

VT MUNRO-SMART BETA FUND
(Sub-fund VT Munro Smart-Beta UK Fund)

Annual Report and Financial Statements
For the year ended 31 January 2025

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COMPANY OVERVIEW

Type of Company: VT Munro Smart-Beta Fund ("the Company") is an authorized open-ended investment company with variable capital ("ICVC") further to a Financial Services Authority ("FSA") (predecessor of the FCA) authorisation order dated 18 July 2007. The Company is incorporated under registration number IC000551. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ("COLL") issued by the Financial Conduct Authority ("FCA").

The Company has been set up as an umbrella company. The Company has currently one Sub-fund available for investment, VT Munro Smart-Beta UK Fund ("the Sub-fund").

The AFM is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Company consist predominantly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, have been used in the preparation of these accounts and applicable accounting standards have been followed.

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

The Instrument of Incorporation can be inspected at the office of the AFM.

The Company has no directors other than the AFM.

The base currency of the Company is UK sterling.

Copies of the Prospectus and Key Investor Information Document are available free of charge from the AFM.

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

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

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

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

AUTHORISED FUND MANAGER'S STATEMENT

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

Jonathan Sim MA CA

Jonathan M. Child CA

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

Date

**STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS
OF VT MUNRO SMART-BETA FUND**

For the year ended 31 January 2025

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
10 February 2025

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT MUNRO SMART-BETA FUND (SUB-FUND VT MUNRO SMART-BETA UK FUND)

Opinion

In our opinion, VT Munro Smart-Beta Fund financial statements:

> give a true and fair view of the financial position of the Company and of the sub-fund as at 31 January 2025 and of the net revenue and the net capital (losses) on the scheme property of the Company and of the sub-fund for the year then ended; and

> have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation. VT Munro Smart-Beta Fund is an Open Ended Investment Company ('OEIC') with one sub-fund. The financial statements of the Company comprise the financial statements of the sub-fund.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 January 2025; the statement of total return, and the statement of changes in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies; and notes to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions Relating to Going Concern

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 or the sub-fund's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or the sub-fund's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager

As explained more fully in the Statement of Authorised Fund Managers' Responsibilities, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Company's and the sub-fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intends to wind up or terminate the Company or sub-fund, 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. 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.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-fund and judgements and assumptions made by management in their significant accounting estimates. Audit procedures performed included:

- > Discussions with the Authorised Fund Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- > Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- > Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT MUNRO SMART-BETA FUND (SUB-FUND VT MUNRO SMART-BETA UK FUND)(continued)

Use of this Report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on matters required by the Collective Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- >proper accounting records have not been kept; or
- >the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Stuart McMartin B.Sc. FCA (senior statutory auditor)

for and on behalf of Frame Kennedy Ltd
Chartered Accountants and Statutory Auditors
Metropolitan House, 31-33 High Street
Inverness, IV1 1HT

ACCOUNTING POLICIES

For the year ended 31 January 2025

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

- (a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.
- (b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The AFM believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.
- (c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis. All expenses are then reallocated to capital, net of any tax effect for distribution purposes.
- (d) Distributions on equities and trusts are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. The sponsors rebate is calculated and accrued for daily and credited to revenue each day, and then reallocated to capital, net of any tax effect for distribution purposes.
- (e) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.
- (f) Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case. Where the receipt of a special dividend results in a significant reduction in the capital value or where the distribution arises from an underlying capital event such as a merger or disposal these would typically be deemed as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividend would typically be recognised as revenue. Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.
- (g) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 12 noon on 31 January 2025 with reference to quoted bid prices from reliable external sources.
- (h) All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting year are translated at the exchange rates at 12 noon on 31 January 2025.
- (i) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (j) In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-funds, is intended to cover dealing spread on assets bought and sold and certain charges such as applicable dealing taxes and brokers commission not included in the mid-market value of the Sub-funds used for Net Asset Value (NAV) calculations, which could have a diluting effect on the performance of the Sub-funds.
- (k) The Sub-fund currently issues Accumulation & Income shares. The Sub-fund goes ex dividend monthly and pays any income available to the shareholder two months in arrears, as a dividend distribution. Any revenue deficit at the year end is funded from capital.

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

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

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

SUB-FUND OVERVIEW

Name of Sub-fund	VT Munro Smart-Beta UK Fund
Size of Sub-fund	£51,499,059
Launch date	22 July 2007
Sub-fund objective and policy	<p>The objective of the VT Munro Smart-Beta UK Fund (the "Sub-fund") is to replicate the performance (before fund fees and expenses) of the Elston Smart-Beta UK Dividend Index[^].</p> <p>The Sub-fund will invest at least 80% in a portfolio of UK securities listed on the London Stock Exchange that as far as practically possible consist of the component securities of the Elston Smart-Beta UK Dividend Index (the "Benchmark Index").</p> <p>In seeking to achieve the objective the Sub-fund intends to use sampling techniques (as opposed to fully replicating the Benchmark Index), and it is therefore not expected that the Sub-fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings within the Benchmark Index. This could be down to construction constraints (i.e. compliance with UK UCITS rules), turnover constraints (where the manager considers it is in the best interests of investors not to change the holdings of assets to track the index); and liquidity management considerations (which may mean that the Sub-fund holds some cash which the Benchmark Index may not to ensure adequate liquidity)</p> <p>As the Sub-fund seeks to replicate the performance of the Benchmark Index (before fund fees and expenses) it is heavily influenced by the Benchmark Index with weightings of the Sub-fund being continuously compared to the weightings of the Benchmark Index, and an annualised tracking error will be targeted of <3%, when using consistent valuation points of the Sub-fund and the Benchmark Index (12pm).</p> <p>The Sub-fund may also invest in money market instruments, cash and deposits.</p> <p>It is the AFM's intention that derivatives be used for hedging purposes using efficient portfolio management style techniques (although use of derivatives is expected to be limited). The Sub fund may invest in other collective investment schemes which may themselves use derivatives for investment purposes.</p> <p>The Sub-fund is passively managed.</p> <p>The Sub-fund will not have any particular industry or economic sector focus and as such weightings in these may vary as required.</p>
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Annual accounting date	31 January
Interim accounting dates	Last day of each month
Annual income allocation date	31 March
Interim income allocation dates	Last day of each month
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.
Share Classes:	Income Shares and Accumulation Shares in X Class

[^] The Elston Smart-Beta UK Dividend index is a Sterling based total return index, comprising approximately 300 of the largest dividend paying stocks (excluding Investment Trusts) that are quoted on the London Stock Exchange. While the full universe is initially determined by market capitalisation, the investible universe is reweighted based on expected dividend pay-out. Further information on the composition of the index can be found at: <https://www.elstonsolutions.co.uk/our-indices.html>. The Sub-fund aims to replicate the performance of the Elston Smart-Beta UK Dividend index (before fund fees and expenses) but will not necessarily be invested in all the constituents.

SUB-FUND OVERVIEW (Continued)

Minimum investment*

Lump sum subscription:	X Class Shares = £250
Top-up:	X Class Shares = £100
Holding:	X Class Shares = £250
Redemption:	X Class Shares = Nil

*The AFM may at its discretion accept subscriptions lower than the minimum amount.

Annual management charges to 30 September 2024

The management charge in respect of the X Class Shares is 0.50% per annum of the Net Asset Value of the X Class Shares.

Annual management charges from 01 October 2024

A tiered variable fee based on the Net Asset Value of the Sub-fund (plus VAT if applicable) as follows:

- on the part of the NAV that is less than or equal to £100 million – 0.75% per annum;
- on the part of the NAV that is greater than £100 million but less than or equal to £250 million – 0.65% per annum;
- on the part of the NAV that is greater than £250 million but less than or equal to £500 million – 0.55% per annum;
- on the part of the NAV thereafter – 0.50% per annum,

subject to a minimum of £80,000² per annum (plus VAT if applicable)

² The minimum fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from 1 April 2025). In the event of negative inflation, this fee will remain unchanged.

INVESTMENT MANAGER'S REVIEW

Investment Activities

The fund is managed to fully replicate the Elston Smart-Beta UK Dividend Index as closely as possible, having due regard for costs. At the end of the period, it was invested across 219 companies which accounted for 99.9% of the forecast dividend income of the Index. The fund continues to follow the process of investing in large and medium sized companies listed on the London Stock Exchange, in line with each stock's contribution to the total forecasted dividend payout for the group as a whole, as per a systematic index methodology. Elston Indices is the benchmark administrator of this Index.

The investment management process is designed to minimise tracking error, mitigate frictional trading costs and exploit volatility. New money is allocated to securities which are underweight relative to their position in the Index.

Subscriptions to the fund of £30,219,291 were smaller than the redemptions of -£33,907,797 to give a net outflow of £3,688,506. The fund increased by £5,749,897 from investment activities and overall, the fund increased in size by £4,144,560, from £47,354,499 to £51,499,059.

During the period the fund distributed £2,455,679 to investors. This was an increase on the £1,577,727 distributed in the same period last year, largely because of the increased fund size. The yield on the X Income share class (paid monthly) at the period end was 4.49% which compares to 5.16% at the end of January 2024, this decrease in percentage yield is due an increase in the share class price; the dividend per share has decreased slightly from 4.5439p in January 2024 to 4.4450p at the period end. Income distributions are paid monthly.

Throughout this period the cash position held by the fund was kept as low as practicable to ensure the fund was as fully invested as possible relative to the Index, following full deployment of investor inflows and allowing for accrued income held in the fund.

Purchases totalling £28,371,345 were made into 231 companies, the top 10 are listed on page 18.

Redemptions, corporate actions and changes to the index caused the fund to sell shares in 215 names totalling £30,484,291. The top 10 sales are also listed on page 18.

Trading was therefore confined to investing new funds as per the Index, accepting takeover offers and raising cash to meet redemptions.

Investment Performance

Over the period under review the X Accumulation shares have increased in value by +17.87%. This is below the rise of +19.53% in the Elston Smart-Beta UK Dividend Index which it seeks to replicate, this gives a gross Tracking Difference of -1.66%. However, the cost of running the fund is 0.82% (for the X Accumulation shares) meaning that in gross terms it underperformed the benchmark by -0.84%. In the period, direct transaction costs (including stamp duty on purchased shares) were 0.29%. This means that the fund delivered on a gross basis, a Tracking Difference of -0.55% below the underlying Index over the period, this is largely accounted for due to the fund having to hold cash from dividend payments and also a working capital cash balance in a period where the Index has performed strongly.

Over the last 12 months the fund had an annualised tracking error of 0.71%, this is within the targeted tracking error of under 3.00%. Tracking error is the standard deviation of the difference between the daily portfolio and Index returns and measures how closely a fund follows the behaviour of its Index. Tracking error for an index-tracking fund should be low.

The performance of the fund and strategy was broadly in line with traditional UK Equity benchmarks, and the UK Equity Income peer group. As mentioned above, the current dividend yield of the fund is 4.49% which would place it at the top of the UK All Companies Sector, according to Trustnet.

The concept of "smart-beta" indexing is to use an alternative index weighting scheme that differs from the traditional market capitalisation-weighted approach. The aim of using a systematic alternative weighting scheme is to capture the returns of an asset class ("beta"), in this case the UK stock market, but with additional return potential by utilising a systematic alternative ("smart") weighting scheme, for example by emphasising a particular factor exposure. The factor focus for this index and fund is yield factor from dividends, which in the UK market can also be a proxy for value factor. The systematic index methodology aims to harness these factors.

Investment Strategy

There was no change in the investment strategy of the fund which is to track the Elston Smart-Beta UK Dividend Index. This systematic index methodology allocates weights to shares in proportion to their contribution to the total cash dividend forecast for this Index. This systematic alternative weighting scheme is why it is considered a "smart-beta" based approach, when compared to traditional "beta", characterised by market-capitalisation weighting schemes.

The fundamental dividend tracking process captures this effect by focusing solely on forecast dividend flows and ignoring capital values. As far as we know this makes it unique.

A systematic index-tracking fund is relatively cost-effective to run, as most of the differentiation, complexity and intellectual property takes place within the systematic index methodology. Many of the costs at this stage are fixed and this makes it very well placed to take advantage of economies of scale as the fund grows. The manager and sponsor are keen to pass those benefits through to the investor and intends to reduce the AMC and/or the OCF as the fund grows in size. The OCF has therefore reduced significantly over the last few years, as the fund has scaled up, and is expected to decline further as the fund continues to grow.

Valu-Trac Investment Management Limited
Investment Manager of the Sub-fund
16th April 2025

PERFORMANCE RECORD

Financial Highlights

	Period 1 February 2022 to 20 September 2022 [^]
Class A Net Income	
Changes in net assets per share	GBp
Opening net asset value per share	79.9674
Return before operating charges	0.0733
Operating charges (note 1)	(1.0265)
Return after operating charges*	(0.9532)
Distributions on income shares	(2.9472)
Closing net asset value per share	76.0670
*after direct transactions costs of:	0.6631
Performance	
Return after charges	(1.19%)
Other information	
Closing net asset value	-
Closing number of shares	-
Operating charges (note 2)	2.07%
Direct transaction costs	0.85%
Prices	
Highest share price	82.4000
Lowest share price	73.9538

[^] share class was closed on 20th September 2022.

	Year ended 31 January 2025	Year ended 31 January 2024	Year ended 31 January 2023
Class X Net Income			
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	87.9815	92.7398	90.1418
Return before operating charges	16.1226	0.5717	7.9034
Operating charges (note 1)	(0.7662)	(0.7861)	(0.9784)
Return after operating charges*	15.3564	(0.2144)	6.9250
Distributions on income shares	(4.4450)	(4.5439)	(4.3270)
Closing net asset value per share	98.8929	87.9815	92.7398
*after direct transactions costs of:	0.2710	0.4789	0.7772
Performance			
Return after charges	17.45%	(0.23%)	7.68%
Other information			
Closing net asset value	£9,924,639	£6,083,727	£6,591,746
Closing number of shares	10,035,742	6,914,776	7,107,782
Operating charges (note 2)	0.82%	0.87%	1.07%
Direct transaction costs	0.29%	0.53%	0.85%
Prices			
Highest share price	98.8929	89.9184	93.9584
Lowest share price	86.2816	84.2275	81.0457

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

	Period 1 February 2022 to 20 September 2022 [^]
Class A Net Accumulation	
Changes in net assets per share	GBp
Opening net asset value per share	143.4683
Return before operating charges	0.1018
Operating charges (note 1)	(1.8760)
Return after operating charges*	(1.7742)
Closing net asset value per share	141.6941
Retained distributions on accumulated shares	5.3460
*after direct transactions costs of:	1.2119
Performance	
Return after charges	(1.24%)
Other information	
Closing net asset value	-
Closing number of shares	-
Operating charges (note 2)	2.07%
Direct transaction costs	0.85%
Prices	
Highest share price	150.3688
Lowest share price	133.8548

[^] share class was closed on 20th September 2022.

	Year ended 31 January 2025	Year ended 31 January 2024	Year ended 31 January 2023
Class X Net Accumulation			
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	175.2205	175.4399	162.5302
Return before operating charges	32.8836	1.3060	14.7178
Operating charges (note 1)	(1.5652)	(1.5254)	(1.8081)
Return after operating charges*	31.3184	(0.2194)	12.9097
Closing net asset value per share	206.5389	175.2205	175.4399
Retained distributions on accumulated shares	9.0422	8.7900	8.0186
*after direct transactions costs of:	0.5536	0.9293	1.4364
Performance			
Return after charges	17.87%	(0.13%)	7.94%
Other information			
Closing net asset value	£41,589,489	£41,284,772	£17,726,631
Closing number of shares	20,136,392	23,561,613	10,104,104
Operating charges (note 2)	0.82%	0.87%	1.07%
Direct transaction costs	0.29%	0.53%	0.85%
Prices			
Highest share price	206.5389	178.0835	177.8286
Lowest share price	171.8349	163.7704	151.7632

PERFORMANCE RECORD (Continued)

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

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 Document (31 January 2024: ranked 6). The Sub-fund is ranked 6 because weekly historical performance data indicates that it has experienced significant rises and falls in market prices historically. The higher the rank, the greater the potential reward but the greater the risk of losing money

PORTFOLIO SUMMARY

As at 31 January 2025		
Holding Investment	Market value £	% of total net assets
Equities (31.01.2024: 95.94%)		
600 4imprint Group PLC	36,000	0.07%
100,610 ABRDN PLC	156,449	0.30%
10,650 Admiral Group PLC	286,485	0.56%
93,610 Airtel Africa PLC	134,424	0.26%
7,250 AJ Bell PLC	32,553	0.06%
200 Alpha Group International PLC	5,120	0.01%
18,500 Anglo American PLC	441,780	0.86%
9,670 Antofagasta PLC	167,436	0.33%
40,400 Ashmore Group PLC	68,316	0.13%
4,270 Ashtead Group PLC	228,189	0.44%
14,230 Associated British Foods PLC	273,287	0.53%
20,330 AstraZeneca PLC	2,305,015	4.48%
7,000 Auto Trader Group PLC	55,454	0.11%
114,900 Aviva PLC	591,735	1.15%
25,600 B&M European Value Retail SA	82,739	0.16%
4,800 Babcock International Group PLC	25,632	0.05%
48,660 BAE Systems PLC	599,735	1.16%
7,900 Balfour Beatty PLC	36,577	0.07%
3,100 Baltic Classifieds Group PLC	10,556	0.02%
1,500 Bank of Georgia Group PLC	71,325	0.14%
258,500 Barclays PLC	769,813	1.49%
34,900 Barratt Redrow PLC	160,156	0.31%
6,550 Beazley PLC	55,053	0.11%
2,150 Bellway PLC	56,373	0.11%
2,700 Berkeley Group Holdings PLC	104,868	0.20%
3,750 Bodycote PLC	24,150	0.05%
562,300 BP PLC	2,374,031	4.61%
6,400 Breedon Group PLC	27,808	0.05%
12,200 Bridgepoint Group PLC	46,043	0.09%
98,340 British American Tobacco PLC	3,128,195	6.07%
299,400 BT Group PLC	425,597	0.83%
4,230 Bunzl PLC	146,020	0.28%
1,605 Burberry Group PLC	18,979	0.04%
950 Burford Capital Ltd	10,906	0.02%
4,800 Bytes Technology Group PLC	22,013	0.04%
1,400 Carnival PLC	29,050	0.06%
104,650 Centrica PLC	147,295	0.29%
4,100 Chemring Group PLC	13,059	0.03%
500 Clarkson PLC	21,175	0.04%
24,100 Coats Group PLC	23,064	0.04%
19,630 Compass Group PLC	545,518	1.06%
1,990 Computacenter PLC	46,168	0.09%
5,650 Conduit Holdings Ltd	25,623	0.05%
25,900 ConvaTec Group PLC	64,128	0.12%
620 Cranswick PLC	30,938	0.06%
2,510 Croda International PLC	84,361	0.16%
9,950 Currys PLC	9,393	0.02%
200 CVS Group PLC	1,992	0.00%
2,160 DCC PLC	120,420	0.23%
39,580 Diageo PLC	959,419	1.86%
1,050 Diploma PLC	47,607	0.09%
35,485 Direct Line Insurance Group PLC	95,242	0.18%
1,100 Discoverie Group PLC	7,128	0.01%
1,800 Diversified Energy Company PLC	24,174	0.05%
7,203 Dominos Pizza Group PLC	21,595	0.04%
43,500 Dowlais Group Plc	31,168	0.06%
8,600 Drax Group PLC	53,406	0.10%

PORTFOLIO SUMMARY (Continued)

As at 31 January 2025		
Holding Investment	Market value £	% of total net assets
4,650 Dunelm Group PLC	45,756	0.09%
11,380 Easyjet PLC	58,630	0.11%
6,650 Endeavour Mining PLC	108,861	0.21%
13,750 Energean PLC	129,938	0.25%
9,750 Entain PLC	69,459	0.13%
37,625 EVRAZ plc*	-	0.00%
7,800 Experian PLC	311,064	0.60%
1,700 Fevertree Drinks PLC	13,583	0.03%
12,720 FirstGroup PLC	20,454	0.04%
20,100 Fresnillo PLC	141,203	0.27%
170 Future PLC	1,544	0.00%
575 Games Workshop Group PLC	83,203	0.16%
680 Gamma Communications PLC	9,058	0.02%
2,300 GB Group PLC	7,958	0.02%
3,750 Genuit Group PLC	14,756	0.03%
770 Genus PLC	14,692	0.03%
233,850 Glencore PLC	822,567	1.60%
3,250 GlobalData PLC	5,801	0.01%
1,380 Greggs PLC	29,256	0.06%
103,000 GSK plc	1,443,545	2.80%
88,500 HALEON PLC	329,574	0.64%
1,840 Halma PLC	56,470	0.11%
63,150 Harbour Energy PLC	147,771	0.29%
11,460 Hargreaves Lansdown PLC	126,175	0.25%
32,100 Hays PLC	24,621	0.05%
16,000 Helios Towers PLC	14,944	0.03%
3,720 Hikma Pharmaceuticals PLC	84,816	0.16%
1,150 Hill & Smith Holdings PLC	22,793	0.04%
2,150 Hilton Food Group PLC	18,834	0.04%
5,600 Hiscox Ltd	60,984	0.12%
2,950 Hochschild Mining PLC	5,227	0.01%
7,850 Howden Joinery Group PLC	64,409	0.13%
553,760 HSBC Holdings PLC	4,683,702	9.09%
9,460 IG Group Holdings PLC	96,208	0.19%
2,450 IMI PLC	49,343	0.10%
29,450 Imperial Brands PLC	796,623	1.55%
9,155 Inchcape PLC	62,437	0.12%
20,240 Informa PLC	175,278	0.34%
6,300 Integrafin Holding	22,995	0.04%
1,325 InterContinental Hotels Group PLC	143,365	0.28%
6,740 Intermediate Capital Group PLC	158,660	0.31%
78,050 International Consolidated Airlines Group SA	263,029	0.51%
17,260 International Distributions Services PLC	62,964	0.12%
2,930 Intertek Group PLC	149,577	0.29%
23,750 Investec PLC	122,906	0.24%
137,600 ITV PLC	101,686	0.20%
1,120 J D Wetherspoon PLC	6,983	0.01%
64,100 J Sainsbury PLC	162,814	0.32%
33,450 JD Sports Fashion PLC	29,443	0.06%
1,300 Jet2 PLC	19,812	0.04%
5,200 Johnson Matthey PLC	74,048	0.14%
1,400 JTC PLC	13,650	0.03%
9,250 Just Group PLC	15,115	0.03%
2,300 Kainos Group PLC	18,722	0.04%
1,240 Keller Group PLC	16,765	0.03%
11,550 Kier Group PLC	17,441	0.03%
47,580 Kingfisher PLC	117,332	0.23%
16,330 Lancashire Holdings Ltd	106,145	0.21%
6,400 Learning Technologies Group PLC	5,811	0.01%
292,900 Legal & General Group PLC	711,747	1.38%

PORTFOLIO SUMMARY (Continued)

As at 31 January 2025		
Holding Investment	Market value £	% of total net assets
1,910,000 Lloyds Banking Group PLC	1,189,930	2.31%
3,425 London Stock Exchange Group PLC	413,226	0.80%
129,400 M&G PLC	270,834	0.53%
42,400 Man Group PLC	91,075	0.18%
20,800 Marks and Spencer Group PLC	70,845	0.14%
3,900 Marshalls PLC	10,101	0.02%
10,300 Melrose Industries PLC	63,077	0.12%
27,150 Mitie Group PLC	31,494	0.06%
11,360 Mondi PLC	141,602	0.27%
19,500 Mony Group PLC	37,518	0.07%
2,850 Moonpig Group PLC	6,413	0.01%
7,100 Morgan Advanced Materials PLC	19,383	0.04%
825 Morgan Sindall Group PLC	30,401	0.06%
127,600 National Grid PLC	1,254,818	2.44%
221,800 Natwest Group PLC	963,943	1.87%
1,695 Next PLC	170,178	0.33%
15,550 OSB Group PLC	65,061	0.13%
310 Oxford Instruments PLC	6,479	0.01%
8,700 Pagegroup PLC	28,327	0.06%
6,700 Paragon Banking Group PLC	53,165	0.10%
7,255 Pearson PLC	97,616	0.19%
9,975 Pennon Group PLC	60,000	0.12%
9,050 Persimmon PLC	115,116	0.22%
16,650 Pets at Home Group PLC	37,463	0.07%
56,800 Phoenix Group Holdings	297,632	0.58%
5,600 Premier Foods PLC	10,450	0.02%
43,140 Prudential PLC	294,301	0.57%
6,650 Qinetiq Group PLC	24,711	0.05%
30,530 Quilter PLC	49,092	0.10%
15,660 Reckitt Benckiser Group PLC	833,738	1.62%
18,160 Relx PLC	729,487	1.42%
900 Renew Holdings PLC	6,516	0.01%
970 Renishaw PLC	34,338	0.07%
29,475 Rentokil Initial PLC	116,986	0.23%
6,850 Rightmove PLC	45,772	0.09%
56,910 Rio Tinto PLC	2,775,785	5.39%
47,500 Rolls-Royce Holdings PLC	288,800	0.56%
11,800 Rotork PLC	41,300	0.08%
8,700 RS Group PLC	58,203	0.11%
14,500 RWS Holdings PLC	18,995	0.04%
9,700 Sage Group PLC	128,962	0.25%
55,500 Schroders PLC	195,360	0.38%
16,550 Serco Group PLC	25,719	0.05%
7,695 Severn Trent PLC	195,684	0.38%
151,250 Shell plc	4,055,769	7.88%
53,450 Sirius Real Estate Ltd	42,787	0.08%
14,980 Smith & Nephew PLC	154,818	0.30%
5,200 Smiths Group PLC	108,160	0.21%
3,380 Softcat PLC	53,167	0.10%
1,770 Spectris PLC	53,065	0.10%
1,005 Spirax Group PLC	81,857	0.16%
24,950 SSE PLC	403,816	0.78%
13,500 SSP Group PLC	24,084	0.05%
5,960 St. James's Place PLC	62,818	0.12%
37,700 Standard Chartered PLC	412,250	0.80%
7,800 Tate & Lyle PLC	51,285	0.10%
144,800 Taylor Wimpey PLC	175,425	0.34%
2,630 TBC Bank Group PLC	88,105	0.17%
2,550 Telecom Plus PLC	42,483	0.08%

PORTFOLIO SUMMARY (Continued)

As at 31 January 2025		
Holding Investment	Market value £	% of total net assets
139,000 Tesco PLC	519,860	1.01%
8,450 TI Fluid Systems PLC	16,461	0.03%
25,300 TP ICAP PLC	68,816	0.13%
3,150 Travis Perkins PLC	22,570	0.04%
44,950 Unilever PLC	2,092,423	4.06%
17,860 United Utilities Group PLC	184,851	0.36%
7,500 Vesuvius PLC	30,938	0.06%
2,640 Victrex PLC	26,083	0.05%
8,350 Vistry Group PLC	50,225	0.10%
752,350 Vodafone Group PLC	516,112	1.00%
2,000 Volusion Group PLC	10,720	0.02%
2,760 Weir Group PLC	66,958	0.13%
2,500 WH Smith PLC	32,000	0.06%
3,300 Whitbread PLC	94,248	0.18%
26650 WPP PLC	206,324	0.40%
3,850 XPS Pensions Group PLC	13,244	0.03%
9,900 ZIGUP PLC	30,047	0.06%
Total Equities	49,064,947	95.27%
Investment trusts (31.01.2024: 0.73%)		
11,300 3i Group PLC	437,084	0.85%
2,900 Chrysalis Investments Ltd	2,946	0.01%
	440,030	0.85%
REIT (31.01.2024: 2.38%)		
153,950 Assura PLC	57,761	0.11%
5,210 Big Yellow Group PLC	49,598	0.10%
34,375 British Land Company PLC	129,249	0.25%
2,550 Derwent London PLC	49,700	0.10%
16,900 Grainger PLC	35,827	0.07%
6,400 Great Portland Estates PLC	18,111	0.04%
15,080 Hammerson PLC	42,675	0.08%
27,450 Land Securities Group PLC	158,111	0.31%
74,200 Londonmetric Property PLC	137,640	0.27%
52,250 Primary Health Properties PLC	48,827	0.09%
6,050 Safestore Holdings PLC	36,662	0.07%
31,800 SEGRO PLC	227,116	0.44%
33,800 Shaftesbury Capital PLC	41,743	0.08%
58,600 Supermarket Income REIT PLC	39,321	0.08%
78,400 Tritax Big Box REIT PLC	113,288	0.22%
12,100 Unite Group PLC	103,395	0.20%
6,050 Workspace Group PLC	27,830	0.05%
	1,316,854	2.56%
Portfolio of investments (31.01.2024: 99.05%)	50,821,831	98.68%
Net other assets (31.01.2024: 0.95%)	677,228	1.32%
	51,499,059	100.00%

* Suspended security

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	28,370,894
Shell plc	2,301,354
Rio Tinto PLC	2,015,487
HSBC Holdings PLC	1,998,871
BP PLC	1,568,012
AstraZeneca PLC	1,365,064
British American Tobacco PLC	1,327,992
Glencore PLC	1,197,727
GSK plc	1,111,060
National Grid PLC	898,917
Unilever PLC	854,139
Other various purchases	13,732,271

	£
Total sales for the year (note 14)	30,366,244
HSBC Holdings PLC	2,943,529
Shell plc	2,096,040
British American Tobacco PLC	2,086,092
Rio Tinto PLC	1,811,194
Unilever PLC	1,277,284
AstraZeneca PLC	1,247,522
Glencore PLC	1,206,472
BP PLC	1,056,405
GSK plc	908,360
Barclays PLC	825,889
Other various sales	15,025,504

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

STATEMENT OF TOTAL RETURN

For the year ended 31 January

		2025	2024
	Notes	£	£
Income			
Net capital gains/(losses)	2	6,147,796	(946,215)
Revenue	3	2,533,561	1,643,821
Expenses	4	(472,679)	(317,384)
Interest payable and similar charges	6	(237)	-
Net revenue before taxation		2,060,645	1,326,437
Taxation	5	(2,866)	(2,607)
Net revenue after taxation		2,057,779	1,323,830
Total return before distributions		8,205,575	377,615
Finance costs: distributions	6	(2,455,678)	(1,577,727)
Changes in net assets attributable to shareholders from investment activities		5,749,897	(1,200,112)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January

	2025 £	2024 £
Opening net assets attributable to shareholders	47,354,499	24,312,028
Amounts receivable on creation of shares	30,219,291	33,003,080
Amounts payable on cancellation of shares	(33,907,797)	(10,171,117)
Accumulation dividends retained	2,077,958	1,345,196
Dilution levies	5,211	65,424
Changes in net assets attributable to shareholders from investment activities (see above)	5,749,897	(1,200,112)
Closing net assets attributable to shareholders	51,499,059	47,354,499

BALANCE SHEET

As at		31.01.2025		31.01.2024	
	Notes	£	£	£	£
Assets					
Investment assets			50,821,831		46,904,991
Current assets					
Debtors	7	507,502		561,413	
Cash and bank balances	8	<u>521,089</u>		<u>249,025</u>	
Total current assets			<u>1,028,591</u>		<u>810,438</u>
Total assets			51,850,422		47,715,429
Current Liabilities					
Creditors	9	(281,765)		(311,380)	
Distribution payable on income shares		<u>(69,598)</u>		<u>(49,550)</u>	
Total current liabilities			<u>(351,363)</u>		<u>(360,930)</u>
Net assets attributable to shareholders			<u>51,499,059</u>		<u>47,354,499</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2025

1 Accounting policies

The Company's financial statements have been prepared in accordance with the policies noted on page 7.

2 Net capital gains/(losses)

	2025	2024
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	6,174,168	(917,298)
Transaction charges (custodian)	(26,351)	(28,916)
Currency (losses)	(21)	(1)
Total net capital gains/(losses)	6,147,796	(946,215)

3 Revenue

	2025	2024
	£	£
Non-taxable dividends	2,412,229	1,543,463
Property income distributions (PID)	31,848	30,212
Sponsors rebate	67,025	61,583
Bank interest	22,459	8,563
Total revenue	2,533,561	1,643,821

4 Expenses

	2025	2024
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	98,529	79,980
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	19,286	16,521
Safe custody fee	2,084	1,310
	21,370	17,831
Other expenses:		
Audit fee	3,309	3,420
Elston license fee	310,704	189,254
Legal fees	6,021	-
Other expenses	32,746	26,899
	352,780	219,573
Total expenses	472,679	317,384

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2025 £	2024 £
(a) Analysis of charge in the year		
Overseas withholding tax	2,866	2,607
Total tax charge for the year (note 5b)	2,866	2,607
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment Sub-fund 20.00% (2024: 20.00%)		
The differences are explained below:		
Net revenue before UK corporation tax	2,060,645	1,326,437
Corporation tax at 20.00% (2024: 20.00%)	412,129	265,287
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(482,445)	(308,692)
Current year expenses not utilised	70,316	43,405
Overseas withholding tax	2,866	2,607
Total tax charge for the year (note 5a)	2,866	2,607
(c) Provision for deferred taxation		
At 31 January 2025 there is a potential deferred tax asset of £263,055 (31 January 2024: £192,416) in relation to surplus management expenses.		
6 Finance costs	2025 £	2024 £
Interim dividend distributions	2,080,584	1,593,426
Final dividend distribution	382,050	29,798
	2,462,634	1,623,224
Add: Revenue deducted on cancellation of shares	54,302	17,854
Deduct: Revenue received on issue of shares	(61,258)	(63,351)
Net distribution for the year	2,455,678	1,577,727
Interest payable and similar charges	237	-
Total finance costs	2,455,915	1,577,727
Reconciliation of distributions		
Net revenue after taxation	2,057,779	1,323,830
Expenses paid from capital (less sponsors rebate)	405,654	255,801
Relief on expenses allocated to capital	(10,814)	(7,755)
Balance brought forward	(7,755)	(1,904)
Balance carried forward	10,814	7,755
Net distribution for the year	2,455,678	1,577,727

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.01.2025	31.01.2024
	£	£
Amounts receivable on creation of shares	247,272	393,352
Amounts receivable for unsettled trades	147,737	-
Accrued revenue:		
Non-taxable dividends receivable	110,774	163,073
Property income distributions receivable	1,615	1,316
Sponsors rebate receivable	-	3,500
Prepayments	104	172
Total debtors	<u>507,502</u>	<u>561,413</u>
8 Cash and bank balances	31.01.2025	31.01.2024
	£	£
Cash and bank balances	<u>521,089</u>	<u>249,025</u>
9 Creditors	31.01.2025	31.01.2024
	£	£
Amounts payable on cancellation of shares	194,292	143,054
Amounts payable for unsettled trades	-	113,523
Payable to the AFM, associates of the AFM and agents of either of them:		
Annual management charge	9,235	7,213
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	1,554	1,627
Safe custody and other custodian charges	<u>19,379</u>	<u>14,116</u>
	20,933	15,743
Other expenses:		
Audit fee	36,311	3,000
Elston license fee	-	25,421
Other accrued expenses	<u>20,994</u>	<u>3,426</u>
Total creditors	<u>281,765</u>	<u>311,380</u>

10 Risk management

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

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

10 Risk management (Continued)**Market price risk**

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

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

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

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2025 would have increased/decreased by £5,082,183 (31 January 2024: £4,690,499).

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 had no significant exposure to foreign currency during the year.

Interest rate risk

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

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

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

	31.01.2025	31.01.2024
	£	£
Financial assets floating rate	521,089	249,025
Financial assets interest bearing instruments	-	-
Financial assets non-interest bearing instruments	51,329,333	47,466,404
Financial liabilities non-interest bearing instruments	(351,363)	(360,930)
Financial liabilities floating rate	-	-
	51,499,059	47,354,499

At 31 January 2025, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Company would increase or decrease by approximately £1,303 (31 January 2024: £623).

Liquidity risk

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

Credit risk

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

10 Risk management (Continued)

Fair value disclosure

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.01.2025		31.01.2024	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Unadjusted quoted price in an active market for an identical instrument	50,822	-	46,905	-
Level 3: Valuation techniques using unobservable inputs.	-	-	-	-
Total	50,822	-	46,905	-

The EVRAZ plc investment is fair valued at nil at the year-end. The FTSE 100 index stock was been suspended after the Government placed the company's largest investor, Roman Abramovich, on the UK sanctions list. The Financial Conduct Authority (FCA) said it had paused trading of the London-listed stock "to protect investors" while it sought to clarify how sanctions will impact the FTSE 100 company, the AFM Fair Value Pricing Committee decided that that a fair value of zero was appropriate.

11 Shares held

	Class X	
	Income	Accumulation
Opening Shares at 01.02.2024	6,914,776	23,561,613
Shares issued during the year	5,472,398	13,218,011
Shares cancelled during the year	(2,351,432)	(16,643,232)
Shares converted during the year	-	-
Closing Shares as at 31.01.2025	10,035,742	20,136,392

12 Contingent assets and liabilities

At 31 January 2025, the Sub-fund had no contingent liabilities or commitments

13 Post balance sheet events

As indicated in the accounting policies in page 7, the investments have been valued at the closing valuation point on 31 January 2025. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price as at 31 January 2025	Price as at 28 May 2025
Class X Net Income	98.8929p	100.9096p
Class X Accumulation	206.5389p	214.3251p

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2025	% of total	2024	% of total
Analysis of total purchase costs	£	purchases	£	purchases
Purchases in the year before transaction costs	28,230,254		32,905,455	
Commissions	9,850	0.03%	16,228	0.05%
Taxes and levies	130,790	0.46%	152,243	0.46%
Total purchase costs	140,640	0.50%	168,471	0.51%
Total purchases including transaction costs	28,370,894		33,073,926	
Analysis of total sale costs				
	£	% of total sales	£	% of total sales
Sales in the year before transaction costs	30,376,845		9,427,210	
Commissions	(9,881)	(0.03%)	(4,479)	(0.05%)
Taxes and levies	(720)	(0.00%)	(228)	(0.00%)
Total sale costs	(10,601)	(0.03%)	(4,707)	(0.05%)
Total sales net of transaction costs	30,366,244		9,422,503	

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:

	2025	% of average	2024	% of average
	£	net asset value	£	net asset value
Commissions	19,731	0.04%	20,707	0.06%
Taxes and levies	131,510	0.25%	152,471	0.47%
	151,241	0.29%	173,178	0.53%

15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 January 2025 is 0.06% (31 January 2024: 0.06%).

16 Related Party transactions

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

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9. Amounts received from the AFM and its associates are disclosed in note 3. Amounts due from the AFM and its associates at the balance sheet date are disclosed in note 7.

DISTRIBUTION TABLES

Month 1 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 February 2024

Group 2: Shares purchased on or after 01 February 2024 and on or before 29 February 2024

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
30/04/2024	Group 1	X Net Income	0.3780p	-	0.3780p	0.3420p
30/04/2024	Group 2	X Net Income	0.2423p	0.1357p	0.3780p	0.3420p
30/04/2024	Group 1	X Net Accumulation	0.7529p	-	0.7529p	0.6470p
30/04/2024	Group 2	X Net Accumulation	0.5174p	0.2355p	0.7529p	0.6470p

Month 2 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 March 2024

Group 2: Shares purchased on or after 01 March 2024 and on or before 31 March 2024

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
31/05/2024	Group 1	X Net Income	0.8713p	-	0.8713p	0.8541p
31/05/2024	Group 2	X Net Income	0.3390p	0.5323p	0.8713p	0.8541p
31/05/2024	Group 1	X Net Accumulation	1.7427p	-	1.7427p	1.6227p
31/05/2024	Group 2	X Net Accumulation	0.8214p	0.9213p	1.7427p	1.6227p

Month 3 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 April 2024

Group 2: Shares purchased on or after 01 April 2024 and on or before 30 April 2024

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
28/06/2024	Group 1	X Net Income	0.3823p	-	0.3823p	0.2856p
28/06/2024	Group 2	X Net Income	0.2107p	0.1716p	0.3823p	0.2856p
28/06/2024	Group 1	X Net Accumulation	0.7720p	-	0.7720p	0.5475p
28/06/2024	Group 2	X Net Accumulation	0.2767p	0.4953p	0.7720p	0.5475p

Month 4 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 May 2024

Group 2: Shares purchased on or after 01 May 2024 and on or before 31 May 2024

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
31/07/2024	Group 1	X Net Income	0.4681p	-	0.4681p	0.5365p
31/07/2024	Group 2	X Net Income	0.2235p	0.2446p	0.4681p	0.5365p
31/07/2024	Group 1	X Net Accumulation	0.9491p	-	0.9491p	1.0316p
31/07/2024	Group 2	X Net Accumulation	0.3434p	0.6057p	0.9491p	1.0316p

Month 5 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 June 2024

Group 2: Shares purchased on or after 01 June 2024 and on or before 30 June 2024

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
30/08/2024	Group 1	X Net Income	0.4243p	-	0.4243p	0.2793p
30/08/2024	Group 2	X Net Income	0.2499p	0.1744p	0.4243p	0.2793p
30/08/2024	Group 2	X Net Accumulation	0.8642p	-	0.8642p	0.5404p
30/08/2024	Group 2	X Net Accumulation	0.3887p	0.4755p	0.8642p	0.5404p

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For the year ended 31 January 2025

DISTRIBUTION TABLES (Continued)**Month 6 Interim Distribution in pence per share**

Group 1: Shares purchased prior to 01 July 2024

Group 2: Shares purchased on or after 01 July 2024 and on or before 31 July 2024

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
30/09/2024	Group 1	X Net Income	0.0551p	-	0.0551p	0.1603p
30/09/2024	Group 2	X Net Income	0.0362p	0.0189p	0.0551p	0.1603p
30/09/2024	Group 2	X Net Accumulation	0.1127p	-	0.1127p	0.3111p
30/09/2024	Group 2	X Net Accumulation	0.0675p	0.0452p	0.1127p	0.3111p

Month 7 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 August 2024

Group 2: Shares purchased on or after 01 August 2024 and on or before 31 August 2024

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
31/10/2024	Group 1	X Net Income	0.8030p	-	0.8030p	1.0009p
31/10/2024	Group 2	X Net Income	0.3754p	0.4276p	0.8030p	1.0009p
31/10/2024	Group 2	X Net Accumulation	1.6445p	-	1.6445p	1.9462p
31/10/2024	Group 2	X Net Accumulation	0.9724p	0.6721p	1.6445p	1.9462p

Month 8 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 September 2024

Group 2: Shares purchased on or after 01 September 2024 and on or before 30 September 2024

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
29/11/2024	Group 1	X Net Income	0.2327p	-	0.2327p	0.2280p
29/11/2024	Group 2	X Net Income	0.1199p	0.1128p	0.2327p	0.2280p
29/11/2024	Group 2	X Net Accumulation	0.4807p	-	0.4807p	0.4486p
29/11/2024	Group 2	X Net Accumulation	0.2918p	0.1889p	0.4807p	0.4486p

Month 9 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 October 2024

Group 2: Shares purchased on or after 01 October 2024 and on or before 31 October 2024

Payment Date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
31/12/2024	Group 1	X Net Income	0.1281p	-	0.1281p	0.0888p
31/12/2024	Group 2	X Net Income	0.0274p	0.1007p	0.1281p	0.0888p
31/12/2024	Group 2	X Net Accumulation	0.2652p	-	0.2652p	0.1752p
31/12/2024	Group 2	X Net Accumulation	0.0834p	0.1818p	0.2652p	0.1752p

Month 10 Interim Distribution in pence per share

Group 1: Shares purchased prior to 01 November 2024

Group 2: Shares purchased on or after 01 November 2024 and on or before 30 November 2024

Payment Date	Unit Type	Share Class	Net Revenue 2025	Equalisation 2025	Distribution 2025	Distribution 2024
31/01/2025	Group 1	X Net Income	0.4745p	-	0.4745p	0.5228p
31/01/2025	Group 2	X Net Income	0.2137p	0.2608p	0.4745p	0.5228p
31/01/2025	Group 2	X Net Accumulation	0.9837p	-	0.9837p	1.0318p
31/01/2025	Group 2	X Net Accumulation	0.4913p	0.4924p	0.9837p	1.0318p

DISTRIBUTION TABLES (Continued)**Month 11 Interim Distribution in pence per share**

Group 1: Shares purchased prior to 01 December 2024

Group 2: Shares purchased on or after 01 December 2024 and on or before 31 December 2024

Payment Date	Unit Type	Share Class	Net Revenue 2025	Equalisation 2025	Distribution 2025	Distribution 2024
29/02/2025	Group 1	X Net Income	0.1825p	-	0.1825p	0.1902p
29/02/2025	Group 2	X Net Income	0.1133p	0.0692p	0.1825p	0.1902p
29/02/2025	Group 2	X Net Accumulation	0.3803p	-	0.3803p	0.3777p
29/02/2025	Group 2	X Net Accumulation	0.3803p	-	0.3803p	0.3777p

Month 12 Final Distribution in pence per share

Group 1: Shares purchased prior to 01 January 2025

Group 2: Shares purchased on or after 01 January 2025 and on or before 31 January 2025

Payment Date	Unit Type	Share Class	Net Revenue 2025	Equalisation 2025	Distribution 2025	Distribution 2024
28/03/2025	Group 1	X Net Income	0.0451p	-	0.0451p	0.0554p
28/03/2025	Group 2	X Net Income	0.0104p	0.0347p	0.0451p	0.0554p
28/03/2025	Group 2	X Net Accumulation	0.0942p	-	0.0942p	0.1102p
28/03/2025	Group 2	X Net Accumulation	0.0258p	0.0684p	0.0942p	0.1102p

INFORMATION FOR INVESTORS

Taxation

The Company will pay no corporation tax on its profits for the year to 31 January 2025 and capital gains within the Company will not be taxed.

Individual shareholders

Income tax: Tax-free annual dividend allowance now standing at £500 (2024/25). UK resident shareholders are now subject to new, higher rates of tax on dividend income in excess of the annual allowance. UK resident shareholders are subject to tax on dividend income in excess of the annual allowance.

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £3,000 (2024/25) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Corporate shareholders

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

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

Issue and redemption of shares

Valu-Trac Investment Management Limited is the AFM and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during 9am to 5pm. Instructions may be given by email to the below email address or by sending an application form to the Registrar. Application forms are available from the Registrar. (E-mail: investorservices@valu-trac.com).

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

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

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

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

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

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

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

Assessment of Value

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

Task Force on Climate-related Financial Disclosures ("TCFD") reports

The AFM is required to prepare and publish a product TCFD report for each Sub-fund along with an entity level TCFD report. The latest reports can be obtained from https://www.valu-trac.com/administration-services/tcfd_reports.

INFORMATION FOR INVESTORS (continued)

Remuneration

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

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

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

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

Date: 28 May 2024	Number of staff	Fixed remuneration	Variable remuneration	Total remuneration
Senior Management and members of the governing body	9	753,640	-	753,640
Other material risk takers	4	312,684	-	312,684
All other staff	103	3,409,068	-	3,409,068
Total	116	4,475,392	-	4,475,391
Total severance payments		-	-	-

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

CORPORATE DIRECTORY

Authorised Fund Manager & Registrar	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: Smartbeta@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Director	Valu-Trac Investment Management Limited as AFM
Depository	NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ Authorised and regulated by the Financial Conduct Authority
Auditor	Frame Kennedy Ltd Metropolitan House, 31-33 High Street Inverness IV1 1HT