VT ARGONAUT FUNDS

(Sub-funds VT Argonaut European Alpha Fund, VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund)

Annual Report and Financial Statements
For the year ended 29 February 2024

CONTENTS

Type of Company:

VT Argonaut Funds ("the Company") is an investment company with variable capital ("ICVC") incorporated in England and Wales under registered number IC000943 and authorised by the Financial Conduct Authority with effect from 12 March 2012. It is a UCITS scheme as defined in COLL and also an umbrella company for the purposes of the OEIC Regulations. The Company has unlimited duration.

The Company has currently three Sub-funds available for investment, VT Argonaut European Alpha Fund, VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund. Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company.

A shareholder is not liable to make any further payment to the Company after they have paid the price on the purchase of the shares.

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 (losses)/gains for the year. In preparing these financial statements the Authorised Fund Manager is required to:

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

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

DIRECTOR'S STATEMENT

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

Jonathan M. Child CA

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Fund Manager

Date: 28 June 2024

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT ARGONAUT FUNDS

For the year ended 29 February 2024

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), 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 March 2024

Opinion

We have audited the financial statements of VT Argonaut Funds ("the Company") for the year ended 29 February 2024, which comprise the Statements of Total Return, Statements of Changes in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

> Give a true and fair view of the financial position of the Company as at 29 February 2024 and of the net revenue and the net capital (losses)/gains on the scheme property of the Company for the year then ended; and

> Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

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

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

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

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the COLL Regulations

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

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

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

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

Responsibilities of the Authorised Fund Manager

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 2, the Authorised Fund Manager are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Fund Manager 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intends to wind up the Company or to cease operations, or has no realistic alternative but to do so.

Auditor Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:
> UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;
> the Financial Conduct Authority's COLL Rules; and
> the Company's Prospectus.

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

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

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

Auditor Responsibilities for the Audit of the Financial Statements (Continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (Continued)

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

> Reviewing the level of and reasoning behind the Company’s procurement of legal and professional services;

> Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Fund Manager in its calculation of accounting estimates for potential management bias;

> Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies’ dividend payments;

> Assessing the Company’s compliance with the key requirements of the Collective Investment Schemes Sourcebook, and its Prospectus;

> Completion of appropriate checklists and use of our experience to assess the Company’s compliance with the IA Statement of Recommended Practice for Authorised Funds; and

> Agreement of the financial statement disclosures to supporting documentation.

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

Use of Our Report

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

Johnston Carmichael LLP

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin, United Kingdom

Date 28 June 2024

1 Accounting policies

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 the financial statement on an accruals basis. For VT Argonaut Equity Income Fund all expenses are then reallocated to capital, net of any tax effect for distribution purposes.

(d) Distributions on equities, collectives and preference shares are recognised when the security is quoted ex-dividend. Interest on deposits and debt securities are accounted for on an accrual's basis. In the case of non-index linked debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the straight-line basis of calculating amortisation. Rebates of annual management charges are accounted for on an accruals basis and recognised as revenue. Where the AMC is reallocated to capital for distribution purposes the rebates of AMC are also reallocated to capital for distribution purposes. Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

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

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

(g) The listed investments of the Sub-funds have been valued at bid market prices at the closing valuation point at 12 noon on 29 February 2024, whilst unlisted collectives are valued at the closing bid price for dual priced funds and the closing single price for single priced funds. The value of derivative contracts is calculated with reference to the price/value of the underlying asset(s) and other relevant factors such as interest rates and volatility, whilst currency hedging contracts are marked to market based on the differential between the forward rate for currency of an equivalent duration and the contract rate.

(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 29 February 2024.

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

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

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

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

1 Accounting policies (Continued)

(l) The Sub-funds currently issue Accumulation and Income shares. VT Argonaut European Alpha Fund and VT Argonaut Absolute Return Fund go ex dividend twice annually and pay any income available to the shareholder two months in arrears, as a dividend distribution. VT Argonaut Equity Income Fund goes ex dividend four times annually and pays any income available to the shareholders one and a half months in arrears, as a dividend distribution. Any revenue deficit is funded from capital.

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

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

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

2 Derivatives and other financial instruments

For the purpose of meeting the investment objectives of the Sub-funds a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes and, in the case of VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund, also for investment purposes.

The main risks from the Sub-funds' holding of financial instruments, together with the AFM’s policy for managing these risks, are disclosed below:

a) Foreign currency risk

A significant portion of the Sub-funds' assets may be denominated in a currency other than the base currency of the Sub-funds or class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which shares of the relevant Sub-fund are valued and priced.

The Sub-funds are not required to hedge its foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Sub-funds do not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Sub-funds' assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Sub-funds in circumstances where no such hedging transactions are undertaken.

Hedged share classes

A hedging policy is in place for the Class I Institutional Net Accumulation (Currency Hedged) in the VT Argonaut European Alpha Fund and all the share classes in the VT Argonaut Absolute Return Fund to hedge the currency risk to ensure that the risk from foreign currency is reduced for these share classes. Entering into a hedge transaction should mitigate the effect of exchange rate fluctuations between the base and hedged currency. Any gains or losses from the hedging instruments are treated as capital and included within the Statement of Total Return.

b) Interest rate risk profile of financial assets and liabilities

The interest rate risk is the risk that the value of the Sub-funds' investments will fluctuate due to changes in the interest rate. Cashflows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the VT Argonaut Absolute Return Fund and VT Argonaut European Alpha Fund Sub-funds' objectives are primarily to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Sub-funds did not have any long term financial liabilities at the balance sheet date.

c) Credit risk

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

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

2 Derivatives and other financial instruments (Continued)

d) Liquidity risk

Subject to the Regulations, the Sub-funds may invest up to and including 10% of the Scheme Property of the Sub-funds in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Sub-funds' inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent the Sub-funds invest in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer.

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Sub-funds' ability to purchase or sell such securities at a fair price may be impaired or delayed.

e) Market price risk

Market price risk is the risk that the value of the Sub-funds' 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-funds hold. It represents the potential loss the Sub-funds might suffer through holding market positions in the face of price movements.

The Sub-funds' investment portfolios are 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.

f) Counterparty risk

Transactions in securities entered into by the Sub-funds give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The AFM minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Sub-funds' prospectus and COLL.

g) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

h) Leverage

In accordance with the IA SORP issued in May 2014, as AFM we are required to disclose any leverage of the Sub-funds. Leverage is defined as any method by which the relevant Sub-fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the incremental exposure through the derivatives and in accordance with the commitment approach (CESR/10-788)) divided by the net asset value.

i) Derivatives

Some of the Sub-funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Where the transactions are used to protect or enhance capital, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the year end are included in the balance sheet at their mark to market value.

3 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-funds.

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.

SUB-FUND OVERVIEW

Name of Sub-fund	VT Argonaut European Alpha Fund
Size of Sub-fund	£18,940,685
Launch date	14 July 2012
Sub-fund objective and policy	The Sub-fund aims to achieve returns (capital and income) in excess of the returns of the Investment Association (IA) Europe ex UK Sector over the long term (5 years). The Sub-fund will seek to achieve its objective by investing in a concentrated portfolio of approximately 30-60 stocks. The Sub-fund will invest at least 80% in companies incorporated in countries in Europe. The Sub-fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities exchange. The Sub-fund will not concentrate on any particular sector but will invest in a broad range of companies without regard to market capitalisation. The Sub-fund may also invest in other equities, fixed interest, units in collective investment schemes, money market instruments and deposits. The Sub-fund may also make use of certain financial contracts known as derivatives and forward transactions for the purpose of efficient portfolio management, including the use of hedging techniques and stock lending. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. A target for the Sub-fund's performance has been set by reference to the IA Europe ex UK Sector (the “Target Benchmark”) over a five year period.
Benchmark	The IA Europe ex UK Sector is considered to be an appropriate benchmark because it enables investors to compare the performance of the portfolio against competing funds in the same sector. Investors may use the Sub-fund’s performance against the Target Benchmark to assess the comparable Sub-fund’s rank or quartile as compared to the performance of other funds in the IA Europe ex UK Sector over a variety of time frames. The AFM reserves the right to change the comparator following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the AFM determines that an alternative may be more appropriate. Shareholders will be notified of such a change, in accordance with the rules in COLL.
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 August, Last day of February
Distribution dates	31 October, 30 April
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

Share class information

Share class*	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Minimum redemption	Initial charge **
Class A Retail Net Income	£500	£250	£250	£100	5.25%
Class A Retail Net Accumulation	£500	£250	£250	£100	5.25%
Class R Retail Net Income	£500	£250	£250	£100	0.00%
Class R Retail Net Accumulation	£500	£250	£250	£100	0.00%
Class I Institutional Net Income	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class I Institutional Net Accumulation	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class I Institutional Net Income (Currency Hedged)^	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class I Institutional Net Accumulation (Currency Hedged)	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
Class A (EUR) Retail Net Accumulation	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.25%
Class I (EUR) Institutional Net Accumulation	€ 3,000,000	€ 1,000	€ 3,000,000	€ 1,000	0.00%

^ Share class not launched

*Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

**The initial charge is shown as a percentage of the amount invested which is equivalent to 5.5409% of the price of shares.

Annual management charges

In respect of the A shares, it is equal to 1.75% per annum of the net asset value of the A shares.

In respect of the R shares, it is equal to 0.75% per annum of the net asset value of the R shares.

In respect of the I shares, it is equal to 0.75% per annum of the net asset value of the I shares.

Investment Review

The fund returned +8.7% (Class R Retail Net Accumulation)^ over the 12-month review period (28th February 2023 to 29th February 2024) vs. the IA Europe-ex-UK Equity sector of +8.6%. Since launch the fund has delivered +302.6% vs. a peer group of +351.1%*.

The biggest winners within the underlying portfolio during the review period were chip manufacturer BE Semiconductor Industries (+130%), Italian defence contractor Leonardo SPA (+76%), Dutch semiconductor business ASM International (+72%), German weaponsmith Rheinmetall AG (+68%) and Norwegian salmon farmer Salmar ASA (+52%). While the Fund generated a positive return overall, the largest detractors in the period were Danish shipping business D/S Norden (-40%), offshore driller Seadrill Ltd (-32%) and French industrial Vallourec (-29%).

Market Overview

European equity markets struggled to make ground during the first half of the review period culminating in a sell-off in October on the prospect of rising interest rates and sticky inflation. Following hopes that central banks would start cutting interest rates in 2024 and improved sentiment towards China's macroeconomic outlook, European equity markets then staged a strong rally to the end of the review period, fuelled by hopes of a "soft landing" as well as the prospect of an Artificial Intelligence (AI) driven productivity boom.

Growth stocks performed particularly well in this recent rally, led by a technology sector enticed by the prospect of AI even though, like the children following the Pied Piper of Hamelin, most AI enthusiasts seem more confident about the journey rather than the destination. Whilst anyone – even covertly China via third parties - can purchase an Nvidia GPU, we feel the current order frenzy will inevitably lead to a future glut and that the longer-term winners will likely be those companies with proprietary large-scale data.

There has clearly been a lot of attention in recent years on the performance of the so-called "Magnificent 7" stocks: Microsoft, Apple, Alphabet, Amazon, Nvidia, Meta and Tesla. These companies together now have a market value of $13trillion, which is one quarter of the US market, and roughly the same size as all European stock markets including the UK combined.

It might be easy to dismiss the share price performance of "The Magnificent 7" as an "investment bubble" until we consider that they are forecast to make over a combined $400bn of net profit this year (up from $85bn a decade ago). The average share price return from "The Magnificent 7" of 2686% (27x) (in $ terms) over the same period is predominantly explained by the average earnings per share growth (they've also bought back a lot of shares) of 1769% (18x) since 2014.

US companies typically dominate their European counterparts given their generally laser focus on profit. Some will of course argue that the US simply has a bigger technology industry than Europe but there is nothing pre-ordained about this. "The Magnificent 7" companies were on average founded just 30 years ago (1994) with Tesla (2003) and Meta (2004) founded this century.

Much of Europe meanwhile appears to be turning its back on capitalism while ESG has spawned a bull market in mindless bureaucracy. Given the onerous imposition of reporting requirements on publicly traded companies (as well as investment funds) and the necessity to appease all stakeholders and special interest groups, how European corporate management teams ever get round to thinking about generating a profit is not clear to us.

As Milton Friedman pointed out, the responsibility of business is to make as much money as possible within the rules of society and many appear to have forgotten that profit has been the greatest motivation known to mankind to allocate finite resources productively; that capitalism is inherently meritocratic because its survival instincts require the best talent and optimal resources; and that no society can have sustainable economic growth without profit growth that increases the capital base of the economy for future productive reinvestment. We believe it is a return to the pursuit of profit, to paraphrase Gordon Gekko, that will save that malfunctioning corporation called Europe.

^source: Valu Trac calculation

*source: Morningstar

Outlook

Despite the political and bureaucratic constraints faced by much of corporate Europe we continue to find compelling idiosyncratic opportunities from our bottom-up work. The share prices of tanker companies Hafnia and Torm – the funds two largest positions at the end of Feb-24 – continue to make new highs. Since the Russian invasion of Ukraine in March 2022 they have delivered a total return of +336% and +523% respectively. Putting this in context current US stock darling NVidia has returned just +254%.

We also see a compelling opportunity in the defence sector too, an industry which until recently had been in a bear market since the fall of the Berlin Wall in 1989. Indeed, the Russian invasion of Ukraine (with words of encouragement from across the Atlantic) has been a Zeitenwende 1 moment in European thinking on defence expenditure with European NATO countries all now seemingly accepting that 2% of GDP should be a new floor on annual defence budgets.

NATO allies have to date provided Ukraine with $108bn of military aid of which the European share has been just $43bn. This compares to Russian current annual defence spending of $111bn (6.5% GDP). European countries have donated most of their ammunition and useful weaponry to Ukraine and are capacity constrained in ramping up production (hence their non-military aid has been much higher).

We calculate that the entire annual revenues of the quoted European defence industry last year were just $132bn. If NATO European annual spend increases to 2.8% of GDP and 50% of this is spent on equipment exclusively sourced within Europe, then industry revenues double. We believe European defence is a new bull market with legs.

Elsewhere, the Fund initiated some long gold mining positions in early March. With $300bn of Russian financial assets frozen (mostly in Euroclear) countries which dissent from US hegemony are highly incentivised to diversify their assets “outside” the Western banking system to avoid political default risk. Gold - with a market value of $15trillion - is the most liquid option. Note Chinese holdings of US Treasuries are now down to just $800bn (from $1.2trillion at peak in 2016).

More broadly, with measures of inflation still stuck at 3-4%, this means that the US economy is still experiencing a boom, with nominal growth of 6-7% supporting corporate earnings and credit, but at the cost of higher for longer rates. Fed Fund Futures have now gone from pricing in 6 ½ quarter point interest rate cuts starting in March at the start of the year to now just 2 ½ starting in June or July.

The Federal Reserve’s non-committal commitment to the 2% inflation target as well as rumours that the PBOC will soon initiate its own QE (perhaps floating its currency at the same time) means that gold should remain well bid, and we believe gold miners – having significantly underperformed the physical commodity – offer a more geared distressed play. The “itchy fingers” of central banks who want to step on the monetary accelerator cannot be easily reconciled with the current observation of booming nominal growth owing to imprudent fiscal stimulus.

Overall, we are currently in a period of unrestrained government spending for which central banks would seem unlikely to be able to provide a buyer-of-last resort backstop given bond investors should logically demand a higher return for stubbornly high inflation and, unlike in a deflationary world, simply sell all their bonds at any artificially low price. Conversely, equity investors, having worried about cyclical earnings, now given the “put” on nominal growth provided by fiscal policy, must worry more about valuation and duration risk. Put simply, the era of cheap money, deflation, and growth investing is likely over and, as we suggested back in October 2022, investors find themselves in a 1970’s Redux.

Overall we feel the opportunity set for active management is compelling and we remain grateful to our unitholders for their continued support.

Barry Norris
Argonaut Capital Partners LLP
Investment Manager to the Fund
April 2024

[1] As declared by German Chancellor Olaf Scholz, a watershed moment marking the end of the post-cold war period of peace dividend

Class A Retail Net Income

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	148.6171	146.8459	161.4581
Return before operating charges	13.0014	10.9558	(10.2332)
Operating charges (note 1)	(3.1411)	(2.8069)	(2.9443)
Return after operating charges *	9.8603	8.1489	(13.1775)
Distributions on income shares	(5.0661)	(6.3777)	(1.4347)
Closing net asset value per share	153.4113	148.6171	146.8459
*after direct transactions costs of:	0.6041	1.2409	1.3411
Performance			
Return after charges	6.63%	5.55%	(8.16%)
Other information			
Closing net asset value	£43,847	£256,424	£255,712
Closing number of shares	28,581	172,540	174,136
Operating charges (note 2)	2.08%	1.90%	1.91%
Direct transaction costs	0.40%	0.84%	0.87%
Prices			
Highest share price	156.3910	164.0099	174.8212
Lowest share price	132.2221	136.1749	141.4106

Class A Retail Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	334.4742	320.4489	346.9127
Return before operating charges	32.5157	20.2471	(20.0905)
Operating charges (note 1)	(7.2201)	(6.2218)	(6.3733)
Return after operating charges *	25.2956	14.0253	(26.4638)
Closing net asset value per share	359.7698	334.4742	320.4489
Distributions on accumulation shares	11.5257	14.0239	3.0543
*after direct transactions costs of:	1.3885	2.7507	2.9030
Performance			
Return after charges	7.56%	4.38%	(7.63%)
Other information			
Closing net asset value	£2,956,562	£13,325,504	£14,422,943
Closing number of shares	821,792	3,984,015	4,500,856
Operating charges (note 2)	2.08%	1.90%	1.91%
Direct transaction costs	0.40%	0.84%	0.87%
Prices			
Highest share price	363.7423	355.5717	376.9606
Lowest share price	300.8253	300.4352	306.3810

Financial Highlights (Continued)

Class A (EUR) Retail Net Accumulation

	Year ended 29 February 2024	**Year ended 28 February 2023**	**Year ended 28 February 2022**
Changes in net assets per share			
	EURc	EURc	EURc
Opening net asset value per share	156.6499	157.4389	163.8377
Return before operating charges	19.3650	2.1948	(3.3306)
Operating charges (note 1)	(3.4241)	(2.9838)	(3.0682)
Return after operating charges *	15.9409	(0.7890)	(6.3988)
Closing net asset value per share	172.5908	156.6499	157.4389
Retained distributions on accumulated shares	5.5428	6.6009	1.4273
*after direct transactions costs of:	0.6585	1.3192	1.3976
Performance			
Return after charges	10.18%	(0.50%)	(3.91%)
Other information			
Closing net asset value	€ 8,888	€ 8,067	€ 8,108
Closing number of shares	5,150	5,150	5,150
Operating charges (note 2)	2.08%	1.90%	1.91%
Direct transaction costs	0.40%	0.84%	0.87%
Prices			
Highest share price	174.7997	173.9689	181.2257
Lowest share price	143.7112	139.6609	150.9141

Class I Institutional Net Income

	Year ended 29 February 2024	**Year ended 28 February 2023**	**Year ended 28 February 2022**
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	154.4438	151.8634	167.0300
Return before operating charges	13.3288	12.1672	(11.3409)
Operating charges (note 1)	(1.6952)	(1.3784)	(1.4510)
Return after operating charges *	11.6336	10.7888	(12.7919)
Distributions on income shares	(6.5903)	(8.2084)	(2.3747)
Closing net asset value per share	159.4871	154.4438	151.8634
*after direct transactions costs of:	0.6279	1.2865	1.3872
Performance			
Return after charges	7.53%	7.10%	(7.66%)
Other information			
Closing net asset value	£738,262	£1,010,380	£1,746,957
Closing number of shares	462,898	654,205	1,150,348
Operating charges (note 2)	1.08%	0.90%	0.91%
Direct transaction costs	0.40%	0.84%	0.87%
Prices			
Highest share price	163.3217	170.9363	181.0925
Lowest share price	137.5361	141.6208	147.0162

Financial Highlights (Continued)

Class I Institutional Net Accumulation

		Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share				
		GBp	GBp	GBp
	Opening net asset value per share	309.4232	293.5138	314.5908
	Return before operating charges	30.2652	18.6226	(18.3101)
	Operating charges (note 1)	(3.4864)	(2.7132)	(2.7669)
	Return after operating charges *	26.7788	15.9094	(21.0770)
	Closing net asset value per share	336.2020	309.4232	293.5138
	Retained distributions on accumulated shares	13.7499	15.8184	4.4653
	*after direct transactions costs of:	1.2913	2.5323	2.6453
Performance				
	Return after charges	8.65%	5.42%	(6.70%)
Other information				
	Closing net asset value	£1,777,268	£2,556,756	£2,717,296
	Closing number of shares	528,631	826,297	925,782
	Operating charges (note 2)	1.08%	0.90%	0.91%
	Direct transaction costs	0.40%	0.84%	0.87%
Prices				
	Highest share price	339.8955	326.5771	344.2346
	Lowest share price	279.2720	276.8255	280.6151

Class I Institutional Net Accumulation (Currency Hedged)

		Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share		GBp	GBp	GBp
	Opening net asset value per share	112.2733	108.7987	113.3769
	Return before operating charges	17.0560	4.4469	(3.5673)
	Operating charges (note 1)	(1.2976)	(0.9948)	(1.0109)
	Return after operating charges *	15.7584	3.4521	(4.5782)
	Closing net asset value per share	128.0317	112.2733	108.7987
	Retained distributions on accumulated shares	5.1170	5.7508	1.4589
	*after direct transactions costs of:	0.4806	0.9285	0.9665
Performance				
	Return after charges	14.04%	3.19%	(4.04%)
Other information				
	Closing net asset value	£305,473	£183,421	£194,958
	Closing number of shares	238,592	163,370	179,192
	Operating charges (note 2)	1.08%	0.90%	0.91%
	Direct transaction costs	0.40%	0.84%	0.87%
Prices				
	Highest share price	128.8629	119.1204	125.9386
	Lowest share price	105.1936	97.1046	104.4660

Financial Highlights (Continued)

Class I (EUR) Institutional Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share			
	EURc	EURc	EURc
Opening net asset value per share	175.9701	175.1069	180.5188
Return before operating charges	21.8718	2.4430	(3.7938)
Operating charges (note 1)	(2.0077)	(1.5798)	(1.6181)
Return after operating charges *	19.8641	0.8632	(5.4119)
Closing net asset value per share	195.8342	175.9701	175.1069
Retained distributions on accumulated shares	8.0100	9.0837	2.5997
*after direct transactions costs of:	0.7436	1.4745	1.5470
Performance			
Return after charges	11.29%	0.49%	(3.00%)
Other information			
Closing net asset value	€ 78,612	€ 70,638	€ 70,292
Closing number of shares	40,142	40,142	40,142
Operating charges (note 2)	1.08%	0.90%	0.91%
Direct transaction costs	0.40%	0.84%	0.87%
Prices			
Highest share price	198.3242	193.7296	200.9990
Lowest share price	161.9723	156.2302	167.8318

Class R Retail Net Income

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	173.8818	170.9795	188.0503
Return before operating charges	15.1595	13.7129	(12.7636)
Operating charges (note 1)	(1.9086)	(1.5519)	(1.6336)
Return after operating charges *	13.2509	12.1610	(14.3972)
Distributions on income shares	(7.5785)	(9.2587)	(2.6736)
Closing net asset value per share	179.5542	173.8818	170.9795
*after direct transactions costs of:	0.7069	1.4484	1.5618
Performance			
Return after charges	7.62%	7.11%	(7.66%)
Other information			
Closing net asset value	£1,033,352	£810,361	£895,458
Closing number of shares	575,510	466,041	523,723
Operating charges (note 2)	1.08%	0.90%	0.91%
Direct transaction costs	0.40%	0.84%	0.87%
Prices			
Highest share price	183.8713	192.4659	203.8866
Lowest share price	154.8410	159.4458	165.5210

Financial Highlights (Continued)

Class R Retail Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	200.9783	190.6448	204.3349
Return before operating charges	19.6595	12.0958	(11.8929)
Operating charges (note 1)	(2.2645)	(1.7623)	(1.7972)
Return after operating charges *	17.3950	10.3335	(13.6901)
Closing net asset value per share	218.3733	200.9783	190.6448
Retained distributions on accumulated shares	8.9277	10.4059	2.9030
*after direct transactions costs of:	0.8387	1.6448	1.7182
Performance			
Return after charges	8.66%	5.42%	(6.70%)
Other information			
Closing net asset value	£12,020,933	£9,366,688	£10,042,609
Closing number of shares	5,504,764	4,660,547	5,267,708
Operating charges (note 2)	1.08%	0.90%	0.91%
Direct transaction costs	0.40%	0.84%	0.87%
Prices			
Highest share price	220.7724	212.1204	223.5892
Lowest share price	181.3949	179.8049	182.2667

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 Information Document (28 February 2023: ranked 6). The Sub-fund is ranked 6 because historical performance data indicates that significant rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 29 February 2024

Holding		Value £	% of net assets
	Equities (28.02.2023: 96.76%)		
150,000	ams OSRAM AG	175,188	0.92%
1,400	ASM International NV	669,739	3.54%
50,000	Avance Gas Holding Ltd	421,530	2.23%
20,000	Bayer AG	485,151	2.56%
5,000	BE Semiconductor Industries NV	712,525	3.76%
25,000	Buzzi Unicem SpA	671,418	3.54%
45,000	BW LPG Ltd	410,880	2.17%
100,000	Caixabank SA	361,058	1.91%
30,000	Cool Company Oy	265,430	1.40%
13,000	Covestro AG	551,650	2.91%
99,769	d'Amico International Shipping SA	532,305	2.81%
200,000	Hafnia Ltd	1,149,153	6.07%
3,000	Hannover Rueck SE	613,268	3.24%
55,000	Hoegh Autoliners ASA	416,577	2.20%
200,000	Intesa Sanpaolo SpA	504,762	2.66%
10,000	Kongsberg Gruppen ASA	502,708	2.65%
30,000	Leonardo SpA	506,132	2.67%
40,000	Mowi ASA	618,740	3.27%
71,750	National Bank of Greece SA	442,785	2.34%
10,000	Novo Nordisk A/S	953,187	5.03%
20,000	OTP Bank Nyrt	759,669	4.01%
8,000	Pandora A/S	1,040,843	5.50%
130,173	Piraeus Financial Holdings SA	440,347	2.32%
30,000	Repsol SA	377,929	2.00%
2,000	Rheinmetall AG	728,625	3.85%
10,000	Saab AB	622,526	3.29%
13,000	SalMar ASA	649,067	3.43%
10,000	Seadrill Ltd	315,030	1.66%
25,000	Tenaris SA	354,550	1.87%
40,000	Torm PLC	1,077,147	5.69%
18,000	UBS Group AG	409,459	2.16%
55,000	Wallenius Wilhelmsen ASA	411,253	2.18%
		18,150,631	95.84%
	Forward currency contracts (28.02.2023: 0.00%)		
	FxFWD: CHF/GBP - 28 March 2024	2,115	0.01%
	FxFWD: DKK/GBP - 28 March 2024	(218)	0.00%
	FxFWD: EUR/GBP - 28 March 2024	(449)	0.00%
	FxFWD: HUF/GBP - 28 March 2024	91	0.00%
	FxFWD: NOK/GBP - 28 March 2024	315	0.00%
	FxFWD: SEK/GBP - 28 March 2024	(5)	0.00%
		1,849	0.01%
	Portfolio summary (28.02.2023: 96.76%)	**18,152,480**	**95.85%**
	Net other assets (28.02.2023: 3.24%)	**788,205**	**4.15%**
		18,940,685	**100.00%**

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchase for the year (note 14)	**51,230,011**
Torm PLC	2,474,836
Newmont Corporation	1,850,183
Hafnia Ltd	1,739,791
Grifols SA	1,649,414
UK T Bill 0% 02/01/2024	1,480,140
Spotify Technology SA	1,280,532
Frontline Ltd	1,187,998
UK GILT 2.75% 07/09/2024	1,181,858
Nestle SA	1,171,433
Novo Nordisk A/S	1,135,043
Other various purchases	36,078,783

	£
Total sales for the year (note 14)	**59,806,567**
Torm PLC	3,090,938
Hafnia Ltd	2,527,577
Grifols SA	2,343,345
Koninklijke Vopak NV	2,242,238
Newmont Corporation	1,824,587
Spotify Technology SA	1,815,158
Dampskibsselskabet Norden A/S	1,704,183
Vallourec SA	1,683,383
Euronav NV	1,652,768
UK T Bill 0% 02/01/2024	1,496,338
Other various sales	39,426,052

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

STATEMENT OF TOTAL RETURN

For the year ended	Notes	29.02.2024 £	29.02.2024 £	28.02.2023 £	28.02.2023 £
Income					
Net capital (losses)	2		(69,245)		(40,479)
Revenue	3	1,360,402		1,952,099	
Expenses	4	(259,650)		(396,924)	
Interest payable and similar charges	6	(5,134)		(7,868)	
Net revenue before taxation		1,095,618		1,547,307	
Taxation	5	(101,739)		(156,709)	
Net revenue after taxation			993,879		1,390,598
Total return before distributions			924,634		1,350,119
Finance costs: distributions	6		(974,480)		(1,390,598)
Changes in net assets attributable to shareholders from investment activities			(49,846)		(40,479)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended	29.02.2024 £	28.02.2023 £
Opening net assets attributable to shareholders	27,549,724	30,357,997
Amounts receivable on creation of shares	1,075,179	1,201,865
Amounts payable on cancellation of shares	(10,359,617)	(5,193,190)
Dividends reinvested	725,245	1,223,531
Changes in net assets attributable to shareholders from investment activities (see above)	(49,846)	(40,479)
Closing net assets attributable to shareholders	18,940,685	27,549,724

BALANCE SHEET

As at	Notes	29.02.2024 £	29.02.2024 £	28.02.2023 £	28.02.2023 £
ASSETS					
Investment assets			18,153,152		26,658,298
Current assets					
Debtors	**7**	571,970		2,838,286	
Cash and bank balances	**8**	670,396		792,940	
Total current assets			1,242,366		3,631,226
Total assets			19,395,518		30,289,524
LIABILITIES					
Investment liabilities			(672)		-
Current liabilities					
Distribution payable on income shares		(23,244)		(62,002)	
Bank overdraft	**8**	(358,684)		-	
Creditors	**9**	(72,233)		(2,677,798)	
Total current liabilities			(454,161)		(2,739,800)
Net assets attributable to shareholders			18,940,685		27,549,724

1 Accounting policies, financial instruments and related party transactions are on pages 7-10.

2 **Net capital (losses)**	**2024**	**2023**
The net capital (losses) comprise:	**£**	**£**
Non-derivative securities gains	51,515	378,666
Currency (losses)	(119,497)	(398,888)
Forward currency contract gains/(losses)	9,774	(6,122)
Transaction charges	(11,037)	(14,135)
Total net capital (losses)	(69,245)	(40,479)

3 **Revenue**	**2024**	**2023**
	£	**£**
Non-taxable dividends	1,251,799	1,941,982
Interest on non-derivative securities	24,690	-
Bank interest	83,913	10,117
Total revenue	1,360,402	1,952,099

4 **Expenses**	**2024**	**2023**
	£	**£**
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	229,083	355,832
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,041	18,000
Safe custody fee	2,730	3,163
	20,771	21,163
Other expenses:		
Audit fee	10,316	8,724
FCA fee	(376)	447
RPA and research costs	14,159	-
Other expenses	(14,303)	10,758
	9,796	19,929
Total expenses	259,650	396,924

5 Taxation

	2024	2023
	£	£
(a) Analysis of charge in the year		
Overseas irrecoverable withholding tax	101,739	156,709
Total tax charge for the year (note 5b)	101,739	156,709

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2023: 20.00%) The differences are explained below:

	2024 £	2023 £
Net revenue before UK corporation tax	1,095,618	1,547,307
Corporation tax at 20.00% (2023: 20.00%)	219,124	309,461
Effects of:		
Revenue not subject to UK corporation tax	(250,360)	(388,396)
Excess management expenses not utilised	31,236	78,935
Overseas irrecoverable withholding tax	101,739	156,709
Total tax charge for the year (note 5a)	101,739	156,709

(c) Provision for deferred taxation

At 29 February 2024 there is a potential deferred tax asset of £4,284,051 (28 February 2023: £4,252,815) in relation to surplus management expenses.

6 Finance costs

	2024	2023
	£	£
Interim dividend distribution	572,797	577,618
Final dividend distribution	228,158	757,560
	800,955	1,335,178
Add: Revenue deducted on cancellation of shares	172,296	75,486
Deduct: Revenue received on issue of shares	1,229	(20,066)
Net distribution for the year	974,480	1,390,598
Interest payable and similar charges	5,134	7,868
Total finance costs	979,614	1,398,466
Reconciliation of distributions		
Net revenue after taxation	993,879	1,390,598
Balance carried forward	(19,399)	-
Net distribution for the year	974,480	1,390,598

7 Debtors	29.02.2024	28.02.2023
	£	£
Amounts receivable on creation of shares	16,882	2,051
Amounts receivable on unsettled trades	-	2,354,560
Amounts receivable on currency hedge	92	4
Accrued revenue:		
Non-taxable dividends	96,377	4,254
Overseas withholding tax recoverable	458,520	475,437
Prepayments	99	1,980
Total debtors	571,970	2,838,286

8 Cash and bank balances	29.02.2024	28.02.2023
	£	£
Cash and bank balances	670,396	792,940
Bank overdraft	(358,684)	-

9 Creditors	29.02.2024	28.02.2023
	£	£
Amounts payable on cancellation of shares	19,517	127,880
Amounts payable on unsettled trades	-	2,423,396
Annual management charge	24,348	68,135
Accrued interest and bank charges payable	15	6
Other accrued expenses	28,353	58,381
Total creditors	72,233	2,677,798

10 Risk management

In pursuing its investment objective as stated on page 11, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, derivatives, 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 discussed in pages 8-9. These policies have been applied throughout the year.

Market price risk

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 29 February 2024 would have increased/decreased by £1,815,248 (28 February 2023: £2,665,830).

Foreign currency risk

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Net non-monetary assets and liabilities		Total net assets	
	£		£		£	
	29.02.2024	28.02.2023	29.02.2024	28.02.2023	29.02.2024	28.02.2023
Danish Krone	217,080	209,938	3,070,960	3,193,715	3,288,040	3,403,653
Euro	335,622	336,424	7,951,794	15,312,768	8,287,416	15,649,192
Hungarian Forint	-	-	759,760	501,997	759,760	501,997
Norwegian Krone	65,560	(905,440)	5,160,684	6,133,242	5,226,244	5,227,802
Swedish Krona	3,208	674,233	622,521	-	625,729	674,233
Swiss Franc	170	674	586,761	521,621	586,931	522,295
US Dollar	102,820	253,248	-	994,955	102,820	1,248,203
Total foreign currency exposure	724,460	569,077	18,152,480	26,658,298	18,876,940	27,227,375
Sterling	63,745	322,349	-	-	63,745	322,349
Total	788,205	891,426	18,152,480	26,658,298	18,940,685	27,549,724

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets (prior to the effect of currency hedging on applicable share classes) will affect the Sub-fund by £1,887,694 (28 February 2023: £2,722,738).

Interest rate risk

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

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

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

	29.02.2024	**28.02.2023**
	£	**£**
Financial assets floating rate	670,396	792,940
Financial assets non-interest bearing instruments	18,724,450	29,496,584
Financial liabilities non-interest bearing instruments	(95,477)	(2,739,800)
Financial liabilities floating rate	(358,684)	-
	18,940,685	**27,549,724**

At 29 February 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £779 (28 February 2023: £1,982).

10 Risk management (continued)

During the year the AFM entered into derivative contracts on behalf of the Sub-fund for Efficient Portfolio Management ("EPM").

At the year end, a sensitivity analysis or value at risk approach is not significant given the level and nature of the derivatives held.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 29 February 2024 are payable either within one year or on demand.

Credit risk

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

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

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 value 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.

	29.02.2024		**28.02.2023**	
Valuation Technique	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	18,150	-	26,657	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	3	(1)	1	-
Total	18,153	(1)	26,658	-

11 Shares held

Shares Held	Class A Retail Net Income	Class A Retail Net Accumulation	Class A (EUR) Retail Net Accumulation
Opening shares at 01.03.2023	**172,540**	**3,984,015**	**5,150**
Shares issued during the year	1,661	30,613	-
Shares cancelled during the year	(4,820)	(2,232,173)	-
Shares converted during the year	(140,800)	(960,663)	-
Closing shares as at 29.02.2024	**28,581**	**821,792**	**5,150**

Shares Held	Class I Institutional Net Income	Class I Institutional Net Accumulation	Class I Institutional Net Accumulation (Currency Hedged)	Class I (EUR) Institutional Net Accumulation
Opening shares at 01.03.2023	**654,205**	**826,297**	**163,370**	**40,142**
Shares issued during the year	1,012	17,318	85,430	-
Shares cancelled during the year	(194,548)	(187,640)	(10,208)	-
Shares converted during the year	2,229	(127,344)	-	-
Closing shares as at 29.02.2024	**462,898**	**528,631**	**238,592**	**40,142**

Shares Held	Class R Retail Net Income	Class R Retail Net Accumulation
Opening shares at 01.03.2023	**466,041**	**4,660,547**
Shares issued during the year	56,339	369,701
Shares cancelled during the year	(79,080)	(1,302,026)
Shares converted during the year	132,210	1,776,542
Closing shares as at 29.02.2024	**575,510**	**5,504,764**

12 Contingent assets and liabilities

At 29 February 2024, the Sub-fund had no contingent liabilities or commitments (28 February 2023: £nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 29 February 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

	Price (GBp) at 29 February 2024	Price (GBp) at 27 June 2024
Class A Retail Net Income	153.4113	165.4943
Class A Retail Net Accumulation	359.7698	388.1044
Class I Institutional Net Income	159.4871	172.6120
Class I Institutional Net Accumulation	336.2020	363.8694
Class I Institutional Net Accumulation (Currency Hedged)	128.0317	139.7402
Class R Retail Net Income	179.5542	194.3304
Class R Retail Net Accumulation	218.3733	236.3443

	Price (EURc) at 29 February 2024	Price (EURc) at 27 June 2024
Class A (EUR) Retail Net Accumulation	172.5908	188.4845
Class I (EUR) Institutional Net Accumulation	195.8342	214.5689

14 Direct transaction costs

	2024		2023	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	51,187,674		138,647,012	
Commissions	27,252	0.05%	82,584	0.06%
Taxes & levies	15,085	0.03%	76,704	0.06%
Total purchase costs	42,337	0.08%	159,288	0.12%
Total purchases including transaction costs	51,230,011		138,806,300	
Analysis of total sale costs				
Sales in the year before transaction costs	59,848,187		142,517,651	
Commissions	(41,593)	(0.07%)	(81,554)	(0.06%)
Taxes & levies	(27)	(0.00%)	(516)	(0.00%)
	(41,620)	(0.07%)	(82,070)	(0.06%)
Total sales net of transaction costs	59,806,567		142,435,581	

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

	2024 £	% of average net asset value	2023 £	% of average net asset value
Commissions	68,845	0.33%	164,138	0.57%
Taxes & levies	15,112	0.07%	77,220	0.27%
	83,957	0.40%	241,358	0.84%

15 Portfolio dealing spread

The average portfolio dealing spread at 29 February 2024 is 0.11% (28 February 2023: 0.13%).

Interim distributions in pence per share
Group 1: Shares purchased prior to 01 March 2023
Group 2: Shares purchased on or after 01 March 2023 and on or before 31 August 2023

	Share Class	Net Revenue 31.10.2023	Equalisation	Distribution 31.10.2023	Distribution 31.10.2022
group 1	Class A Retail Net Income	3.7943p	-	3.7943p	2.5776p
group 2	Class A Retail Net Income	3.7943p	-	3.7943p	2.5776p
group 1	Class A Retail Net Accumulation	8.5785p	-	8.5785p	5.6404p
group 2	Class A Retail Net Accumulation	4.3609p	4.2176p	8.5785p	5.6404p
group 1	Class A (EUR) Retail Net Accumulation	3.5362p	-	3.5362p	2.2984p
group 2	Class A (EUR) Retail Net Accumulation	3.5362p	-	3.5362p	2.2984p
group 1	Class I Institutional Net Income	4.5305p	-	4.5305p	3.5057p
group 2	Class I Institutional Net Income	3.1156p	1.4149p	4.5305p	3.5057p
group 1	Class I Institutional Net Accumulation	9.4645p	-	9.4645p	6.6311p
group 2	Class I Institutional Net Accumulation	6.8125p	2.6520p	9.4645p	6.6311p
group 1	Class I Institutional Net Accumulation (Cur Hdg)	3.5047p	-	3.5047p	2.4454p
group 2	Class I Institutional Net Accumulation (Cur Hdg)	3.5047p	-	3.5047p	2.4454p
group 1	Class I (EUR) Institutional Net Accumulation	4.7272p	-	4.7272p	3.3138p
group 2	Class I (EUR) Institutional Net Accumulation	4.7272p	-	4.7272p	3.3138p
group 1	Class R Retail Net Income	5.2595p	-	5.2595p	3.9630p
group 2	Class R Retail Net Income	2.6610p	2.5985p	5.2595p	3.9630p
group 1	Class R Retail Net Accumulation	6.1434p	-	6.1434p	4.4361p
group 2	Class R Retail Net Accumulation	2.9067p	3.2367p	6.1434p	4.4361p

Final distributions in pence per share
Group 1: Shares purchased prior to 01 September 2023
Group 2: Shares purchased 01 September 2023 and on or before 29 February 2024

	Share Class	Net Revenue 30.04.2024	Equalisation	Distribution 30.04.2024	Distribution 28.04.2023
group 1	Class A Retail Net Income	1.2718p	-	1.2718p	3.8001p
group 2	Class A Retail Net Income	1.2718p	-	1.2718p	3.8001p
group 1	Class A Retail Net Accumulation	2.9472p	-	2.9472p	8.3835p
group 2	Class A Retail Net Accumulation	1.2219p	1.7253p	2.9472p	8.3835p
group 1	Class A (EUR) Retail Net Accumulation	1.2152p	-	1.2152p	3.4434p
group 2	Class A (EUR) Retail Net Accumulation	1.2152p	-	1.2152p	3.4434p
group 1	Class I Institutional Net Income	2.0598p	-	2.0598p	4.7027p
group 2	Class I Institutional Net Income	1.8072p	0.2526p	2.0598p	4.7027p
group 1	Class I Institutional Net Accumulation	4.2854p	-	4.2854p	9.1873p
group 2	Class I Institutional Net Accumulation	1.4916p	2.7938p	4.2854p	9.1873p
group 1	Class I Institutional Net Accumulation (Cur Hdg)	1.6123p	-	1.6123p	3.3054p
group 2	Class I Institutional Net Accumulation (Cur Hdg)	0.2707p	1.3416p	1.6123p	3.3054p
group 1	Class I (EUR) Institutional Net Accumulation	2.1386p	-	2.1386p	4.5845p
group 2	Class I (EUR) Institutional Net Accumulation	2.1386p	-	2.1386p	4.5845p
group 1	Class R Retail Net Income	2.3190p	-	2.3190p	5.2957p
group 2	Class R Retail Net Income	0.9251p	1.3939p	2.3190p	5.2957p
group 1	Class R Retail Net Accumulation	2.7843p	-	2.7843p	5.9698p
group 2	Class R Retail Net Accumulation	1.7350p	1.0493p	2.7843p	5.9698p

Information for corporate shareholders
A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:
i) 92.02% of the total dividend allocation together with the tax credit is received as franked investment income.
ii) 7.98% 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.

Name of Sub-fund	VT Argonaut Absolute Return Fund
Size of Sub-fund	£151,572,446
Launch date	14 July 2012

Sub-fund objective and policy

To provide positive returns over a 3 year period, regardless of market conditions.

Capital invested in the Sub-fund is at risk and there is no guarantee that the investment objective will be met over a 3 year, or any other period.

The Sub-fund may, at times, invest in a relatively small number of equities, the selection of which will not be restricted either by size, industry, or geographical location of the underlying companies, although exposure is expected to be mainly (over 50% of gross exposure) to companies incorporated in Europe.

The Sub-fund may take investment exposure to equities, fixed interest instruments, collective investment schemes (which may include those managed/operated by the AFM) cash and near cash (which includes money market instruments and deposits in any currency).

Any such exposures could be gained by direct investment or through funds or derivative instruments.

In pursuit of its investment policy, all or a substantial proportion of the Sub-fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments.

The Sub-fund may use derivatives and forward transactions (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) for the purposes of meeting the investment objective or efficient portfolio management.

Investment strategy

The Investment Manager will seek to identify methodically those investments, generally in European markets including the UK and Eastern Europe, with the most and least attractive characteristics for investment. This assessment will be made with a view to being long on stocks with superior or underestimated earnings trends and being short on stocks with inferior or overestimated earnings trends.

The investment process will involve traditional long investing (taking a position in a stock on the expectation of the stock rising) and also "shorting" (taking a position with the expectation of the stock falling). Stocks are selected by the Investment Manager primarily on over (shorts) and under (longs) estimated corporate earnings trends with the aim of providing "double alpha" from their stock-picking. Alpha is the difference between our returns and those of the market average. Successfully executed this will result in positive returns from the Sub-fund regardless of market conditions.

The Sub-fund may also use leverage to enhance returns or cash to protect capital. The Investment Manager will vary leverage and market exposure according to market conditions.

Investment strategies will be achieved through some use of derivative products (which will include contracts for difference (swaps), traded options and financial futures) in the pursuit of the investment objective. Direct investment will be made in equities and corporate debt securities for long exposure whereas exchange-traded financial derivative instruments and over-the-counter financial derivative instruments (together 'derivatives'). Short positions will be generated synthetically through derivatives, designed to allow the Sub-fund to benefit economically from the fall in the price of the underlying securities to which the derivatives relate.

In pursuit of its investment policy, all or a substantial proportion of the Sub-fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments; the Sub-fund may also invest in government bonds and other transferable securities collective investment schemes (and use may be made of stock lending, borrowing, hedging techniques permitted by the FCA Rules).

Investment strategy (Continued)	In addition to a cash holding being maintained to contribute to the absolute return, substantial cash holdings could be required in support of derivatives to achieve the same economic return as holding the securities themselves. The Sub-fund's over-the-counter financial derivatives may be transacted with a single counterparty and strategies may be generated through a single derivative contract. In all circumstances, however, the Sub-fund will comply with the investment restrictions and limits set out in the Prospectus. Derivatives strategies are designed to have the same economic effect as if the Sub-fund were investing directly in the equities underlying the derivatives. In addition, the Sub-fund has the ability to invest in transferable securities embedding derivatives such as convertible bonds and to employ techniques involving, foreign exchange forwards, futures, options, stock lending and contracts for difference for the purpose of efficient portfolio management. These strategies may be used for reducing risk, reducing cost or generating additional capital for the Sub-fund. The Sub-fund aims to generate absolute returns from five principal strategies: • Long investing where there is a strong conviction that the stock price will rise; • Short investing where there is a strong conviction that the stock price will fall; • Pair trades – a combination of long and short investments to minimise sector and market risk. This could take the form of arbitrage opportunities such as long corporate debt paired with short equity; • Cash holdings of up to 100% of the portfolio; • Leverage to increase exposure to equity and corporate debt securities whether long or short but only to the extent permitted by the FCA Regulations.† † The AFM has taken the decision to not permit the Sub-fund's leverage to exceed a maximum limit of 200% of the Net Asset Value of the Sub-fund.
Performance Comparator:	The Sub-fund is not managed against any formal benchmark. The Sub-fund uses the Investment Association's (IA) IA Targeted Absolute Return Sector for performance comparison purposes only ("Performance Comparator"). The Performance Comparator is not used as a performance target or as a constraint in relation to the composition of the Sub-fund's portfolio. The Performance Comparator was chosen because it enables investors to compare the performance of the portfolio against competing funds in the same sector. The Performance Comparator is used to compare the Sub-fund's rank or quartile as compared to the performance of other Sub-funds in the IA Targeted Absolute Return Sector over a variety of time frames. The AFM reserves the right to change the comparator following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the AFM determines that an alternative may be more appropriate. Shareholders will be notified of such a change, in accordance with the rules in COLL.
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 August, Last day of February
Distribution dates	31 October, 30 April
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

SUB-FUND OVERVIEW (Continued)

Share class information

Share class*	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Minimum redemption	Initial charge **
Class A (Currency Hedged) Retail Net Accumulation	£ 500	£ 250	£ 250	£ 100	5.25%
Class R (Currency Hedged) Retail Net Accumulation	£ 500	£ 250	£ 250	£ 100	0.00%
Class I (Currency Hedged) Institutional Net Accumulation	£ 3,000,000	£ 1,000	£ 3,000,000	£ 1,000	0.00%
Class O (Currency Hedged) Institutional Net Accumulation	£ 500	£ 250	£ 250	£ 100	5.00%
Class A (EUR) (Currency Hedged) Retail Net Accumulation	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.25%
Class I (EUR) (Currency Hedged) Institutional Net Accumulation	€ 3,000,000	€ 1,000	€ 3,000,000	€ 1,000	0.00%
Class O (EUR) (Currency Hedged) Institutional Net Accumulation	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.00%
Class A (USD) (Currency Hedged) Retail Net Accumulation	$ 2,500	$ 1,000	$ 2,500	$ 1,000	5.25%
Class I (USD) (Currency Hedged) Institutional Net Accumulation	$ 3,000,000	$ 1,000	$ 3,000,000	$ 1,000	0.00%
Class O (USD) (Currency Hedged) Institutional Net Accumulation	$ 2,500	$ 1,000	$ 2,500	$ 1,000	5.00%
Class A (CHF) (Currency Hedged) Retail Net Accumulation^	2,500 CHF	1,000 CHF	2,500 CHF	1,000 CHF	5.25%
Class I (CHF) (Currency Hedged) Institutional Net Accumulation^	3,000,000 CHF	1,000 CHF	3,000,000 CHF	1,000 CHF	0.00%

^Share classes not launched

* Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

**The initial charge is shown as a percentage of the amount invested which is equivalent to 5.5409% of the price of shares.

Annual management charges

In respect of the A shares, it is equal to 1.50% per annum of the net asset value of the A shares.

In respect of the R shares, it is equal to 0.75% per annum of the net asset value of the R shares.

In respect of the I shares, it is equal to 0.75% per annum of the net asset value of the I shares.

In respect of the O shares, it is equal to 1.50% per annum of the net asset value of the O shares.

Performance fee

The performance fee will be calculated and accrued daily but will only become payable annually in arrears in respect of each discrete period of twelve months ending 31 December (the "Performance Period"). The performance fee will accrue daily as if each day were the end of a performance period, therefore if relevant; the fee may be payable upon redemptions and will be paid to the Investment Manager at the end of the performance period. There is no maximum value on the performance fee that could be taken. Full details can be found in the Prospectus.

The amount of performance fee payable in respect of each performance period is a Sterling amount equivalent to the product of:
(a) the higher of:
• the excess performance over 5% (the "Hurdle Rate"); and
• the highest mid price, net of any performance fee, calculated at the end of any previous performance period (the "High Watermark"); the higher being the "Target Price";
(b) the rate of the performance fee (being 20% of the outperformance of the Target Price); and
(c) the average number of shares in issue during the calculation period.

The accrual for a performance fee shall reflect the average number of shares in issue during the performance period. However, where the actual number of shares in issue (on any day) is less than 95% of the average number of shares in issue shown on the performance fee calculation (which could occur where large redemptions of shares are placed relative to the number of shares in issue in that share class), the average number of shares in issue will be reset to the actual number of shares in issue.

Investment Review
The fund returned +30.8% (Class I (currency hedged) Institutional Net Accumulation)^ over the 12-month review period (28th February 2023 to 29th February 2024) vs. the IA Targeted Absolute Return sector of +4.4% and the Lipper equity long/short sector of +4.0%. The correlation of the fund was negative at -0.5 vs. European equities. Since launch the fund has returned +240.3%* vs. the IA Targeted Absolute Return sector of +52.5% and the Lipper equity long/short sector of +44.4%, with a negative correlation to European equities of -0.1.

During the review period, the fund posted good returns on both the long and short book. In our long book, the biggest winners were Builders FirstSource (+120%), Uber Technologies (+112%), Meta Platforms (+93%), Leonardo SpA (+76%) and Rheinmetall AG (+68%). These gains were slightly offset by detractors such as D/S Norden (-35%), Norwegian Air Shuttle (-27%) and International Seaways (-27%).

In the short book, the biggest winners came from the funds US regional bank names that went bust: Signature Bank (-100%), SVB Financial Group (-100%), First Republic Bank (-100%), as well as European idiosyncratic names Samhällsbyggnadsbolaget I Norden AB (-78%) and Hexatronic Group (-75%). The main losers were Metropolitan Bank (+74%), Burford Capital (+64%) and Tesla (+49%).

The value of short selling is more easily identifiable in periods of market weakness. There were five negative market months during the period under review where the MSCI Europe delivered a negative return of 11%. In those same months the Fund delivered a positive return of 24% (a negative downside capture ratio for the Fund relative to the market of -223%). The remaining positive market months during the review period yielded a return +7% for the fund.

We believe that a hedged fund should offer not only compelling returns but returns which come at different times to commoditised market beta, which will always be more easily manufactured and can therefore be bought more cheaply through the passive fund management industry. We would also note that our Fund returns are always quoted after all costs and that our return profile is a valuable diversifier, with very low or negative correlation to both equities and bonds and also the growth and value factors.

Market Overview
Markets struggled to make ground during the first half of the review period culminating in a sell-off in October on the prospect of rising interest rates and sticky inflation. Following hopes that the Federal Reserve would start cutting interest rates during 2024 (with as many as 7 cuts priced in) markets staged a strong rally to the end of review period, based on hopes for a “soft landing”, also driven by hopes that Artificial Intelligence (AI) might drive a productivity boom.

The stock market, particularly in the US, remains enticed by the prospect of Artificial Intelligence, even though like the children following the Pied Piper of Hamelin, most enthusiasts seem more confident about the journey rather than the destination. Whilst anyone – even covertly China via third parties - can purchase an Nvidia GPU, the current order frenzy will inevitably lead to a future glut. Longer-term winners will likely be those companies with proprietary large-scale data.

There has clearly been a lot of attention in recent years on the performance of the so-called “Magnificent 7” stocks: Microsoft, Apple, Alphabet, Amazon, Nvidia, Meta and Tesla. These companies together now have a market value of $13trillion, which is one quarter of the US market, and roughly the same size as all European stock markets including the UK combined.

It might be easy to dismiss the share price performance of “The Magnificent 7” as an “investment bubble” until we consider that they are forecast to make over a combined $400bn of net profit this year (up from $85bn a decade ago). The average share price return from “The Magnificent 7” of 2686% (27x) (in $ terms) over the same period is predominantly explained by the average earnings per share growth (they’ve also bought back a lot of shares) of 1769% (18x) since 2014.

US companies typically dominate their European counterparts given their generally laser focus on profit. Some will of course argue that the US simply has a bigger technology industry than Europe but there is nothing pre-ordained about this. “The Magnificent 7” companies were on average founded just 30 years ago (1994) with Tesla (2003) and Meta (2004) founded this century.

Much of Europe meanwhile appears to be turning its back on capitalism while ESG has spawned a bull market in mindless bureaucracy. Given the onerous imposition of reporting requirements on publicly traded companies (as well as investment funds) and the necessity to appease all stakeholders and special interest groups, how European corporate management teams ever get round to thinking about generating a profit is not clear to us.

As Milton Friedman pointed out, the responsibility of business is to make as much money as possible within the rules of society and many appear to have forgotten that profit has been the greatest motivation known to mankind to allocate finite resources productively; that capitalism is inherently meritocratic because its survival instincts require the best talent and optimal resources; and that no society can have sustainable economic growth without profit growth that increases the capital base of the economy for future productive reinvestment. We believe it is a return to the pursuit of profit, to paraphrase Gordon Gekko, that will save that malfunctioning corporation called Europe.

*source: Morningstar ^source: Valu Trac calculation

Outlook

Despite the political and bureaucratic constraints faced by much of corporate Europe we continue to find compelling idiosyncratic opportunities from our bottom-up work. The share prices of tanker companies Hafnia and Torm – the funds two largest positions at the end of Feb-24 – continue to make new highs. Since the Russian invasion of Ukraine in March 2022 they have delivered a total return of +336% and +523% respectively. Putting this in context current US stock darling Nvidia has returned just +254%.

We also see a compelling opportunity in the defence sector too, an industry which until recently had been in a bear market since the fall of the Berlin Wall in 1989. Indeed, the Russian invasion of Ukraine (with words of encouragement from across the Atlantic) has been a Zeitenwende 1 moment in European thinking on defence expenditure with European NATO countries all now seemingly accepting that 2% of GDP should be a new floor on annual defence budgets.

NATO allies have to date provided Ukraine with $108bn of military aid of which the European share has been just $43bn. This compares to Russian current annual defence spending of $111bn (6.5% GDP). European countries have donated most of their ammunition and useful weaponry to Ukraine and are capacity constrained in ramping up production (hence their non-military aid has been much higher).

We calculate that the entire annual revenues of the quoted European defence industry last year were just $132bn. If NATO European annual spend increases to 2.8% of GDP and 50% of this is spent on equipment exclusively sourced within Europe, then industry revenues double. We believe European defence is a new bull market with legs.

Elsewhere, the Fund initiated some long gold mining positions in early March. With $300bn of Russian financial assets frozen (mostly in Euroclear) countries which dissent from US hegemony are highly incentivised to diversify their assets "outside" the Western banking system to avoid political default risk. Gold - with a market value of $15trillion - is the most liquid option. Note Chinese holdings of US Treasuries are now down to just $800bn (from $1.2trillion at peak in 2016).

More broadly, with measures of inflation still stuck at 3-4%, this means that the US economy is still experiencing a boom, with nominal growth of 6-7% supporting corporate earnings and credit, but at the cost of higher for longer rates. Fed Fund Futures have now gone from pricing in 6 ½ quarter point interest rate cuts starting in March at the start of the year to now just 2 ½ starting in June or July.

The Federal Reserve's non-committal commitment to the 2% inflation target as well as rumours that the PBOC will soon initiate its own QE (perhaps floating its currency at the same time) means that gold should remain well bid, and we believe gold miners – having significantly underperformed the physical commodity – offer a more geared distressed play. The "itchy fingers" of central banks who want to step on the monetary accelerator cannot be easily reconciled with the current observation of booming nominal growth owing to imprudent fiscal stimulus.

Overall, we are currently in a period of unrestrained government spending for which central banks would seem unlikely to be able to provide a buyer-of-last resort backstop given bond investors should logically demand a higher return for stubbornly high inflation and, unlike in a deflationary world, simply sell all their bonds at any artificially low price. Conversely, equity investors, having worried about cyclical earnings, now given the "put" on nominal growth provided by fiscal policy, must worry more about valuation and duration risk. Put simply, the era of cheap money, deflation, and growth investing is likely over and, as we suggested back in October 2022, investors find themselves in a 1970's Redux.

The Fund has now delivered double-digit positive returns in each of the last five calendar years and whilst the future is guaranteed to be challenging, we believe this demonstrates that there is value in seeking diversification in Argonaut's active management. We remain grateful to our dhareholders for their continued support.

Barry Norris
Argonaut Capital Partners LLP
Investment Manager to the Fund
April 2024

[1] As declared by German Chancellor Olaf Scholz, a watershed moment marking the end of the post-cold war period of peace dividend

Financial Highlights

Class A (currency hedged) Retail Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	235.1301	241.9389	197.4838
Return before operating charges	74.9234	(2.9684)	48.1902
Operating charges (note 1)	(4.5414)	(3.8404)	(3.7351)
Return after operating charges *	70.3820	(6.8088)	44.4551
Closing net asset value per share	305.5121	235.1301	241.9389
Distributions on accumulation shares	4.4817	3.3991	-
*after direct transactions costs of:	1.6490	0.0477	-
Performance			
Return after charges	29.93%	(2.81%)	22.51%
Other information			
Closing net asset value	£9,161,760	£5,960,726	£3,887,581
Closing number of shares	2,998,821	2,535,076	1,606,844
Operating charges (note 2)	1.68%	1.61%	1.70%
Performance fee	3.26%	0.79%	2.44%
Direct transaction costs	0.61%	0.02%	0.00%
Prices			
Highest share price	308.4442	282.7941	249.4626
Lowest share price	233.6934	218.9774	192.3120

Class A (EUR) (currency hedged) Retail Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share			
	EURc	EURc	EURc
Opening net asset value per share	145.5642	150.6643	123.2633
Return before operating charges	46.0750	(2.7155)	29.7294
Operating charges (note 1)	(2.8089)	(2.3846)	(2.3284)
Return after operating charges *	43.2661	(5.1001)	27.4010
Closing net asset value per share	188.8303	145.5642	150.6643
Distributions on accumulation shares	2.8521	2.1754	-
*after direct transactions costs of:	1.0199	0.0296	-
Performance			
Return after charges	29.72%	(3.39%)	22.23%
Other information			
Closing net asset value	€ 2,277,821	€ 1,784,288	€ 1,435,803
Closing number of shares	1,206,280	1,225,773	952,981
Operating charges (note 2)	1.68%	1.61%	1.70%
Performance fee	3.26%	0.79%	2.44%
Direct transaction costs	0.61%	0.02%	0.00%
Prices			
Highest share price	190.6062	175.3945	155.3442
Lowest share price	144.6188	135.8332	119.7111

Financial Highlights (Continued)

Class A (USD) (currency hedged) Retail Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share			
	USDc	USDc	USDc
Opening net asset value per share	116.7598	121.5182	99.0746
Return before operating charges	37.7257	(2.8403)	24.3186
Operating charges (note 1)	(2.2595)	(1.9181)	(1.8750)
Return after operating charges *	35.4662	(4.7584)	22.4436
Closing net asset value per share	152.2260	116.7598	121.5182
Distributions on accumulation shares	2.3084	1.9707	-
*after direct transactions costs of:	0.8204	0.0238	-
Performance			
Return after charges	30.38%	(3.92%)	22.66%
Other information			
Closing net asset value	$7,392,744	$4,488,764	$655,582
Closing number of shares	4,856,426	3,844,444	539,493
Operating charges (note 2)	1.68%	1.61%	1.70%
Performance fee	3.26%	0.79%	2.44%
Direct transaction costs	0.61%	0.02%	0.00%
Prices			
Highest share price	153.7122	141.4550	125.6109
Lowest share price	116.0460	108.7141	96.5889

Class I (currency hedged) Institutional Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	260.1887	267.2182	216.9423
Return before operating charges	82.8797	(4.7617)	52.5757
Operating charges (note 1)	(2.7922)	(2.2678)	(2.2998)
Return after operating charges *	80.0875	(7.0295)	50.2759
Closing net asset value per share	340.2762	260.1887	267.2182
Retained distributions on accumulated shares	5.9183	4.3660	0.7970
*after direct transactions costs of:	1.8314	0.0527	-
Performance			
Return after charges	30.78%	(2.63%)	23.17%
Other information			
Closing net asset value	£48,573,516	£25,458,876	£12,589,807
Closing number of shares	14,274,730	9,784,773	4,711,434
Operating charges (note 2)	0.93%	0.86%	0.95%
Performance fee	3.26%	0.79%	2.44%
Direct transaction costs	0.61%	0.02%	0.00%
Prices			
Highest share price	343.5390	312.9567	275.7339
Lowest share price	258.6361	242.1453	211.9241

Financial Highlights (Continued)

Class I (EUR) (currency hedged) Institutional Net Accumulation

		Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share				
		EURc	EURc	EURc
	Opening net asset value per share	212.8243	219.9703	169.7268
	Return before operating charges	64.4701	(5.2850)	52.0946
	Operating charges (note 1)	(2.2685)	(1.8610)	(1.8511)
	Return after operating charges *	62.2016	(7.1460)	50.2435
	Closing net asset value per share	275.0259	212.8243	219.9703
	Retained distributions on accumulated shares	4.9361	3.8874	0.6432
	*after direct transactions costs of:	1.4879	0.0433	-
Performance				
	Return after charges	29.23%	(3.25%)	29.60%
Other information				
	Closing net asset value	€ 2,910,546	€ 1,985,038	€ 1,200,225
	Closing number of shares	1,058,281	932,712	545,630
	Operating charges (note 2)	0.93%	0.86%	0.95%
	Performance fee	3.26%	0.79%	2.44%
	Direct transaction costs	0.61%	0.02%	0.00%
Prices				
	Highest share price	277.5770	257.7488	227.8202
	Lowest share price	211.4747	198.4557	165.4052

Class I (USD) (currency hedged) Institutional Net Accumulation

		Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share				
		USDc	USDc	USDc
	Opening net asset value per share	147.6584	151.9790	123.3970
	Return before operating charges	48.2030	(3.0322)	29.8900
	Operating charges (note 1)	(1.5900)	(1.2884)	(1.3080)
	Return after operating charges *	46.6130	(4.3206)	28.5820
	Closing net asset value per share	194.2714	147.6584	151.9790
	Retained distributions on accumulated shares	3.5302	2.8289	0.4412
	*after direct transactions costs of:	1.0429	0.0300	-
Performance				
	Return after charges	31.57%	(2.84%)	23.16%
Other information				
	Closing net asset value	$6,701,299	$4,017,607	$1,349,925
	Closing number of shares	3,449,452	2,720,880	888,231
	Operating charges (note 2)	0.93%	0.86%	0.95%
	Performance fee	3.26%	0.79%	2.44%
	Direct transaction costs	0.61%	0.02%	0.00%
Prices				
	Highest share price	196.1053	178.2502	156.8412
	Lowest share price	146.7742	137.3407	120.8196

Financial Highlights (Continued)

Class R (currency hedged) Retail Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	221.4443	227.6359	184.5625
Return before operating charges	70.1828	(4.2606)	45.0313
Operating charges (note 1)	(2.3747)	(1.9310)	(1.9579)
Return after operating charges *	67.8081	(6.1916)	43.0734
Closing net asset value per share	289.2524	221.4443	227.6359
Retained distributions on accumulated shares	5.0862	3.9825	0.6764
*after direct transactions costs of:	1.5576	0.0449	-
Performance			
Return after charges	30.62%	(2.72%)	23.34%
Other information			
Closing net asset value	£65,567,137	£40,577,241	£16,976,360
Closing number of shares	22,667,796	18,323,907	7,457,682
Operating charges (note 2)	0.93%	0.86%	0.95%
Performance fee	3.26%	0.79%	2.44%
Direct transaction costs	0.61%	0.02%	0.00%
Prices			
Highest share price	292.0224	266.8351	235.1684
Lowest share price	220.1229	206.0870	180.3914

Class O (currency hedged) Institutional Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	119.6514	123.6336	100.3522
Return before operating charges	38.1439	(2.0238)	25.1853
Operating charges (note 1)	(2.3111)	(1.9584)	(1.9039)
Return after operating charges *	35.8328	(3.9822)	23.2814
Closing net asset value per share	155.4842	119.6514	123.6336
Retained distributions on accumulated shares	2.2856	1.7237	-
*after direct transactions costs of:	0.8392	0.0243	-
Performance			
Return after charges	29.95%	(3.22%)	23.20%
Other information			
Closing net asset value	£7,245,229	£6,922,236	£2,702,616
Closing number of shares	4,659,786	5,785,337	2,185,989
Operating charges (note 2)	1.68%	1.61%	1.70%
Performance fee	3.26%	0.79%	2.44%
Direct transaction costs	0.61%	0.02%	0.00%
Prices			
Highest share price	156.9491	145.2882	127.7276
Lowest share price	118.9202	111.4315	97.6923

Financial Highlights (Continued)

Class O (EUR) (currency hedged) Institutional Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share	EURc	EURc	EURc
Opening net asset value per share	116.2575	121.8838	98.8343
Return before operating charges	36.0755	(3.7093)	24.9256
Operating charges (note 1)	(2.2374)	(1.9170)	(1.8761)
Return after operating charges *	33.8381	(5.6263)	23.0495
Closing net asset value per share	150.0956	116.2575	121.8838
Retained distributions on accumulated shares	2.2575	1.8335	-
*after direct transactions costs of:	0.8124	0.0238	-
Performance			
Return after charges	29.11%	(4.62%)	23.32%
Other information			
Closing net asset value	€ 1,037,583	€ 1,156,208	€ 424,694
Closing number of shares	691,281	994,523	348,441
Operating charges (note 2)	1.68%	1.61%	1.70%
Performance fee	3.26%	0.79%	2.44%
Direct transaction costs	0.61%	0.02%	0.00%
Prices			
Highest share price	151.4940	142.2586	125.9370
Lowest share price	115.5037	108.5200	96.3169

Class O (USD) (currency hedged) Institutional Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share	USDc	USDc	USDc
Opening net asset value per share	117.4775	121.9787	99.2606
Return before operating charges	38.2481	(2.5736)	24.5986
Operating charges (note 1)	(2.2758)	(1.9276)	(1.8805)
Return after operating charges *	35.9723	(4.5012)	22.7181
Closing net asset value per share	153.4498	117.4775	121.9787
Retained distributions on accumulated shares	2.3490	1.9468	-
*after direct transactions costs of:	0.8263	0.0239	-
Performance			
Return after charges	30.62%	(3.69%)	22.89%
Other information			
Closing net asset value	$5,817,891	$3,536,258	$989,951
Closing number of shares	3,791,397	3,010,159	811,577
Operating charges (note 2)	1.68%	1.61%	1.70%
Performance fee	3.26%	0.79%	2.44%
Direct transaction costs	0.61%	0.02%	0.00%
Prices			
Highest share price	154.8987	142.7770	126.2431
Lowest share price	116.7780	109.3863	96.8812

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 Information Document (28 February 2023: ranked 6). The Sub-fund is ranked 6 because historical performance data indicates that significant rises and falls in market prices would have occurred historically.

As at 29 February 2024

Holding		Value £	% of net assets
	Equities (28.02.2023: 0.98%)		
55,000	Alphabet Inc	5,928,277	3.91%
52,000	Amazon.com Inc	7,117,426	4.70%
200,000	Ardmore Shipping Corp	2,534,022	1.67%
40,000	Builders FirstSource Inc	6,110,740	4.03%
250,000	BW LPG Ltd	2,282,667	1.51%
110,000	Cameco Corp	3,542,968	2.34%
25,000	D.R. Horton Inc	2,884,762	1.90%
2,500	Eli Lilly and Co	1,497,867	0.99%
1,800,407	Hafnia Ltd	10,344,718	6.82%
47,848	Hoegh Autoliners ASA	362,407	0.24%
120,000	Kongsberg Gruppen ASA	6,032,496	3.98%
25,000	Lennar Corp	3,039,878	2.01%
360,000	Leonardo SpA	6,073,589	4.01%
15,500	Meta Platforms Inc	5,927,743	3.91%
19,000	Microsoft Corp	6,122,826	4.04%
399,980	Mowi ASA	6,187,095	4.08%
550,083	National Bank of Greece SA	3,394,682	2.24%
30,000	Novo Nordisk A/S	2,859,562	1.89%
152,054	OTP Bank Nyrt	5,775,538	3.81%
45,000	Pandora A/S	5,854,745	3.86%
1,000,793	Piraeus Financial Holdings SA	3,385,463	2.23%
20,000	Rheinmetall AG	7,286,251	4.81%
119,718	SalMar ASA	5,977,306	3.94%
430,000	Teva Pharmaceutical Industries Ltd	4,448,924	2.94%
390,792	Torm PLC	10,523,507	6.94%
100,000	Uber Technologies Inc	6,143,779	4.04%
450,000	Viatris Inc	4,371,307	2.87%
		136,010,545	89.71%
	Collective Investment Schemes (28.02.2023: 8.61%)		
56,842	Goldman Sachs Sterling Liquid Reserves Value	56,842	0.04%
		56,842	0.04%
	Government Bonds (28.02.2023: 42.77%)		
		-	-
		-	-
	Contracts for Difference (28.02.2023: 1.62%)		
(15,000)	Albemarle Corp	(172,801)	(0.11%)
(30,000)	Alstom SA	(21,389)	(0.01%)
(49,801)	Ambu A/S	(6,293)	-
(550,000)	Arbor Realty Trust Inc	(51,834)	(0.03%)
(120,000)	Azelis Group NV	(42,135)	(0.03%)
490,000	BAE Systems PLC	76,670	0.05%
(500)	Barry Callebaut AG	28,513	0.02%
(20,000)	Charter Communications Inc	71,032	0.05%
(100,000)	Claros Mortgage Trust Inc	42,650	0.03%
(1,500)	Credit Acceptance Corp	20,185	0.01%
(20,000)	Digital Realty Trust Inc	60,960	0.04%
(300,000)	Drax Group PLC	(80,400)	(0.05%)
240,000	Energy Transfer LP	9,678	0.01%
(14,000)	Eurofins Scientific SE	6,714	-
(40,000)	Fevertree Drinks PLC	(42,400)	(0.03%)

Holding		Value £	% of net assets
	Contracts for Difference (Continued)		
(49,868)	Figs Inc	17,146	0.01%
(100,000)	Full Truck Alliance Co Ltd	(12,251)	(0.01%)
(99,767)	Future PLC	60,858	0.04%
(70,000)	Grifols SA	16,642	0.01%
(90,000)	Hemnet Group AB (publ)	(33,685)	(0.02%)
(1,000,380)	Hexatronic Group AB	88,639	0.06%
(249,603)	International Distributions Services PLC	42,308	0.03%
(298,974)	IWG Plc	27,356	0.02%
160,000	Kinder Morgan Inc	23,396	0.02%
(150)	Chocoladefabriken Lindt & Spruengli AG	49,842	0.03%
(250,398)	Medical Properties Trust Inc	(62,343)	(0.04%)
(30,000)	Moderna Inc	(150,808)	(0.10%)
(7,497,062)	Nel ASA	(3,138)	-
(300,000)	Nibe Industrier AB	222,276	0.15%
(3,007,940)	Orron Energy AB	(18,151)	(0.01%)
(45,151)	Oersted A/S	75,472	0.05%
(150,000)	Paramount Global	3,525	-
219,847	Plains All American Pipeline LP	72,582	0.05%
(100,000)	Prosiebensat 1 Media SE	(856)	-
(100,000)	Prospect Capital Corp	15,124	0.01%
(100,000)	Rivian Automotive Inc	216,582	0.14%
(1,700,009)	Samhallsbyggnadsbolaget I Norden AB	13,602	0.01%
(100,000)	Siemens Energy AG	(33,828)	(0.02%)
(8,000)	Tesla Motors Inc	(18,981)	(0.01%)
(150,000)	Trainline PLC	15,000	0.01%
(14,946)	Trupanion Inc	78,913	0.05%
(85,000)	US Bancorp	22,507	0.01%
(450,000)	Valley National Bancorp	214,542	0.14%
(500,000)	Volvo Car AB	(78,711)	(0.05%)
(50,000)	Warner Bros Discovery Inc	(5,011)	-
(89,634)	Watches of Switzerland Group PLC	3,765	-
		761,464	0.53%
	Forward currency contracts (28.02.2023: 0.07%)		
	FxFWD: CHF/GBP - 28 March 2024	19,888	0.01%
	FxFWD: DKK/GBP - 28 March 2024	(89,181)	(0.06%)
	FxFWD: EUR/GBP - 28 March 2024	(72,310)	(0.05%)
	FxFWD: HUF/GBP - 28 March 2024	37,558	0.02%
	FxFWD: NOK/GBP - 28 March 2024	116,177	0.08%
	FxFWD: SEK/GBP - 28 March 2024	(122)	-
	FxFWD: USD/GBP - 28 March 2024	(182,845)	(0.12%)
		(170,835)	(0.12%)
	Hedged currency forward contracts (28.02.2023: (0.07%))		
	USD Hedged share classes forward contract gain	16,564	0.01%
	EUR Hedged share classes forward contract gain	8,780	0.01%
	USD Hedged share classes forward contract gain	14,947	0.01%
	EUR Hedged share classes forward contract gain	3,130	-
	USD Hedged share classes forward contract gain	13,147	0.01%
	EUR Hedged share classes forward contract gain	6,779	-
		63,347	0.04%
	Portfolio of investments (28.02.2023: 53.98%)	**136,721,363**	**90.20%**
	Net other assets (28.02.2023: 46.02%)	**14,851,083**	**9.80%**
		151,572,446	**100.00%**

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	**622,208,490**
Builders FirstSource Inc	21,619,937
Goldman Sachs Sterling Liquid Reserves Value	19,500,000
Uber Technologies Inc	19,218,378
Torm PLC	18,583,927
Amazon.com Inc	18,529,601
Hafnia Ltd	18,016,931
Alphabet Inc	15,660,951
Microsoft Corp	15,557,440
Lennar Corp	14,791,071
D.R. Horton Inc	14,757,677
Other various purchases	445,972,577

	£
Total sales for the year (note 14)	**556,431,446**
Goldman Sachs Sterling Liquid Reserves Value	27,450,000
Builders FirstSource Inc	18,944,679
Uber Technologies Inc	15,324,469
Scorpio Tankers Inc	13,714,768
D.R. Horton Inc	12,727,802
Lennar Corp	12,695,339
Amazon.com Inc	12,628,187
Salesforce Inc	11,464,233
Meta Platforms Inc	10,703,368
Microsoft Corp	10,144,848
Other various sales	410,633,753

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

STATEMENT OF TOTAL RETURN

For the year ended	Notes	29.02.2024 £	29.02.2024 £	28.02.2023 £	28.02.2023 £
Income					
Net capital gains/(losses)	2		28,795,280		(9,593,743)
Revenue	3	7,703,367		7,155,349	
Expenses	4	(6,281,881)		(2,550,313)	
Interest payable and similar charges	6	(637,522)		(1,434,532)	
Net revenue before taxation		783,964		3,170,504	
Taxation	5	(380,847)		(1,035,632)	
Net revenue after taxation			403,117		2,134,872
Total return before distributions			29,198,397		(7,458,871)
Finance costs: distributions	6		(2,092,593)		(1,773,852)
Changes in net assets attributable to shareholders from investment activities			27,105,804		(9,232,723)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended	29.02.2024 £	28.02.2023 £
Opening net assets attributable to shareholders	93,049,343	40,950,548
Amounts receivable on creation of shares	70,242,736	119,014,454
Amounts payable on cancellation of shares	(40,902,906)	(59,338,251)
Dividends reinvested	2,077,469	1,655,315
Changes in net assets attributable to shareholders from investment activities (see above)	27,105,804	(9,232,723)
Closing net assets attributable to shareholders	151,572,446	93,049,343

BALANCE SHEET

As at	Notes	29.02.2024 £	29.02.2024 £	28.02.2023 £	28.02.2023 £
ASSETS					
Investment assets			137,900,836		53,989,246
Current assets					
Debtors	**7**	11,500,362		925,185	
Cash and bank balances	**8**	19,284,279		47,619,510	
Total current assets			30,784,641		48,544,695
Total assets			168,685,477		102,533,941
LIABILITIES					
Investment liabilities			(1,179,473)		(3,759,893)
Current liabilities					
Bank overdraft	**8**	(6,676,345)		(3,579,390)	
Creditors	**9**	(9,257,213)		(2,145,315)	
Total current liabilities			(15,933,558)		(5,724,705)
Net assets attributable to shareholders			151,572,446		93,049,343

1 Accounting policies, financial instruments and related party transactions are on pages 7-10.

2 Net capital gains/(losses)	2024	2023
The net capital gains/(losses) comprise:	£	£
Derivatives contract gains/(losses)	7,299,227	(9,589,238)
Non-derivative security gains	21,177,551	1,781,758
Currency (losses)	(1,531,987)	(104,589)
Forward currency contract gains	3,139,728	88,816
Transaction charges	(1,289,239)	(1,770,490)
Total net capital gains/(losses)	28,795,280	(9,593,743)

3 Revenue	2024	2023
	£	£
Non-taxable dividends	2,946,382	559,785
Interest on non derivative securities	625,208	514,068
CFD long position	1,746,359	5,332,396
Bank interest received	2,385,418	749,100
Total revenue	7,703,367	7,155,349

4 Expenses	2024	2023
	£	£
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	988,243	815,956
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	37,786	30,999
Safe custody fee	10,649	4,007
	48,435	35,006
Other expenses:		
Audit fee	12,042	10,067
FCA fee	(376)	47
CFD short position	1,588,049	951,484
Performance fee	3,559,864	701,669
RPA and research costs	62,580	-
Other expenses	23,044	36,084
	5,245,203	1,699,351
Total expenses	6,281,881	2,550,313

5 Taxation

	2024 £	2023 £
(a) Analysis of charge in the year		
Overseas irrecoverable withholding tax	380,847	1,035,632
Total tax charge for the year (note 5b)	380,847	1,035,632
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is higher/(lower) than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2023: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	783,964	3,170,504
Corporation tax at 20.00% (2023: 20.00%)	156,793	634,101
Effects of:		
Revenue not subject to UK corporation tax	(589,276)	(111,957)
Excess management expenses not utilised/(utilised)	432,483	(522,144)
Overseas irrecoverable withholding tax	380,847	1,035,632
Total tax charge for the year (note 5a)	380,847	1,035,632

(c) Provision for deferred taxation

At 29 February 2024 there is a potential deferred tax asset of £2,648,189 (28 February 2023: £2,215,706) in relation to surplus management expenses.

6 Finance costs

	2024 £	2023 £
Interim dividend distribution	2,077,469	1,027,084
Final dividend distribution	-	628,231
	2,077,469	1,655,315
Add: Revenue deducted on cancellation of shares	233,399	445,089
Deduct: Revenue received on issue of shares	(218,275)	(326,552)
Net distribution for the year	2,092,593	1,773,852
Interest payable and similar charges	637,522	1,434,532
Total finance costs	2,730,115	3,208,384
Reconciliation of distributions		
Net revenue after taxation	403,117	2,134,872
Balance brought forward	361,020	-
Balance carried forward	-	(361,020)
Revenue deficit charged to capital	1,328,456	-
Net distribution for the year	2,092,593	1,773,852

7 Debtors	29.02.2024	28.02.2023
	£	£
Amounts receivable on creation of shares	4,110,714	276,944
Amounts receivable on unsettled trades	6,766,126	-
Amounts receivable on currency hedge	161,824	257,707
Accrued revenue:		
Interest on non derivative securities	288	106,818
Non-taxable dividends	340,137	-
Overseas withholding tax recoverable	66,960	191,495
CFD long position	-	78,012
Bank interest receivable	54,099	7,538
Prepayments	214	6,671
Total debtors	11,500,362	925,185

8 Cash and bank balances	29.02.2024	28.02.2023
	£	£
Cash and bank balances	19,226,277	31,675,085
Amount held at futures clearing houses and brokers	58,002	15,944,425
	19,284,279	47,619,510
Bank overdraft	(6,676,345)	(3,579,390)

9 Creditors	29.02.2024	28.02.2023
	£	£
Amounts payable on cancellation of shares	515,211	395,083
Amounts payable on unsettled trades	7,159,014	1,190,819
Amounts receivable on currency hedge	7,646	165,676
Annual management charge	190,491	208,744
Performance fee payable	1,309,481	-
Accrued interest and bank charges payable	17,807	102,861
CFD short position	4,742	16,475
Amounts payable for taxation refund	-	1,331
Other accrued expenses	52,821	64,326
Total creditors	9,257,213	2,145,315

10 Risk management

In pursuing its investment objective as stated on page 33, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, derivatives, 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 discussed in pages 8-9. These policies have been applied throughout the year.

Market price risk

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 29 February 2024 would have increased/decreased by £13,606,739 (28 February 2023: £11,868,846).

Foreign currency risk

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

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Net non-monetary assets and liabilities		Total net assets	
	£		£		£	
	29.02.2024	28.02.2023	29.02.2024	28.02.2023	29.02.2024	28.02.2023
Canadian Dollar	(38)	-	-	-	(38)	-
Czech Koruna	21	23	-	-	21	23
Danish Krone	1,562,736	(4,624)	19,217,812	1,233,417	20,780,548	1,228,793
Euro	357,400	(637,386)	20,011,512	323,597	20,368,912	(313,789)
Hungarian Forint	829,230	(6,357)	5,813,096	(33,910)	6,642,326	(40,267)
Norwegian Krone	5,474,401	(10,218)	31,299,728	297,389	36,774,129	287,171
Swedish Krona	4,390	(11,063)	193,848	498,563	198,238	487,500
Swiss Franc	1,312	736	98,242	-	99,554	736
US Dollar	8,822,388	291,059	59,927,125	11,024,899	68,749,513	11,315,958
Total foreign currency exposure	17,051,840	(377,830)	136,561,363	13,343,955	153,613,203	12,966,125
Sterling	(2,200,757)	43,197,820	160,000	36,885,398	(2,040,757)	80,083,218
Total	14,851,083	42,819,990	136,721,363	50,229,353	151,572,446	93,049,343

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets (prior to the effect of currency hedging on applicable share classes) will affect the Sub-fund by £15,361,320 (28 February 2023: £1,296,613).

Interest rate risk

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

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

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

	29.02.2024	**28.02.2023**
	£	**£**
Financial assets floating rate	19,284,279	47,619,510
Financial assets non-interest bearing instruments	149,344,356	7,118,154
Financial assets interest bearing instruments	56,842	47,796,277
Financial liabilities non-interest bearing instruments	(10,436,686)	(5,905,208)
Financial liabilities floating rate	(6,676,345)	(3,579,390)
	151,572,446	**93,049,343**

At 29 February 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £31,520 (28 February 2023: £110,100).

10 Risk management (Continued)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 29 February 2024 are payable either within one year or on demand.

Credit risk

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

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

During the year the AFM entered into derivative contracts on behalf of the Sub-fund for Efficient Portfolio Management ("EPM").

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 value 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.

	29.02.2024		28.02.2023	
Valuation Technique	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	136,010	-	40,695	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	1,891	(1,179)	13,294	(3,760)
Total	137,901	(1,179)	53,989	(3,760)

Derivative risk

Derivatives (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) may be used for purposes of meeting the Sub-fund's investment objectives and efficient portfolio management purposes and are expected to form a significant part of the Sub-fund's portfolio.

Derivative transactions are entered into directly with an eligible person or institution (a ‘counterparty’).

There is a risk that the counterparty may not meet its obligations or become insolvent which could cause the Sub-fund to incur a loss. To mitigate this risk the Sub-fund has entered a collateral arrangement with the counterparty. As at 29 February 2024, there was £7,513,274 of net collateral posted by the counterparty (28 February 2023: £19,332,375).

Counterparty risk

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

	Counterparty	Derivative Exposure £	Net Collateral Posted £	Net Collateral Received £	Collateral Asset Class
2024	UBS	-	7,513,274	-	Cash
2023	UBS	-	19,332,375	-	Cash

Leverage

Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives and in accordance with the commitment approach (CESR/10-788) divided by the net asset value).

There was 149.19% leverage as at 29 February 2024, other than that available to the Sub-fund as a result of its ability to borrow up to 10% of its value on a permanent basis (28 February 2023: 300.83%).

11 Shares held

Shares Held	Class A (currency hedged) Retail Net Accumulation	Class A (EUR) (currency hedged) Retail Net Accumulation	Class A (USD) (currency hedged) Retail Net Accumulation
Opening shares 01.03.2023	**2,535,076**	**1,225,773**	**3,844,444**
Shares issued during the year	1,551,202	357,377	2,823,672
Shares cancelled during the year	(711,715)	(376,870)	(1,811,690)
Shares converted during the year	(375,742)	-	-
Closing shares as at 29.02.2024	**2,998,821**	**1,206,280**	**4,856,426**

Shares Held	Class I (currency hedged) Institutional Net Accumulation	Class I (EUR) (currency hedged) Institutional Net Accumulation	Class I (USD) (currency hedged) Institutional Net Accumulation
Opening shares 01.03.2023	**9,784,773**	**932,712**	**2,720,880**
Shares issued during the year	7,657,623	360,962	1,211,894
Shares cancelled during the year	(2,585,952)	(235,393)	(488,695)
Shares converted during the year	(581,714)	-	5,373
Closing shares as at 29.02.2024	**14,274,730**	**1,058,281**	**3,449,452**

Shares Held	Class R (currency hedged) Retail Net Accumulation
Opening shares 01.03.2023	**18,323,907**
Shares issued during the year	12,674,753
Shares cancelled during the year	(9,412,015)
Shares converted during the year	1,081,151
Closing shares as at 29.02.2024	**22,667,796**

Shares Held	Class O (currency hedged) Institutional Net Accumulation	Class O (EUR) (currency hedged) Institutional Net Accumulation	Class O (USD) (currency hedged) Institutional Net Accumulation
Opening shares 01.03.2023	**5,785,337**	**994,523**	**3,010,159**
Shares issued during the year	1,313,340	154,018	2,077,741
Shares cancelled during the year	(2,438,891)	(457,260)	(1,289,703)
Shares converted during the year	-	-	(6,800)
Closing shares as at 29.02.2024	**4,659,786**	**691,281**	**3,791,397**

12 Contingent assets and liabilities

At 29 February 2024, the Sub-fund had no contingent liabilities or commitments (28 February 2023: £nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 29 February 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

	Price (GBp) at 29 February 2024	Price (GBp) at 27 June 2024
Class A (currency hedged) Retail Net Accumulation	305.5121	306.4119
Class I (currency hedged) Institutional Net Accumulation	340.2762	341.6441
Class R (currency hedged) Retail Net Accumulation	289.2524	290.7635
Class O (currency hedged) Institutional Net Accumulation	155.4842	155.9207

	Price (EURc) at 29 February 2024	Price (EURc) at 27 June 2024
Class A (EUR) (currency hedged) Retail Net Accumulation	188.8303	188.0010
Class I (EUR) (currency hedged) Institutional Net Accumulation	275.0259	275.8342
Class O (EUR) (currency hedged) Institutional Net Accumulation	150.0956	150.6363

	Price (USDc) at 29 February 2024	Price (USDc) at 27 June 2024
Class A (USD) (currency hedged) Retail Net Accumulation	152.2260	152.8047
Class I (USD) (currency hedged) Institutional Net Accumulation	194.2714	195.7973
Class O (USD) (currency hedged) Institutional Net Accumulation	153.4498	153.7707

14 Direct transaction costs

	2024		2023	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	621,853,855		171,580,312	
Commissions	306,133	0.05%	6,013	0.00%
Taxes & levies	48,502	0.01%	-	0.00%
Total purchase costs	354,635	0.06%	6,013	0.00%
Total purchases including transaction costs	622,208,490		171,586,325	
Analysis of total sale costs				
Sales in the year before transaction costs	556,736,669		131,241,541	
Commissions	(303,640)	(0.05%)	(9,143)	(0.01%)
Taxes & levies	(1,583)	(0.00%)	-	(0.00%)
	(305,223)	(0.05%)	(9,143)	(0.01%)
Total sales net of transaction costs	556,431,446		131,232,398	

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

	2024 £	% of average net asset value	2023 £	% of average net asset value
Commissions	609,773	0.56%	15,156	0.02%
Taxes & levies	50,085	0.05%	-	0.00%
	659,858	0.61%	15,156	0.02%

15 Portfolio dealing spread

The average portfolio dealing spread at 29 February 2024 is 0.07% (28 February 2023: 0.00%).

Interim distributions in pence per share
Group 1: Shares purchased prior to 01 March 2023
Group 2: Shares purchased on or after 01 March 2023 and on or before 31 August 2023

	Share Class	Net Revenue 31.10.2023	Equalisation	Distribution 31.10.2023	Distribution 31.10.2022
group 1	Class A (Cur Hdg) Retail Net Accumulation	4.4817p	-	4.4817p	1.6653p
group 2	Class A (Cur Hdg) Retail Net Accumulation	1.7642p	2.7175p	4.4817p	1.6653p
group 1	Class A (EUR) (Cur Hdg) Retail Net Accumulation	2.4457p	-	2.4457p	0.7373p
group 2	Class A (EUR) (Cur Hdg) Retail Net Accumulation	1.1678p	1.2779p	2.4457p	0.7373p
group 1	Class A (USD) (Cur Hdg) Retail Net Accumulation	1.8205p	-	1.8205p	1.0747p
group 2	Class A (USD) (Cur Hdg) Retail Net Accumulation	0.7610p	1.0595p	1.8205p	1.0747p
group 1	Class I (Cur Hdg) Institutional Net Accumulation	5.9183p	-	5.9183p	2.6590p
group 2	Class I (Cur Hdg) Institutional Net Accumulation	3.3778p	2.5405p	5.9183p	2.6590p
group 1	Class I (EUR) (Cur Hdg) Institutional Net Accumulation	4.2327p	-	4.2327p	1.9074p
group 2	Class I (EUR) (Cur Hdg) Institutional Net Accumulation	1.9091p	2.3236p	4.2327p	1.9074p
group 1	Class I (USD) (Cur Hdg) Institutional Net Accumulation	2.7841p	-	2.7841p	1.4236p
group 2	Class I (USD) (Cur Hdg) Institutional Net Accumulation	1.2472p	1.5369p	2.7841p	1.4236p
group 1	Class R (Cur Hdg) Retail Net Accumulation	5.0862p	-	5.0862p	2.4932p
group 2	Class R (Cur Hdg) Retail Net Accumulation	2.6747p	2.4115p	5.0862p	2.4932p
group 1	Class O (Cur Hdg) Institutional Net Accumulation	2.2856p	-	2.2856p	1.0265p
group 2	Class O (Cur Hdg) Institutional Net Accumulation	1.1117p	1.1739p	2.2856p	1.0265p
group 1	Class O (EUR) (Cur Hdg) Institutional Net Accumulation	1.9358p	-	1.9358p	1.0232p
group 2	Class O (EUR) (Cur Hdg) Institutional Net Accumulation	1.3772p	0.5586p	1.9358p	1.0232p
group 1	Class O (USD) (Cur Hdg) Institutional Net Accumulation	1.8525p	-	1.8525p	0.9428p
group 2	Class O (USD) (Cur Hdg) Institutional Net Accumulation	0.9968p	0.8557p	1.8525p	0.9428p

Final distributions in pence per share

Group 1: Shares purchased prior to 01 September 2023
Group 2: Shares purchased 01 September 2023 and on or before 29 February 2024

	Share Class	Net Revenue 30.04.2024	Equalisation	Distribution 30.04.2024	Distribution 28.04.2023
group 1	Class A (Cur Hdg) Retail Net Accumulation	-	-	-	1.7338p
group 2	Class A (Cur Hdg) Retail Net Accumulation	-	-	-	1.7338p
group 1	Class A (EUR) (Cur Hdg) Retail Net Accumulation	-	-	-	1.1554p
group 2	Class A (EUR) (Cur Hdg) Retail Net Accumulation	-	-	-	1.1554p
group 1	Class A (USD) (Cur Hdg) Retail Net Accumulation	-	-	-	0.5974p
group 2	Class A (USD) (Cur Hdg) Retail Net Accumulation	-	-	-	0.5974p
group 1	Class I (Cur Hdg) Institutional Net Accumulation	-	-	-	1.7070p
group 2	Class I (Cur Hdg) Institutional Net Accumulation	-	-	-	1.7070p
group 1	Class I (EUR) (Cur Hdg) Institutional Net Accumulation	-	-	-	1.4625p
group 2	Class I (EUR) (Cur Hdg) Institutional Net Accumulation	-	-	-	1.4625p
group 1	Class I (USD) (Cur Hdg) Institutional Net Accumulation	-	-	-	0.9719p
group 2	Class I (USD) (Cur Hdg) Institutional Net Accumulation	-	-	-	0.9719p
group 1	Class R (Cur Hdg) Retail Net Accumulation	-	-	-	1.4893p
group 2	Class R (Cur Hdg) Retail Net Accumulation	-	-	-	1.4893p
group 1	Class O (Cur Hdg) Institutional Net Accumulation	-	-	-	0.6972p
group 2	Class O (Cur Hdg) Institutional Net Accumulation	-	-	-	0.6972p
group 1	Class O (EUR) (Cur Hdg) Institutional Net Accumulation	-	-	-	0.5636p
group 2	Class O (EUR) (Cur Hdg) Institutional Net Accumulation	-	-	-	0.5636p
group 1	Class O (USD) (Cur Hdg) Institutional Net Accumulation	-	-	-	0.7043p
group 2	Class O (USD) (Cur Hdg) Institutional Net Accumulation	-	-	-	0.7043p

Information for corporate shareholders

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

i) 38.25% of the total dividend allocation together with the tax credit is received as franked investment income.

ii) 61.75% 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.

Name of Sub-fund	VT Argonaut Equity Income Fund
Size of Sub-fund	£3,054,428
Launch date	30 December 2016
Sub-fund objective and policy	The Sub-fund aims to provide an income (net of fees) in excess of the yield of the European market (as represented by the IA Europe ex UK sector) with capital growth over any 5 year calendar period. The Sub-fund will invest in a concentrated portfolio of approximately 30-60 stocks. The Sub-fund will invest predominantly in securities of companies incorporated in Europe (including up to 5% in UK companies). The Sub-fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities or derivatives exchange. The Sub-fund may also invest in emerging European markets including Russia and Eastern Europe. The Sub-fund is not constrained by any index weightings and will not concentrate on any particular country, sector or market capitalisation. To aid liquidity, the Sub-fund also has the ability to invest in assets such as American Depositary Receipts and Global Depositary Receipts. The Sub-fund may also invest in other transferable securities, units in collective investment schemes, money market instruments and deposits. The Sub-fund may make use of derivatives and forward transactions for the purposes of investment and for efficient portfolio management, including the use of hedging techniques and stock lending.
Benchmark	The Sub-fund aims to provide an income (net of fees) in excess of the yield of the IA (Investment Association's) Europe ex UK sector with capital growth over any 5 year calendar period. The Europe ex UK sector is therefore a target benchmark against which the performance of the Fund has been set ("Target Benchmark"). Investors may use the Sub-fund's performance against the Target Benchmark to assess the risks of investing in the Sub-fund.
Authorised Fund Manager (AFM)	Valu-Trac Investment Management Limited
Ex-distribution dates	30 November, last day of February, 31 May, 31 August
Distribution dates	15 January, 15 April, 15 July, 15 October
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.

Share class information

Share class*	Minimum initial subscription	Minimum subsequent	Minimum holding	Minimum redemption	Initial charge
Class R Retail Net Income	£500	£250	£250	£100	0.00%
Class R Retail Net Accumulation	£500	£250	£250	£100	0.00%
Class R (currency hedged) Retail Net Income^	£500	£250	£250	£100	0.00%
Class R (currency hedged) Retail Net Accumulation^	£500	£250	£250	£100	0.00%

^Share classes not launched

* Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

Annual management charges
In respect of the R shares, it is equal to 0.65% per annum of the net asset value of the relevant share class.

Investment Review
The fund returned +6.0% (Class R Retail Net Accumulation) over the 12-month review period (28th February 2023 to 29th February 2024) vs. the IA Europe-ex-UK Equity sector of +8.6%. Since launch the fund has delivered +72.9% vs. a peer group of +70.0% (37/82 funds) in the IA Europe-ex-UK Equity sector and +52.6% in its European-ex-UK peer group (1/8 funds).

The biggest winners within the underlying portfolio during the review period were chip manufacturer BE Semiconductor Industries (+130%), Italian defence contractor Leonardo SpA (+76%), German weaponsmith Rheinmetall AG (+56%), Norwegian salmon farmer SalMar ASA (+52%) and “Diamonds For All” retailer Pandora (+51%). While the Fund generated a positive return overall, the largest detractors in the period were Danish shipping business Norden (-44%), Spanish blood plasma manufacturer Grifols (-33%) and offshore driller Seadrill Ltd (-32%).

Market Overview
European equity markets struggled to make ground during the first half of the review period culminating in a sell-off in October on the prospect of rising interest rates and sticky inflation. Following hopes that central banks would start cutting interest rates in 2024 and improved sentiment towards China’s macroeconomic outlook, European equity markets then staged a strong rally to the end of the review period, fuelled by hopes of a “soft landing” as well as the prospect of an Artificial Intelligence (AI) driven productivity boom.

Growth stocks performed particularly well in this recent rally, led by a technology sector enticed by the prospect of AI even though, like the children following the Pied Piper of Hamelin, most AI enthusiasts seem more confident about the journey rather than the destination. Whilst anyone – even covertly China via third parties - can purchase an Nvidia GPU, we feel the current order frenzy will inevitably lead to a future glut and that the longer-term winners will likely be those companies with proprietary large-scale data.

There has clearly been a lot of attention in recent years on the performance of the so-called “Magnificent 7” stocks: Microsoft, Apple, Alphabet, Amazon, Nvidia, Meta and Tesla. These companies together now have a market value of $13trillion, which is one quarter of the US market, and roughly the same size as all European stock markets including the UK combined.

It might be easy to dismiss the share price performance of “The Magnificent 7” as an “investment bubble” until we consider that they are forecast to make over a combined $400bn of net profit this year (up from $85bn a decade ago). The average share price return from “The Magnificent 7” of 2686% (27x) (in $ terms) over the same period is predominantly explained by the average earnings per share growth (they’ve also bought back a lot of shares) of 1769% (18x) since 2014.

US companies typically dominate their European counterparts given their generally laser focus on profit. Some will of course argue that the US simply has a bigger technology industry than Europe but there is nothing pre-ordained about this. “The Magnificent 7” companies were on average founded just 30 years ago (1994) with Tesla (2003) and Meta (2004) founded this century.

Much of Europe meanwhile appears to be turning its back on capitalism while ESG has spawned a bull market in mindless bureaucracy. Given the onerous imposition of reporting requirements on publicly traded companies (as well as investment funds) and the necessity to appease all stakeholders and special interest groups, how European corporate management teams ever get round to thinking about generating a profit is not clear to us.

As Milton Friedman pointed out, the responsibility of business is to make as much money as possible within the rules of society and many appear to have forgotten that profit has been the greatest motivation known to mankind to allocate finite resources productively; that capitalism is inherently meritocratic because its survival instincts require the best talent and optimal resources; and that no society can have sustainable economic growth without profit growth that increases the capital base of the economy for future productive reinvestment. We believe it is a return to the pursuit of profit, to paraphrase Gordon Gekko, that will save that malfunctioning corporation called Europe.

^source: VT calculation

*source: Morningstar

Outlook

Despite the political and bureaucratic constraints faced by much of corporate Europe we continue to find compelling idiosyncratic opportunities from our bottom-up work. The share prices of tanker companies Hafnia and Torm – the fund's two largest positions at the end of Feb-24 – continue to make new highs. Since the Russian invasion of Ukraine in March 2022 they have delivered a total return of +336% and +523% respectively. Putting this in context current US stock darling Nvidia has returned just +254%.

We also see a compelling opportunity in the defence sector too, an industry which until recently had been in a bear market since the fall of the Berlin Wall in 1989. Indeed, the Russian invasion of Ukraine (with words of encouragement from across the Atlantic) has been a Zeitenwende 1 moment in European thinking on defence expenditure with European NATO countries all now seemingly accepting that 2% of GDP should be a new floor on annual defence budgets.

NATO allies have to date provided Ukraine with $108bn of military aid of which the European share has been just $43bn. This compares to Russian current annual defence spending of $111bn (6.5% GDP). European countries have donated most of their ammunition and useful weaponry to Ukraine and are capacity constrained in ramping up production (hence their non-military aid has been much higher).

We calculate that the entire annual revenues of the quoted European defence industry last year were just $132bn. If NATO European annual spend increases to 2.8% of GDP and 50% of this is spent on equipment exclusively sourced within Europe, then industry revenues double. We believe European defence is a new bull market with legs.

Elsewhere, the Fund initiated some long gold mining positions in early March. With $300bn of Russian financial assets frozen (mostly in Euroclear) countries which dissent from US hegemony are highly incentivised to diversify their assets “outside” the Western banking system to avoid political default risk. Gold - with a market value of $15trillion - is the most liquid option. Note Chinese holdings of US Treasuries are now down to just $800bn (from $1.2trillion at peak in 2016).

More broadly, with measures of inflation still stuck at 3-4%, this means that the US economy is still experiencing a boom, with nominal growth of 6-7% supporting corporate earnings and credit, but at the cost of higher for longer rates. Fed Fund Futures have now gone from pricing in 6 ½ quarter point interest rate cuts starting in March at the start of the year to now just 2 ½ starting in June or July.

The Federal Reserve’s non-committal commitment to the 2% inflation target as well as rumours that the PBOC will soon initiate its own QE (perhaps floating its currency at the same time) means that gold should remain well bid, and we believe gold miners – having significantly underperformed the physical commodity – offer a more geared distressed play. The “itchy fingers” of central banks who want to step on the monetary accelerator cannot be easily reconciled with the current observation of booming nominal growth owing to imprudent fiscal stimulus.

Overall, we are currently in a period of unrestrained government spending for which central banks would seem unlikely to be able to provide a buyer-of-last resort backstop given bond investors should logically demand a higher return for stubbornly high inflation and, unlike in a deflationary world, simply sell all their bonds at any artificially low price. Conversely, equity investors, having worried about cyclical earnings, now given the “put” on nominal growth provided by fiscal policy, must worry more about valuation and duration risk. Put simply, the era of cheap money, deflation, and growth investing is likely over and, as we suggested back in October 2022, investors find themselves in a 1970’s Redux.

The Fund has now delivered positive returns in each of the last five calendar years and whilst the future is guaranteed to be challenging, we believe this demonstrates that there is value in seeking diversification in Argonaut’s active management. We remain grateful to our shareholders for their continued support.

Barry Norris
Argonaut Capital Partners LLP
Investment Manager to the Fund
April 2024

[1] As declared by German Chancellor Olaf Scholz, a watershed moment marking the end of the post-cold war period of peace dividend

Financial Highlights

Class R Retail Net Income

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	120.5631	111.0305	114.3525
Return before operating charges	8.0841	19.5643	2.8918
Operating charges (note 1)	(1.0201)	(0.9843)	(0.9579)
Return after operating charges *	7.0640	18.5801	1.9339
Distributions on income shares	(8.1673)	(9.0475)	(5.2559)
Closing net asset value per share	119.4598	120.5631	111.0305
*after direct transactions costs of:	0.4680	0.8685	0.8790
Performance			
Return after charges	5.86%	16.73%	1.69%
Other information			
Closing net asset value	£1,898,752	£1,992,148	£1,475,606
Closing number of shares	1,589,449	1,652,369	1,329,010
Operating charges (note 2)	0.85%	0.85%	0.85%
Direct transaction costs	0.39%	0.75%	0.78%
Prices			
Highest share price	123.6602	126.5303	127.8785
Lowest share price	104.9657	107.8590	107.0618

Class R Retail Net Accumulation

	Year ended 29 February 2024	Year ended 28 February 2023	Year ended 28 February 2022
Changes in net assets per share			
	GBp	GBp	GBp
Opening net asset value per share	163.0326	138.5356	137.3900
Return before operating charges	11.2699	25.7787	2.3156
Operating charges (note 1)	(1.4276)	(1.2817)	(1.1727)
Return after operating charges *	9.8423	24.4970	1.1456
Closing net asset value per share	172.8749	163.0326	138.5356
Distributions on accumulation shares	9.9560	11.7351	6.3997
*after direct transactions costs of:	0.6550	1.2817	1.1727
Performance			
Return after charges	6.04%	17.68%	0.83%
Other information			
Closing net asset value	£1,157,430	£1,544,522	£532,209
Closing number of shares	669,519	947,370	384,168
Operating charges (note 2)	0.85%	0.85%	0.85%
Direct transaction costs	0.39%	0.75%	0.78%
Prices			
Highest share price	173.9490	166.0864	153.6316
Lowest share price	146.7769	135.7156	133.0894

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 Information Document (28 February 2023: ranked 6). The Sub-fund is ranked 6 because historical performance data indicates that significant rises and falls in market prices would have occurred historically.

As at 29 February 2024

Holding		Value £	% of net assets
	Equities (28.02.2023: 98.65%)		
9,869	Avance Gas Holding Ltd	83,202	2.72%
3,000	Bayer AG	72,773	2.38%
1,200	BE Semiconductor Industries NV	171,006	5.60%
4,500	Buzzi Unicem SpA	120,855	3.96%
10,000	BW LPG Ltd	91,307	2.99%
18,000	Caixabank SA	64,990	2.13%
2,500	Covestro AG	106,087	3.47%
20,278	d'Amico International Shipping SA	108,191	3.54%
2,000	Erste Group Bank AG	63,785	2.09%
5,000	Greek Organisation of Football Prognostics SA	71,809	2.35%
35,047	Hafnia Ltd	201,372	6.59%
12,000	Hoegh Autoliners ASA	90,890	2.98%
30,000	Intesa Sanpaolo SpA	75,714	2.48%
2,400	Kongsberg Gruppen ASA	120,650	3.95%
7,000	Leonardo SpA	118,098	3.87%
5,000	Mowi ASA	77,343	2.53%
11,100	National Bank of Greece SA	68,501	2.24%
1,000	Novo Nordisk A/S	95,319	3.12%
3,000	OTP Bank Nyrt	113,950	3.73%
1,000	Pandora A/S	130,105	4.26%
11,000	Rana Gruber ASA	58,411	1.91%
400	Rheinmetall AG	145,725	4.77%
2,000	Saab AB	124,505	4.08%
2,500	SalMar ASA	124,821	4.09%
1,700	Seadrill Ltd	53,555	1.75%
1,000	Swiss Re AG	95,597	3.13%
4,500	Tenaris SA	63,818	2.09%
7,000	Torm PLC	188,500	6.17%
12,000	Wallenius Wilhelmsen ASA	89,727	2.94%
		2,990,606	97.91%
	Portfolio summary (28.02.2023: 98.65%)	**2,990,606**	**97.91%**
	Net other assets (28.02.2023: 1.35%)	**63,822**	**2.09%**
		3,054,428	**100.00%**

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchase for the year (note 14)	**8,336,436**
Torm PLC	505,592
Hafnia Ltd	440,765
Grifols SA	316,178
Goldman Sachs Sterling Liquid Reserves Value	265,000
Frontline Ltd	264,797
Euronav NV	260,686
BE Semiconductor Industries NV	251,768
Dampskibsselskabet Norden A/S	212,982
Covestro AG	212,664
Nestle SA	186,858
Other various purchases	5,419,146

	£
Total sales for the year (note 14)	**8,801,423**
Torm PLC	520,712
Hafnia Ltd	486,119
Grifols SA	398,401
Euronav NV	352,165
Dampskibsselskabet Norden A/S	348,800
Koninklijke Vopak NV	302,303
BE Semiconductor Industries NV	279,758
Norwegian Air Shuttle ASA	267,916
Goldman Sachs Sterling Liquid Reserves Value	265,000
Frontline Ltd	248,823
Other various sales	5,331,426

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

STATEMENT OF TOTAL RETURN

For the year ended

	Notes	29.02.2024 £	29.02.2024 £	28.02.2023 £	28.02.2023 £
Net capital (losses)/gains	**2**		(59,655)		217,027
Revenue	**3**	268,849		252,837	
Expenses	**4**	(55,887)		(52,185)	
Interest payable and similar charges	**6**	(554)		(1,132)	
Net revenue before taxation		212,408		199,520	
Taxation	**5**	(21,604)		(19,478)	
Net revenue after taxation			190,804		180,042
Total return before distributions			131,149		397,069
Finance costs: distributions	**6**		(216,509)		(204,231)
Changes in net assets attributable to shareholders from investment activities			(85,360)		192,838

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended

	29.02.2024 £	28.02.2023 £
Opening net assets attributable to shareholders	3,534,218	1,997,171
Amounts receivable on creation of shares	910,978	2,749,232
Amounts payable on cancellation of shares	(1,396,160)	(1,495,555)
Dividends reinvested	90,752	90,532
Changes in net assets attributable to shareholders from investment activities (see above)	(85,360)	192,838
Closing net assets attributable to shareholders	3,054,428	3,534,218

BALANCE SHEET

As at	Notes	29.02.2024 £	29.02.2024 £	28.02.2023 £	28.02.2023 £
ASSETS					
Investment assets			2,990,606		3,486,524
Current assets					
Debtors	**7**	65,064		392,825	
Cash and bank balances	**8**	101,459		27,548	
Total current assets			166,523		420,373
Total assets			3,157,129		3,906,897
LIABILITIES					
Current liabilities					
Distribution payable on income shares		(20,831)		(12,529)	
Bank overdraft	**8**	(53,890)		(41,444)	
Creditors	**9**	(27,980)		(318,706)	
Total current liabilities			(102,701)		(372,679)
Net assets attributable to shareholders			3,054,428		3,534,218

1 Accounting policies, financial instruments and related party transactions are on pages 7-10.

2 Net capital (losses)/gains

The net capital (losses)/gains comprise:	**2024** **£**	**2023** **£**
Non-derivative security (losses)/gains	(27,028)	259,325
Currency (losses)	(27,711)	(34,955)
Transaction charges	(4,916)	(7,343)
Total net capital (losses)/gains	(59,655)	217,027

3 Revenue

	2024 **£**	**2023** **£**
Non-taxable dividends	217,472	222,869
Interest on non derivative securities	4,653	-
Annual management charge rebate	34,727	27,996
Bank interest	11,997	1,972
Total revenue	268,849	252,837

4 Expenses

	2024 **£**	**2023** **£**
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:		
Annual management charge	20,517	18,382
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,041	18,000
Safe custody fee	478	276
	18,519	18,276
Other expenses:		
Audit fee	10,316	8,724
FCA fee	24	47
RPA and research costs	1,902	-
Other expenses	4,609	6,756
	16,851	15,527
Total expenses	55,887	52,185

5 Taxation

	2024	2023
	£	£
(a) Analysis of charge in the year		
Overseas irrecoverable withholding tax	21,604	19,478
Total tax charge for the year (note 5b)	21,604	19,478
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2023: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	212,408	199,520
Corporation tax at 20.00% (2023: 20.00%)	42,482	39,904
Effects of:		
Revenue not subject to UK corporation tax	(43,495)	(44,574)
Excess management expenses not utilised	1,013	4,670
Overseas irrecoverable withholding tax	21,604	19,478
Total tax charge for the year (note 5a)	21,604	19,478

(c) Provision for deferred taxation

At 29 February 2024 there is a potential deferred tax asset of £20,970 (28 February 2023: £19,957) in relation to surplus management expenses.

6 Finance costs

	2024	2023
	£	£
Interim dividend distributions	179,996	200,382
Final dividend distribution	33,391	22,182
	213,387	222,564
Add: Revenue deducted on cancellation of shares	9,346	12,718
Deduct: Revenue received on issue of shares	(6,224)	(31,051)
Net distribution for the year	216,509	204,231
Interest payable and similar charges	554	1,132
Total finance costs	217,063	205,363
Reconciliation of distributions		
Net revenue after taxation	190,804	180,042
Expenses charged to capital (net of AMC rebate)	21,160	24,189
Relief on expenses allocated to capital	(3,219)	(168)
Balance carried forward	7,764	168
Net distribution for the year	216,509	204,231

7 Debtors	29.02.2024	28.02.2023
	£	£
Amounts receivable on creation of shares	4,738	34,607
Amounts receivable on unsettled trades	-	310,096
Accrued revenue		
Non-taxable dividends	23,098	5,676
Overseas withholding tax recoverable	29,990	28,768
Annual management charge rebate receivable	7,139	7,002
Prepayments	99	6,676
Total debtors	65,064	392,825

8 Cash and bank balances	29.02.2024	28.02.2023
	£	£
Cash and bank balances	101,459	27,548
Bank overdraft	(53,890)	(41,444)

9 Creditors	29.02.2024	28.02.2023
	£	£
Amounts payable on cancellation of shares	7,405	8
Amounts payable on unsettled trades	-	293,741
Annual management charge	427	-
Other accrued expenses	20,148	24,957
Total creditors	27,980	318,706

10 Risk management

In pursuing its investment objective as stated on page 59, 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 discussed in pages 8-9. These policies have been applied throughout the year.

Market price risk

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 29 February 2024 would have increased/decreased by £299,061 (28 February 2023: £348,652).

Foreign currency risk

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

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets and liabilities		Total net assets	
	£		£		£	
	29.02.2024	28.02.2023	29.02.2024	28.02.2023	29.02.2024	28.02.2023
Danish Krone	722	722	413,925	394,470	414,647	395,192
Euro	25,783	136,587	1,251,351	1,728,771	1,277,134	1,865,358
Hungarian Forint	-	-	113,950	-	113,950	-
Norwegian Krone	6,271	(87,897)	991,277	1,131,859	997,548	1,043,962
Polish Zloty	13	13	-	-	13	13
Swedish Krona	-	-	124,505	101,025	124,505	101,025
Swiss Franc	1,092	596	95,598	130,399	96,690	130,995
US Dollar	22,883	3,285	-	-	22,883	3,285
Total foreign currency exposure	56,764	53,306	2,990,606	3,486,524	3,047,370	3,539,830
Sterling	7,058	(5,612)	-	-	7,058	(5,612)
Total	63,822	47,694	2,990,606	3,486,524	3,054,428	3,534,218

Note: A movement of 10% in the currency exchange rates on foreign currency denominated assets will affect the Sub-fund by £304,737 (28 February 2023: £353,983).

Interest rate risk

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

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

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

	29.02.2024	**28.02.2023**
	£	**£**
Financial assets floating rate	101,459	7,084
Financial assets non-interest bearing instruments	3,055,670	3,899,813
Financial liabilities non-interest bearing instruments	(48,811)	(331,235)
Financial liabilities floating rate	(53,890)	(41,444)
	3,054,428	**3,534,218**

At 29 February 2024, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £119 (28 February 2023: £86).

10 Risk management (Continued)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 29 February 2024 are payable either within one year or on demand.

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.

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

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 value 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.

	29.02.2024		28.02.2023	
Valuation Technique	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	2,991	-	3,487	-
Total	2,991	-	3,487	-

11 Shares held

Shares Held	**Share Class R Retail Net Income**	**Share Class R Retail Net Accumulation**
Opening shares 01.03.2023	**1,652,369**	**947,370**
Shares issued during the year	417,853	276,570
Shares cancelled during the year	(480,773)	(554,421)
Shares converted during the year	-	-
Closing shares as at 29.02.2024	**1,589,449**	**669,519**

12 Contingent assets and liabilities

At 29 February 2024, the Sub-fund had no contingent liabilities or commitments (28 February 2023: £nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 29 February 2024. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

	Price (GBp) at 29 February 2024	**Price (GBp) at 27 June 2024**
Class R Retail Net Income	119.4598	127.0969
Class R Retail Net Accumulation	172.8749	189.2419

14 Direct transaction costs

	2024		2023	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	8,329,692		14,094,776	
Commissions	3,996	0.05%	8,247	0.06%
Taxes & levies	2,748	0.03%	6,140	0.04%
Total purchase costs	6,744	0.08%	14,387	0.10%
Total purchases including transaction costs	8,336,436		14,109,163	
Analysis of total sale costs				
Sales in the year before transaction costs	8,806,912		12,884,704	
Commissions	(5,488)	(0.06%)	(6,833)	(0.05%)
Taxes & levies	(1)	(0.00%)	(57)	(0.00%)
	(5,489)	(0.06%)	(6,890)	(0.05%)
Total sales net of transaction costs	8,801,423		12,877,814	

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

	2024 £	% of average net asset value	2023 £	% of average net asset value
Commissions	9,484	0.30%	15,080	0.53%
Taxes & levies	2,749	0.09%	6,197	0.22%
	12,233	0.39%	21,277	0.75%

15 Portfolio dealing spread

The average portfolio dealing spread at 29 February 2024 is 0.12% (28 February 2023: 0.14%).

Q1 Interim distributions in pence per share
Group 1: Shares purchased prior to 01 March 2023
Group 2: Shares purchased 01 March 2023 and on or before 31 May 2023

Unit Type	Share Class	Net Revenue 14.07.2023	Equalisation	Distribution 14.07.2023	Distribution 15.07.2022
group 1	Class R Retail Net Income	3.7216p	-	3.7216p	3.6423p
group 2	Class R Retail Net Income	2.0793p	1.6423p	3.7216p	3.6423p
group 1	Class R Retail Net Accumulation	5.0327p	-	5.0327p	4.6527p
group 2	Class R Retail Net Accumulation	3.5916p	1.4411p	5.0327p	4.6527p

Q2 Interim distributions in pence per share
Group 1: Shares purchased prior to 01 June 2023
Group 2: Shares purchased 01 June 2023 and on or before 31 August 2023

Unit Type	Share Class	Net Revenue 13.10.2023	Equalisation	Distribution 13.10.2023	Distribution 14.10.2022
group 1	Class R Retail Net Income	1.2781p	-	1.2781p	1.8371p
group 2	Class R Retail Net Income	0.8812p	0.3969p	1.2781p	1.8371p
group 1	Class R Retail Net Accumulation	1.7853p	-	1.7853p	2.3742p
group 2	Class R Retail Net Accumulation	1.0788p	0.7065p	1.7853p	2.3742p

Q3 Interim distributions in pence per share
Group 1: Shares purchased prior to 01 September 2023
Group 2: Shares purchased 01 September 2023 and on or before 30 November 2023

Unit Type	Share Class	Net Revenue 15.01.2024	Equalisation	Distribution 15.01.2024	Distribution 13.01.2023
group 1	Class R Retail Net Income	1.2916p	-	1.2916p	2.8098p
group 2	Class R Retail Net Income	0.7183p	0.5733p	1.2916p	2.8098p
group 1	Class R Retail Net Accumulation	1.8274p	-	1.8274p	3.6893p
group 2	Class R Retail Net Accumulation	0.9281p	0.8993p	1.8274p	3.6893p

Final distributions in pence per share
Group 1: Shares purchased prior to 01 December 2023
Group 2: Shares purchased 01 December 2023 and on or before 29 February 2024

Unit Type	Share Class	Net Revenue 15.04.2024	Equalisation	Distribution 15.04.2024	Distribution 14.04.2023
group 1	Class R Retail Net Income	1.8760p	-	1.8760p	0.7583p
group 2	Class R Retail Net Income	1.0576p	0.8184p	1.8760p	0.7583p
group 1	Class R Retail Net Accumulation	1.3106p	-	1.3106p	1.0189p
group 2	Class R Retail Net Accumulation	0.8013p	0.5093p	1.3106p	1.0189p

Information for corporate shareholders
A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:
i) 92.89% of the total dividend allocation together with the tax credit is received as franked investment income.
ii) 7.11% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

Distribution
Distributions of the revenue of the Company will be made to shareholders on or before 30 April each year and interim allocations of revenue on or before 31 October for VT Argonaut European Alpha Fund and for VT Argonaut Absolute Return Fund. For VT Argonaut Equity Income Fund distribution dates are 15 January, 15 April, 15 July and 15 October.

Individual shareholders
Income tax: Tax-free annual dividend allowance now standing at £1,000 (2023/24). 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 £6,000 (2023/24) 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.

Taxation
The Company has no corporation tax to pay on its profits in VT Argonaut Funds for the year ended 29 February 2024. Capital gains within the Company will not be taxed.

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 prevailing rates and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

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

Issue and redemption of shares
Valu-Trac Investment Management Limited is the AFM and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours between 8.30am and 5.30pm. Instructions may be given by email to the below email addresses or by sending an application form to the Registrar. Application forms are available from the Registrar Argonaut@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.

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. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

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

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

Remuneration

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

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

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

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

28.05.2023	Number of Beneficiaries	Fixed Remuneration	Variable Remuneration Paid	Total Remuneration Paid
Total remuneration paid by the AFM during the year	86	£3,462,948	£ nil	£3,462,948
Remuneration paid to employees of the AFM who have a material impact on the risk profile of the UK UCITS	18	£1,043,732	£ nil	£1,043,732
Senior Management	14	£779,584	£ nil	£779,584
Control Functions	4	£264,148	£ nil	£264,148
Employees receiving total remuneration that takes them into the same remuneration brackets as senior management and risk takers	0	£ -	£ nil	£ -

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

CORPORATE DIRECTORY

Authorised Fund Manager & Registrar	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE Authorised and regulated by the Financial Conduct Authority
Investment Manager	Argonaut Capital Partners LLP 4th Floor 115 George Street Edinburgh EH2 4JN Authorised and regulated by the Financial Conduct Authority
Depositary	NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ Authorised regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE