighted by market value. Within the global equity allocation, Dimensional Global Targeted Value, which has a bias towards smaller value companies, was added.

The UK stockmarket, which has a low technology weighting, underperformed, gaining 9.06%, although smaller companies did marginally better, up 9.48%. After Labour won a landslide general election victory, the autumn budget included increased spending, funded by higher taxes and borrowing. The UK equity allocation was increased following initial post-election optimism, with valuations appearing attractive at below their historic average. Investor sentiment faded, however, near the year end in response to weak economic activity levels and stubborn inflation. The holding in Chelverton UK Equity Growth, which has a small-company focus, was sold because smaller companies tend to be more sensitive to domestic economic trends.

Equities in Europe excluding the UK were particularly weak, up only 2.77%, as leading indicators continued to imply manufacturing decline and France and Germany faced fractured politics. The portfolio ended the year underweight in Europe ex-UK equities.

The portfolio was, however, overweight in emerging market equities, which rose 9.98% in sterling. Emerging market equities were trading on attractive valuations and were likely to benefit from lower interest rates and a weaker dollar. Portfolio positions were trimmed towards the year end, however, as it became apparent that interest rates would remain higher for longer and while investors waited for clarity on President Trump's trade policies.

Chinese equities rose 21.82% in sterling thanks to policy measures aimed at propping up China's property sector and a raft of additional monetary and fiscal stimulus measures announced in September. Economic challenges remained at the year end, however, and investments that that steer away from China may fare better over the coming months. Within the portfolio, these include Redwheel Next Generation Emerging Markets Equity and Stewart Investors Indian Subcontinent. India should benefit from the government's pro-market policies, favourable demographics and the China Plus One strategy, which involves investors diversifying away from China towards other markets.

The Bank of Japan raised its policy interest rate for the first time since 2007, ending Japan's era of negative interest rates. Large cap value stocks performed well thanks to yen weakness and the Tokyo Stock Exchange's corporate governance reforms, which focus on companies trading below a price-to-book value of one, and profits were taken through the sale of Man Japan CoreAlpha.

**Outlook**

There are grounds to be positive about prospects for equities this year, particularly US equities, given the likely stimulus from Trump's policies. The high concentration of technology stocks amongst the largest US stocks may mean, however, that equally-weighted US passive investments with lower allocations to technology may outperform market value-weighted indices. Interest rates may remain higher for longer, favouring value-oriented equity strategies as opposed to growth-biassed portfolios, which may underperform should the expected future cash flows from growth stocks be discounted more aggressively at higher interest rates. For the same reason, shorter-dated and inflation-linked bonds look more attractive than longer-dated bonds. Beyond Wall Street, lowly-valued large UK companies may prove defensive should equities overall experience weakness. Alternative holdings such as daily-traded long/short equity investments may provide diversification. Gold may also provide some protection for capital given the mercurial nature of Trump's policy-making and elevated political risks in some regions.

Brompton Asset Management Limited
Investment Manager to the Fund
10 April 2025



*Source: LSEG Lipper IM

## PERFORMANCE RECORD

### Financial Highlights

| Class A: Accumulation Retail | Year ended 31 December 2024 | Year ended 31 December 2023 | Year ended 31 December 2022 |
|---|---|---|---|
| Changes in net assets per share | GBp | GBp | GBp |
| Opening net asset value per share | 139.1421 | 130.6136 | 148.0128 |
| Return before operating charges | 18.4239 | 10.1335 | (15.5463) |
| Operating charges (note 1) | (1.7696) | (1.6050) | (1.8529) |
| Return after operating charges * | 16.6543 | 8.5285 | (17.3992) |
| Closing net asset value per share | 155.7964 | 139.1421 | 130.6136 |
| Retained distributions on accumulated shares | 1.8541 | 1.6267 | 1.6865 |
| *after direct transactions costs of: | 0.0012 | 0.0135 | 0.0279 |
| Performance | | | |
| Return after charges | 11.97% | 6.53% | (11.76%) |
| Other information | | | |
| Closing net asset value | £217,932,082 | £202,688,029 | £197,291,559 |
| Closing number of shares | 139,882,625 | 145,669,821 | 151,049,739 |
| Operating charges (note 2) | 1.20% | 1.19% | 1.33% |
| Direct transaction costs | 0.00% | 0.01% | 0.02% |
| Prices | | | |
| Highest share price | 158.1946 | 139.3900 | 148.4799 |
| Lowest share price | 137.2676 | 129.2619 | 126.2095 |

| Class B: Accumulation Staff | Year ended 31 December 2024 | Year ended 31 December 2023 | Year ended 31 December 2022 |
|---|---|---|---|
| Changes in net assets per share | GBp | GBp | GBp |
| Opening net asset value per share | 140.6762 | 132.0497 | 149.4128 |
| Return before operating charges | 18.9922 | 9.9765 | (15.7728) |
| Operating charges (note 1) | (1.4943) | (1.3500) | (1.5903) |
| Return after operating charges * | 17.4979 | 8.6265 | (17.3631) |
| Closing net asset value per share | 158.1741 | 140.6762 | 132.0497 |
| Retained distributions on accumulated shares | 2.4248 | 1.5080 | 1.6948 |
| *after direct transactions costs of: | 0.0013 | 0.0136 | 0.0281 |
| Performance | | | |
| Return after charges | 12.44% | 6.53% | (11.62%) |
| Other information | | | |
| Closing net asset value | £9,890,005 | £8,771,857 | £7,993,478 |
| Closing number of shares | 6,252,605 | 6,235,494 | 6,053,384 |
| Operating charges (note 2) | 1.00% | 0.99% | 1.13% |
| Direct transaction costs | 0.00% | 0.01% | 0.02% |
| Prices | | | |
| Highest share price | 160.5932 | 140.9247 | 149.8884 |
| Lowest share price | 138.7811 | 130.6871 | 127.5889 |

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 plus the costs of the open-ended funds the Sub-fund holds. Note, the 2022 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

**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 funds of this type have experienced relatively high rises and falls in market prices historically (31 December 2023: ranked 5). The higher the rank, the greater the potential reward but the greater the risk of losing money.

**As at 31 December 2024**

| Holding | | Value £ | % of net assets |
|---|---|---|---|
| | **Collective investment Schemes (31.12.2023: 68.43%)** | | |
| 1,450,031 | Artemis UK Special Situations | 13,521,246 | 5.94% |
| 283,901 | Baillie Gifford Emerging Markets Growth | 2,709,266 | 1.19% |
| 1,370,133 | BlackRock European Dynamic Fund | 4,151,848 | 1.82% |
| 615,616 | Comgest Growth Japan GBP | 4,727,930 | 2.08% |
| 111,150 | Dimensional Global Targeted Value | 4,777,219 | 2.10% |
| 5,519,468 | Fidelity Index US | 27,900,357 | 12.25% |
| 2,296,058 | FTF ClearBridge Global Infrastructure | 4,192,601 | 1.84% |
| 75,497 | Man GLG Asia (ex Japan) Equity | 9,822,186 | 4.31% |
| 8,121,970 | Man GLG Undervalued Assets | 13,498,715 | 5.93% |
| 95,260 | MI TwentyFour Dynamic Bond | 9,002,542 | 3.95% |
| 1,205,815 | PIMCO GIS Global Low Duration Real Return Fund | 14,385,373 | 6.32% |
| 651,054 | Polar Capital Global Insurance | 8,572,945 | 3.77% |
| 27,103 | Polar Capital Global Technology | 2,586,192 | 1.14% |
| 32,246 | Prusik Asian Equity Income | 4,953,312 | 2.18% |
| 58,613 | Redwheel Next Generation Emerging Markets Equity | 7,867,752 | 3.46% |
| 426,563 | Stewart Investors Indian Subcontinent All Cap Fund | 2,159,048 | 0.95% |
| 4,344,140 | WS Lightman European | 6,647,404 | 2.92% |
| | | 141,475,936 | 62.15% |
| | **Exchange Traded Commodities (31.12.2023: 2.21%)** | | |
| 167,336 | iShares Physical Gold ETC | 6,770,415 | 2.97% |
| | | 6,770,415 | 2.97% |
| | **Exchange Traded Funds (31.12.2023: 16.51%)** | | |
| 925,704 | iShares $ Treasury Bond 7-10y UCITS ETF | 3,918,042 | 1.72% |
| 166,860 | iShares Core MSCI World UCITS ETF | 14,411,698 | 6.33% |
| 33,471 | iShares Core S&P 500 UCITS ETF | 16,779,682 | 7.37% |
| 2,942,471 | iShares S&P 500 Equal Weight UCITS ETF | 14,609,369 | 6.42% |
| 2,619,295 | SPDR FTSE UK All Share UCITS ETF | 14,110,142 | 6.20% |
| | | 63,828,933 | 28.04% |
| | **Investment Trusts (31.12.2023: 8.94%)** | | |
| 302,777 | Aberforth Smaller Companies Trust PLC | 4,420,543 | 1.94% |
| 1,086,526 | Chrysalis Investments Ltd | 1,171,275 | 0.51% |
| 1,768,098 | Mobius Investment Trust PLC | 2,501,859 | 1.10% |
| 1,950,800 | Nippon Active Value Fund PLC | 3,657,750 | 1.61% |
| | | 11,751,427 | 5.16% |
| | **Portfolio of investments (31.12.2023: 96.09%)** | **223,826,711** | **98.32%** |
| | **Net other assets (31.12.2023: 3.91%)** | **3,857,950** | **1.68%** |
| | | **227,684,661** | **100.00%** |

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

| | £ |
|---|---:|
| **Total purchases for the year (note 14)** | **158,430,292** |
| | |
| iShares Core MSCI World UCITS ETF | 16,409,542 |
| iShares S&P 500 Equal Weight UCITS ETF | 14,876,271 |
| PIMCO GIS Glo Low Duration Real Return | 14,343,441 |
| Dimensional Global Targeted Value Fund | 13,293,581 |
| SPDR FTSE UK All UCITS ETF | 10,967,761 |
| FTF ClearBridge Global Infrastructure Income | 8,314,689 |
| Redwheel Next Generation EMs Equity Fund | 7,738,638 |
| Polar Capital Global Insurance Fund | 7,715,930 |
| Man GLG Undervalued Assets Professional Fund | 6,549,907 |
| MI Chelverton UK Equity Growth Fund | 6,325,936 |
| Various other purchases | 51,894,596 |

| | £ |
|---|---:|
| **Total sales for the year (note 14)** | **160,771,032** |
| | |
| Jupiter JGF Dynamic Bond Fund | 12,000,427 |
| RWC Global Emerging Markets Fund | 10,804,122 |
| Fidelity Index US Fund | 10,588,059 |
| iShares Core S&P 500 UCITS ETF | 9,969,705 |
| Baillie Gifford Pacific Fund | 9,132,600 |
| iShares NASDAQ 100 UCITS ETF | 8,895,849 |
| Dimensional Global Targeted Value Fund | 8,691,216 |
| iShares Core MSCI World UCITS ETF | 7,826,266 |
| Liontrust Special Situations Fund | 7,751,042 |
| Man GLG Japan CoreAlpha Professional Fund | 6,976,799 |
| Various other sales | 68,134,947 |

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

## STATEMENT OF TOTAL RETURN

**For the year ended 31 December**

| | Notes | 2024 £ | 2024 £ | 2023 £ | 2023 £ |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | **2** | | 21,445,537 | | 11,409,687 |
| Revenue | **3** | 4,193,645 | | 3,227,349 | |
| Expenses | **4** | (1,525,431) | | (1,444,153) | |
| Interest payable and similar charges | **6** | (41,605) | | (2,376) | |
| Net revenue before taxation | | 2,626,609 | | 1,780,820 | |
| Taxation | **5** | - | | - | |
| Net revenue after taxation | | | 2,626,609 | | 1,780,820 |
| Total return before distributions | | | 24,072,146 | | 13,190,507 |
| Finance costs: distributions | **6** | | (2,730,965) | | (2,535,958) |
| **Changes in net assets attributable to shareholders from investment activities** | | | 21,341,181 | | 10,654,549 |

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

**For the year ended 31 December**

| | 2024 £ | 2023 £ |
|---|---|---|
| **Opening net assets attributable to shareholders** | 211,465,467 | 205,213,613 |
| Amounts receivable on creation of shares | 31,098,881 | 19,712,451 |
| Amounts payable on cancellation of shares | (38,906,050) | (26,622,754) |
| Accumulation dividends retained | 2,672,245 | 2,507,608 |
| Dilution levies | 12,937 | - |
| Changes in net assets attributable to shareholders from investment activities (see above) | 21,341,181 | 10,654,549 |
| **Closing net assets attributable to shareholders** | 227,684,661 | 211,465,467 |

## BALANCE SHEET

| As at | Notes | 31.12.2024 £ | 31.12.2024 £ | 31.12.2023 £ | 31.12.2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Investment assets | | | 223,826,711 | | 203,219,177 |
| **Current assets** | | | | | |
| Debtors | **7** | 459,683 | | 10,023,009 | |
| Cash and bank balances | **8** | 3,973,139 | | 6,351,354 | |
| **Total current assets** | | | 4,432,822 | | 16,374,363 |
| **Total assets** | | | 228,259,533 | | 219,593,540 |
| **CURRENT LIABILITIES** | | | | | |
| **Creditors** | | | | | |
| Bank overdraft | **8** | (170,424) | | (3,498,430) | |
| Creditors | **9** | (404,448) | | (4,629,643) | |
| **Total current liabilities** | | | (574,872) | | (8,128,073) |
| **Net assets attributable to shareholders** | | | 227,684,661 | | 211,465,467 |

## 1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out below on pages 7-8.

## 2 Net capital gains

| The net capital gains comprise: | 2024 £ | 2023 £ |
|---|---|---|
| Non-derivative securities gains | 21,369,881 | 11,409,209 |
| Transaction charges (custodian) | (681) | 478 |
| Equalisation received on collectives | 76,337 | - |
| Total net capital gains | 21,445,537 | 11,409,687 |

## 3 Revenue

| | 2024 £ | 2023 £ |
|---|---|---|
| Non-taxable dividends | 2,654,067 | 2,056,875 |
| Property income distributions (PIDs) | - | 47,636 |
| Interest on non-derivative securities | 1,274,570 | 963,435 |
| Bank interest | 265,008 | 159,403 |
| Total revenue | 4,193,645 | 3,227,349 |

## 4 Expenses

| | 2024 £ | 2023 £ |
|---|---|---|
| **Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:** | | |
| Annual management charge | 1,411,916 | 1,336,104 |
| **Payable to the depositary, associates of the depositary, and agents of either of them:** | | |
| Depositary fee | 69,943 | 67,675 |
| Safe custody fee | 20,196 | 17,313 |
| | 90,139 | 84,988 |
| **Other expenses:** | | |
| Audit fee | 9,049 | 9,728 |
| Other expenses | 14,327 | 13,333 |
| | 23,376 | 23,061 |
| Total expenses | 1,525,431 | 1,444,153 |

| 5 Taxation | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| **(a) Analysis of charge in the year** | | |
| UK Corporation tax | - | - |
| **Total tax charge for the year (note 5b)** | - | - |
| | | |
| **(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% (2023: 20.00%). The differences are explained below: | | |
| Net revenue before taxation | 2,626,609 | 1,780,820 |
| Corporation tax at 20.00% (2023: 20.00%) | 525,322 | 356,164 |
| Effects of: | | |
| Revenue not subject to UK corporation tax | (530,813) | (411,375) |
| Current year expenses not utilised | 5,491 | 55,211 |
| **Total tax charge for the year (note 5a)** | - | - |

**(c) Provision for deferred taxation**

At 31 December 2024 there is a potential deferred tax asset of £876,151 (31 December 2023: £870,659) in relation to surplus management expenses.

| 6 Finance costs | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Interim dividend distribution | 1,569,913 | 1,571,478 |
| Final dividend distribution | 1,102,332 | 936,130 |
| | 2,672,245 | 2,507,608 |
| | | |
| Add: Revenue deducted on cancellation of shares | 204,003 | 104,457 |
| Deduct: Revenue received on issue of shares | (145,283) | (76,107) |
| | | |
| **Net distribution for the year** | 2,730,965 | 2,535,958 |
| Interest payable and similar charges | 41,605 | 2,376 |
| **Total finance costs** | 2,772,570 | 2,538,334 |
| | | |
| **Reconciliation of distributions** | | |
| Net revenue after taxation | 2,626,609 | 1,780,820 |
| Expenses paid from capital | - | 2,074 |
| Relief on expenses allocated to capital | - | (415) |
| Equalisation from collectives allocated to revenue | 76,337 | 304,391 |
| Balance brought forward | 23,251 | 472,339 |
| Balance carried forward | 4,768 | (23,251) |
| **Net distribution for the year** | 2,730,965 | 2,535,958 |

| 7 | Debtors | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| | | £ | £ |
| | Amounts receivable on creation of shares | 251,432 | 100,879 |
| | Amounts receivable on unsettled trades | - | 9,649,439 |
| | Accrued revenue: | | |
| | Non-taxable dividends receivable | - | 4,200 |
| | Interest on non-derivative securities receivable | 208,251 | 268,459 |
| | Prepayments | - | 32 |
| | Total debtors | 459,683 | 10,023,009 |

| 8 | Cash and bank balances | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| | | £ | £ |
| | Cash and bank balances | 3,973,139 | 6,351,354 |
| | Bank overdraft | (170,424) | (3,498,430) |

| 9 | Creditors | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| | | £ | £ |
| | Amounts payable on cancellation of shares | 240,028 | 170,871 |
| | Amounts payable on unsettled trades | - | 4,323,078 |
| | **Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:** | | |
| | Annual management charge | 133,003 | 105,696 |
| | **Payable to the depositary, associates of the depositary, and agents of either of them:** | | |
| | Depositary fees | 6,624 | 5,742 |
| | Safe custody and other custodian charges | 13,061 | 12,761 |
| | | 19,685 | 18,503 |
| | Other accrued expenses | 11,732 | 11,495 |
| | Total creditors | 404,448 | 4,629,643 |

## 10 Risk management policies

In pursuing its investment objective as stated on page 26, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

**Market price risk**

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

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 December 2024 would have increased/decreased by £22,382,671 (31 December 2023: £20,321,918).

## 10 Risk management policies (Continued)

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

Net currency assets and liabilities consist of:

| | Net monetary assets and liabilities | | Non-monetary assets | | Total net assets | |
|---|---|---|---|---|---|---|
| | £ | | £ | | £ | |
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Sterling | 3,857,950 | 8,246,290 | 223,826,711 | 203,219,177 | 227,684,661 | 211,465,467 |
| Total | 3,857,950 | 8,246,290 | 223,826,711 | 203,219,177 | 227,684,661 | 211,465,467 |

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

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

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

| | **31.12.2024** | **31.12.2023** |
|---|---|---|
| | **£** | **£** |
| Financial assets floating rate | 3,973,139 | 6,351,354 |
| Financial assets interest bearing instruments | 27,305,957 | 29,102,359 |
| Financial assets non-interest bearing instruments | 196,980,437 | 184,139,827 |
| Financial liabilities non-interest bearing instruments | (404,448) | (4,629,643) |
| Financial liabilities floating rate | (170,424) | (3,498,430) |
| | **227,684,661** | **211,465,467** |

At 31 December 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £9,507 (31 December 2023: £7,132).

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

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

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

## 10 Risk management policies (Continued)

**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 to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

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

| | 31.12.2024 | | 31.12.2023 | |
|---|---|---|---|---|
| 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 | 82,351 | - | 58,498 | - |
| Level 2: Valuation techniques using observable inputs other than quoted prices within level 1 | 141,476 | - | 144,721 | - |
| Total | 223,827 | - | 203,219 | - |

## 11 Shares held

**Class A: Accumulation Retail**

| | |
|---|---|
| **Opening shares at 01.01.2024** | **145,669,821** |
| Shares issued during the year | 19,576,045 |
| Shares cancelled during the year | (25,363,241) |
| Shares converted during the year | - |
| **Closing shares at 31.12.2024** | **139,882,625** |

**Class B: Accumulation Staff**

| | |
|---|---|
| **Opening shares at 01.01.2024** | **6,235,494** |
| Shares issued during the year | 790,640 |
| Shares cancelled during the year | (773,529) |
| Shares converted during the year | - |
| **Closing shares at 31.12.2024** | **6,252,605** |

## 12 Contingent assets and liabilities

At 31 December 2024, the Sub-fund had no contingent liabilities or commitments (31 December 2023: £nil).

## 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 December 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

| Share class | Price at 31 December 2024 (GBp) | Price at 22 April 2025 (GBp) |
|---|---|---|
| Class A: Accumulation Retail | 155.7964 | 147.4086 |
| Class B: Accumulation Staff | 158.1741 | 149.7505 |

**14 Direct transaction costs**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | £ | % | £ | % |
| **Analysis of total purchase costs** | | | | |
| Purchases in the year before transacti costs | 158,430,292 | | 108,164,872 | |
| Commission | - | 0.00% | 1,046 | 0.01% |
| Taxes and levies | - | 0.00% | 10,680 | 0.00% |
| Total purchase costs | - | 0.00% | 11,726 | 0.01% |
| Total purchases including transaction costs | 158,430,292 | | 108,176,598 | |
| **Analysis of total sale costs** | | | | |
| Sales in the year before transaction cc | 160,772,838 | | 120,198,736 | |
| Commission | - | 0.00% | (4,085) | 0.00% |
| Taxes and levies | (1,806) | 0.00% | (4) | 0.00% |
| Total sale costs | (1,806) | 0.00% | (4,089) | 0.00% |
| Total sales net of transaction costs | 160,771,032 | | 120,194,647 | |

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:

| | 2024 £ | % of average net asset value | 2023 £ | % of average net asset value |
|---|---|---|---|---|
| Commission | - | 0.00% | 5,131 | 0.00% |
| Taxes and levies | 1,806 | 0.00% | 10,684 | 0.01% |
| | 1,806 | 0.00% | 15,815 | 0.01% |

**15 Portfolio Dealing Spread**

The average portfolio dealing spread at 31 December 2024 is 0.12% (31 December 2023: 0.10%).

**16 Related Party transactions**

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

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

**DISTRIBUTION TABLES**

**Interim distribution in pence per share**
Group 1: Shares purchased prior to 01 January 2024
Group 2: Shares purchased on or after 01 January 2024 and on or before 30 June 2024

| Class A: Accumulation Retail | Net revenue 30.08.2024 | Equalisation | Distribution 30.08.2024 | Distribution 31.08.2023 |
|---|---|---|---|---|
| Group 1 | 1.1070p | - | 1.1070p | 1.0051p |
| Group 2 | 0.3142p | 0.7928p | 1.1070p | 1.0051p |

| Class B: Accumulation Staff | Net revenue 30.08.2024 | Equalisation | Distribution 30.08.2024 | Distribution 31.08.2023 |
|---|---|---|---|---|
| Group 1 | 1.5081p | - | 1.5081p | 1.0172p |
| Group 2 | 0.4582p | 1.0499p | 1.5081p | 1.0172p |

**Final distribution in pence per share**
Group 1: Shares purchased prior to 01 July 2024
Group 2: Shares purchased on or after 01 July 2024 and on or before 31 December 2024

| Class A: Accumulation Retail | Net Revenue 29.02.2025 | Equalisation | Distribution 29.02.2025 | Distribution 28.02.2024 |
|---|---|---|---|---|
| Group 1 | 0.7471p | - | 0.7471p | 0.6216p |
| Group 2 | 0.0650p | 0.6821p | 0.7471p | 0.6216p |

| Class B: Accumulation Staff | Net Revenue 29.02.2025 | Equalisation | Distribution 29.02.2025 | Distribution 28.02.2024 |
|---|---|---|---|---|
| Group 1 | 0.9167p | - | 0.9167p | 0.4908p |
| Group 2 | 0.2887p | 0.6280p | 0.9167p | 0.4908p |

**Distribution**
Distributions of the revenue of the Company if applicable will be made to shareholders on or before the last day of February each year and interim allocations of revenue on or before 31 August.

**Individual shareholders**
Income tax: Tax-free annual dividend allowance now standing at £500 (2024/25). 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 £3,000 (2024/25) 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 dividend distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at prevailing rates and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

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

**Issue and redemption of shares**
Valu-Trac Investment Management Limited is the AFM and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours between 8.30am and 5.30pm. Instructions may be given by email (grosvenor@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 Company's net assets at 12 noon (London Time) on each dealing day.

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

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel. Settlement is due four business days after the trade date shown on 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 minimum value of shares that a shareholder may hold is £1,000. The AFM may waive the minimum levels at its discretion.

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

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

**Task Force on Climate-related Financial Disclosures (“TCFD”) reports**
The AFM is required to prepare and publish a product TCFD report for each Sub-fund along with an entity level TCFD report. The latest reports can be obtained from https://www.valu-trac.com/administration-services/tcfd_reports.

**Remuneration**

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

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

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

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

| 28 May 2024 | Number of staff | Fixed remuneration | Variable remuneration | Total remuneration |
|---|---|---|---|---|
| Senior Management and members of the governing body | 9 | £753,640 | - | £753,640 |
| Other material risk takers | 4 | £312,684 | - | £312,684 |
| All other staff | 103 | £3,409,068 | - | £3,409,068 |
| Total | 116 | £4,475,392 | - | £4,475,392 |
| | | | | |
| Total severance payments | | - | - | - |

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

CORPORATE DIRECTORY

| | |
|---|---|
| **Authorised Fund Manager & Registrar** | Valu-Trac Investment Management Limited<br>Orton<br>Fochabers<br>Moray<br>IV32 7QE<br><br>Telephone: 01343 880344<br>Fax: 01343 880267<br>Email: grosvenor@valu-trac.com<br><br>Authorised and regulated by the Financial Conduct Authority<br>Registered in England No 2428648 |
| **Investment Manager** | Brompton Asset Management Limited<br>1 Knightsbridge Green<br>London<br>SW1X 7QA<br><br>Authorised and regulated by the Financial Conduct Authority |
| **Depositary** | NatWest Trustee and Depositary Services Limited<br>House A<br>Floor 0, 175 Glasgow Road<br>Gogarburn<br>Edinburgh<br>EH12 1HQ<br><br>Authorised and regulated by the Financial Conduct Authority |
| **Auditor** | Johnston Carmichael LLP<br>Strathlossie House<br>Kirkhill Avenue<br>Elgin<br>IV30 8DE |