

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

**Annual Report and Financial Statements
for the year ended 31 January 2022**

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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) authorization 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 ACD 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 ACD.

The Company has no directors other than the ACD.

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 ACD.

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

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

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

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
01 February 2022

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 2022 and of the net revenue and the net capital gains 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 2022; 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 Corporate Director'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 Corporate Director 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 Corporate Director 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 Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director'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 Corporate Director for the year is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of Authorised Corporate Directors' Responsibilities, the Authorised Corporate Director 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 Corporate Director 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 Corporate Director 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 Corporate Director 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 Corporate Director, 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.

Colin Gray B.Com C.A. (senior statutory auditor)

for and on behalf of FKF Accounting Limited
Chartered Accountants and Statutory Auditors

Metropolitan House, 31-33 High Street
Inverness IV1 1HT

SUB-FUND OVERVIEW

Name of Sub-fund	VT Munro Smart-Beta UK Fund
Size of Sub-fund	£5,937,548
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 maximize the overall return by seeking to replicate the performance of the Freedom Smart-Beta UK Dividend Index.^</p> <p>The Sub-fund will invest mainly in UK securities listed on the London Stock Exchange. The Sub-fund will be constructed on the basis of the underlying fundamental financial attributes of the companies listed on the London Stock Exchange rather on their market capitalisation. The weight of each company in the Sub-fund will be determined by the proportion that its forecast total dividend will be expected to make of the total income of all the companies held in the Sub-fund.</p> <p>The Sub-fund may also invest in other transferable securities, bonds, collective investment schemes, money market instruments, cash and deposits.</p> <p>It is the ACD's intention that derivatives be used for hedging purposes using efficient portfolio management style techniques.</p> <p>The ACD does not intend to have an interest in any immovable property or tangible movable property.</p> <p>The Company will be managed in a manner that maintains eligibility for the stocks and shares component of a personal equity plan or individual savings account.</p>
Authorised Corporate Director (ACD)	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.
Minimum investment	
Lump sum subscription:	A Class Shares = £1,000 B Class Shares = £100,000 X Class Shares = £250
Top-up:	A Class Shares = £1,000 B Class Shares = £1,000 X Class Shares = £100
Holding:	A Class Shares = £1,000 B Class Shares = £100,000 X Class Shares = £250
Redemption:	A Class Shares = Nil B Class Shares = Nil X Class Shares = Nil

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

SUB-FUND OVERVIEW (Continued)

ACD charges

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 B Class Shares is 1.25% per annum of the Net Asset Value of the B Class Shares.

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.

[^]The Freedom 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. The Sub-fund aims to replicate the performance of the Freedom Smart-Beta UK Dividend index but will not necessarily be invested in all the constituents.

Investment Activities

The fund was managed to follow the Freedom Smart-Beta UK Dividend Index as closely as possible, having regard for costs, during the year under review. At the end of the financial year it was invested in companies which accounted for 88% of the forecast dividend income of the Index. The fund continues to follow the same process of investing in large and medium sized companies listed on the London Stock Exchange, excluding investment trusts, in line with each stock's contribution to the total forecasted dividend payout for the group as a whole. This process was encapsulated by the Freedom Smart-Beta UK Dividend Index which was launched on the 30th of April 2014. A new index provider, Elston Consulting was appointed at the start of the year.

This process is designed to minimize trading and exploit volatility. New money is allocated to securities which are underweight relative to their position in the index. The process can therefore use market volatility to its advantage.

Subscriptions to the fund of £1,144,554 exceeded redemptions of £708,978 to give a net inflow of £435,576. In addition the fund benefitted from the rebound in asset valuations as the covid crisis came under control so that the fund increased in size by £1,315,620, or 28%, from £4,621,928 to £5,937,548.

During the period the fund distributed £274,591 to investors. This was a large increase on the £185,761 made the previous year as companies gradually restored their dividends.

Throughout this period the cash position was kept close to 1%.

Purchases totaling £918,028 were made into 13 companies listed on page 18

Redemptions, and corporate actions, and changes to the index caused the fund to sell shares in 39 names totaling £1,142,580 as detailed on page 18.

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

The cost of running the fund increased relative to the previous year rising from £51,323 to £90,011 because of the transition to a new index provider meant that index fees for two years were charged to the fund in one year. Next year the fees will fall as only one year will be charged.

The UCITS method of calculating portfolio turnover, which adds purchases and sales less the sum of subscriptions and redemptions divided by average net asset value, gives a figure of 4.48% for the year. An alternative calculation which nets off sales against purchases and creations against redemptions, which is what happens in practice, gives a figure of 0.98%. Both figures are exceptionally low by comparison to active funds and are a key advantage in keeping fund management costs low.

Investment Performance

Over the period under review the X Accumulation shares fund increased in value by 22.74%. This is close to the rise of 22.93% in the Freedom Smart-Beta UK Dividend Index to which it is benchmarked giving a gross underperformance of 0.19%. However, the cost of running the fund of 1.36% (for the X Accumulation shares) meant that in gross terms it outperformed the benchmark, probably because of the momentum effect and gave an unexplained tracking error of 1.17%. The Ongoing Charges to the Fund (OCF) was exceptionally high last year due to a change of index provider that effectively resulted in two years of index fees being charged over one year. In the future index costs for the current year only will be accrued annually and therefore the OCF will decline. Moreover, the bulk of these costs are fixed and as the fund grows the OCF as a percentage of the fund will decline.

The fund only charges a dilution levy when individual transactions exceed 5% of NAV. This means it is only charged occasionally. All transactions incur stamp duty and, in most cases, these are charged to the fund and became part of the OCF. It is important to note that the cost of running the fund includes this tax which is significant when comparing costs with passive funds that do charge on it every transaction. In fact, total transaction charges were only £2,700 last year of which £2,033 was stamp duty which represents 0.22%. Adding that cost back increases the tracking error, and outperformance to 1.39%.

The current dividend yield of the fund is 4.9% which is the highest in the UK All Companies Sector, according to Trustnet.

The concept of smart-beta indexing is to get the returns of the asset class, in this case the UK stock market, but with a little additional performance by utilising a factor. The return of the asset class is known as the beta of the market and the factor used by this index and fund is dividends as a proxy for value. For several years, when a value bias was out of favour, the return of this index was below that of the market as growth stocks benefitted from ultra-low interest rates and quantitative easing that pushed money into riskier assets.

INVESTMENT ADVISER'S REVIEW (continued)

Investment Performance (continued)

However, the arrival of inflation in the third quarter of 2021 and the associated concerns that interest rates will rise, has revitalised value stocks and that has benefitted the fund. In the period under review the fund outperformed the UK stock market, after costs, by 3.8%. While this is a comparatively short period the new financial year is showing a similar trend and all the indicators suggest inflation will continue to rise for some time; partly as a consequence of the war in Ukraine. As a result the manager thinks that it is likely that the strategy will continue to recover ground lost in the period when growth stocks were in the ascendant.

Investment Strategy

There was no change in the investment strategy of the fund which is formalized as the Freedom Smart-Beta UK Dividend Index. This allocates weights to shares in proportion to their contribution to the total cash dividend forecast for this index.

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.

As a rules-based fund it does not have the option of selling stocks where the management strategy has proved detrimental to the interests of its shareholders. For that reason the fund takes the responsibilities of ownership seriously through corporate governance. In general terms it usually votes in line with resolutions proposed by the Board at the AGM. However, it does not agree that executives should be rewarded for carrying out their appointed duties by being awarded share options based on measures determined by the Board.

These awards are commonly based on measures such as adjusted EPS or returns on capital employed which can be gamed by the Board through devices such as changes in gearing, corporate actions (like share buybacks), mergers and acquisitions as well as judicious asset write-downs. Some boards also use measures such as Total Shareholder Return. This can be hugely influenced by macro-economic factors, such as the Covid-19 pandemic, quantitative easing, moves in interest and exchange rates or changes in government policy and can have a major impact on shareholder returns. Despite these factors being totally outside the control of the board executives may nevertheless find themselves amply rewarded for the actions of others. The manager does not believe that rewards should be used in this way and therefore votes against remuneration schemes that use them.

An additional point to consider is that short term incentives, such as reducing research costs, may result in actions that may inhibit long term growth. The manager thinks it is better for the owners to have executives focused solely on their designated tasks rather than for these managers to be distracted by short term measures that may enrich them in the near term but hurt the business in the long term. A rules-based fund is the ultimate long-term investor.

For these reasons the fund typically votes against remuneration packages that award bonuses to executives for results they are not responsible for. The overriding principle is to protect the economic interests of investors from being diluted by agents, the executives, appointed on their behalf to manage the assets that they own jointly with others. While some may argue that being diluted by a few percent in a year is a worthwhile price to pay to secure good managers the cumulative effect of that dilution over years and decades is extremely detrimental to the joint owners.

Consequently, the fund normally votes against proposals that dilute ownership such as issuing shares for the remuneration scheme and the share buy-back schemes that normally accompany them to maintain the share price.

A passive fund is simple and cheap to run. Many of the costs are fixed and this makes it very well placed to take advantage of economies of scale as the fund grows. The manager is keen to pass those benefits through to the investor and intends to reduce the AMC as the fund grows in size.

Robert Davies
Investment Adviser of the Sub-fund
11 March 2022

PERFORMANCE RECORD

Financial Highlights

Class A Net Income

	2022	2021	2020
	GBp	GBp	GBp
Changes in net assets per unit	69.3414	82.4683	82.4994
Opening net asset value per unit	16.3605	(8.9385)	6.2662
Return before operating charges	(1.7618)	(1.5788)	(1.6493)
Operating charges (note 1)	14.5987	(10.5173)	4.6169
Return after operating charges*	(3.9727)	(2.6096)	(4.6480)
Distributions on income units	79.9674	69.3414	82.4683
Closing net asset value per unit			

*after direct transactions costs of: 0.0373 0.0455 0.0412

Performance

Return after charges 21.05% (12.75%) 5.60%

Other information

Closing net asset value	£21,182	£18,240	£26,718
Closing number of units	26,488	26,304	32,398
Operating charges (note 2)	2.36%	2.08%	1.96%
Direct transaction costs	0.05%	0.06%	0.05%

Prices

Highest unit price	81.6802	84.6756	87.7300
Lowest unit price	69.3139	54.3944	79.8500

Class X Net Income

	2022	2021	2020
	GBp	GBp	GBp
Changes in net assets per unit	77.4552	91.2207	90.3981
Opening net asset value per unit	18.2798	(9.9553)	6.8227
Return before operating charges	(1.1397)	(0.9108)	(0.8892)
Operating charges (note 1)	17.1402	(10.8661)	5.9335
Return after operating charges*	(4.4536)	(2.8994)	(5.1109)
Distributions on income units	90.1418	77.4552	91.2207
Closing net asset value per unit			

*after direct transactions costs of: 0.0419 0.0506 0.0454

Performance

Return after charges 22.13% (11.91%) 6.56%

Other information

Closing net asset value	£3,905,195	£2,954,539	£3,864,990
Closing number of units	4,332,282	3,814,515	4,236,966
Operating charges (note 2)	1.36%	1.08%	0.96%
Direct transaction costs	0.05%	0.06%	0.05%

Prices

Highest unit price	92.0455	93.6948	96.5500
Lowest unit price	77.4330	60.2661	88.0400

PERFORMANCE RECORD (Continued)**Financial Highlights (Continued)****Class A Net Accumulation**

	2022	2021	2020
	GBp	GBp	GBp
Changes in net assets per unit			
Opening net asset value per unit	117.9804	134.2604	127.0682
Return before operating charges	28.5730	(13.6567)	9.8137
Operating charges (note 1)	(3.0851)	(2.6233)	(2.6215)
Return after operating charges*	25.4879	(16.2800)	7.1922
Closing net asset value per unit	143.4683	117.9804	134.2604
Retained distributions on accumulated units	6.9184	4.3336	7.3351
*after direct transactions costs of:	0.0654	0.0757	0.0653
Performance			
Return after charges	21.60%	(12.13%)	5.66%
Other information			
Closing net asset value	£38,025	£81,297	£104,656
Closing number of units	26,504	68,907	77,950
Operating charges (note 2)	2.36%	2.08%	1.96%
Direct transaction costs	0.05%	0.06%	0.05%
Prices			
Highest unit price	146.2094	137.8538	141.9700
Lowest unit price	117.9337	89.3606	126.8500

Class X Net Accumulation

	2022	2021	2020
	GBp	GBp	GBp
Changes in net assets per unit			
Opening net asset value per unit	132.4211	149.2190	139.8857
Return before operating charges	32.1148	(15.2770)	10.7534
Operating charges (note 1)	(2.0057)	(1.5209)	(1.4201)
Return after operating charges*	30.1091	(16.7979)	9.3333
Closing net asset value per unit	162.5302	132.4211	149.2190
Retained distributions on accumulated units	7.7943	4.8164	8.1041
*after direct transactions costs of:	0.0737	0.0845	0.0723
Performance			
Return after charges	22.74%	(11.26%)	6.67%
Other information			
Closing net asset value	£1,974,333	£1,569,104	£1,768,999
Closing number of units	1,214,749	1,184,935	1,185,505
Operating charges (note 2)	1.36%	1.08%	0.96%
Direct transaction costs	0.05%	0.06%	0.05%
Prices			
Highest unit price	165.5875	153.2633	157.7200
Lowest unit price	132.3831	99.4713	139.6500

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

1. The operating charges per unit 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. 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 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (2021: 99.60%)			
Equities - Incorporated in the United Kingdom (2021: 86.57%)			
Basic Materials (2021: 15.17%)			
Anglo American	4,995	164,048	2.76%
Antofagasta	1,425	18,999	0.32%
Croda International	104	8,163	0.14%
EVRAZ	14,247	72,019	1.21%
Johnson Matthey	208	3,896	0.07%
Mondi	616	11,404	0.19%
Rio Tinto	9,600	503,328	8.48%
Victrex	127	2,577	0.04%
		<u>784,433</u>	<u>13.21%</u>
Consumer Goods (2021: 7.55%)			
Barratt Developments	6,375	38,722	0.65%
Bellway	152	4,270	0.07%
Burberry Group	406	7,585	0.13%
Compass Group	2,642	43,732	0.74%
Dunelm Group	230	3,054	0.05%
Entain	1,803	28,677	0.48%
Howden Joinery Group	839	6,772	0.11%
InterContinental Hotels Group	209	10,069	0.17%
ITV	9,823	10,982	0.18%
Kingfisher	5,496	18,131	0.31%
Marks and Spencer Group	6,331	13,472	0.23%
Next	481	35,950	0.61%
Pearson	2,280	13,881	0.23%
Persimmon	2,102	49,944	0.84%
Wickes Group	214	436	0.01%
WH Smith	283	4,658	0.08%
Whitbread	211	6,337	0.11%
		<u>296,671</u>	<u>5.00%</u>
Consumer Services (2021: 16.72%)			
Associated British Foods	604	11,618	0.20%
British American Tobacco	11,390	360,978	6.08%
Britvic	423	3,781	0.06%
Diageo	3,394	127,029	2.14%
Imperial Brands	5,820	102,316	1.72%
Reckitt Benckiser Group	1,325	79,421	1.34%
J Sainsbury	7,712	22,249	0.37%
Tate & Lyle	704	5,034	0.08%
Tesco	16,667	49,568	0.83%
Travis Perkins	190	2,831	0.05%
Unilever	5,600	212,128	3.57%
WPP	5,080	58,534	0.99%
		<u>1,035,485</u>	<u>17.44%</u>

PORTFOLIO SUMMARY (Continued)

As at 31 January 2022

Investment	Nominal value or holding	Market value £	% of total net assets
Financials (2021: 16.89%)			
3i Group	1,052	14,281	0.24%
ABRDN	13,268	32,069	0.54%
Admiral Group	907	28,711	0.48%
Ashmore Group	1,552	4,288	0.07%
Aviva	16,673	72,436	1.22%
Barclays	31,154	61,473	1.04%
Beazley	897	4,389	0.07%
Capital & Counties Properties	253	432	0.01%
Close Brothers Group	233	2,968	0.05%
Derwent London	88	2,988	0.05%
Direct Line Insurance Group	6,908	21,038	0.35%
Hargreaves Lansdown	550	7,370	0.12%
HSBC Holdings	56,350	297,556	5.01%
IG Group Holdings	449	3,635	0.06%
Intermediate Capital Group	577	10,891	0.18%
Investec	1,223	5,193	0.09%
Jupiter Fund Management	676	1,533	0.03%
Legal & General Group	29,417	84,353	1.42%
Lloyds Banking Group	204,545	104,533	1.76%
Londonmetric Property	1,825	4,865	0.08%
London Stock Exchange Group	357	24,965	0.42%
Man Group	7,520	14,399	0.24%
Melrose Industries	2,570	3,855	0.06%
Provident Financial	644	2,003	0.03%
Prudential	2,366	29,202	0.49%
Quilter	2,800	3,828	0.06%
Schroders	255	8,525	0.14%
St. James's Place	1,754	26,314	0.44%
Standard Chartered	6,170	33,010	0.56%
TP ICAP	2,114	2,979	0.05%
		<u>914,082</u>	<u>15.39%</u>
Healthcare (2021: 7.91%)			
AstraZeneca	2,175	188,159	3.17%
GlaxoSmithKline	9,895	163,535	2.75%
Smith & Nephew	1,045	13,018	0.22%
		<u>364,712</u>	<u>6.14%</u>

PORTFOLIO SUMMARY (Continued)

As at 31 January 2022

Investment	Nominal value or holding	Market value £	% of total net assets
Industrials (2021:4.02%)			
Ashtead Group	288	15,267	0.26%
Babcock International Group	510	1,544	0.03%
BAE Systems	10,709	62,915	1.06%
Balfour Beatty	1,460	3,685	0.06%
Vistry Group	168	1,714	0.03%
Bunzl	311	8,706	0.15%
easyJet	637	3,879	0.07%
Electrocomponents	826	9,222	0.16%
FirstGroup	3,315	3,358	0.06%
Hays	1,875	2,661	0.04%
HomeServe	655	4,986	0.08%
IMI	261	4,293	0.07%
Inchcape	580	4,856	0.08%
Intertek Group	94	4,990	0.08%
Meggitt	630	4,688	0.08%
Pagegroup	543	3,128	0.05%
National Express Group	977	2,392	0.04%
Rentokil Initial	1,339	6,896	0.12%
Rotork	730	2,461	0.04%
Royal Mail	2,243	9,984	0.17%
Serco Group	718	965	0.02%
DS Smith	1,909	7,171	0.12%
Smiths Group	555	8,683	0.15%
Spectris	101	3,387	0.06%
Spirax-Sarco Engineering	81	10,662	0.18%
Vesuvius	418	1,870	0.03%
Weir Group	212	3,623	0.06%
		197,985	3.33%
Oil & Gas (2021: 6.67%)			
BP	48,200	186,004	3.13%
John Wood Group	1,108	2,489	0.04%
Shell	19,065	360,271	6.07%
		548,764	9.24%
Real Estate (2021: 2.54%)			
Berkeley Group Holdings	531	22,196	0.37%
British Land Company	3,380	18,357	0.31%
Land Securities Group	2,378	18,679	0.31%
SEGRO	2,146	28,241	0.48%
Taylor Wimpey	28,702	42,651	0.72%
		130,124	2.19%
Technology (2021: 0.99%)			
Halma	398	9,858	0.17%
Moneysupermarket.Com Group	1,094	2,067	0.03%
Renishaw	126	5,681	0.10%
Sage Group	1,724	12,346	0.21%
		29,952	0.50%
Telecommunications (2021: 3.09%)			
BT Group	38,010	73,977	1.25%
Micro Focus International	688	3,052	0.05%
Vodafone Group	105,495	139,180	2.34%
		216,208	3.64%

PORTFOLIO SUMMARY (Continued)

As at 31 January 2022

Investment	Nominal value or holding	Market value £	% of total net assets
Utilities (2021: 5.04%)			
Centrica	25,823	18,879	0.32%
Drax Group	568	3,421	0.06%
National Grid	11,995	130,434	2.20%
Pennon Group	458	4,958	0.08%
Severn Trent	515	14,850	0.25%
SSE	4,590	72,602	1.22%
United Utilities Group	3,047	32,618	0.55%
		<u>277,762</u>	<u>4.68%</u>
Total Equities - incorporated in the United Kingdom		<u>4,796,179</u>	<u>80.78%</u>
Equities - incorporated out with the United Kingdom (2021: 13.03%)			
Basic Materials (2021: 3.78%)			
Fresnillo	1,131	6,967	0.12%
Glencore	55,375	215,436	3.63%
		<u>222,403</u>	<u>3.75%</u>
Consumer Services (2021: 0.76%)			
Informa	1,246	6,823	0.11%
		<u>6,823</u>	<u>0.11%</u>
Financials (2021: 2.42%)			
Hiscox	778	7,494	0.13%
Lancashire Holdings	1,674	9,127	0.15%
M&G	5,726	12,208	0.21%
Phoenix Group Holdings	1,765	11,734	0.20%
Natwest Group	25,592	62,240	1.05%
		<u>102,803</u>	<u>1.73%</u>
Industrials (2021: 2.82%)			
DCC	108	6,702	0.11%
Experian	786	24,020	0.40%
Ferguson	235	27,284	0.46%
Relx	3,091	69,733	1.17%
		<u>127,739</u>	<u>2.15%</u>
Oil & Gas (2021: 3.20%)			
		<u>-</u>	<u>0.00%</u>
Technology (2021: 0.05%)			
Playtech	448	2,636	0.04%
		<u>2,636</u>	<u>0.04%</u>
Total Equities - incorporated out with the United Kingdom		<u>462,405</u>	<u>7.79%</u>
Portfolio of investments (2021: 99.60%)		5,258,585	88.56%
Net other assets (2021: 0.42%)		680,150	11.46%
Adjustment to revalue from mid to bid prices (2021: (0.03%))		(1,187)	(0.02%)
		<u>5,937,548</u>	<u>100.00%</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	918,028
Anglo American	58,665
AstraZeneca	41,019
BHP Group	203,672
British American Tobacco	55,247
easyJet	1,037
EVRAZ	39,602
Glencore	45,505
Lloyds Banking Group	25,776
Rio Tinto	248,600
Royal Dutch Shell A	24,612
TP ICAP	846
Unilever	132,821
Vodafone Group	40,626

	£
Total sales for the year (note 14)	1,142,580
Aggreko	1,897
Airtel Africa	15,315
AstraZeneca	42,963
Berkeley Group Holdings	2,133
BHP Group	551,853
BP	69,294
Capita	915
Carnival	33,946
Cineworld Group	1,951
Coca Cola	7,150
CRH	43,748
Essentra	745
Ferguson	36,532
Flutter Entertainment	25,040
G4S	6,791
GlaxoSmithKline	54,987
HSBC Holdings	40,080
International Consolidated Airlines Group	462
IWG	4,459
Jackson Financial	1,107
Kaz Mineral Corporation	6,885
Melrose Industries	428
Natwest Group	43,327
Ninety One	1,456
Petrofac	969
Polymetal International	13,934
Prudential	3
PZ Cussons	1,272
Rolls-Royce Holdings	4,475
Royal Dutch Shell A	41,435
RSA Insurance	18,125
Signature Aviation	4,944
Smurfit Kappa Group	17,684
Talk talk	2,355
Thungela Resources	1,441
Travis Perkins	15
Tui	19,340
William Hill	3,645
WM Morrison Supermarkets	19,479

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

STATEMENT OF TOTAL RETURN**For the year ended 31 January 2022**

		2022	2021
	Notes	£	£
Income			
Net capital gains/(losses)	2	877,934	(868,424)
Revenue	3	272,322	185,913
Expenses	4	(94,011)	(51,323)
Interest payable and similar charges	6	(216)	(152)
Net revenue before taxation		178,095	134,438
Taxation	5	-	-
Net revenue after taxation		178,095	134,438
Total return before distributions		1,056,029	(733,986)
Finance costs: distributions	6	(274,591)	(185,761)
Changes in net assets attributable to shareholders from investment activities		781,438	(919,747)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the year ended 31 January 2022**

	2022	2021
	£	£
Opening net assets attributable to shareholders	4,621,928	5,764,014
Amounts receivable on creation of shares	1,144,554	593,642
Amounts payable on cancellation of shares	(708,978)	(878,497)
Accumulation dividends retained	97,255	62,516
Dilution levy	1,351	-
Changes in net assets attributable to shareholders from investment activities (see above)	781,438	(919,747)
Closing net assets attributable to shareholders	5,937,548	4,621,928

BALANCE SHEET

As at 31 January 2022		31.01.2022		31.01.2021	
	Notes	£	£	£	£
Assets					
Investment assets			5,257,398		4,602,341
Current assets					
Debtors	7	679,924		15,954	
Cash and bank balances	8	49,505		58,657	
Total current assets			<u>729,429</u>		<u>74,611</u>
Total assets			5,986,827		4,676,952
Current Liabilities					
Creditors	9	(26,953)		(36,020)	
Distribution payable on income shares		<u>(22,326)</u>		<u>(19,004)</u>	
Total current liabilities			<u>(49,279)</u>		<u>(55,024)</u>
Net assets attributable to shareholders			<u>5,937,548</u>		<u>4,621,928</u>

For the year ended 31 January 2022

1 Accounting policies

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

(b) Dividends on equities are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis.

(c) 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 enhanced stock dividend the value of the enhancement is treated as capital.

(d) Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

(e) All expenses are accounted for on an accruals basis and are charged to the capital of the Sub-fund.

(f) Where the revenue from investments exceeds the expenses of the Sub-fund, monthly distributions are paid to all holders of income shares. In all cases, tax vouchers will be issued to shareholders.

(g) The listed investments of the Sub-fund have been valued at bid market prices at the closing valuation point at 12 noon on 31 January 2022.

(h) All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting year are translated at the exchange rates at the closing valuation point on 31 January 2022.

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

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

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

(k) Equalisation will be applied to the Sub-fund. An allocation of income to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum ("income equalisation") representing the ACD's best estimate of the amount of income included in the price of that share.

The amount of income equalisation in respect of any share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD's best estimate of the amounts of income included in the price of shares in that class issued or sold in the annual or interim period in question and dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 Net capital gains/(losses)	2022	2021
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	883,054	(867,720)
Transaction charges	(5,122)	(690)
Currency gains/(losses)	2	(14)
Total net capital gains/(losses)	<u>877,934</u>	<u>(868,424)</u>
 3 Revenue	 2022	 2021
	£	£
Non-taxable dividends	270,032	185,891
Property income distributions (PID)	2,284	-
Bank interest	6	22
Total revenue	<u>272,322</u>	<u>185,913</u>
 4 Expenses	 2022	 2021
	£	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD fee	<u>26,456</u>	<u>24,360</u>
 Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,099	17,901
Safe custody fee	149	(1,397)
	<u>18,248</u>	<u>16,504</u>
 Other expenses:		
Audit fee	2,072	2,424
FCA fee	52	77
Other expenses	<u>47,183</u>	<u>7,958</u>
	<u>49,307</u>	<u>10,459</u>
 Total expenses	 <u>94,011</u>	 <u>51,323</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2022	2021
	£	£
(a) Analysis of charge in the year		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
(b) Factors affecting current tax charge for the year		
The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an open-ended investment Sub-fund 20.00% (2021: 20.00%)		
The differences are explained below:		
Net revenue before UK corporation tax	178,095	134,438
Corporation tax at 20.00% (2021: 20.00%)	35,619	26,888
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(54,006)	(37,178)
Current year expenses not utilised	18,387	10,290
Total tax charge for the year (note 5a)	-	-
(c) Provision for deferred taxation		
At 31 January 2022 there is a potential deferred tax asset of £125,311 (31 January 2021: £106,924) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
6 Finance costs	2022	2021
	£	£
Interim dividend distributions	261,234	182,727
Final dividend distribution	13,463	1,863
	274,697	184,590
Add: Revenue deducted on cancellation of shares	1,074	1,842
Deduct: Revenue received on issue of shares	(1,180)	(671)
Net distribution for the period	274,591	185,761
Interest payable and similar charges	216	152
Total finance costs	274,807	185,913
Reconciliation of distributions		
Net revenue after taxation	178,095	134,438
Expenses Paid from capital	94,011	51,323
Relief on expenses allocated to capital	(415)	-
Balance carried forward	2,900	-
Net distribution for the period	274,591	185,761
7 Debtors	31.01.2022	31.01.2021
	£	£
Amounts receivable for issue of shares	118,291	5,498
Non-taxable dividends receivable	9,646	10,320
Prepaid costs	134	136
Amounts receivable on sale of holdings	551,853	-
Total debtors	679,924	15,954

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 Cash and bank balances	31.01.2022 £	31.01.2021 £
Cash and bank balances	49,505	58,657

9 Creditors	31.01.2022 £	31.01.2021 £
Amounts payable on cancellation of shares	2,616	27,102
Other accrued expenses	24,337	8,918
Total creditors	26,953	36,020

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 period.

Market price risk

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

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

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

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2022 would have increased/decreased by £525,740 (31 January 2021: £460,234).

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 that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The Sub-fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

The Sub-fund had no exposure to interest bearing securities in the year.

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 January 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.

10 Risk management (continued)**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.

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's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	5,257	-
Total	5,257	-

11 Shares held**Class A Net Income**

Opening Shares at 01.02.2021	26,304
Shares issued during the year	184
Shares cancelled during the year	-
Shares converted during the year	-
Closing Shares as at 31.01.2022	26,488

Class A Accumulation

Opening Shares at 01.02.2021	68,907
Shares issued during the year	-
Shares cancelled during the year	(42,403)
Shares converted during the year	-
Closing Shares as at 31.01.2022	26,504

Class X Net Income

Opening Shares at 01.02.2021	3,814,515
Shares issued during the year	1,061,161
Shares cancelled during the year	(543,394)
Shares converted during the year	-
Closing Shares as at 31.01.2022	4,332,282

Class X Accumulation

Opening Shares at 01.02.2021	1,184,935
Shares issued during the year	165,870
Shares cancelled during the year	(136,056)
Shares converted during the year	-
Closing Shares as at 31.01.2022	1,214,749

12 Contingent assets and liabilities

At 31 January 2022, the Sub-fund had no contingent liabilities or commitments

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

Share class	Price at 31 January 2022	Price at 23 May 2022
Class A Net Income	79.9674p	79.8262p
Class A Accumulation	143.4683p	146.2630p
Class X Net Income	90.1418p	90.2655p
Class X Accumulation	162.5302p	166.1686p

14 Direct transaction costs

	2022	% of total	2021	% of total
Analysis of total purchase costs	£	purchases	£	purchases
Purchases in the period before transaction costs	915,758		441,294	
Commissions	226	0.02%	213	0.05%
Taxes	2,033	0.22%	2,133	0.48%
Levy	11	0.00%	14	0.00%
Total purchase costs	2,270	0.25%	2,360	0.53%
Total purchases including transaction costs	918,028		443,654	
Analysis of total sale costs	£	% of total sales	£	% of total sales
Sales in the period before transaction costs	1,143,010		690,934	
Commissions	(423)	(0.04%)	(342)	(0.05%)
Levy	(7)	(0.00%)	(14)	(0.00%)
Total sale costs	(430)	(0.04%)	(356)	(0.05%)
Total sales net of transaction costs	1,142,580		690,578	

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 period:

	2022	% of average	2021	% of average
	£	net asset value	£	net asset value
Commissions	649	0.01%	555	0.01%
Taxes	2,033	0.04%	2,133	0.05%
Levy	18	0.00%	28	0.00%
	2,700	0.05%	2,716	0.06%

15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 January 2022 is 0.04% (2021: 0.06%)

DISTRIBUTION TABLES

Month 1 Distribution in pence per share - Distribution number 77

Group 1: Shares purchased prior to 01 February 2021

Group 2 : Shares purchased on or after 01 February 2021 and on or before 28 February 2021

01 February 2021 to 28 February 2021

Payment Date	Unit Type	Share Class	Net Revenue 2021	Equalisation 2021	Distribution 2021	Distribution 2020
30.04.2021	Group 1	A Net Income	0.3705p	-	0.3705p	0.6609p
30.04.2021	Group 2	A Net Income	0.3705p	-	0.3705p	0.6609p
30.04.2021	Group 1	X Net Income	0.4140p	-	0.4140p	0.7314p
30.04.2021	Group 2	X Net Income	0.0951p	0.3189p	0.4140p	0.7314p
30.04.2021	Group 1	A Net Accumulation	0.6303p	-	0.6303p	1.0759p
30.04.2021	Group 2	A Net Accumulation	0.6303p	-	0.6303p	1.0759p
30.04.2021	Group 1	X Net Accumulation	0.7078p	-	0.7078p	1.1964p
30.04.2021	Group 2	X Net Accumulation	0.6569p	0.0509p	0.7078p	1.1964p

Month 2 Distribution in pence per share - Distribution number 78

Group 1: Shares purchased prior to 01 March 2021

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

01 March 2021 to 31 March 2021

Payment Date	Unit Type	Share Class	Net Revenue 2021	Equalisation 2021	Distribution 2021	Distribution 2020
28.05.2021	Group 1	A Net Income	0.7399p	-	0.7399p	0.2652p
28.05.2021	Group 2	A Net Income	0.0115p	0.7284p	0.7399p	0.2652p
28.05.2021	Group 1	X Net Income	0.8272p	-	0.8272p	0.2935p
28.05.2021	Group 2	X Net Income	0.4687p	0.3585p	0.8272p	0.2935p
28.05.2021	Group 1	A Net Accumulation	1.2654p	-	1.2654p	0.4357p
28.05.2021	Group 2	A Net Accumulation	1.2654p	-	1.2654p	0.4357p
28.05.2021	Group 1	X Net Accumulation	1.4217p	-	1.4217p	0.4845p
28.05.2021	Group 2	X Net Accumulation	1.0740p	0.3477p	1.4217p	0.4845p

Month 3 Distribution in pence per share - Distribution number 79

Group 1: Shares purchased prior to 01 April 2021

Group 2 : Shares purchased on or after 01 April 2021 and on or before 30 April 2021

01 April 2021 to 30 April 2021

Payment Date	Unit Type	Share Class	Net Revenue 2021	Equalisation 2021	Distribution 2021	Distribution 2020
30.06.2021	Group 1	A Net Income	0.2805p	-	0.2805p	0.1245p
30.06.2021	Group 2	A Net Income	0.2805p	-	0.2805p	0.1245p
30.06.2021	Group 1	X Net Income	0.3141p	-	0.3141p	0.1379p
30.06.2021	Group 2	X Net Income	0.2082p	0.1059p	0.3141p	0.1379p
30.06.2021	Group 1	A Net Accumulation	0.4846p	-	0.4846p	0.2064p
30.06.2021	Group 2	A Net Accumulation	0.4846p	-	0.4846p	0.2064p
30.06.2021	Group 1	X Net Accumulation	0.5450p	-	0.5450p	0.2197p
30.06.2021	Group 2	X Net Accumulation	0.3836p	0.1614p	0.5450p	0.2197p

DISTRIBUTION TABLES (Continued)**Month 4 Distribution in pence per share - Distribution number 80**

Group 1: Shares purchased prior to 01 May 2021

Group 2 : Shares purchased on or after 01 May 2021 and on or before 31 May 2021

01 May 2021 to 31 May 2021

Payment Date	Unit Type	Share Class	Net Revenue 2021	Equalisation 2021	Distribution 2021	Distribution 2020
30.07.2021	Group 1	A Net Income	0.2778p	-	0.2778p	0.2116p
30.07.2021	Group 2	A Net Income	0.1091p	0.1687p	0.2778p	0.2116p
30.07.2021	Group 1	X Net Income	0.3111p	-	0.3111p	0.2348p
30.07.2021	Group 2	X Net Income	0.2416p	0.0695p	0.3111p	0.2348p
30.07.2021	Group 1	A Net Accumulation	0.4818p	-	0.4818p	0.3514p
30.07.2021	Group 2	A Net Accumulation	0.4818p	-	0.4818p	0.3514p
30.07.2021	Group 1	X Net Accumulation	0.5423p	-	0.5423p	0.3915p
30.07.2021	Group 2	X Net Accumulation	0.2884p	0.2539p	0.5423p	0.3915p

Month 5 Distribution in pence per share - Distribution number 81

Group 1: Shares purchased prior to 01 June 2021

Group 2 : Shares purchased on or after 01 June 2021 and on or before 30 June 2021

01 June 2021 to 30 June 2021

Payment Date	Unit Type	Share Class	Net Revenue 2021	Equalisation 2021	Distribution 2021	Distribution 2020
31.08.2021	Group 1	A Net Income	0.1592p	-	0.1592p	0.0657p
31.08.2021	Group 2	A Net Income	0.0000p	0.1592p	0.1592p	0.0657p
31.08.2021	Group 1	X Net Income	0.1784p	-	0.1784p	0.0729p
31.08.2021	Group 2	X Net Income	0.0011p	0.1773p	0.1784p	0.0729p
31.08.2021	Group 2	A Net Accumulation	0.2770p	-	0.2770p	0.1094p
31.08.2021	Group 2	A Net Accumulation	0.2770p	-	0.2770p	0.1094p
31.08.2021	Group 2	X Net Accumulation	0.3121p	-	0.3121p	0.1221p
31.08.2021	Group 2	X Net Accumulation	0.1741p	0.1380p	0.3121p	0.1221p

Month 6 Distribution in pence per share - Distribution number 82

Group 1: Shares purchased prior to 01 July 2021

Group 2 : Shares purchased on or after 01 July 2021 and on or before 31 July 2021

01 July 2021 to 31 July 2021

Payment Date	Unit Type	Share Class	Net Revenue 2021	Equalisation 2021	Distribution 2021	Distribution 2020
30.09.2021	Group 1	A Net Income	0.0905p	-	0.0905p	0.1602p
30.09.2021	Group 2	A Net Income	0.0345p	0.0560p	0.0905p	0.1602p
30.09.2021	Group 1	X Net Income	0.1015p	-	0.1015p	0.1779p
30.09.2021	Group 2	X Net Income	0.0611p	0.0404p	0.1015p	0.1779p
30.09.2021	Group 2	A Net Accumulation	0.1578p	-	0.1578p	0.2671p
30.09.2021	Group 2	A Net Accumulation	0.1578p	-	0.1578p	0.2671p
30.09.2021	Group 2	X Net Accumulation	0.1778p	-	0.1778p	0.2981p
30.09.2021	Group 2	X Net Accumulation	0.1198p	0.0580p	0.1778p	0.2981p

DISTRIBUTION TABLES (Continued)**Month 7 Distribution in pence per share - Distribution number 83**

Group 1: Shares purchased prior to 01 August 2021

Group 2 : Shares purchased on or after 01 August 2021 and on or before 31 August 2021

01 August 2021 to 31 August 2021

Payment Date	Unit Type	Share Class	Net Revenue 2021	Equalisation 2021	Distribution 2021	Distribution 2020
29.10.2021	Group 1	A Net Income	0.8947p	-	0.8947p	0.4712p
29.10.2021	Group 2	A Net Income	0.8947p	-	0.8947p	0.4712p
29.10.2021	Group 1	X Net Income	1.0038p	-	1.0038p	0.5262p
29.10.2021	Group 2	X Net Income	0.9255p	0.0783p	1.0038p	0.5262p
29.10.2021	Group 2	A Net Accumulation	1.5625p	-	1.5625p	0.7879p
29.10.2021	Group 2	A Net Accumulation	1.5625p	-	1.5625p	0.7879p
29.10.2021	Group 2	X Net Accumulation	1.7613p	-	1.7613p	0.8728p
29.10.2021	Group 2	X Net Accumulation	1.2400p	0.5213p	1.7613p	0.8728p

Month 8 Distribution in pence per share - Distribution number 84

Group 1: Shares purchased prior to 01 September 2021

Group 2 : Shares purchased on or after 01 September 2021 and on or before 30 September 2021

01 September 2021 to 30 September 2021

Payment Date	Unit Type	Share Class	Net Revenue 2021	Equalisation 2021	Distribution 2021	Distribution 2020
30.11.2021	Group 1	A Net Income	0.6251p	-	0.6251p	0.1358p
30.11.2021	Group 2	A Net Income	0.0918p	0.5333p	0.6251p	0.1358p
30.11.2021	Group 1	X Net Income	0.7019p	-	0.7019p	0.1510p
30.11.2021	Group 2	X Net Income	0.1565p	0.5454p	0.7019p	0.1510p
30.11.2021	Group 2	A Net Accumulation	1.1044p	-	1.1044p	0.2287p
30.11.2021	Group 2	A Net Accumulation	1.1044p	-	1.1044p	0.2287p
30.11.2021	Group 2	X Net Accumulation	1.2462p	-	1.2462p	0.2556p
30.11.2021	Group 2	X Net Accumulation	0.2669p	0.9793p	1.2462p	0.2556p

Month 9 Distribution in pence per share - Distribution number 85

Group 1: Shares purchased prior to 01 October 2021

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

01 October 2021 to 31 October 2021

Payment Date	Unit Type	Share Class	Net Revenue 2021	Equalisation 2021	Distribution 2021	Distribution 2020
31.12.2021	Group 1	A Net Income	0.0716p	-	0.0716p	0.0693p
31.12.2021	Group 2	A Net Income	0.0000p	0.0716p	0.0716p	0.0693p
31.12.2021	Group 1	X Net Income	0.0804p	-	0.0804p	0.0771p
31.12.2021	Group 2	X Net Income	0.0258p	0.0546p	0.0804p	0.0771p
31.12.2021	Group 2	A Net Accumulation	0.1276p	-	0.1276p	0.1169p
31.12.2021	Group 2	A Net Accumulation	0.1276p	-	0.1276p	0.1169p
31.12.2021	Group 2	X Net Accumulation	0.1442p	-	0.1442p	0.1308p
31.12.2021	Group 2	X Net Accumulation	0.0152p	0.1290p	0.1442p	0.1308p

DISTRIBUTION TABLES (Continued)

Month 10 Distribution in pence per share - Distribution number 86

Group 1: Shares purchased prior to 01 November 2021

Group 2 : Shares purchased on or after 01 November 2021 and on or before 30 November 2021

01 November 2021 to 30 November 2021

Payment Date	Unit Type	Share Class	Net Revenue 2022	Equalisation 2022	Distribution 2022	Distribution 2021
31.01.2022	Group 1	A Net Income	0.1053p	-	0.1053p	0.2677p
31.01.2022	Group 2	A Net Income	0.0044p	0.1009p	0.1053p	0.2677p
31.01.2022	Group 1	X Net Income	0.1184p	-	0.1184p	0.2984p
31.01.2022	Group 2	X Net Income	0.0835p	0.0349p	0.1184p	0.2984p
31.01.2022	Group 2	A Net Accumulation	0.1877p	-	0.1877p	0.4524p
31.01.2022	Group 2	A Net Accumulation	0.1877p	-	0.1877p	0.4524p
31.01.2022	Group 2	X Net Accumulation	0.2122p	-	0.2122p	0.5068p
31.01.2022	Group 2	X Net Accumulation	0.1142p	0.0980p	0.2122p	0.5068p

Month 11 Distribution in pence per share - Distribution number 87

Group 1: Shares purchased prior to 01 December 2021

Group 2 : Shares purchased on or after 01 December 2021 and on or before 31 December 2021

01 December 2021 to 31 December 2021

Payment Date	Unit Type	Share Class	Net Revenue 2022	Equalisation 2022	Distribution 2022	Distribution 2021
28.02.2022	Group 1	A Net Income	0.1761p	-	0.1761p	0.1497p
28.02.2022	Group 2	A Net Income	0.1197p	0.0564p	0.1761p	0.1497p
28.02.2022	Group 1	X Net Income	0.1982p	-	0.1982p	0.1670p
28.02.2022	Group 2	X Net Income	0.0797p	0.1185p	0.1982p	0.1670p
28.02.2022	Group 2	A Net Accumulation	0.3144p	-	0.3144p	0.2540p
28.02.2022	Group 2	A Net Accumulation	0.3144p	-	0.3144p	0.2540p
28.02.2022	Group 2	X Net Accumulation	0.3558p	-	0.3558p	0.2848p
28.02.2022	Group 2	X Net Accumulation	0.2388p	0.1170p	0.3558p	0.2848p

Month 12 Distribution in pence per share - Distribution number 88

Group 1: Shares purchased prior to 01 January 2022

Group 2 : Shares purchased on or after 01 January 2022 and on or before 31 January 2022

01 January 2022 to 31 January 2022

Payment Date	Unit Type	Share Class	Net Revenue 2022	Equalisation 2022	Distribution 2022	Distribution 2021
31.03.2022	Group 1	A Net Income	0.1815p	-	0.1815p	0.0280p
31.03.2022	Group 2	A Net Income	0.1815p	-	0.1815p	0.0280p
31.03.2022	Group 1	X Net Income	0.2045p	-	0.2045p	0.0312p
31.03.2022	Group 2	X Net Income	0.1095p	0.0950p	0.2045p	0.0312p
31.03.2022	Group 2	A Net Accumulation	0.3248p	-	0.3248p	0.0476p
31.03.2022	Group 2	A Net Accumulation	0.3248p	-	0.3248p	0.0476p
31.03.2022	Group 2	X Net Accumulation	0.3679p	-	0.3679p	0.0533p
31.03.2022	Group 2	X Net Accumulation	0.1834p	0.1845p	0.3679p	0.0533p

DISTRIBUTION TABLES (Continued)

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) 99.16% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 0.84% 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

Distribution

Distributions of the revenue of the Company will be made to shareholders on or before 31 March each year (final) and interim allocations of revenue at the end of each calendar month.

Taxation

The Company will pay no corporation tax on its profits for the year to 31 January 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 (2021/22). 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.

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.

Debts of the ICVC fund

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

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 8.30am to 5.30pm. 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. (Email: Smartbeta@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 ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

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

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

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 page 7. 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.

Remuneration: Information about the authorised fund manager (AFM) remuneration policies and disclosures is available from Valu-Trac Investment Management Limited on its website which can be found on the link below.
<https://www.valu-trac.com/VIML%20Remuneration%20Policy%20Statement.pdf>

The AFM does not employ any staff directly from the Company, so there are no quantitative disclosures in this report.

CORPORATE DIRECTORY

























Authorised Corporate Director & 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 ACD
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	FKF Accounting Limited 4th Floor Metropolitan House 31-33 High Street Inverness IV1 1HT

Statement by the Authorised Fund Manager (AFM) to the shareholders of VT Munro Smart-Beta Fund on the outcome of the AFM's assessment of the value provided to shareholders

For the year ended 31 January 2022

This assessment is to establish what the VT Munro Smart-Beta Fund (the fund) has delivered to you in return for the price you have had to pay.

Our assessment has been conducted against the seven factors outlined by the FCA and the fund has been rated via a 'traffic light' system, where green (G) indicates good value: amber (A) room for improvement, and red (R) poor value. The dashboard below shows 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
VT Munro Smart-Beta Fund	 G	 A	 A	 G	 G	 G	 G	 A
A Class	 G	 A	 R	 G	 G	 G	 R	 R
X Class	 G	 A	 A	 G	 G	 G	 G	 A

The AFM is the Authorised Corporate Director of the fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Manager is also Valu-Trac Investment Management Limited.

The fund was launched on 22 July 2007. There are currently 4 share classes held. These are Class A Net Income and Net Accumulation and Class X Net Income and Net Accumulation.

The objective of the VT Munro Smart-Beta UK Fund is to maximize the overall return by seeking to replicate the performance of the Elston Smart Beta Index.

The fund will invest mainly in UK securities listed on the London Stock Exchange. The fund will be constructed on the basis of the underlying fundamental financial attributes of the companies listed on the London Stock Exchange rather on their market capitalisation. The weight of each company in the fund will be determined by the proportion that its forecast total dividend will be expected to make of the total income of all the companies held in the fund.

	At and for the year ended				
	31-Jan 2022 ¹	31-Jan 2021 ¹	31-Jan 2020 ¹	31-Jan 2019 ¹	31-Jan 2018 ¹
Value of fund (Per the Performance Record)					
A Net Income	£21k	£18k	£27k	£27k	£30k
A Net Accumulation	£38k	£81k	£105k	£122k	£185k
X Net Income	£3,905k	£2,955k	£3,865k	£3,599k	£4,117k
X Net Accumulation	£1,974k	£1,569k	£1,769k	£2,139k	£2,319k
Shares outstanding					
A Net Income	26k	26k	32k	32k	32k
A Net Accumulation	27k	69k	78k	96k	138k
X Net Income	4,332k	3,815k	4,237k	3,981k	4,135k
X Net Accumulation	1,215k	1,185k	1,186k	1,529k	1,582k

NAV per share

A Net Income	79.97p	69.34p	82.47p	82.50p	91.71p
A Net Accumulation	143.47p	117.98p	134.26p	127.07p	134.51p
X Net Income	90.14p	77.46p	91.22p	90.40p	99.55p
X Net Accumulation	162.53p	132.42p	149.22p	139.89p	146.66p

Dividend per share

A Net Income	3.97p	2.61p	4.65p	4.13p	3.97p
A Net Accumulation	6.92p	4.33p	7.34p	6.46p	5.67p
X Net Income	4.45p	2.90p	5.11p	4.70p	4.28p
X Net Accumulation	7.79p	4.82p	8.10p	6.75p	6.11p

Net gains/(losses) before expenses

Capital gains/(losses)	£883k	(£868k)	£126k	(£533k)	£438k
Total Net gains/(losses)	£1,155k	(£682k)	£452k	(£228k)	£734k

1 Source of all data Valu-Trac Administration Services Ltd unless stated otherwise

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

1. Quality of service

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

Depository – NatWest Trustee and Depository Services Limited

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

The external audit is conducted by FKF Accounting Limited.

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. 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 good value for the services provided by each party (detailed analysis on how we have arrived at this conclusion can be provided on request).

2. Performance

The AFM has assessed performance of the fund net of all the charges that are outlined in its prospectus. The objective of the fund is to replicate the performance of the Elston Smart Beta Index (the benchmark). The below table shows the period under review performance and the cumulative 5-year performance when the fund selected this benchmark.

Share class (before operating charges)	2022 performance	Benchmark 2022 Performance ¹	Cumulative 5-year performance	Benchmark 5-year Performance ¹
A Net Income	21.05%	23.34%	13.52%	25.30%
A Net Accumulation	21.60%	23.34%	16.84%	25.30%
X Net Income	22.13%	23.34%	18.66%	25.30%
X Net Accumulation	22.74%	23.34%	22.62%	25.30%
<p><i>Total return basis has distributions added back in for the Income share classes and is after operating charges for all share classes.</i></p> <p><i>1. Elston Smart Beta Index is a total return index which includes the effect of dividend reinvestment. As such the Accumulation share classes more closely reflect the return of this index. The Income share classes distribute the income received which can result in an underperformance where the index is generally rising (you're not reinvesting the dividend to get a compounded additional growth), and a slight outperformance when the index is falling (you're not reinvesting the dividend to a compounded addition drop). Note the index returns is after the average operating costs of the IA UK All Companies Sector discussed in section 3.</i></p>				

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

3. AFM costs - general

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

	£	% of average fund value
Authorised Fund Manager fee	26,456	0.51%
Depositary fee	18,099	0.35%
Audit fee	2,072	0.04%
FCA fee	52	0.00%
Safe custody fee	149	0.00%
Transaction charges (capital)	5,122	0.10%
Consulting fee	43,447	0.84%
Other expenses	3,736	0.07%
Total costs	99,133	1.91%

Gains for the year (capital and revenue) less costs were £1,056,029; there was no taxation.

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

It should be noted that the prospectus does allow for a dilution levy charged on transactions into or out of the fund if a) in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy, or b) there is a large transaction, being 5% or over of the Net Asset Value of the Fund. There were dilution levies of £1,351 applied on the purchase and redemption of shares in the fund in 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 UK All Companies Sector, retail classes where available.

	Operating charges
A Class	2.36%
X Class	1.36%
IA UK All Companies Sector (average of 10 largest funds)	0.91%

Source - Morningstar

The AFM has concluded that there is room for improvement in the X Class costs while the A Class costs are concluded as being 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 charges 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 in the IA UK All Companies Sector along with similar style funds that the AFM administer. The AFM believes that the shareholders are achieving efficient market rates as a whole and are not excessive. As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

6. Comparable services

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

7. Classes of units

As detailed below there are 4 share classes (income and accumulation for the Class A and Class X shares), available figures are given below. Each class of shares has its own rate for investment manager charges, as detailed below.






















	At and for the year ended				
	31-Jan 2022	31-Jan 2021	31-Jan 2020	31-Jan 2019	31-Jan 2018
Operating charges					
A Class	2.36%	2.08%	1.96%	1.92%	2.11%
X Class	1.36%	1.08%	0.96%	0.92%	1.11%

The A Class shares were designed for investors receiving advice through an IFA, whilst the X class shares are for those investors investing direct. The A class shares have an investment manager charge of 1.50%, whilst the X class shares have an investment management charge of 0.50%. The minimum

holding required in the A class is £1,000 while the X class is £250. Therefore, the AFM concludes that there is no value added in being in the A Class with the higher fee.

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
VT Munro Smart-Beta Fund	 G	 A	 A	 G	 G	 G	 G	 A
A Class	 G	 A	 R	 G	 G	 G	 R	 R
X Class	 G	 A	 A	 G	 G	 G	 G	 A

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 Munro Smart-Beta UK Fund X have received reasonable value. Investors in the VT Munro Smart-Beta UK Fund A would receive better value within the X share class and we are exploring the switching of these investors into the X share class.

18 May 2022