



# The Virgin Money Global Share Fund

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Interim Report and Financial Statements  
For the six month period ended 31 January 2024 (unaudited)

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# Management and professional services

For the six month period ended 31 January 2024 (unaudited)

## Manager (the 'Manager')

Virgin Money Unit Trust Managers Limited  
Jubilee House  
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Newcastle upon Tyne  
NE3 4PL

Directors:

J. Byrne  
H. Chater  
S. Hynes  
D. Mouille  
F. Murphy  
M. Phibbs  
D. Taylor  
S. Wemyss

(Appointed 11 March 2024)

Telephone 03456 10 20 30\*

Authorised and regulated by the Financial Conduct Authority.

## Investment Adviser

abrdn Investments Limited  
10 Queen's Terrace  
Aberdeen  
Aberdeenshire  
AB10 1XL

Authorised and regulated by the Financial Conduct Authority.

## Registrar

SS&C Financial Services Europe Limited\*\*  
SS&C House  
St Nicholas Lane  
Basildon  
Essex  
SS15 5FS

FNZ (UK) Limited\*\*\*  
1 Tanfield  
Edinburgh  
Midlothian  
EH3 5DA

## Trustee

Citibank UK Limited  
Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

\* Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Calls may be monitored and recorded.

\*\* Main Register of Unitholders.

\*\*\* Plan register, a sub-register to the Main Register, which records persons who subscribe to a group plan for Units.

# Management and professional services

For the six month period ended 31 January 2024 (unaudited)

## **Independent Auditor**

KPMG LLP  
St. Vincent Plaza  
Glasgow  
G2 5AS

# Manager's investment report

For the six month period ended 31 January 2024 (unaudited)

## Investment Objective, Policy and Strategy

The aim of The Virgin Money Global Share Fund (the 'Fund') is to provide a total return (income and capital growth) over the longer term (5 years or more) from a portfolio of shares from around the world. The Fund aims to beat the performance of its benchmark (MSCI All Countries World GBP - a measure of global share market returns), after charges, measured over any three-year period.

The Fund aims to achieve the objective by investing in other funds rather than investing directly in individual shares. This means that the Fund is what's often known as a 'fund-of-funds'. The funds which it invests in may be managed by us, our Investment Adviser, or any other authorised fund manager.

Normally at least 80% of the funds that the Fund invests in will be passively managed. This means that they aim to track the performance of a share index. The rest will be actively managed funds – this is where the fund manager chooses individual shares and, as a result returns may be higher (or lower) than the market.

The Fund's mix of investments (across different regions) will typically be reviewed at least every six months and may change based on the research and insights of the Investment Adviser, usually based on their medium term (3 year) view of share markets. Whilst the Investment Adviser has flexibility over where to invest, the Fund will seek to adhere to the following geographical limits:

- For regions excluding North America, maintain allocation of +/- 5% of the benchmark weight. So if the benchmark weight to Europe is 20% for example, the Fund will invest between 15-25%.
- For North America, maintain allocation of +/- 10% of the benchmark weight.

One way in which the Fund seeks to manage risks and opportunities is via Environmental, Social and Governance (ESG) considerations. Where the Investment Adviser feels it is beneficial from a risk or return perspective, and suitable investment options are available, underlying investment funds will be chosen because of their:

- integration of ESG considerations into stock selection (increasing / decreasing allocation to individual companies based on the ESG scoring process of the index provider / fund manager)
- adoption of sustainable investing objectives or policies
- positive shareholder engagement policies, and / or
- investment in companies providing products and services that support the transition to a low carbon economy.

The Fund will limit (to no more than 0.5% of the value of the Fund's assets) indirect exposure to companies which:

- make more than 5% of their earnings from tobacco products, thermal coal or unconventional oil and gas (such as oil sands or shale gas),
- are involved in the manufacture of controversial weapons such as cluster munitions or anti-personnel landmines,
- or who violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

If the Investment Adviser determines that the allocation to the above type of companies is above 0.5% of the value of the Fund's assets, they will reduce exposure to below 0.5%. They will do this by selling the underlying funds identified as contributing to the over-exposure, usually within two months.

We expect the Fund to have a better ESG rating (based on the analysis and scoring system of one or more market leading data providers) and lower carbon emissions compared to investing in the same mix of assets using a standard indexing approach without ESG consideration. This will be reported in the annual value statement when reviewing the non-financial performance of the Fund.

The Fund seeks to be fully invested at all times but may also hold cash, or funds investing in cash and money-market investments (up to 5%) for cash flow and transactional purposes as deemed appropriate to manage costs.

## Trust Status

The Fund is an authorised unit trust scheme under S243 of the Financial Services and Markets Act 2000 and is categorised as a UK UCITS<sup>1</sup> scheme under the Collective Investment Schemes Sourcebook ('the COLL Rules').

<sup>1</sup> Authorised in accordance with the Undertakings in Collective Investments in Transferable Securities (UCITS) Directive.

# Manager's investment report

For the six month period ended 31 January 2024 (unaudited)

## Financial Instruments

In pursuing its investment objective set out above, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations.

Unit Trust schemes are not permitted by the Regulations<sup>2</sup> to enter into a transaction if its purpose could reasonably be regarded as speculative. The Fund's use of financial instruments satisfies these requirements and no speculative trading in financial instruments is undertaken.

The Fund invests predominantly in collective investment schemes, as shown in the Portfolio statement on page 10. Management fees for the collective investment schemes in which the Fund invests are met by the Manager out of the operating charges set out on page 9.

## Risk and Reward Profile

The Fund's Synthetic Risk and Reward Indicator ('SRRI') is 5 on a scale of 1 (lower) to 7 (higher) as it invests in company shares which typically provide higher rewards but carry a higher level of risk than other investments such as gilt-edged securities.

For further information, please refer to the Fund's Key Investor Information Document ('KIID').

## Distribution

The Fund receives dividend income from stocks held in its portfolio. Every six months, income received is netted off against expenses incurred. Any net balance is distributed two months after the end of the period.

The interim distribution for the period ended 31 January 2024 will be 0.9093p net per unit payable on 28 March 2024.

## Fund Performance

For the six months to 31 January 2024, the net asset value of each unit increased by 3.03%<sup>3</sup> from 143.33p to 147.67p.

The Fund is managed to have relatively low tracking error<sup>4</sup> of 1-4% from the composite benchmark, meaning returns are not expected to differ from the benchmark by a large amount. The tracking error at the end of the period was 1.65%.

<sup>2</sup> The Regulations derive from UK and EU financial services legislation including the Financial Services and Markets Act 2000, the UCITS Directive and Financial Conduct Authority (FCA) rules, principally COLL.

<sup>3</sup> Based on published net asset value.

<sup>4</sup> Tracking error is calculated as the deviation of returns excluding annual management charges for the year. The difference in return can be attributed, among other things, to a number of managed and non-managed factors, including small differences in weightings resulting from trading activity; and differences between the Fund's and the composite index vendors' valuation methodologies.

# Manager's investment report

For the period ended 31 January 2024

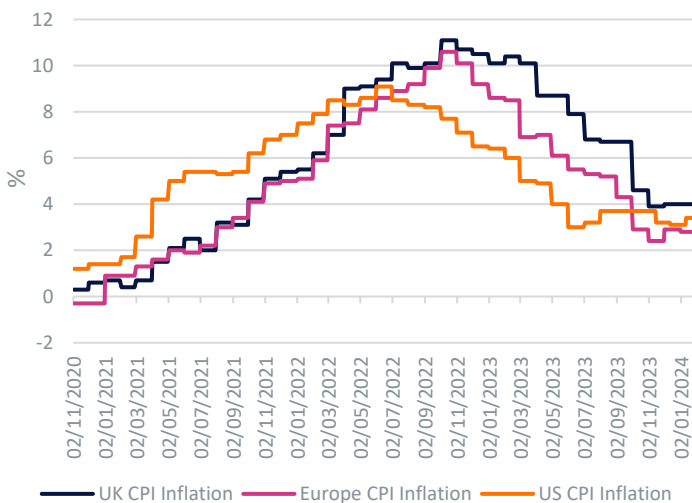
## Markets overview from 1 August 2023 to 31 January 2024

Over the six-month review period, global equities advanced in aggregate terms, despite volatile energy prices and persistent inflation that remained above central bank targets. The positive sentiment driven by better-than-expected US economic data and expectations of potential interest rate declines in 2024. Initial volatility, stemming from recession concerns, geopolitical tensions, and weakness in the Chinese economy, gradually eased over the period. Yet, while January started on a bullish note, the rally faltered as central banks suggested a more cautious approach to easing rates, leaving investors with a mix of optimism and lingering uncertainty.

## Inflation shows signs of easing, but still far from target:

- While headline inflation started to ease in major economies, including the US, UK and eurozone, it remained above target levels. Later in the period, central banks paused hikes as inflation subsided, but maintained a data-dependent stance due to persistently high core inflation. In particular, the US Federal Reserve (Fed) and Bank of England (BoE) flagged potential monetary easing ahead in 2024.

## Global Inflation Rates



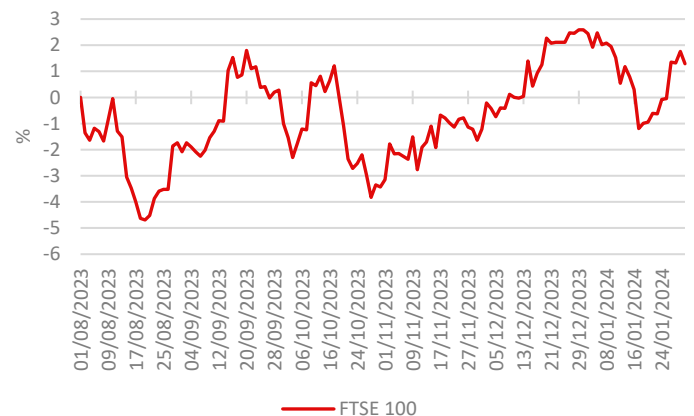
- In the US, headline inflation rebounded slightly to 3.4% in December from November's low of 3.1%, while core inflation, excluding volatile food and energy prices, eased to 3.9%. This ongoing inflation, coupled with the Fed's preferred Personal Consumption Expenditures Price Index hovering just below 3% prompted the central bank to hold interest rates steady at a 23-year high of 5.5% in January 2024. Chair Powell hinted at potential rate reductions later in 2024, emphasising sustainable progress towards the 2% inflation target.
- Eurozone saw annual inflation easing from 5.2% in August to 2.8% by January 2024 but remained above the European Central Bank (ECB)'s 2% target. In response, the ECB maintained interest rates at a 22-year high of 4.5%, signalling a commitment to tight monetary policy until inflation falls to the desired level, even amid concerns of a potential recession and easing inflationary pressures.

- In the UK, despite early signs of cooling, inflation remained well above the BoE target. Although Consumer Price Index inflation declined to 2.9% in December, its lowest level in a year, inflation still remained above the central bank's 2% target. As a result, the BoE has kept the rates at a 16-year high of 5.25% since the final rate increase in August 2023.

## Global equities rebound on hopes of policy pivot and economic resilience:

- Global stock markets, as represented by the MSCI World Index, rose over the six-month period in all major currencies, including sterling.
- Global equity markets ended the review period notably higher, amid easing inflation and rising expectations that major central banks could start cutting rates in 2024. Although investors became less concerned about a potential global recession given robust economic data, sentiment was subdued by sustained weakness in the Chinese economy and prevailing geopolitical tensions. Towards the end of the review period, the market was hopeful that interest rates were close to peak levels.
- US stock markets, as measured by the broad S&P 500 Index, advanced under review, with a notable surge starting in late October. The NASDAQ Composite Index also surged nearly 9% in dollar terms, recovering from a lacklustre first half. The artificial intelligence boom propelled technology shares to multi-year highs.
- European stock markets, as measured by the FTSE World Europe ex UK Index, advanced over the six-month period, rising by more in sterling terms than in local currency terms. Initially, continental European shares were under pressure until late October alongside global peers, but shifted course later. Share prices steadily rose on the back of better-than-expected earnings, notably from tech and luxury firms, along with eased inflationary pressures in the eurozone.
- The FTSE 100 Index's solid performance helped UK equities make steady gains despite lagging most other regional indices, especially in the latter half of the review period. Given improved investor risk appetite, the domestically focused and more interest rate sensitive FTSE 250 Index outperformed the internationally focused FTSE 100 Index.

## FTSE 100 Performance



# Manager's investment report

For the period ended 31 January 2024

- Over the review period, Japanese stocks advanced, surging to their highest levels in 34 years, driven by robust corporate earnings, a weakening yen, and the Bank of Japan's dovish monetary policy.
- Stock markets in the Asia Pacific (excluding Japan) region mostly ended higher over the six-month period despite macroeconomic headwinds and monetary uncertainty. Yet Chinese equities fell due to economic worries, prompting fresh stimulus measures but causing the yuan to depreciate. Taiwanese and South Korean stocks declined amid rising interest rates and worries about the slower pace of economic recovery in China, yet they were supported by their tech sectors. Indian equities outperformed on the back of robust macroeconomic data, unchanged benchmark rates and growth initiatives outlined in the 2024-25 interim budget.

## **We remain cautious as the macroeconomic environment enters a slowdown phase:**

- The global macroeconomic environment is entering a slowdown phase, particularly evident in Europe, where rising financing costs and uncertainties persist.
- Geopolitical tensions and weaknesses in the Chinese economy further contribute to the overall uncertainty.
- While concerns about a global recession have reduced, risks remain as the global economy navigates the end of the rate-hiking cycle. The persistence of inflationary pressures and uncertainties surrounding geopolitical developments warrant a cautious approach for investors.



# Net asset value and operating charges

As at 31 January 2024 (unaudited)

	Income Units		
	31 Jan 24	31 Jul 23	31 Jul 22
Closing net asset value (£)	157,939,461	159,767,858	158,684,240
Closing number of units	106,956,585	111,465,087	114,097,186
Closing net asset value per unit (p)	147.67	143.33	139.08
Operating charges (%) <sup>‡</sup>	0.70	0.79	0.85

<sup>‡</sup>The operating charges are the annualised total expenses paid by the Fund in the period, expressed as a percentage of its average net assets. The Annual Management Charge for Income Units changed from 0.75% to 0.45% on 6 January 2024.

# Portfolio statement

As at 31 January 2024 (unaudited)

Security	Holdings	Market Value £'000	% of Net Assets
<b>COLLECTIVE INVESTMENT SCHEMES</b>			
<b>Shares (100.58%*)</b>		<b>159,149</b>	<b>100.77</b>
abrtn ACS I - abrtn Sustainable Index American Equity Fund <sup>#</sup>	24,974,611	29,200	18.49
abrtn ACS I - abrtn Sustainable Index UK Equity Fund <sup>#</sup>	1,266,901	1,548	0.98
abrtn OEIC IV - abrtn Asia Pacific ex-Japan Equity Tracker Fund <sup>#</sup>	1,569,933	1,508	0.96
iShares Continental European Equity ESG Index Fund	13,646,210	14,356	9.09
iShares Emerging Markets Equity ESG Index Fund	6,579,286	6,039	3.82
iShares MSCI EM ESG Enhanced Fund	7,748,223	28,583	18.10
iShares MSCI Japan ESG Enhanced Fund	2,225,979	10,818	6.85
iShares MSCI USA ESG Enhanced Fund	4,139,402	28,318	17.93
iShares US Equity ESG Index Fund	25,329,851	29,046	18.39
Legal & General Future World ESG North America Index Fund	16,780,577	9,733	6.16
<b>Portfolio of investments</b>		<b>159,149</b>	<b>100.77</b>
<b>Net other liabilities (-0.58%*)</b>		<b>(1,210)</b>	<b>(0.77)</b>
<b>Net assets</b>		<b>157,939</b>	<b>100.00</b>

\*Comparative figures shown in brackets relate to percentage of total net assets at 31 July 2023.

<sup>#</sup> This fund is managed by abrtn Investments Limited, Investment Advisor to the Fund, and a subsidiary of abrtn plc, a related party.

# Purchases and sales of investments

For the six month period ended 31 January 2024 (unaudited)

Purchases	Cost £'000
iShares MSCI EM ESG Enhanced Fund	28,587
iShares MSCI USA ESG Enhanced Fund	27,917
abrtn ACS I - abrtn Sustainable Index American Equity Fund <sup>#</sup>	27,552
iShares US Equity ESG Index Fund	26,502
iShares Continental European Equity ESG Index Fund	13,702
iShares MSCI Japan ESG Enhanced Fund	10,246
Legal & General Future World ESG North America Index Fund	9,502
iShares Emerging Markets Equity ESG Index Fund	5,902
abrtn OEIC IV - abrtn Asia Pacific ex-Japan Equity Tracker Fund <sup>#</sup>	1,502
abrtn ACS I - abrtn Sustainable Index UK Equity Fund <sup>#</sup>	1,502
Virgin UK Index Tracking Trust - Income Units <sup>^</sup>	1
<b>Total for the period</b>	<b>152,915</b>

<sup>^</sup> This fund is managed by Virgin Money Unit Trust Managers Limited.

<sup>#</sup> This fund is managed by abrtn Investments Limited, Investment Advisor to the Fund, and a subsidiary of abrtn plc, a related party.

The above constitutes all purchases of investments in the period.

# Purchases and sales of investments

For the six month period ended 31 January 2024 (unaudited)

Sales	Proceeds £'000
Virgin UK Index Tracking Trust - Income Units <sup>^</sup>	26,908
State Street AUT North America Screened (ex Controversies and CW) Index Equity Fund	20,110
abrtn OEIC IV - abrtn Emerging Markets Equity Tracker Fund <sup>#</sup>	19,809
abrtn OEIC IV - abrtn Japan Equity Tracker Fund <sup>#</sup>	19,155
abrtn OEIC IV - abrtn European Equity Tracker Fund <sup>#</sup>	19,123
State Street AUT Asia Pacific Ex-Japan Screened (ex Controversies and CW) Index Equity Fund	18,563
Vanguard Emerging Markets Stock Index Fund	18,384
abrtn OEIC IV - abrtn UK All Share Tracker Fund <sup>#</sup>	12,359
iShares MSCI USA ESG Enhanced Fund	1,398
abrtn ACS I - abrtn Sustainable Index American Equity Fund <sup>#</sup>	1,000
iShares US Equity ESG Index Fund	800
Legal & General Future World ESG North America Index Fund	700
iShares MSCI Japan ESG Enhanced Fund	545
iShares Continental European Equity ESG Index Fund	350
<b>Total for the period</b>	<b>159,204</b>

<sup>^</sup> This fund is managed by Virgin Money Unit Trust Managers Limited.

<sup>#</sup> This fund is managed by abrtn Investments Limited, Investment Advisor to the Fund, and a subsidiary of abrtn plc, a related party.

The above constitutes all sales of investments in the period.

## Statement of total return

For the six month period ended 31 January 2024 (unaudited)

	31 Jan 24		31 Jan 23	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		4,527		4,401
Revenue	1,425		2,326	
Expenses	(433)		(507)	
Interest payable and similar charges	(3)		(1)	
Net revenue before taxation	989		1,818	
Taxation	(5)		(2)	
Net revenue after taxation		984		1,816
<b>Total return before distributions</b>		<b>5,511</b>		<b>6,217</b>
Distributions		(983)		(1,816)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>4,528</b>		<b>4,401</b>

## Statement of change in net assets attributable to unitholders

For the six month period ended 31 January 2024 (unaudited)

	31 Jan 24		31 Jan 23	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>159,768</b>		<b>158,684</b>
Amounts receivable on issue of units	5,994		11,560	
Amounts payable on cancellation of units	(12,351)		(13,805)	
		(6,357)		(2,245)
Change in net assets attributable to unitholders from investment activities		4,528		4,401
<b>Closing net assets attributable to unitholders</b>		<b>157,939</b>		<b>160,840</b>

Comparative information is provided for the Statement of change in net assets attributable to unitholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

# Balance sheet

As at 31 January 2024 (unaudited)

	31 Jan 24		31 Jul 23	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
<b>Fixed assets</b>				
Investments		159,149		160,696
<b>Current assets</b>				
Debtors	426		1,231	
Cash and bank balances	734		-	
<b>Total current assets</b>		<b>1,160</b>		<b>1,231</b>
<b>Total assets</b>		<b>160,309</b>		<b>161,927</b>
<b>Creditors</b>				
Bank overdrafts		-	(95)	
Distribution payable	(973)		(1,441)	
Other creditors	(1,397)		(623)	
<b>Total liabilities</b>		<b>(2,370)</b>		<b>(2,159)</b>
<b>Net assets attributable to unitholders</b>		<b>157,939</b>		<b>159,768</b>

Notes to the interim financial statements are on page 15.

# Notes to the financial statements

For the six month period ended 31 January 2024 (unaudited)

## **Accounting policies**

### **Basis of accounting**

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 July 2023. They have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard (FRS) 104 and the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association (now known as the Investment Association) in May 2014.

Under the SORP guidelines adopted by the Fund, complete notes to the financial statements are not disclosed for the interim accounts. Complete notes to the financial statements will be available in the year end accounts.

## Distribution tables

For the six month period ended 31 January 2024 (unaudited)

### Distribution in pence per unit

#### Interim distribution payable 28 March 2024

Group 1	Units purchased prior to 1 August 2023
Group 2	Units purchased from 1 August 2023 to 31 January 2024 inclusive

	Revenue (p)	Equalisation (p)	Distribution payable 28 Mar 24 (p)	Distribution paid 31 Mar 23 (p)
<b>Income units</b>				
Group 1	0.9093	-	0.9093	1.6070
Group 2	0.6625	0.2468	0.9093	1.6070

### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of income included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.



# Directors' statement

For the six month period ended 31 January 2024 (unaudited)

We approve the Interim Report and Financial Statements of The Virgin Money Global Share Fund for the six month period ended 31 January 2024 on behalf of Virgin Money Unit Trust Managers Limited in accordance with the requirements of the Collective Investment Schemes Sourcebook.



**Jonathan Byrne**

Director

27 March 2024



**David Taylor**

Director

27 March 2024

**Virgin Money Unit Trust Managers Limited**

Authorised and regulated by the Financial Conduct Authority

Registered office: Jubilee House  
Gosforth, Newcastle upon Tyne NE3 4PL

Registered in England no. 3000482