

**VT EPIC INVESTMENT FUND SERIES III (FORMERLY KNOWN AS VT GARRAWAY  
INVESTMENT FUND SERIES III)**

**(Sub-funds VT EPIC Multi Asset Balanced Fund (Formerly known as VT Garraway Multi Asset  
Balanced Fund) and VT EPIC Multi Asset Growth Fund (Formerly known as VT Garraway  
Multi Asset Growth Fund))**

**Annual Report and Financial Statements for the year ended 30 September 2022**

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## COMPANY OVERVIEW

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### **Type of Company**

VT EPIC Investment Fund Series III (“the Company”) is an authorised open-ended investment company with variable capital (“ICVC”) further to a Financial Conduct Authority (“FCA”) authorisation order dated 8 October 2007. The Company is incorporated under registration number IC000584. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook (“COLL”) issued by the FCA.

The Company has been set up as an umbrella company. The Company has currently two Sub-funds available for investment: VT EPIC Multi Asset Balanced Fund and VT EPIC Multi Asset Growth Fund. Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

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

### **Changes to Company**

On 10 December 2021, EPIC Markets (UK) LLP acquired Anath Capital Group Ltd, parent company to Garraway Capital Management LLP.

On 10 December 2021, the Investment Manager changed from Garraway Capital Management LLP to EPIC Markets (UK) LLP.

On 24 January 2022, the name of the Company changed from VT Garraway Investment Fund Series III to VT EPIC Investment Fund Series III and the name of the Sub-funds changed from this date as follows:

VT Garraway Multi Asset Balanced Fund changed to VT EPIC Multi Asset Balanced Fund.

VT Garraway Multi Asset Growth Fund changed to VT EPIC Multi Asset Growth Fund.

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

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

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

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

## DIRECTOR'S STATEMENT

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

Anne A. Laing CA

David E. Smith CA

Valu-Trac Investment Management Limited  
Authorised Corporate Director

Date:

## STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY

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

NatWest Trustee and Depositary Services Limited  
01 October 2022

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT EPIC INVESTMENT FUND SERIES III (SUB-FUNDS VT EPIC MULTI ASSET BALANCED FUND AND VT EPIC MULTI ASSET GROWTH FUND)**

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**Opinion**

We have audited the financial statements of VT EPIC Investment Fund Series III ("the Company") for the year ended 30 September 2022 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 Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- > give a true and fair view of the financial position of the Company at 30 September 2022 and of the net revenue/(expenses) and the net capital losses on the scheme property of the Company for the year then ended; and
- > have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

**Basis for opinion**

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

**Conclusions Relating to Going Concern**

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

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

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

**Other information**

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

We have nothing to report in this regard.

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

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

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

**Responsibilities of the Authorised Corporate Director**

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The 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, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- > UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;
- > the Financial Conduct Authority's Collective Investment Schemes Sourcebook; 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 Corporate Director. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Company's breaches register.

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

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

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

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

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

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

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

**Use of Our Report**

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

Johnston Carmichael LLP  
Chartered Accountants  
Statutory Auditor  
Elgin

Date



## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT EPIC Multi Asset Balanced Fund
<b>Size of Sub-fund (£000's)</b>	£11,802
<b>Sub-fund Investment Objective and Policy</b>	<p>The investment objective is to achieve returns from both capital and income over the long term (5 years) by investing across a global portfolio of assets.</p> <p>The Investment Manager uses a global asset allocation framework to invest across a range of asset classes, geographies, sectors and investment styles to provide a portfolio which it considers to be balanced.</p> <p>The portfolio invests in a combination of specialist Funds, ETFs, listed investment vehicles, individual securities and cash, and uses derivatives for hedging and investment purposes to both reduce market risk and enhance returns. As a consequence, the portfolio exhibits modest correlation to traditional asset classes. Positions are generally held with a three to five year time horizon. However, the management of the portfolio is active and the investment strategy is liquid and dynamic in order to adapt to changing market conditions. The exposure from derivatives may be significant.</p>
<b>Benchmark</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the ACD use a benchmark in order to assess performance.</p> <p>However, the performance of the Sub-fund can be compared to that of the IA Mixed Asset 20-60% sector.</p> <p>The performance of the Sub-fund can be compared against that of the benchmark. This benchmark has been selected as it is considered that this index most closely reflects the investments which the Sub-fund will make (and its risk/return objectives) at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the index when making its decisions and can make investments that are not included in the index.</p>
<b>Accounting dates</b>	31 March and 30 September
<b>Distribution dates</b>	31 May and 30 November
<b>Shares Classes and type of Shares</b>	A Accumulation A Income I Accumulation I Income R Accumulation R Income
<b>Minimum investment*</b>	
Lump sum subscription:	A Income/Accumulation = £10,000 I Income/Accumulation = £1,000,000 R Income/Accumulation = £10,000
Top-up:	A Income/Accumulation = £1,000 I Income/Accumulation = £10,000 R Income/Accumulation = £1,000
Holding:	A Income/Accumulation = £10,000 I Income/Accumulation = £1,000,000 R Income/Accumulation = £10,000
Redemption:	A Income/Accumulation = N/A (provided the minimum holding is maintained) I Income/Accumulation = N/A (provided the minimum holding is maintained)  R Income/Accumulation = N/A (provided the minimum holding is maintained)
Regular savings plan	£100 per month (Class I not applicable)
	*The ACD may waive the minimum levels at its discretion.

## SUB-FUND OVERVIEW (Continued)

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**Initial, redemption and switching charges** Nil, however the initial charges can be raised to 5% if 3 months' notice is given.

**Individual Savings Account (ISA)** The Sub-fund is a qualifying investment for inclusion in an ISA.

**Annual management charges** The management charge in respect of the R Class Shares is 0.75% per annum of the Net Asset Value of the R Class Shares.

The management charge in respect of the A Class Shares is 1.50% per annum of the Net Asset Value of the A Class Shares.

The management charge in respect of the I Class Shares is 0.75% per annum of the Net Asset Value of the I Class Shares.

### **Changes to the Sub-fund**

On 24 January 2022, the Sub-fund changed its name from VT Garraway Multi Asset Balanced Fund to VT EPIC Multi Asset Balanced Fund. There was also a minor change in the investment objectives and policy wording to that above. These changes are not expected to result in any change to the way the Sub-fund operates or the investments it makes.

## INVESTMENT MANAGER'S REVIEW

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### Market Review – 30th September 2021 to 30th September 2022

Investors continued to grapple with a very different type of market environment as the effects of the huge fiscal and monetary stimulus continued to ripple through the economy. One consequence of the higher-pressure economy was the much higher level of inflation than previously anticipated and with it a marked increase in volatility and especially in government bond markets.

Market participants were contending with the war in Ukraine; stubbornly higher levels of inflation; central banks pushing interest rates higher to contain inflation; and governments intervening fiscally to soften the pain. Around this time there was an extreme rotation out of growth into value style equities. As we commented in our last report 'The last time that central banks embarked on this path, equities suffered a deep, if short lived correction and further tightening was abandoned.' Given the dramatic shifts in real economy effects it is likely that this episode will play out somewhat differently, but we are conscious of the risks.

Whilst credit markets have remained relatively calm, government bond markets have been extremely volatile and in many developed countries signalled oncoming recession. There have been some aggressive counter-trend rallies in equities in the period, but the overarching direction has been down. This has combined with one of the weakest periods for developed market government bonds in history. Bloomberg reported that a 60/40 equities/bonds strategy, which has worked reliably for years, is now in its most prolonged drawdown since the Global Financial Crisis. Another report, that uses the S&P 500 and US Treasuries as a proxy for that split, states that it has had the worst nine months since 1937.

Notably, China is pursuing very different policies on Covid, and geopolitics remains at the core of many issues for China. It is not easy to see an immediate resolution. Weakness in the economy and the domestic property market has led to some easing of policy albeit this has not yet led this very cheap equity market to sustainably rally.

As a result of rapidly rising US interest rates and a 'safe haven' effect the US Dollar was extremely strong against most developed market currencies. The US Dollar came close to parity against the Great British Pound (Sterling) and breached parity against the Euro towards the end of the period.

### Market Outlook

Historical evidence suggests that the current inflation shock will subside and be relatively contained over the medium-term (i.e., two to three years). Despite this, inflationary risks remain considerably higher than they have been for over a decade. Most central banks are responding with rate rises, and signals of more aggressive tightening of financial conditions. As a result, this is a very difficult investing environment, and it is evident that there are significant changes in assets risk & reward, and correlations between broader asset classes.

Risks are surfacing, with the closure of open-ended property funds, a fiasco around UK Gilts and liability driven investment strategies and a general paucity of liquidity. Many suspect that the US Federal Reserve will be forced to tighten financial conditions until "something breaks". Consequently, short term risks remain heightened and there is potential for some more immediate downside in risk assets.

Despite the evident issues, we remain very aware of the fact that markets are discounting mechanisms, and a lot of the bad news is now "priced in". Many equity markets are now cheap/very cheap in valuation terms, but we need to get through the next US earnings season to see how much damage has been wrought. However, the last quarter of the year is generally one of the strongest seasonal periods for equities. It would not surprise us to see a significant rally from end October lows to year end. We are reasonably optimistic for asset prices in 2023 but we can see the first quarter will be an 'acid test', given the likelihood that the US economy will be in recession.

As asset prices have fallen, we have become more optimistic for future returns and feel that buying opportunities will soon present themselves.

### Fund Performance

In the period until 30th September 2022 the fund was down – 19.8% in sterling terms based on the I Accumulation share class. The IA Mixed Investment 20%-60% Shares sector was down -10.64%.

From the start of the period the fund was performing well into mid-November, but then started to suffer a setback. The violent rotation from growth style equities into value style equities at the start of 2022 until end February meant the fund materially lagged headline indices. This caused the bulk of the relative drawdown but the outbreak of war in Ukraine was not helpful, as the fund had a pro risk bias. From this point, we reduced the growth style exposure and the risk of the portfolio. This left the fund more protected in the event of a further falls in equities.

The other major negative contributor was our exposure to Chinese equity, which was challenged by domestic regulatory measures, a weak property market and a negative geopolitical backdrop. However, this is now one of the cheapest global equity markets and we expect improved rewards from our holdings.

## INVESTMENT MANAGER'S REVIEW (CONTINUED)

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### Fund Performance (Continued)

Global bond markets were relatively flat at the prior the year-end, but yields started a huge rally from the start of the year to the end of period. In the period, US 10-year government bond yields moved up from 1.5% to 3.9% and UK 10-year Gilt yields jumped up from 1.02% to 4.09%. This is the worst start for government bonds in decades and marks a change in the investing environment. Whilst we had limited exposure to bonds the larger fund holdings suffered at least as much as headline indices for developed market bonds.

### Portfolio Activity

Until mid-February 2022 we maintained our bias to pro risk assets and growth style equities with the main changes the reduction of FTF Japan Equity (previously Legg Mason Japan Equity) Fund, a long-term growth fund and the additional of a new holding, Ardan Eden Global Natural Resources UCITS 'Light Green' ESG Fund which invests in stock of natural resources assets. The focus is on large cap companies within the critical green metals space, which are used for inputs into renewable energy and electric vehicle batteries to assist in the transition towards a more sustainable global economy. We added this fund as we believe this to be a significant structural growth theme over the medium-term and a beneficiary of an inflationary environment.

From mid-February we reduced risk through a reduction in equity, lightened the emerging market exposure and balanced the equity style exposure. We reduced our existing position in EMQQ Emerging Markets Internet and Ecommerce UCITS ETF which provides exposure to companies that derive 50% or more of their revenue from internet or ecommerce in emerging or frontier markets. Whilst we feel that these companies look cheap, the overarching issues around China and its interaction with the technology sector raises questions over the risk/reward outlook. We also marginally reduced the position in Hereford Bin Yuan Greater China Fund but believe that the managers focus on quality/growth Chinese stocks with a focus on themes such as environment, digitalisation, and domestic brand substitution, align better with government policy.

We added ManGLG Japan Core Alpha Fund a value biased large cap Japanese equity fund as part of our continued rebalancing away from the dominant growth bias of the portfolio.

As the war in Ukraine escalated, we experienced further sell offs in risk assets with little differentiation between geographies and equity styles. Activity was mainly based on reducing some holdings to maintain a high level of cash and rebalancing the style exposures, at the margin. A full weighting in equity funds was maintained although we also kept the protection on equity downside with portfolio hedges. A positive growth style bias was kept although this was more muted than previously.

Within fixed income, duration risk was maintained. We bought the iShares GBP Corp Bond 0-5 years UCITS ETF which tracks the performance of the Markit iBoxx £ Corporates 0-5 Index. This holding increases the quality of our fixed income portfolio whilst its low duration offers less sensitivity to interest rates. We also added the Tabula Haitong Asia ex-Japan High Yield Corp USD Bond ESG UCITS ETF which provides exposure to USD-denominated Asia ex-Japan High Yield corporate bonds that meet the requirements for an Article 8 EU SFDR benchmark. This area of the fixed income markets is one of the few to offer very attractive risk/reward characteristics after a period of significant negative performance.

We felt that the European recovery was now in question due to the area's heavy reliance on Russian oil and gas. Equally the proximity to the Ukrainian war provoked other concerns. Whilst the Blackrock European Dynamic Fund has been held for a long period, the combination of issues along with our desire to reduce our growth exposure led to a partial sale of the position. We continued to take profits on Ocean Dial Gateway to India Fund which invests primarily in a relatively concentrated Indian GARP style mid/small-cap portfolio stocks, that generate a high ROE for investors. The sales were made after further strong outperformance and as part of rebalancing the portfolio. We reduced VT EPIC UK Market Equity Fund which invests across the market cap spectrum and now has 45/50% in mid/small caps, with a growth bias. We decreased our holding because of the deteriorating outlook for the UK and as part of our rebalancing from growth to a more blended portfolio, at the margin.

The holding in the VanEck Junior Gold Miners UCITS ETF was reinstated as we felt that the stocks were cheap and should once again act as a hedge against higher inflation risks. We had been reducing the holding in the FTF Japan Equity fund and as the manager left the group, we completed the final sale. We further trimmed our long standing holding in VPC Specialty Lending Investments after a period of strong performance and concern over a deterioration in the US credit cycle.

Lastly, we added a new holding LF Brook Absolute Return Fund which is a highly active, concentrated global equity-long short strategy. The fund provides idiosyncratic risk exposure and primarily exhibits a bias to mid-cap value, which should act as a good diversifier to the growth style of the existing equity funds owned.

EPIC Markets (UK) LLP  
Investment Manager to the Fund  
21 October 2022

## PERFORMANCE RECORD

### Financial Highlights

<b>R Income</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	98.11	89.56	103.55
Return before operating charges	(17.93)	10.23	(9.34)
Operating charges (note 1)	(1.50)	(1.68)	(1.81)
Return after operating charges*	(19.43)	8.55	(11.15)
Distributions on income shares	(0.61)	-	(2.84)
Closing net asset value per share	78.07	98.11	89.56
*after direct transaction costs of:	0.04	0.01	0.03
Performance			
Return after charges	(19.80%)	9.54%	(10.77%)
Other information			
Closing net asset value (£'000)	76	127	111
Closing number of shares	97,028	129,053	124,624
Operating charges (note 2)	1.70%	1.79%	2.09%
Direct transaction costs	0.04%	0.01%	0.03%
Prices			
Highest share price	102.47	105.07	111.52
Lowest share price	78.07	87.86	78.89

<b>R Accumulation</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	116.18	106.06	118.62
Return before operating charges	(21.27)	12.11	(10.46)
Operating charges (note 1)	(1.78)	(1.99)	(2.10)
Return after operating charges*	(23.05)	10.12	(12.56)
Closing net asset value per share	93.13	116.18	106.06
Retained distributions on accumulated shares	0.72	-	3.28
*after direct transaction costs of:	0.04	0.02	0.03
Performance			
Return after charges	(19.84%)	9.54%	(10.59%)
Other information			
Closing net asset value (£'000)	561	863	735
Closing number of shares	602,909	743,027	693,282
Operating charges (note 2)	1.70%	1.79%	2.09%
Direct transaction costs	0.04%	0.01%	0.03%
Prices			
Highest share price	121.35	124.43	127.75
Lowest share price	93.13	104.04	90.65

**PERFORMANCE RECORD (CONTINUED)**

**Financial Highlights (Continued)**

<b>A Income</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	105.89	97.40	112.50
Return before operating charges	(19.29)	11.07	(10.05)
Operating charges (note 1)	(2.33)	(2.58)	(2.75)
Return after operating charges*	(21.62)	8.49	(12.80)
Distributions on income shares	-	-	(2.30)
Closing net asset value per share	84.27	105.89	97.40
*after direct transaction costs of:	0.04	0.02	0.03
Performance			
Return after charges	(20.42%)	8.72%	(11.38%)
Other information			
Closing net asset value (£'000)	1,680	2,444	2,203
Closing number of shares	1,993,780	2,308,278	2,261,573
Operating charges (note 2)	2.45%	2.54%	2.84%
Direct transaction costs	0.04%	0.01%	0.03%
Prices			
Highest share price	110.50	113.95	120.90
Lowest share price	84.27	95.48	85.67

<b>A Accumulation</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	125.98	115.87	130.56
Return before operating charges	(22.96)	13.18	(11.46)
Operating charges (note 1)	(2.77)	(3.07)	(3.23)
Return after operating charges*	(25.73)	10.11	(14.69)
Closing net asset value per share	100.25	125.98	115.87
Retained distributions on accumulated shares	-	-	2.68
*after direct transaction costs of:	0.05	0.02	0.04
Performance			
Return after charges	(20.42%)	8.73%	(11.25%)
Other information			
Closing net asset value (£'000)	3,083	4,692	3,845
Closing number of shares	3,075,416	3,724,196	3,318,414
Operating charges (note 2)	2.45%	2.54%	2.84%
Direct transaction costs	0.04%	0.01%	0.03%
Prices			
Highest share price	131.46	135.56	140.31
Lowest share price	100.25	113.60	99.42

**PERFORMANCE RECORD (CONTINUED)**

**Financial Highlights (Continued)**

<b>I Income</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	111.06	101.39	117.25
Return before operating charges	(20.31)	11.57	(10.61)
Operating charges (note 1)	(1.69)	(1.90)	(1.87)
Return after operating charges*	(22.00)	9.67	(12.48)
Distributions on income shares	(0.71)	-	(3.38)
Closing net asset value per share	88.35	111.06	101.39
*after direct transaction costs of:	0.04	0.02	0.03
Performance			
Return after charges	(19.81%)	9.54%	(10.64%)
Other information			
Closing net asset value (£'000)	4,304	6,497	6,911
Closing number of shares	4,871,111	5,850,288	6,816,390
Operating charges (note 2)	1.70%	1.79%	1.93%
Direct transaction costs	0.04%	0.01%	0.03%
Prices			
Highest share price	116.00	118.95	126.34
Lowest share price	88.35	99.46	89.31

<b>I Accumulation</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	134.85	123.10	137.47
Return before operating charges	(24.70)	14.06	(12.14)
Operating charges (note 1)	(2.06)	(2.31)	(2.23)
Return after operating charges*	(26.76)	11.75	(14.37)
Closing net asset value per share	108.09	134.85	123.10
Retained distributions on accumulated shares	0.84	-	3.99
*after direct transaction costs of:	0.05	0.02	0.04
Performance			
Return after charges	(19.84%)	9.54%	(10.45%)
Other information			
Closing net asset value (£'000)	2,108	3,385	733
Closing number of shares	1,950,004	2,510,266	595,412
Operating charges (note 2)	1.70%	1.79%	1.93%
Direct transaction costs	0.04%	0.01%	0.03%
Prices			
Highest share price	140.85	144.41	148.12
Lowest share price	108.09	120.75	105.14

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 underlying holdings.

**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 (30 September 2021 ranking '5'). The Sub-fund is ranked '5' because weekly historical performance data indicates that it has experienced relatively high rises and falls in market prices historically.

## PORTFOLIO STATEMENT

As at 30 September 2022

HOLDINGS		Value £'000	% of net assets
<b>Collective Investment Schemes (30.09.2021: 69.29%)</b>			
203,107	BlackRock European Dynamic Fund	455	3.86
5,500	Eden Global Natural Resources UCITS	508	4.30
338,374	Fidelity UK Opportunities	764	6.47
10,639	EPIC Global Equity*	1,327	11.24
11,226	Hereford Funds - Bin Yuan Greater China CB	954	8.08
235,885	Man GLG High Yield Opportunities	222	1.88
1,903	Man GLG Japan CoreAlpha Equity	421	3.57
859	Ocean Dial Gateway to India	152	1.29
16,373	Polar Capital Global Technology	940	7.96
2,470	Prusik Asian Equity Income	361	3.06
8,026	Stratton Street Next Generation Bond	577	4.89
134,853	VT EPIC UK Equity Market^*	152	1.29
24,540	LF Brook Absolute Return	103	0.87
		<b>6,936</b>	<b>58.76</b>
<b>Exchange Traded Commodities (30.09.2021: 1.16%)</b>			
		-	-
<b>Exchange Traded Funds (30.09.2021: 6.53%)</b>			
42,454	EMQQ Em Mkts Internet & Ecommerce UCITS ETF	288	2.44
50,000	iShares Edge MSCI Eu Val Factor UCITS ETF	276	2.34
6,750	iShares Corp Bond 0-5yr UCITS ETF	626	5.30
75,000	Tabula Haitong AsexJp HY Corp USD Bd ESG	397	3.36
8,500	VanEck Vectors Gold Miners UCITS ETF	197	1.67
2,750	iShares Core Corp Bond UCITS ETF	310	2.63
		<b>2,094</b>	<b>17.74</b>
<b>Investment Trusts - (30.09.2021: 7.09%)</b>			
605,000	VPC Specialty Lending Investments PLC	464	3.93
		<b>464</b>	<b>3.93</b>
<b>Options - (30.09.2021: 0.27%)</b>			
		-	-
		-	-
<b>Futures - (30.09.2021: (0.35%))</b>			
7	US Ultra Bond CBT Dec22 Future	(62)	(0.53)
(10)	Emini S&P Dec22 Future	121	1.03
		<b>59</b>	<b>0.50</b>
<b>Portfolio of investments (30.09.2021: 83.99%)</b>		<b>9,553</b>	<b>80.93</b>
<b>Net other assets (30.09.2021: 16.11%)</b>		<b>2,255</b>	<b>19.12</b>
<b>Adjustment to revalue assets from mid to bid prices (30.09.2021: (0.10%))</b>		<b>(6)</b>	<b>(0.05)</b>
		<b>11,802</b>	<b>100.00</b>

^ Related holding to the ACD

\* Related holdings to the Investment manager



## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the year (note 14)</b>	<b>4,241,482</b>
Eden Global Natural Resources UCITS	573,648
iShares Core Corp Bond UCITS ETF	351,538
iShares Corp Bond 0-5yr UCITS ETF	686,522
iShares Edge MSCI Eu Val Factor UCITS ETF	303,086
L F Brook Absolute Return	110,185
Man GLG Japan CoreAlpha Equity	408,006
NB Private Equity Partners Ltd	744,122
Polar Capital Global Technology	377,959
Tabula Haitong AsexJp HY Corp USD Bd ESG	410,311
VanEck Vectors Gold Miners UCITS ETF	276,105

	£
<b>Total sales for the year (note 14)</b>	<b>6,922,978</b>
BlackRock European Dynamic Fund	578,063
Boost FTSE 250 2x Leverage Daily	179,471
EMQQ Em Mkts Internet & Ecommerce UCITS ETF	535,315
FTF Martin Currie Japan Eq	248,068
EPIC Global Equity	579,660
Hereford Funds - Bin Yuan Greater China CB	203,178
Legg Mason Japan Equity	648,858
Man GLG High Yield Opportunities	244,198
NB Private Equity Partners Ltd	759,228
Ocean Dial Gateway to India	410,929
Polar Capital Global Technology	825,037
Stratton Street Next Generation Bond	307,659
VPC Specialty Lending Investments PLC	910,226
VT EPIC UK Equity Market	493,088

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

## STATEMENT OF TOTAL RETURN

For the year ended 30 September

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(3,288)		1,309
Revenue	3	202		231	
Expenses	4	(191)		(226)	
Interest payable and similar charges	6	<u>(3)</u>		<u>(3)</u>	
Net revenue before taxation		8		2	
Taxation	5	<u>-</u>		<u>1</u>	
Net revenue after taxation			<u>8</u>		<u>3</u>
Total return before distributions			(3,280)		1,312
Finance costs: distributions	6		<u>(66)</u>		<u>(20)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>			<u>(3,346)</u>		<u>1,292</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September

	2022	2021
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	17,993	14,505
Amounts receivable on creation of shares	305	779
Amounts payable on cancellation of shares	(3,174)	(4,034)
Retained accumulation distributions	24	-
Scheme of arrangement	-	5,451
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(3,346)</u>	<u>1,292</u>
<b>Closing net assets attributable to shareholders</b>	<u>11,802</u>	<u>17,993</u>

**BALANCE SHEET**

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As at	Notes	30.09.2022		30.09.2021	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Investment assets			9,609		15,287
<b>CURRENT ASSETS</b>					
Debtors	7	235		301	
Cash and bank balances	8	2,353		2,881	
<b>Total current assets</b>			<u>2,588</u>	<u>2,881</u>	<u>3,182</u>
<b>Total assets</b>			12,197		18,469
<b>CURRENT LIABILITIES</b>					
Investment liabilities			(62)		(194)
<b>Creditors</b>					
Distribution payable on income shares		(5)		-	
Bank overdraft	8	(261)		(176)	
Other creditors	9	(67)		(106)	
<b>Total current liabilities</b>			<u>(333)</u>	<u>(106)</u>	<u>(282)</u>
<b>Net assets attributable to shareholders</b>			<u>11,802</u>		<u>17,993</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### 1 Accounting policies

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

#### (a) Basis of accounting

The financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and to the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling and the figures are rounded off to the nearest thousand unless otherwise indicated.

As described in the Statement of ACD's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Sub-fund.

#### (b) Recognition of revenue

Dividends on quoted equities are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution forms part of the distributable revenue.

Revenue from unquoted investments is recognised when the dividend is declared.

Rebates from underlying investments are accounted for on an accruals basis and are recognised as revenue, or capital in line with the allocation of the annual management charge between capital and revenue of the underlying investments.

Interest on bank and other cash deposits is recognised on an accruals basis.

#### (c) Treatment of stock and special dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue. The allocation of special dividends is considered on a case-by-case basis.

#### (d) Treatment of expenses

All expenses, net of any associated tax effect, except for are expenses related to buying and selling of investments are charged to the revenue account. Expenses are recognised on the accruals basis.

#### (e) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

#### (f) Taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20.00%. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

#### (g) Distribution policy

Revenue produced by the Sub-fund's investments accrues 6 monthly. At the end of each period, the net revenue is accumulated/distributed as per the Prospectus as a dividend distribution. Any revenue deficit is funded from capital.

#### (h) Exchange rates

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 period are translated at the exchange rates at the closing valuation point on 30 September 2022.

**1 Accounting policies (continued)**

**(i) Basis of valuation of investments**

The investments are valued at closing prices of 12 noon on 30 September 2022. If closing prices are not available, the latest available prices are used. Investments held long are valued at closing bid price and investment held short are valued at the closing offer price.

For investments for which there is no quoted price or for which the quoted price is unreliable, fair value is determined by the ACD, taking into account, where appropriate, latest dealing prices, valuation from reliable sources, financial performance, maturity of the company and other relevant factors, such as delisting of the security.

If separate offer and bid prices are quoted for shares or units, then the bid price is used.

**(j) Dilution levy**

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances; where the scheme property is in continual decline; on the Sub-fund experiencing large levels of net purchases or redemptions relative to its size; on 'large deals' (typically being a purchase or redemption of shares in excess of £1 million or 5% of the Net Asset Value of the Sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of dilution levy.

**(k) Direct transaction costs**

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>2 Net capital (losses)/gains</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
The net capital (losses)/gains comprise:		
Non-derivative securities (losses)/gains	(2,974)	1,670
Derivative securities (losses)	(324)	(386)
Transaction charges (custodian)	(3)	(1)
Currency (losses)/gains	(6)	21
Rebates from underlying holdings	19	5
<b>Total net capital (losses)/gains</b>	<u>(3,288)</u>	<u>1,309</u>
<b>3 Revenue</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Non-taxable dividends	62	55
Interest distributions	134	169
Rebates from underlying holdings	1	7
Bank interest	5	-
<b>Total revenue</b>	<u>202</u>	<u>231</u>
<b>4 Expenses</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
Annual management charge	155	186
	<u>155</u>	<u>186</u>
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	18	18
Safe custody fee	1	1
	<u>19</u>	<u>19</u>
<b>Other expenses:</b>		
Audit fee	7	13
Other expenses	10	8
	<u>17</u>	<u>21</u>
<b>Total expenses</b>	<u>191</u>	<u>226</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2022 £'000	2021 £'000
<b>(a) Analysis of charge in the year</b>		
Irrecoverable overseas withholding tax	-	(1)
<b>Total tax charge for the year (note 5b)</b>	<b>-</b>	<b>(1)</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2021: 20.00%). The differences are explained below:		
Net revenue before UK corporation tax	8	2
Corporation tax at 20.00% (2021: 20.00%)	2	-
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(14)	(11)
Tax effect of rebates in capital	4	-
Current year expenses not utilised	8	11
Irrecoverable overseas withholding tax	-	(1)
<b>Total tax charge for the year (note 5a)</b>	<b>-</b>	<b>(1)</b>

**(c) Provision for deferred taxation**

At 30 September 2022 there is a potential deferred tax asset of £401,000 (30 September 2021: £393,000) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs	2022 £'000	2021 £'000
Interim dividend distribution	53	-
Final dividend distribution	9	-
	62	-
Add: Revenue deducted on cancellation of shares	5	2
Add: Revenue deducted on cancellation of shares merger	-	18
Deduct: Revenue received on issue of shares	(1)	-
<b>Net distribution for the year</b>	<b>66</b>	<b>20</b>
Interest payable and similar charges	3	3
<b>Total finance costs</b>	<b>69</b>	<b>23</b>
<b>Reconciliation of distributions</b>		
Net revenue after taxation	8	3
Balance brought forward	-	(299)
Balance carried forward	-	-
Deficit taken to capital	58	316
<b>Net distribution for the year</b>	<b>66</b>	<b>20</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due from outstanding settlements	-	103
Amounts due from scheme of arrangement	185	185
Prepayments	20	-
Accrued revenue:		
Non-taxable dividends	1	4
Interest distributions	16	4
Rebates from underlying holdings	13	5
<b>Total debtors</b>	<u>235</u>	<u>301</u>
<b>8 Cash and bank balances</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
	<b>£'000</b>	<b>£'000</b>
Cash and bank balances	2,353	2,881
Bank overdraft	<u>(261)</u>	<u>(176)</u>
<b>9 Creditors</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
	<b>£'000</b>	<b>£'000</b>
Amounts payable for redemption of shares	12	82
Amounts payable for scheme of arrangement	18	-
Amounts due for unsettled trade	1	1
<b>Amounts payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	17	13
	<u>17</u>	<u>13</u>
<b>Payable to the depositary, associates of the depositary and agents of either of them:</b>		
Depositary charges	1	1
	<u>1</u>	<u>1</u>
Other accrued expenses	18	9
<b>Total creditors</b>	<u>67</u>	<u>106</u>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 Risk management

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

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

#### Market price risk

Market price risk is the risk that the value of the Sub-fund's financial instruments 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 company holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained the same the return attributable to shareholders for the year ended 30 September 2022 would have increased/decreased by £1,203,000 (30 September 2021: £1,515,000).

#### Foreign currency risk

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

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

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Net non-monetary assets and liabilities		Total net assets	
	£'000		£'000		£'000	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Sterling	2,141	2,399	6,802	11,603	8,943	14,002
Euro	-	7	276	29	276	36
US Dollar	114	494	2,469	3,461	2,583	3,955
Total	2,255	2,900	9,547	15,093	11,802	17,993

#### Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 September 2022 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 Risk management (continued)

#### Interest rate risk

Interest rate risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in interest rates. These include cash and bank balances and inherent risk on the collectives that distributes interest.

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

	30.09.2022	30.09.2021
	£'000	£'000
Financial assets floating rate	2,353	2,881
Financial assets interest bearing instruments	2,591	2,739
Financial assets non-interest bearing instruments	7,253	12,849
Financial liabilities non-interest bearing instruments	(134)	(300)
Financial liabilities floating rate	(261)	(176)
	<b>11,802</b>	<b>17,993</b>

#### 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 ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions and debt securities and bonds. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities and bonds credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund.

#### Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	Assets (£'000)	Liabilities (£'000)
Level 1: Unadjusted quoted price in an active market for an identical instrument	9,609	(62)
<b>Total</b>	<b>9,609</b>	<b>(62)</b>

#### Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

		Derivative	Collateral	Collateral	Collateral	
	Counterparty	Exposure £'000	Posted £'000	Received £'000	Asset Class	
<b>2022</b>	SG	121	484	-	Cash	
<b>2021</b>	SG	180	759	-	Cash	

#### Leverage

Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives divided by the net asset value).

There was 121.55% leverage as at 30 September 2022, other than that available to the Sub-fund as a result of its ability to borrow up to 10% of its value on a permanent basis (2021: 161.25%).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**11 Shares held**

**R Income**

<b>Opening shares at 01.10.2021</b>	<b>129,053</b>
Shares issued during the year	615
Shares cancelled during the year	(32,640)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>97,028</b>

**R Accumulation**

<b>Opening shares at 01.10.2021</b>	<b>743,027</b>
Shares issued during the year	11,705
Shares cancelled during the year	(151,823)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>602,909</b>

**A Income**

<b>Opening shares at 01.10.2021</b>	<b>2,308,278</b>
Shares issued during the year	8,516
Shares cancelled during the year	(323,014)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>1,993,780</b>

**A Accumulation**

<b>Opening shares at 01.10.2021</b>	<b>3,724,196</b>
Shares issued during the year	10,730
Shares cancelled during the year	(659,510)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>3,075,416</b>

**I Income**

<b>Opening shares at 01.10.2021</b>	<b>5,850,288</b>
Shares issued during the year	13,326
Shares cancelled during the year	(992,503)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>4,871,111</b>

**I Accumulation**

<b>Opening shares at 01.10.2021</b>	<b>2,510,266</b>
Shares issued during the year	205,813
Shares cancelled during the year	(766,075)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>1,950,004</b>

**12 Contingent assets and liabilities**

At 30 September 2022, the Sub-fund had no contingent liabilities or commitments (2021: £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 30 September 2022. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

<b>Share class</b>	<b>Price at 30 Sept 2022</b>	<b>Price at 30 January 2023</b>
R Income	78.07p	81.41p
R Accumulation	93.13p	97.01p
A Income	84.27p	87.63p
A Accumulation	100.25p	104.26p
I Income	88.35p	92.13p
I Accumulation	108.09p	112.69p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2022		2021	
	£'000	%	£'000	%
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs	4,239		4,454	
Commission	1	0.02%	-	0.00%
Taxes & levies	1	0.02%	-	0.00%
Total purchase costs	<u>2</u>	<u>0.04%</u>	<u>-</u>	<u>0.00%</u>
Total purchases including transaction costs	<u>4,241</u>		<u>4,454</u>	
<b>Analysis of total sale costs</b>				
Sales in year before transaction costs	6,927		8,969	
Commission	(2)	(0.03%)	(2)	(0.02%)
Taxes & levies	(2)	(0.03%)	-	(0.00%)
Total sales costs	<u>(4)</u>	<u>(0.06%)</u>	<u>(2)</u>	<u>(0.02%)</u>
Total sales including transaction costs	<u>6,923</u>		<u>8,967</u>	

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

	2022 £	% of average net asset value	2021 £	% of average net asset value
Commission	3	0.02%	2	0.01%
Taxes & levies	3	0.02%	-	0.00%
	<u>6</u>	<u>0.04%</u>	<u>2</u>	<u>0.01%</u>

15 Portfolio dealing spread

The average portfolio dealing spread at 30 September 2022 is 0.10% (2021 0.20%).

16 Related party transactions

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

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

## DISTRIBUTION TABLES

### Interim distribution in pence per share

Group 1: Shares purchased on or prior to 01 October 2021

Group 2 : Shares purchased on or after 01 October 2021 and on or before 31 March 2022

01 October 2021 to 31 March 2022

Payment date	Unit Type	Share Class	Net Revenue 2022	Equalisation 2022	Distribution 2022	Distribution 2021
31.05.2022	group 1	R Income	0.5239p	-	0.5239p	-
31.05.2022	group 2	R Income	0.5239p	-	0.5239p	-
31.05.2022	group 1	A Income	-	-	-	-
31.05.2022	group 2	A Income	-	-	-	-
31.05.2022	group 1	I Income	0.5958p	-	0.5958p	-
31.05.2022	group 2	I Income	0.0949p	0.5009p	0.5958p	-
31.05.2022	group 1	R Accumulation	0.6032p	-	0.6032p	-
31.05.2022	group 2	R Accumulation	0.0524p	0.5508p	0.6032p	-
31.05.2022	group 1	A Accumulation	-	-	-	-
31.05.2022	group 2	A Accumulation	-	-	-	-
31.05.2022	group 1	I Accumulation	0.6905p	-	0.6905p	-
31.05.2022	group 2	I Accumulation	0.0378p	0.6527p	0.6905p	-

### Final distribution in pence per share

Group 1: Shares purchased on or prior to 01 April 2022

Group 2 : Shares purchased on or after 01 April 2022 and on or before 30 September 2022

01 April 2022 to 30 September 2022

Payment date	Unit Type	Share Class	Net Revenue 2022	Equalisation 2022	Distribution 2022	Distribution 2021
30.11.2022	group 1	R Income	0.0822p	-	0.0822p	-
30.11.2022	group 2	R Income	0.0822p	-	0.0822p	-
30.11.2022	group 1	A Income	-	-	-	-
30.11.2022	group 2	A Income	-	-	-	-
30.11.2022	group 1	I Income	0.1177p	-	0.1177p	-
30.11.2022	group 2	I Income	0.1143p	0.0034p	0.1177p	-
30.11.2022	group 1	R Accumulation	0.1120p	-	0.1120p	-
30.11.2022	group 2	R Accumulation	0.1113p	0.0007p	0.1120p	-
30.11.2022	group 1	A Accumulation	-	-	-	-
30.11.2022	group 2	A Accumulation	-	-	-	-
30.11.2022	group 1	I Accumulation	0.1454p	-	0.1454p	-
30.11.2022	group 2	I Accumulation	0.1039p	0.0415p	0.1454p	-

### EQUALISATION

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

### Information for corporate shareholders

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

- i) 30.85% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 69.15% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT EPIC Multi Asset Growth Fund
<b>Size of Sub-fund (£000's)</b>	£15,449
<b>Investment objective and policy</b>	<p>The investment objective is to achieve capital growth over the long term (5 years) by investing across a global portfolio of assets.</p> <p>The investment manager uses a global asset allocation framework to invest across a wide range of asset classes, geographies, sectors and investment styles. The portfolio aims to generate capital growth by investing in a combination of specialist funds, ETFs, listed investment vehicles, individual securities and cash, and uses derivatives for hedging and investment purposes to both reduce market risk and enhance returns. As a consequence, the portfolio exhibits moderate correlation to traditional asset classes. Positions are generally held with a three to five year time horizon. However, the management of the portfolio is active and the investment strategy is liquid and dynamic in order to adapt to changing market conditions. Use of derivatives is expected to be limited, although when used the resultant exposure may be significant.</p>
<b>Benchmark</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the ACD use a benchmark in order to assess performance.</p> <p>However, the performance of the Sub-fund can be compared to that of the IA Mixed Asset 40-85% sector.</p> <p>The performance of the Sub-fund can be compared against that of the benchmark. This benchmark has been selected as it is considered that this index most closely reflects the investments which the Sub-fund will make (and its risk/return objectives) at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the index when making its decisions and can make investments that are not included in the index.</p>
<b>Accounting dates</b>	31 March and 30 September
<b>Distribution dates</b>	31 May and 30 November
<b>Individual Savings Account (ISA)</b>	The Sub-Fund is a qualifying investment for inclusion in an ISA.
<b>Shares Classes and type of Shares</b>	A Accumulation A Income R Accumulation R Income I Accumulation I Income IA Accumulation IA Income
<b>Minimum investment*</b>	
Lump sum subscription:	R Accumulation/R Income = £10,000 A Accumulation/A Income = £10,000 IA Accumulation/IA Income = £25,000,000 I Accumulation/I Income = £1,000,000
Top-up:	R Accumulation/R Income = £1,000 A Accumulation/A Income = £1,000 IA Accumulation/IA Income = £1,000 I Accumulation/I Income = £10,000
Holding:	R Accumulation/R Income = £10,000 A Accumulation/A Income = £10,000 IA Accumulation/IA Income = £25,000,000 I Accumulation/I Income = £1,000,000

## SUB-FUND OVERVIEW (Continued)

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### Minimum investment\* (Continued)

Redemption:	R Accumulation/R Income = N/A (provided the minimum holding is maintained)
	A Accumulation/A Income = N/A (provided the minimum holding is maintained)
	IA Accumulation/IA Income = N/A (provided the minimum holding is maintained)
	I Accumulation/I Income = N/A (provided the minimum holding is maintained)
Regular savings plan	£100 per month (Class I and IA not applicable)

\*The ACD may waive the minimum levels at its discretion.

**Initial, redemption and switching charges** Nil, however the initial charges can be raised to 5% if 3 months' notice is given.

**Annual management charges**

The management charge in respect of the R Accumulation & R Income is 0.75% per annum of the Net Asset Value.

The management charge in respect of the A Accumulation & A Income is 1.50% per annum of the Net Asset Value.

The management charge in respect of the IA Accumulation & IA Income is 0.55% per annum of the Net Asset Value.

The management charge in respect of the I Accumulation & I Income is 0.75% per annum of the Net Asset Value of the I Class Shares..

### Changes to the Sub-fund

On 24 January 2022, the Sub-fund changed its name from VT Garraway Multi Asset Growth Fund to VT EPIC Multi Asset Growth Fund. There was also a minor change in the investment objectives and policy wording to that above. These changes are not expected to result in any change to the way the Sub-fund operates or the investments it makes.

## INVESTMENT MANAGER'S REVIEW

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### Market Review – 30th September 2021 to 30th September 2022

Investors continued to grapple with a very different type of market environment as the effects of the huge fiscal and monetary stimulus continued to ripple through the economy. One consequence of the higher-pressure economy was the much higher level of inflation than previously anticipated and with it a marked increase in volatility and especially in government bond markets.

Market participants were contending with the war in Ukraine; stubbornly higher levels of inflation; central banks pushing interest rates higher to contain inflation; and governments intervening fiscally to soften the pain. Around this time there was an extreme rotation out of growth into value style equities. As we commented in our last report 'The last time that central banks embarked on this path, equities suffered a deep, if short lived correction and further tightening was abandoned.' Given the dramatic shifts in real economy effects it is likely that this episode will play out somewhat differently, but we are conscious of the risks.

Whilst credit markets have remained relatively calm, government bond markets have been extremely volatile and in many developed countries signalled oncoming recession. There have been some aggressive counter-trend rallies in equities in the period, but the overarching direction has been down. This has combined with one of the weakest periods for developed market government bonds in history. Bloomberg reported that a 60/40 equities/bonds strategy, which has worked reliably for years, is now in its most prolonged drawdown since the Global Financial Crisis. Another report, that uses the S&P 500 and US Treasuries as a proxy for that split, states that it has had the worst nine months since 1937.

Notably, China is pursuing very different policies on Covid, and geopolitics remains at the core of many issues for China. It is not easy to see an immediate resolution. Weakness in the economy and the domestic property market has led to some easing of policy albeit this has not yet led this very cheap equity market to sustainably rally.

As a result of rapidly rising US interest rates and a 'safe haven' effect the US Dollar was extremely strong against most developed market currencies. The US Dollar came close to parity against the Great British Pound (Sterling) and breached parity against the Euro towards the end of the period.

### Market Outlook

Historical evidence suggests that the current inflation shock will subside and be relatively contained over the medium-term (i.e., two to three years). Despite this, inflationary risks remain considerably higher than they have been for over a decade. Most central banks are responding with rate rises, and signals of more aggressive tightening of financial conditions. As a result, this is a very difficult investing environment, and it is evident that there are significant changes in assets risk & reward, and correlations between broader asset classes.

Risks are surfacing, with the closure of open-ended property funds, a fiasco around UK Gilts and liability driven investment strategies and a general paucity of liquidity. Many suspect that the US Federal Reserve will be forced to tighten financial conditions until "something breaks". Consequently, short term risks remain heightened and there is potential for some more immediate downside in risk assets.

Despite the evident issues, we remain very aware of the fact that markets are discounting mechanisms, and a lot of the bad news is now "priced in". Many equity markets are now cheap/very cheap in valuation terms, but we need to get through the next US earnings season to see how much damage has been wrought. However, the last quarter of the year is generally one of the strongest seasonal periods for equities. It would not surprise us to see a significant rally from end October lows to year end. We are reasonably optimistic for asset prices in 2023 but we can see the first quarter will be an 'acid test', given the likelihood that the US economy will be in recession.

As asset prices have fallen, we have become more optimistic for future returns and feel that buying opportunities will soon present themselves

### Fund Performance

In the period until 30th September 2022 the fund was down – 20.7% in sterling terms based on the I Accumulation share class. The IA Mixed Investment 40%-85% Shares sector was down -10.3%.

From the start of the period the fund was performing well into mid-November, but then started to suffer a setback with the violent rotation from growth style equities into value style equities at the start of 2022 until end February. This period caused the fund to materially lag headline indices and was the bulk of the relative drawdown. However, the outbreak of war in Ukraine was not helpful, as the fund had a pro risk bias. From this point, we marginally reduced the growth style exposure and lessened the risk of the portfolio. We added equity hedges to protect the fund in the event of a further falls in equities.

The other major negative contributor was our exposure to Chinese equity, which was challenged by domestic regulatory measures, a weak property market and a negative geopolitical backdrop. However, this is now one of the cheapest global equity markets and we expect improved rewards from our holdings.



## INVESTMENT MANAGER'S REVIEW (CONTINUED)

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### Fund Performance (Continued)

Global bond yields started a huge rally from the start of the year to the end of period. In the period, US 10-year government bond yields moved up from 1.5% to 3.9% and UK 10-year Gilt yields jumped up from 1.02% to 4.09%. This is the worst start for government bonds in decades and marks a change in the investing environment. Whilst we had limited exposure to bonds the larger fund holdings suffered at least as much as headline indices for developed market bonds.

Since the changes made to the portfolio it is pleasing to note that in the last six months performance has been top quartile in the sector peer group (IA Mixed Asset 40-85% equities).

### Portfolio Activity

For most of the period until mid-February 2022 we maintained our bias to pro risk assets and growth style equities with the main changes including the reintroduction of the listed Neuberger Private Equity fund, our long favoured private equity exposure, which was trading at a discount. We also started to reduce FTF Japan Equity Fund, a long-term growth fund and the sold the WisdomTree Cloud Computing UCITS ETF another long-term growth exposure to companies active in the field of cloud computing.

Around the turn of the year, we added Ardan Eden Global Natural Resources UCITS 'Light Green' ESG Fund which invests in stock of natural resources assets. The focus is on large cap companies within the critical green metals space, which are used for inputs into renewable energy and electric vehicle batteries to assist in the transition towards a more sustainable global economy. We added this fund as we believe this to be a significant structural growth theme over the medium-term and a beneficiary of an inflationary environment.

In January we started to reduce the holding in Polar Capital Global Technology Fund which gives exposure to technology companies with strong growth potential. The fund manager, Nick Evans, is part of an experienced team that has proven its ability to add value in the longer term. We decreased the holding due to concerns around the short to medium-term asset pricing environment. This was also part of our rebalancing from growth to a more blended portfolio.

From mid-February we further lowered the equity positions, lightened the emerging market exposure and balanced the equity style exposure. We reduced our existing position in EMQQ Emerging Markets Internet and Ecommerce UCITS ETF which provides exposure to companies that derive 50% or more of their revenue from internet or ecommerce in emerging or frontier markets. Whilst we feel that these companies look cheap, the overarching issues around China and its interaction with the technology sector raises questions over the risk/reward outlook. We added ManGLG Japan Core Alpha Fund a value biased large cap Japanese equity fund as part of our continued rebalancing away from the dominant growth bias of the portfolio.

As the war in Ukraine escalated, we experienced further sell offs in risk assets with little differentiation between geographies and equity styles. Activity was mainly based on reducing some holdings to maintain a high level of cash and rebalancing the style exposures, at the margin. A full weighting in equity funds was maintained although we also kept the protection on equity downside with portfolio hedges. A growth style bias was kept although this was more muted than previously. The holding in the VanEck Junior Gold Miners UCITS ETF was reinstated as we felt that the stocks were cheap and should once again act as a hedge against higher inflation risks. We felt that the European recovery was now in question due to the area's heavy reliance on Russian oil and gas. Equally the proximity to the Ukrainian war provoked other concerns. Whilst the Blackrock European Dynamic Fund has been held for a long period, the combination of issues along with our desire to reduce our growth exposure led to a partial sale of the position. We continued to take profits on Ocean Dial Gateway to India Fund which invests primarily in a relatively concentrated Indian GARP style mid/small-cap portfolio stocks, that generate a high ROE for investors. The sales were made after further strong outperformance and as part of rebalancing the portfolio. We added a new holding, LF Brook Absolute Return Fund which is a highly active, concentrated global equity-long short strategy. The fund provides idiosyncratic risk exposure and primarily exhibits a bias to mid-cap value, which should act as a good diversifier to the growth style of the existing equity funds owned.

We reduced VT EPIC UK Market Equity Fund which invests across the market cap spectrum and now has 45/50% in mid/small caps, with a growth bias. We decreased our holding because of the deteriorating outlook for the UK and as part of our rebalancing from growth to a more blended portfolio, at the margin. We had been reducing the holding in the FTF Japan Equity fund and as the manager left the group, we completed the final sale.

Lastly, we added the Tabula Haitong Asia ex-Japan High Yield Corp USD Bond ESG UCITS ETF which provides exposure to USD-denominated Asia ex-Japan High Yield corporate bonds that meet the requirements for an Article 8 EU SFDR benchmark. This area of the fixed income markets is one of the few to offer very attractive risk/reward characteristics after a period of significant negative performance.

EPIC Markets (UK) LLP  
Investment Manager to the Fund  
21 October 2022

## PERFORMANCE RECORD

### Financial Highlights

<b>A Income</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	423.06	374.12	415.39
Return before operating charges	(80.69)	58.63	(26.37)
Operating charges (note 1)	(9.52)	(9.69)	(10.35)
Return after operating charges*	(90.21)	48.94	(36.72)
Distributions on income shares	-	-	(4.55)
Closing net asset value per share	332.85	423.06	374.12
*after direct transaction costs of:	0.30	0.16	0.16
Performance			
Return after charges	(21.32%)	13.08%	(8.84%)
Other information			
Closing net asset value (£'000)	735	1,061	992
Closing number of shares	220,792	250,687	263,973
Operating charges (note 2)	2.52%	2.43%	2.65%
Direct transaction costs	0.08%	0.04%	0.04%
Prices			
Highest share price	436.95	446.33	448.49
Lowest share price	326.20	361.18	312.22

<b>A Accumulation</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	480.80	432.34	465.68
Return before operating charges	(91.70)	59.55	(21.57)
Operating charges (note 1)	(10.82)	(11.09)	(33.34)
Return after operating charges*	(102.52)	48.46	(54.91)
Closing net asset value per share	378.28	480.80	432.34
Retained distributions on accumulated shares	-	-	5.07
*after direct transaction costs of:	0.34	0.18	0.18
Performance			
Return after charges	(21.32%)	11.21%	(7.16%)
Other information			
Closing net asset value (£'000)	7,964	11,241	11,732
Closing number of shares	2,105,271	2,337,909	2,714,067
Operating charges (note 2)	2.52%	2.43%	2.65%
Direct transaction costs	0.08%	0.04%	0.04%
Prices			
Highest share price	496.58	509.59	502.79
Lowest share price	370.71	417.38	350.02

**PERFORMANCE RECORD (CONTINUED)**

**Financial Highlights (Continued)**

<b>I Income</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	108.51	96.72	105.77
Return before operating charges	(20.70)	13.51	(5.26)
Operating charges (note 1)	(1.72)	(1.72)	(1.74)
Return after operating charges*	(22.42)	11.79	(7.00)
Distributions on income shares	(0.15)	-	(2.05)
Closing net asset value per share	85.94	108.51	96.72
*after direct transaction costs of:	0.08	0.04	0.04
Performance			
Return after charges	(20.67%)	12.19%	(6.61%)
Other information			
Closing net asset value (£'000)	327	516	684
Closing number of shares	380,093	475,284	707,129
Operating charges (note 2)	1.77%	1.68%	1.74%
Direct transaction costs	0.08%	0.04%	0.04%
Prices			
Highest share price	112.21	114.46	114.52
Lowest share price	84.06	93.44	79.84

<b>I Accumulation</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	122.05	108.78	116.28
Return before operating charges	(23.35)	15.21	(5.57)
Operating charges (note 1)	(1.94)	(1.94)	(1.93)
Return after operating charges*	(25.29)	13.27	(7.50)
Closing net asset value per share	96.76	122.05	108.78
Retained distributions on accumulated shares	0.40	-	2.27
*after direct transaction costs of:	0.09	0.05	0.04
Performance			
Return after charges	(20.72%)	12.20%	(6.45%)
Other information			
Closing net asset value (£'000)	4,477	7,014	7,694
Closing number of shares	4,627,471	5,747,242	7,072,347
Operating charges (note 2)	1.77%	1.68%	1.74%
Direct transaction costs	0.08%	0.04%	0.04%
Prices			
Highest share price	126.20	128.73	125.89
Lowest share price	94.63	105.09	87.77

**PERFORMANCE RECORD (CONTINUED)**

**Financial Highlights (Continued)**

<b>IA Accumulation</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	124.47	110.72	118.12
Return before operating charges	(23.85)	15.49	(5.67)
Operating charges (note 1)	(1.75)	(1.74)	(1.73)
Return after operating charges*	(25.60)	13.75	(7.40)
Closing net asset value per share	98.87	124.47	110.72
Retained distributions on accumulated shares	0.74	-	2.52
*after direct transaction costs of:	0.09	0.05	0.05
Performance			
Return after charges	(20.57%)	12.42%	(6.26%)
Other information			
Closing net asset value (£'000)	203	299	439
Closing number of shares	205,060	240,346	396,243
Operating charges (note 2)	1.57%	1.48%	1.54%
Direct transaction costs	0.08%	0.04%	0.04%
Prices			
Highest share price	128.75	131.13	127.97
Lowest share price	96.64	106.98	89.24

<b>R Income</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	108.54	96.74	105.77
Return before operating charges	(20.71)	13.52	(5.24)
Operating charges (note 1)	(1.72)	(1.72)	(1.90)
Return after operating charges*	(22.43)	11.80	(7.14)
Distributions on income shares	(0.27)	-	(1.89)
Closing net asset value per share	85.84	108.54	96.74
*after direct transaction costs of:	0.08	0.04	0.04
Performance			
Return after charges	(20.66%)	12.20%	(6.75%)
Other information			
Closing net asset value (£'000)	163	227	280
Closing number of shares	190,003	209,571	289,154
Operating charges (note 2)	1.77%	1.68%	1.90%
Direct transaction costs	0.08%	0.04%	0.04%
Prices			
Highest share price	112.24	114.48	114.46
Lowest share price	83.97	93.46	79.77

**PERFORMANCE RECORD (CONTINUED)****Financial Highlights (Continued)**

<b>R Accumulation</b>	<b>Year to 30 September 2022</b>	<b>Year to 30 September 2021</b>	<b>Year to 30 September 2020</b>
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	120.63	107.53	115.13
Return before operating charges	(23.09)	15.02	(5.51)
Operating charges (note 1)	(1.91)	(1.92)	(2.09)
Return after operating charges*	(25.00)	13.10	(7.60)
Closing net asset value per share	95.63	120.63	107.53
Retained distributions on accumulated shares	0.41	-	2.07
*after direct transaction costs of:	0.09	0.05	0.04
Performance			
Return after charges	(20.73%)	12.19%	(6.60%)
Other information			
Closing net asset value (£'000)	1,590	2,364	2,249
Closing number of shares	1,662,903	1,959,463	2,091,981
Operating charges (note 2)	1.77%	1.68%	1.90%
Direct transaction costs	0.08%	0.04%	0.04%
Prices			
Highest share price	124.74	127.24	124.59
Lowest share price	93.52	103.87	86.84

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 underlying holdings.

**Risk Profile**

Based on past data, the Sub-fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (30 September 2021 ranking '5'). The Sub-fund is ranked '6' because weekly historical performance data indicates that it has experienced significant rises and falls in market prices historically.

## PORTFOLIO STATEMENT

As at 30 September 2022

<b>HOLDINGS</b>	Value £'000	% of net assets
<b>Collective Investment Schemes (30.09.2021: 62.14%)</b>		
203,107 BlackRock European Dynamic Fund	761	4.93
5,500 Eden Global Natural Resources UCITS	1,292	8.36
338,374 Fidelity UK Opportunities	953	6.17
10,639 EPIC Global Equity*	2,228	14.43
11,226 Hereford Funds - Bin Yuan Greater China CB	1,279	8.28
235,885 LF Brook Absolute Return	420	2.72
1,903 Man GLG Japan CoreAlpha Equity	734	4.75
859 Ocean Dial Gateway to India	205	1.33
16,373 Polar Capital Global Technology	1,326	8.58
2,470 VT EPIC UK Equity Market^*	212	1.37
	<b>9,410</b>	<b>60.92</b>
<b>Exchange Traded Commodities (30.09.2021: 3.66%)</b>		
2,975 Boost FTSE 250 2x Leverage Daily	447	2.89
	<b>447</b>	<b>2.89</b>
<b>Exchange Traded Funds (30.09.2021: 15.12%)</b>		
80,000 Tabula Haitong AsexJp HY Corp USD Bd ESG	423	2.74
91,568 EMQQ Em Mkts Internet & Ecommerce UCITS ETF	622	4.03
35,000 VanEck Vectors Gold Miners UCITS ETF	811	5.25
48,972 L&G Healthcare Breakthrough UCITS ETF	501	3.24
	<b>2,357</b>	<b>15.26</b>
<b>Investment Trusts - (30.09.2021: 3.04%)</b>		
25,000 NB Private Equity Partners Ltd	376	2.43
575,000 VPC Specialty Lending Investments PLC	441	2.85
	<b>817</b>	<b>5.28</b>
<b>Options - (30.09.2021: 0.26%)</b>		
	-	-
	-	-
<b>Futures - (30.09.2021: 0.68%)</b>		
(24) Emini S&P Dec22 Future	291	1.88
	<b>291</b>	<b>1.88</b>
<b>Portfolio of investments (30.09.2021: 84.90%)</b>		
	<b>13,322</b>	<b>86.23</b>
<b>Net other assets (30.09.2021: 15.18%)</b>		
	<b>2,136</b>	<b>13.83</b>
<b>Adjustment to revalue assets from mid to bid prices (30.09.2021: (0.08%))</b>		
	<b>(9)</b>	<b>(0.06)</b>
	<b>15,449</b>	<b>100.00</b>

^ Related holding to the ACD

\* Related holdings to the Investment manager

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the year (note 14)</b>	<b>6,648,595</b>
Eden Global Natural Resources UCITS	1,439,147
L&G Healthcare Breakthrough UCITS ETF	408,736
LF Brook Absolute Return	500,690
Man GLG Japan CoreAlpha Equity	715,217
NB Private Equity Partners Ltd	1,246,490
Tabula Haitong AsexJp HY Corp USD Bd ESG	393,948
VanEck Vectors Gold Miners UCITS ETF	950,049
VPC Specialty Lending Investments PLC	317,698
WisdomTree Cloud Computing UCITS ETF	676,620
	£
<b>Total sales for the year (note 14)</b>	<b>8,085,712</b>
BlackRock European Dynamic Fund	704,953
EMQQ Em Mkts Internet & Ecommerce UCITS ETF	800,972
FTF Martin Currie Japan Eq	325,798
Hereford Funds - Bin Yuan Greater China CB	148,671
L&G Healthcare Breakthrough UCITS ETF	394,113
Legg Mason Japan Equity	783,848
NB Private Equity Partners Ltd	779,902
Ocean Dial Gateway to India	850,469
Polar Capital Global Technology	954,022
VPC Specialty Lending Investments PLC	467,070
VT EPIC UK Equity Market	577,080
WisdomTree Cloud Computing UCITS ETF	1,298,814

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

## STATEMENT OF TOTAL RETURN

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For the year ended 30 September		Notes	2022		2021	
			£'000	£'000	£'000	£'000
Income						
	Net capital (losses)/gains	2		(4,475)	3,235	
	Revenue	3	155	139		
Expenses		4	(250)	(321)		
	Interest payable and similar charges	6	<u>(2)</u>	<u>(5)</u>		
	Net expenses before taxation		(97)	(187)		
	Taxation	5	<u>-</u>	<u>-</u>		
	Net expenses after taxation		<u>(97)</u>	<u>(187)</u>		
	Total return before distributions		(4,572)	3,048		
	Finance costs: distributions	6	<u>(33)</u>	<u>-</u>		
	<b>Changes in net assets attributable to shareholders from investment activities</b>		<u>(4,605)</u>	<u>3,048</u>		

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September	2022 £'000	2021 £'000
<b>Opening net assets attributable to shareholders</b>	22,704	23,867
Amounts receivable on creation of shares	722	1,659
Amounts payable on cancellation of shares	(3,402)	(5,870)
Retained accumulation distributions	30	-
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(4,605)</u>	<u>3,048</u>
<b>Closing net assets attributable to shareholders</b>	<u>15,449</u>	<u>22,704</u>



**BALANCE SHEET**

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As at	Notes	30.09.2022		30.09.2021	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Investment assets			13,313		19,274
<b>CURRENT ASSETS</b>					
Debtors	7	174		253	
Cash and bank balances	8	2,665		3,756	
<b>Total other assets</b>			<u>2,839</u>	<u>3,756</u>	<u>4,009</u>
<b>Total assets</b>			16,152		23,283
<b>CURRENT LIABILITIES</b>					
Investment liabilities			-		(22)
<b>Creditors</b>					
Bank overdraft	8	(593)		(445)	
Other creditors	9	(110)		(112)	
<b>Total current liabilities</b>			<u>(703)</u>	<u>(112)</u>	<u>(557)</u>
<b>Net assets attributable to shareholders</b>			<u>15,449</u>		<u>22,704</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### 1 Accounting policies

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

#### (a) Basis of accounting

The financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and to the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling and the figures are rounded off to the nearest thousand unless otherwise indicated.

As described in the Statement of ACD's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Sub-fund.

#### (b) Recognition of revenue

Dividends on quoted equities are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex- distribution. Equalisation returned with the distribution forms part of the distributable revenue.

Revenue from unquoted investments is recognised when the dividend is declared.

Rebates from underlying investments are accounted for on an accruals basis and are recognised as revenue, or capital in line with the allocation of the annual management charge between capital and revenue of the underlying investments.

Interest on bank and other cash deposits is recognised on an accruals basis.

#### (c) Treatment of stock and special dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue. The allocation of special dividends is considered on a case-by-case basis.

#### (d) Treatment of expenses

All expenses, net of any associated tax effect, except for are expenses related to buying and selling of investments are charged to the revenue account. Expenses are recognised on the accruals basis.

#### (e) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

#### (f) Taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20.00%. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

#### (g) Distribution policy

Revenue produced by the Sub-fund's investments accrues 6 monthly. At the end of each period, the net revenue is accumulated/distributed as per the Prospectus as a dividend distribution. Any revenue deficit is funded from capital.

#### (h) Exchange rates

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 period are translated at the exchange rates at the closing valuation point on 30 September 2022.

**1 Accounting policies (continued)**

**(i) Basis of valuation of investments**

The investments are valued at closing prices of 12 noon on 30 September 2022. If closing prices are not available, the latest available prices are used. Investments held long are valued at closing bid price and investment held short are valued at the closing offer price.

For investments for which there is no quoted price or for which the quoted price is unreliable, fair value is determined by the ACD, taking into account, where appropriate, latest dealing prices, valuation from reliable sources, financial performance, maturity of the company and other relevant factors, such as delisting of the security.

If separate offer and bid prices are quoted for shares or units, then the bid price is used.

**(j) Dilution levy**

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances; where the scheme property is in continual decline; on the Sub-fund experiencing large levels of net purchases or redemptions relative to its size; on 'large deals' (typically being a purchase or redemption of shares in excess of £1 million or 5% of the Net Asset Value of the Sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of dilution levy.

**(k) Direct transaction costs**

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>2 Net capital (losses)/gains</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
The net capital (losses)/gains comprise:		
Non-derivative securities (losses)/gains	(4,624)	2,678
Derivative securities gains	158	572
Transaction charges (custodian)	-	(1)
Currency losses	(10)	(29)
Rebates from underlying holdings	1	15
<b>Total net capital (losses)/gains</b>	<b>(4,475)</b>	<b>3,235</b>
<b>3 Revenue</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Non-taxable dividends	93	33
Interest distributions	66	98
Rebates from underlying holdings	(10)	8
Bank interest	6	-
<b>Total revenue</b>	<b>155</b>	<b>139</b>
<b>4 Expenses</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
Annual management charge	216	278
	216	278
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	18	20
Safe custody fee	2	2
	20	22
<b>Other expenses:</b>		
Audit fee	7	13
Other expenses	7	8
	14	21
<b>Total expenses</b>	<b>250</b>	<b>321</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2022 £'000	2021 £'000
<b>(a) Analysis of charge in the year</b>		
Irrecoverable overseas withholding tax	-	-
<b>Total tax charge for the year (note 5b)</b>	<u>-</u>	<u>-</u>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2021: 20.00%). The differences are explained below:		
Net expenses before UK corporation tax	(97)	(187)
Corporation tax at 20.00% (2021: 20.00%)	(19)	(37)
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(19)	(7)
Current year expenses not utilised	38	44
Irrecoverable overseas withholding tax	-	-
<b>Total tax charge for the year (note 5a)</b>	<u>-</u>	<u>-</u>

**(c) Provision for deferred taxation**

At 30 September 2022 there is a potential deferred tax asset of £536,000 (30 September 2021: £498,000) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs	2022 £'000	2021 £'000
Interim dividend distribution	7	-
Final dividend distribution	24	-
	<u>31</u>	<u>-</u>
Add: Revenue deducted on cancellation of shares	4	-
Deduct: Revenue received on issue of shares	(2)	-
	<u>33</u>	<u>-</u>
<b>Net distribution for the year</b>	33	-
Interest payable and similar charges	2	5
<b>Total finance costs</b>	<u>35</u>	<u>5</u>
<b>Reconciliation of distributions</b>		
Net expenses after taxation	(97)	(187)
Balance brought forward	-	(298)
Deficit transferred to capital	130	485
<b>Net distribution for the year</b>	<u>33</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.09.2022 £'000	30.09.2021 £'000
Accrued revenue:		
Non-taxable dividends receivable	2	5
Interest distributions receivable	12	-
Rebates from underlying holdings	6	25
	<u>20</u>	<u>30</u>
Amounts due for prepayments	20	16
Amounts receivable on outstanding trades	-	73
Amounts due from Dynamic merger	134	134
	<u>154</u>	<u>223</u>
<b>Total debtors</b>	<u>174</u>	<u>253</u>
8 Cash and bank balances	30.09.2022 £'000	30.09.2021 £'000
Cash and bank balances	2,665	3,756
Bank overdraft	<u>(593)</u>	<u>(445)</u>
9 Creditors	30.09.2022 £'000	30.09.2021 £'000
Amounts payable on cancellation of shares	12	26
Amounts payable on outstanding trades	1	-
Amounts payable for Dynamic merger	55	55
<b>Amounts payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	29	22
	<u>29</u>	<u>22</u>
<b>Payable to the depositary, associates of the depositary and agents of either of them:</b>		
Depositary charges	1	1
	<u>1</u>	<u>1</u>
Other accrued expenses	12	8
<b>Total creditors</b>	<u>110</u>	<u>112</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 Risk management

In pursuing its investment objective as stated on page 28, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

#### Market price risk

Market price risk is the risk that the value of the Sub-fund's financial instruments 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 company holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

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

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained the same the return attributable to shareholders for the year ended 30 September 2022 would have increased/decreased by £1,700,000 (30 September 2021: £1,910,000).

#### Foreign currency risk

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

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

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Net non-monetary assets and liabilities		Total net assets	
	£'000		£'000		£'000	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Sterling	2,201	2,552	9,391	13,879	11,592	16,431
Euro	-	9	-	36	-	45
US Dollar	(65)	891	3,922	5,337	3,857	6,228
Total	2,136	3,452	13,313	19,252	15,449	22,704

#### Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 September 2022 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 Risk management (continued)

#### Interest rate risk

Interest rate risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in interest rates. These include cash and bank balances and inherent risk on the collectives that distributes interest.

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

	30.09.2022	30.09.2021
	£'000	£'000
Financial assets floating rate	2,665	3,756
Financial assets interest bearing instruments	861	683
Financial assets non-interest bearing instruments	12,626	18,844
Financial liabilities non-interest bearing instruments	(110)	(134)
Financial liabilities floating rate	(593)	(445)
	<b>15,449</b>	<b>22,704</b>

#### 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 ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions and debt securities and bonds. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities and bonds credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund.

#### Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	Assets (£'000)	Liabilities (£'000)
Level 1: Unadjusted quoted price in an active market for an identical instrument	13,313	-
<b>Total</b>	<b>13,313</b>	<b>-</b>

#### Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

	Counterparty	Derivative Exposure £	Collateral Posted £	Collateral Received £	Collateral Asset Class
<b>2022</b>	SG	291	683	65	Cash
<b>2021</b>	SG	234	1,287	-	Cash

#### Leverage

Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives divided by the net asset value).

There was 125.76% leverage as at 30 September 2022, other than that available to the Sub-fund as a result of its ability to borrow up to 10% of its value on a permanent basis (2021:151.43%).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Shares held

A Income

<b>Opening shares at 01.10.2021</b>	<b>250,687</b>
Shares issued during the year	147
Shares cancelled during the year	(30,042)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>220,792</b>

A Accumulation

<b>Opening shares at 01.10.2021</b>	<b>2,337,909</b>
Shares issued during the year	1,307
Shares cancelled during the year	(211,993)
Shares converted during the year	(21,952)
<b>Closing shares as at 30.09.2022</b>	<b>2,105,271</b>

I Income

<b>Opening shares at 01.10.2021</b>	<b>475,284</b>
Shares issued during the year	10
Shares cancelled during the year	(95,201)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>380,093</b>

I Accumulation

<b>Opening shares at 01.10.2021</b>	<b>5,747,242</b>
Shares issued during the year	251,018
Shares cancelled during the year	(1,370,789)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>4,627,471</b>

IA Accumulation

<b>Opening shares at 01.10.2021</b>	<b>240,346</b>
Shares issued during the year	1,325
Shares cancelled during the year	(36,611)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>205,060</b>

R Income

<b>Opening shares at 01.10.2021</b>	<b>209,571</b>
Shares issued during the year	14,135
Shares cancelled during the year	(33,703)
Shares converted during the year	-
<b>Closing shares as at 30.09.2022</b>	<b>190,003</b>

R Accumulation

<b>Opening shares at 01.10.2021</b>	<b>1,959,463</b>
Shares issued during the year	378,743
Shares cancelled during the year	(762,553)
Shares converted during the year	87,250
<b>Closing shares as at 30.09.2022</b>	<b>1,662,903</b>

11 Contingent assets and liabilities

At 30 September 2022, the Sub-fund had no contingent liabilities or commitments (2021: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 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 30 September 2022. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 30 Sept 2022	Price at 30 January 2023
A Income	332.85p	350.36p
A Accumulation	378.28p	398.17p
I Income	85.94p	90.61p
I Accumulation	96.76p	102.10p
IA Accumulation	98.87p	104.40p
R Income	85.84p	90.50p
R Accumulation	95.63p	100.91p

### 14 Direct transaction costs

	2022		2021	
	£'000	%	£'000	%
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs	6,640		9,633	
Commission	3	0.05%	2	0.02%
Taxes & levies	6	0.09%	4	0.04%
Total purchase costs	<u>9</u>	<u>0.14%</u>	<u>6</u>	<u>0.06%</u>
Total purchases including transaction costs	<u>6,649</u>		<u>9,639</u>	
<b>Analysis of total sale costs</b>				
Sales in year before transaction costs	8,092		14,852	
Commission	(3)	(0.04%)	(2)	(0.01%)
Taxes & levies	(3)	(0.04%)	-	(0.00%)
Total sales costs	<u>(6)</u>	<u>(0.08%)</u>	<u>(2)</u>	<u>(0.01%)</u>
Total sales including transaction costs	<u>8,086</u>		<u>14,850</u>	

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

	2022	% of average	2021	% of average
	£	net asset	£	net asset
		value		value
Commission	6	0.03%	4	0.02%
Taxes & levies	9	0.05%	4	0.02%
	<u>15</u>	<u>0.08%</u>	<u>8</u>	<u>0.04%</u>

### 15 Portfolio dealing spread

The average portfolio dealing spread at 30 September 2022 is 0.12% (2021 0.16%).

### 16 Related party transactions

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

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

## DISTRIBUTION TABLES

### Interim distribution in pence per share

Group 1: Shares purchased on or prior to 01 October 2021

Group 2 : Shares purchased on or after 01 October 2021 and on or before 31 March 2022

01 October 2021 to 31 March 2022

Payment date	Unit Type	Share Class	Net Revenue 2022	Equalisation 2022	Distribution 2022	Distribution 2021
31.05.2022	group 1	R Income	0.1918p	-	0.1918p	-
31.05.2022	group 2	R Income	-	0.1918p	0.1918p	-
31.05.2022	group 1	A Income	-	-	-	-
31.05.2022	group 2	A Income	-	-	-	-
31.05.2022	group 1	I Income	0.0783p	-	0.0783p	-
31.05.2022	group 2	I Income	-	0.0783p	0.0783p	-
31.05.2022	group 1	R Accumulation	0.3160p	-	0.3160p	-
31.05.2022	group 2	R Accumulation	0.0001p	0.3159p	0.3160p	-
31.05.2022	group 1	A Accumulation	-	-	-	-
31.05.2022	group 2	A Accumulation	-	-	-	-
31.05.2022	group 1	IA Accumulation	0.5497p	-	0.5497p	-
31.05.2022	group 2	IA Accumulation	0.5481p	0.0016p	0.5497p	-
31.05.2022	group 1	I Accumulation	0.3112p	-	0.3112p	-
31.05.2022	group 2	I Accumulation	-	0.3112p	0.3112p	-

### Final distribution in pence per share

Group 1: Shares purchased on or prior to 01 April 2022

Group 2 : Shares purchased on or after 01 April 2022 and on or before 30 September 2022

01 April 2022 to 30 September 2022

Payment date	Unit Type	Share Class	Net Revenue 2022	Equalisation 2022	Distribution 2022	Distribution 2021
30.11.2022	group 1	R Income	0.0816p	-	0.0816p	-
30.11.2022	group 2	R Income	0.0816p	-	0.0816p	-
30.11.2022	group 1	A Income	-	-	-	-
30.11.2022	group 2	A Income	-	-	-	-
30.11.2022	group 1	I Income	0.0754p	-	0.0754p	-
30.11.2022	group 2	I Income	0.0754p	-	0.0754p	-
30.11.2022	group 1	R Accumulation	0.0910p	-	0.0910p	-
30.11.2022	group 2	R Accumulation	0.0832p	0.0078p	0.0910p	-
30.11.2022	group 1	A Accumulation	-	-	-	-
30.11.2022	group 2	A Accumulation	-	-	-	-
30.11.2022	group 1	IA Accumulation	0.1908p	-	0.1908p	-
30.11.2022	group 2	IA Accumulation	0.1492p	0.0416p	0.1908p	-
30.11.2022	group 1	I Accumulation	0.0915p	-	0.0915p	-
30.11.2022	group 2	I Accumulation	0.0909p	0.0006p	0.0915p	-

## EQUALISATION

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

### Information for corporate shareholders

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

- i) 56.36% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 43.64% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

## INFORMATION FOR INVESTORS

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### Taxation

The Company will pay no corporation tax on its profits for the year to 30 September 2022 and capital gains within the Company will not be taxed.

### Individual shareholders

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

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

### Corporate shareholders

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

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

### Issue and redemption of shares

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

For all VT Garraway Multi Asset Funds: [gy@valu-trac.com](mailto:gy@valu-trac.com)

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

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

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. Settlement is due four business days after the trade date shown on the contract note and should be made to the ACD'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 ACD of a request for redemption. The minimum value of shares that a shareholder can hold is detailed on pages 7 and 28. The ACD may at its discretion accept subscriptions lower than the minimum amount.

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

## INFORMATION FOR INVESTORS (Continued)

### Remuneration

The ACD 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 ACD compliance with its duty to act in the best interests of the funds it manages.

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

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

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

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

**CORPORATE DIRECTORY**

<b>Authorised Corporate Director, Administrator and Registrar</b>	<p>Valu-Trac Investment Management Limited Orton Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: gy@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
<b>Director</b>	Valu-Trac Investment Management Limited
<b>Investment Manager to 10 December 2021</b>	<p>Garraway Capital Management LLP 6th Floor Becket House 36 Old Jewry London EC2R 8DD</p>
<b>From 10 December 2021</b>	<p>EPIC Markets (UK) LLP 200 Aldersgate Street London EC1A 4HD</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Depository</b>	<p>NatWest Trustee and Depository Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Auditor</b>	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>

## Statement by the Authorised Fund Manager (AFM) to the shareholders of VT EPIC Multi Asset Balanced Fund on the outcome of the AFM’s assessment of the value provided to shareholders

For the year ended 30 September 2022

This assessment is to establish what VT EPIC Multi Asset Balanced Fund (the Fund) has delivered to you in return for the price you have had to pay.

Please note that VT Garraway Multi Asset Balanced Fund, changed its name, to become VT EPIC Multi Asset Balanced Fund, on 24 January 2022.

The AFM is the Authorised Corporate Director of the Fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment manager is EPIC Markets (UK) LLP.

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a ‘traffic light’ system, where green (G) indicates good value: amber (A) room for improvement, and red (R) poor value. The dashboard below shows an overall summary of the assessment.

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
<b>VT EPIC Multi Asset Balanced Fund</b>								
R Income	● A	● R	● R	● G	● R	● G	● G	● R
R Accumulation	● A	● R	● R	● G	● R	● G	● G	● R
A Income	● A	● R	● R	● G	● R	● G	● A	● R
A Accumulation	● A	● R	● R	● G	● R	● G	● A	● R
IA Accumulation	● A	● R	● R	● G	● R	● G	● G	● R
I Income	● A	● R	● R	● G	● R	● G	● G	● R
I Accumulation	● A	● R	● R	● G	● R	● G	● G	● R

Note the traffic light system was introduced in 2022 and there were no ratings in last year assessment, the conclusion last year was that the shareholders of The VT EPIC Multi Asset Balanced Fund were not receiving good value.

The investment objective is to achieve returns from both capital and income over the long term (5 years) by investing across a global portfolio of assets.

The Investment Manager uses a global asset allocation framework to invest across a range of asset classes, geographies, sectors and investment styles to provide a portfolio which it considers to be balanced.

The portfolio invests in a combination of specialist Funds, ETFs, listed investment vehicles, individual securities and cash, and uses derivatives for hedging and investment purposes to both reduce market risk and enhance returns. As a consequence, the portfolio exhibits modest correlation to traditional asset classes. Positions are generally held with a three to five-year time horizon. However, the management of the portfolio is active and the investment strategy is liquid and dynamic in order to adapt to changing market conditions. The exposure from derivatives may be significant.

<b>At and for the year ended</b>					
	<b>30-Sep-22</b>	<b>30-Sep-21</b>	<b>30-Sep-20</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>
<b>Value of Fund (per Performance Record)</b>					
R Income	£0.1m	£0.1m	£0.1m	£0.2m	£0.4m
R Accumulation	£0.6m	£0.9m	£0.7m	£0.8m	£1.5m
A Income	£1.7m	£2.4m	£2.2m	£2.9m	£3.8m
A Accumulation	£3.1m	£4.7m	£3.9m	£4.8m	£5.3m
I Income	£4.3m	£6.5m	£6.9m	£9.6m	£12.5m
I Accumulation	£2.1m	£3.4m	£0.7m	£0.9m	£3.4m
<b>Shares outstanding</b>					
R Income	0.1m	0.1m	0.1m	0.2m	0.3m
R Accumulation	0.6m	0.7m	0.7m	0.7m	1.2m
A Income	2.0m	2.3m	2.3m	2.6m	3.2m
A Accumulation	3.1m	3.7m	3.3m	3.6m	3.9m
I Income	4.9m	5.9m	6.8m	8.2m	9.9m
I Accumulation	2.0m	2.5m	0.6m	0.7m	2.4m
<b>NAV per share</b>					
R Income	78.07p	98.11p	89.56p	103.55p	110.87p
R Accumulation	93.13p	116.18p	106.06p	118.62p	122.38p
A Income	84.27p	105.89p	97.40p	112.50p	120.45p
A Accumulation	100.25p	125.98p	115.87p	130.56p	135.74p
I Income	88.35p	111.06p	101.39p	117.25p	125.54p
I Accumulation	108.09p	134.85p	123.10p	137.47p	141.64p
<b>Dividend per share</b>					
R Income	0.61p	0.00p	2.84p	3.86p	2.57p
R Accumulation	0.72p	0.00p	3.28p	4.29p	2.79p
A Income	0.00p	0.00p	2.30p	3.33p	1.87p
A Accumulation	0.00p	0.00p	2.68p	3.77p	2.08p
I Income	0.71p	0.00p	3.38p	4.56p	3.11p
I Accumulation	0.84p	0.00p	3.99p	4.82p	3.45p
<b>Operating charges</b>					
R Income	1.70%	1.79%	2.09%	1.73%	1.65%
R Accumulation	1.70%	1.79%	2.09%	1.73%	1.65%
A Income	2.45%	2.54%	2.84%	2.48%	2.40%



A Accumulation	2.45%	2.54%	2.84%	2.48%	2.40%
I Income	1.70%	1.79%	1.93%	1.57%	1.49%
I Accumulation	1.70%	1.79%	1.93%	1.57%	1.49%
<b>Net (losses) / gains before expenses</b>					
Capital (losses) / gains	(£3.3m)	£1.3m	(£2.1m)	(£2.1m)	(£0.2m)
Total Net (losses) / gains	(£3.1m)	£1.5m	(£1.7m)	(£1.0m)	£0.9m

*From 25 March 2019 the source of all data is Valu-Trac Administration Services unless otherwise stated Source of data prior to 25 March 2019 – City Financial Investment Company Limited*

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

### **1. Quality of service**

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

Depository – NatWest Trustee and Depository Services Limited

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

The external audit is conducted by Johnston Carmichael LLP.

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

Valu-Trac does not delegate any of the core functions of the Fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the shareholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with EPIC Markets (UK) LLP to coordinate mailings such as annual letters with dividend vouchers and financial reports to avoid excessive correspondence whilst providing all required reporting on a timely and clear basis. This also has ensured that the AFM has responded to any enquiries from shareholders fully and promptly.

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

## 2. Performance

The AFM has assessed performance of the Fund net of all the charges that are outlined in its prospectus. The investment objective of VT EPIC Multi Asset Balanced Fund is to achieve returns from both capital and income over the long term (5 years) by investing across a global portfolio of assets. The Fund is not managed to or constrained by a benchmark, however, the performance of the Sub-fund can be compared to that of the IA Mixed Investment 20%-60% Shares sector (the comparator).

To compare capital return, the total returns of the Fund for the period under review and over the last five years against the comparator is shown below.

	<b>2022 Performance</b>	<b>2022 Comparator Performance</b>	<b>5-Year Performance (p.a.)</b>	<b>5-Year Comparator Performance (p.a.)</b>
R Income	(19.80%)	(10.64%)	(4.63%)	1.12%
R Accumulation	(19.84%)	(10.64%)	(4.98%)	1.12%
A Income	(20.42%)	(10.64%)	(5.39%)	1.12%
A Accumulation	(20.42%)	(10.64%)	(5.68%)	1.12%
I Income	(19.81%)	(10.64%)	(4.53%)	1.12%
I Accumulation	(19.84%)	(10.64%)	(4.89%)	1.12%

The AFM has also assessed the risk taken to achieve the above performance and is satisfied no excessive risk was taken to achieve performance (detailed analysis on how we have arrived at this conclusion can be provided on request).

## 3. AFM costs - general

The costs incurred during the year ended 30 September 2022 were as follows:

	<b>£</b>	<b>%age of average fund value</b>
Investment manager's fee	123,157	0.84%
ACD fee	31,399	0.21%
Depositary fee	18,000	0.12%
Audit fee	7,365	0.05%
Transaction charges (custodian)	2,930	0.02%
Other expenses	11,300	0.07%
<b>Total Costs</b>	<b>194,151</b>	<b>1.31%</b>

Total losses for the year (capital and revenue) were £3.3m. The fund suffered no taxation.

It should be noted that the prospectus does not allow for a redemption charge, however a dilution adjustment can be charged on transactions into or out of the fund in the following circumstances: where the Scheme Property of the Fund is in continual decline; on the Fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 5% or over £1m of the Net Asset Value of the Fund) or in any other circumstances where

the ACD is of the opinion that the interests of existing/continuing shareholders and potential shareholders require the imposition of a dilution levy. No dilution levy was charged during the period under review.

The AFM has considered the costs charged to the Fund by comparing the operating charges of the share classes to the average OCF of the largest 10 funds in the IA Mixed Investment 20%-60% Shares sector, retail classes where available. This is shown below.:

	<b>Operating charges</b>
Class R	1.70%
Class A	2.45%
Class I	1.70%
IA Mixed Investment 20% to 60% Shares Sector (average of 10 largest funds)	1.04%

Source - Morningstar

The AFM notes that the operating charges for the Fund are markedly higher than that of that of the peer group comparator. While it should also be noted that a significant portion of the operating charge of each share class, is related to the cost of managing underlying holdings, excluding these underlying charges, the operating costs of each share class would be as follows: R 0.95%, A 1.70%, I 0.95%; on this basis, operating charges may still appear to be high (notably, the A share class).

#### **4. Economies of scale**

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

#### **5. Comparable market rates**

The AFM has compared the charges of this Fund with that of comparable funds. The AFM selected funds that are classified within the IA Mixed Investment 20%-60% Shares sector. The AFM believes that the shareholders of the Fund are not achieving efficient market rates as a whole (as discussed in section 3). As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

#### **6. Comparable services**

All shareholders of this Fund are subject to the same service at the same cost. The services provided to this Fund and the costs are also comparable amongst other similar funds operated by the AFM.

#### **7. Classes of units**

The annual management charge which pays both the Investment manager fee and the ACD fee is 0.75% for the R Classes, 1.50% for the A Classes and 0.75% for the I Classes. The Management charge fee charged to the A Classes is higher due to rebates and trail commissions paid out to investors in these share classes which is not considered in the operating costs. The annual management charge in the I Classes was lower due to the higher minimum investment required for these share classes at £1,000,000 compared to the £10,000 required for both the R classes and A classes.

## CONCLUSION

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

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
<b>VT EPIC Multi Asset Balanced Fund</b>								
R Income	A	R	R	G	R	G	G	R
R Accumulation	A	R	R	G	R	G	G	R
A Income	A	R	R	G	R	G	A	R
A Accumulation	A	R	R	G	R	G	A	R
IA Accumulation	A	R	R	G	R	G	G	R
I Income	A	R	R	G	R	G	G	R
I Accumulation	A	R	R	G	R	G	G	R

In taking all of these criteria into consideration the AFM concludes that in assessing whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to shareholders; the shareholders of VT EPIC Multi Asset Balanced Fund are not receiving good value. The Investment manager has changed the internal manager of the fund with the aim of enhancing performance going forward and a cap on the ongoing charges of the shares will be introduced to improve the funds costs. The AFM will continue to monitor the fund over the next 12 months.

11 January 2023

## Statement by the Authorised Fund Manager (AFM) to the shareholders of VT EPIC Multi Asset Growth Fund on the outcome of the AFM’s assessment of the value provided to shareholders

For the year ended 30 September 2022

This assessment is to establish what VT EPIC Multi Asset Growth Fund (the Fund) has delivered to you in return for the price you have had to pay.

Please note that VT Garraway Multi Asset Growth Fund, changed its name, to become VT EPIC Multi Asset Growth Fund, on 24 January 2022.

The AFM is the Authorised Corporate Director of the Fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment manager is EPIC Markets (UK) LLP.

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a ‘traffic light’ system, where green (G) indicates good value: amber (A) room for improvement, and red (R) poor value. The dashboard below shows an overall summary of the assessment.

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
<b>The VT EPIC Multi Asset Growth Fund</b>								
R Income	● A	● R	● R	● G	● R	● G	● G	● R
R Accumulation	● A	● R	● R	● G	● R	● G	● G	● R
A Income	● A	● R	● R	● G	● R	● G	● A	● R
A Accumulation	● A	● R	● R	● G	● R	● G	● A	● R
IA Accumulation	● A	● R	● R	● G	● R	● G	● G	● R
I Income	● A	● R	● R	● G	● R	● G	● G	● R
I Accumulation	● A	● R	● R	● G	● R	● G	● G	● R

Note the traffic light system was introduced in 2022 and there were no ratings in last year assessment, the conclusion last year was that the shareholders of The VT EPIC Multi Asset Growth Fund were not receiving good value.

The investment objective is to achieve capital growth over the long term (5 years) by investing across a global portfolio of assets.

The investment manager uses a global asset allocation framework to invest across a wide range of asset classes, geographies, sectors and investment styles. The portfolio aims to generate capital growth by investing in a combination of specialist funds, ETFs, listed investment vehicles, individual securities and cash, and uses derivatives for hedging and investment purposes to both reduce market risk and enhance returns. As a consequence, the portfolio exhibits moderate correlation to traditional asset classes. Positions are generally held with a three to five-year time horizon. However, the management of the portfolio is active and the investment strategy is liquid and dynamic in order to adapt to changing market conditions. Use of derivatives is expected to be limited, although when used the resultant exposure may be significant.

<b>At and for the year ended</b>					
	<b>30-Sep-22</b>	<b>30-Sep-21</b>	<b>30-Sep-20</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>
<b>Value of Fund (per Performance Record)</b>					
R Income	£0.16m	£0.23m	£0.28m	£0.15m	£0.20m
R Accumulation	£1.59m	£2.36m	£2.25m	£2.82m	£3.99m
A Income	£0.74m	£1.06m	£0.99m	£0.92m	£1.01m
A Accumulation	£7.96m	£11.21m	£11.73m	£11.90m	£16.41m
IA Accumulation	£0.20m	£0.30m	£0.44m	£0.60m	£1.63m
I Income	£0.33m	£0.52m	£0.68m	£0.01m	£0.04m
I Accumulation	£4.48m	£7.01m	£7.69m	£0.65m	£0.54m
<b>Shares outstanding</b>					
R Income	0.19m	0.21m	0.29m	0.15m	0.17m
R Accumulation	1.66m	1.96m	2.09m	2.45m	3.26m
A Income	0.22m	0.25m	0.26m	0.22m	0.22m
A Accumulation	2.11m	2.34m	2.71m	2.56m	3.29m
IA Accumulation	0.21m	0.24m	0.40m	0.51m	1.30m
I Income	0.38m	0.48m	0.71m	0.01m	0.03m
I Accumulation	4.63m	5.75m	7.07m	0.56m	0.44m
<b>NAV per share</b>					
R Income	85.84p	108.54p	96.74p	105.77p	115.92p
R Accumulation	95.63p	120.63p	107.53p	115.13p	122.43p
A Income	332.85p	423.06p	374.12p	415.39p	455.19p
A Accumulation	378.28p	480.80p	432.34p	465.68p	498.86p
IA Accumulation	98.87p	124.47p	110.72p	118.12p	125.15p
I Income	85.94p	108.51p	96.72p	105.77p	115.92p
I Accumulation	96.76p	122.05p	108.78p	116.28p	123.44p
<b>Dividend per share</b>					
R Income	0.27p	0.00p	1.89p	3.21p	1.66p
R Accumulation	0.41p	0.00p	2.07p	3.41p	1.73p
A Income	0.00p	0.00p	4.55p	9.46p	3.06p
A Accumulation	0.00p	0.00p	5.07p	10.37p	3.32p
IA Accumulation	0.74p	0.00p	2.52p	3.92p	2.21p
I Income	0.15p	0.00p	2.05p	3.40p	1.84p
I Accumulation	0.40p	0.00p	2.27p	3.63p	1.93p

<b>Operating charges</b>					
R Income	1.77%	1.68%	1.90%	1.91%	1.74%
R Accumulation	1.77%	1.68%	1.90%	1.91%	1.74%
A Income	2.52%	2.43%	2.65%	2.66%	2.49%
A Accumulation	2.52%	2.43%	2.65%	2.66%	2.49%
IA Accumulation	1.57%	1.48%	1.54%	1.55%	1.38%
I Income	1.77%	1.68%	1.74%	1.75%	1.58%
I Accumulation	1.77%	1.68%	1.74%	1.75%	1.58%
<b>Net (losses) / gains before expenses</b>					
Capital (losses) / gains	(£4.5m)	£3.3m	(£1.6m)	(£2.1m)	(£0.1m)
Total Net (losses) / gains	(£4.3m)	£3.4m	(£1.4m)	(£1.3m)	£0.6m

*From 25 March 2019 the source of all data is Valu-Trac Administration Services unless otherwise stated  
Source of data prior to 25 March 2019 – City Financial Investment Company Limited*

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

### **1. Quality of service**

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

Depository – NatWest Trustee and Depository Services Limited

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

The external audit is conducted by Johnston Carmichael LLP.

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

Valu-Trac does not delegate any of the core functions of the Fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the shareholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with EPIC Markets (UK) LLP to coordinate mailings such as annual letters with dividend vouchers and financial reports to avoid excessive correspondence whilst providing all required reporting on a timely and clear basis. This also has ensured that the AFM has responded to any enquiries from shareholders fully and promptly.

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

## 2. Performance

The AFM has assessed performance of the Fund net of all the charges that are outlined in its prospectus. The investment objective is to achieve capital growth over the long term (5 years) by investing across a global portfolio of assets. The Fund does not have a specific benchmark, However, the performance of the Fund can be compared to that of the IA Mixed Investment 40%-85% Shares sector (the comparator).

The table below shows the total returns of the Fund in the period under review and over five-years against the comparator.

	<b>2022 Performance</b>	<b>2022 Comparator Performance</b>	<b>5-Year Performance (p.a.)</b>	<b>5-Year Comparator Performance (p.a.)</b>
R Income	(20.66%)	(10.26%)	(4.40%)	2.78%
R Accumulation	(20.73%)	(10.26%)	(4.61%)	2.78%
A Income	(21.32%)	(10.26%)	(5.19%)	2.78%
A Accumulation	(21.32%)	(10.26%)	(5.31%)	2.78%
IA Accumulation	(20.57%)	(10.26%)	(4.32%)	2.78%
I Income	(20.67%)	(10.26%)	(4.30%)	2.78%
I Accumulation	(20.72%)	(10.26%)	(4.51%)	2.78%

The AFM has also assessed the risk taken to achieve the above performance and is satisfied no excessive risk was taken to achieve performance (detailed analysis on how we have arrived at this conclusion can be provided on request).

## 3. AFM costs - general

The costs incurred during the year ended 30 September 2022 were as follows:

	<b>£</b>	<b>%age of average fund value</b>
Investment manager's fee	186,966	1.01%
ACD fee	28,784	0.15%
Depositary fee	18,000	0.10%
Audit fee	7,365	0.04%
Safe custody fee	2,106	0.01%
Transaction charges (custodian)	0	0.00%
Other expenses	7,169	0.04%
<b>Total Costs</b>	<b>250,390</b>	<b>1.35%</b>

Total losses for the year (capital and revenue) were £4.6m. The Fund suffered no taxation.

It should be noted that the prospectus does not allow for a redemption charge, however a dilution adjustment can be charged on transactions into or out of the fund in the following circumstances: where the Scheme Property of the Fund is in continual decline; on the Fund experiencing large levels of net



purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 5% or over £1m of the Net Asset Value of the Fund) or in any other circumstances where the ACD is of the opinion that the interests of existing/continuing shareholders and potential shareholders require the imposition of a dilution levy. No dilution levy was charged during the period under review.

The AFM has considered the costs charged to the Fund by comparing the operating charges of the share classes to the average OCF of the largest 10 funds in the IA Mixed Investment 40%-85% Shares Sector, retail classes where available. This is shown below.:

	<b>Operating charges</b>
Class R	1.77%
Class A	2.52%
Class IA	1.57%
Class I	1.77%
IA Mixed Investment 40% to 85% Shares Sector (average of 10 largest funds)	1.16%

Source - Morningstar

The AFM notes that the operating charges for the Fund are markedly higher than that of that of the peer group comparator. While it should also be noted that a significant portion of the operating charge of each share class is related to the cost of managing underlying holdings, excluding these underlying, and other, sundry charges, the operating costs of each share class would be as follows: R 0.93%, A 1.68%, I 0.93%, IA 0.73%; on this basis, operating charges may appear more reasonable. The notable exception may be the A share class, where costs may still appear high.

#### **4. Economies of scale**

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

#### **5. Comparable market rates**

The AFM has compared the charges of this Fund with that of comparable funds. The AFM selected funds that are classified within the IA Mixed Investment 40%-85% Shares Sector. The AFM believes that the shareholders of the Fund are not achieving efficient market rates as a whole (as discussed in section 3). As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

#### **6. Comparable services**

While the costs are considered higher compared to similar funds as discussed in section 3, the services provided to this Fund are comparable amongst other similar funds operated by the AFM, and is aligned with its normal operating model.

#### **7. Classes of units**

The annual management charge which pays both the Investment manager fee and the ACD fee is 0.75% for the R Classes, 1.50% for the A Classes, 0.75% for the I Classes and 0.55% for the IA Classes.

The Management charge fee charged to the A Classes is higher due to rebates and trail commissions paid out to investors in these share classes which is not considered in the operating costs. The Management charge fee charged to the I Classes was lower due to the higher minimum investment required for these share classes at £1,000,000 compared to the £10,000 required for both the R classes and A classes. The Management charge to the IA Class was lower due to the £25,000,000 minimum investment required.

## CONCLUSION

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

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
<b>The VT EPIC Multi Asset Growth Fund</b>								
R Income	● A	● R	● R	● G	● R	● G	● G	● R
R Accumulation	● A	● R	● R	● G	● R	● G	● G	● R
A Income	● A	● R	● R	● G	● R	● G	● A	● R
A Accumulation	● A	● R	● R	● G	● R	● G	● A	● R
IA Accumulation	● A	● R	● R	● G	● R	● G	● G	● R
I Income	● A	● R	● R	● G	● R	● G	● G	● R
I Accumulation	● A	● R	● R	● G	● R	● G	● G	● R

In taking all of these criteria into consideration the AFM concludes that in assessing whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to shareholders; the shareholders of VT EPIC Multi Asset Growth Fund are not receiving good value. The Investment manager has changed the internal manager of the fund with the aim of enhancing performance going forward and a cap on the ongoing charges of the shares will be introduced to improve the funds costs. The AFM will continue to monitor the fund over the next 12 months.

11 January 2023