



# The Virgin Stakeholder Pension Scheme

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**Interim Report and Financial Statements**

**For the six month period ended 15 June 2021 (unaudited)**

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# Management and professional services

## Manager (the 'Manager')

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

Directors:

S. Bruce  
J. Byrne (appointed 24 May 2021)  
H. Chater  
F. Murphy  
M. Phibbs  
D. Taylor  
N. L. Tu (resigned 24 May 2021)  
S. Wemyss

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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

## Trustee

Citibank Europe plc, UK Branch  
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.

## Independent auditor

KPMG LLP  
St. Vincent Plaza  
319 St. Vincent Street  
Glasgow  
G2 5AS

# Manager's investment report

For the six month period ended 15 June 2021 (unaudited)

## Overview of the Virgin Stakeholder Pension Scheme (the "Scheme")

The Virgin Stakeholder Pension Scheme is an umbrella unit trust based pension scheme offering a range of seven pension feeder funds to provide unitholders with choice and flexibility. Unitholders can invest directly through one or more of the funds, or through the default Glidepath lifestyle approach. Each pension feeder fund invests solely in one other Virgin authorised unit trust, safeguarded by independent trustees.

The Scheme is categorised as an authorised Non-UCITS<sup>1</sup> retail scheme (feeder NURS) under the Financial Services and Markets Act 2000. The underlying Virgin unit trusts (qualifying master schemes) are categorised as authorised UK UCITS unit trusts under the Financial Conduct Authority (FCA) Collective Investments Schemes Sourcebook. The Manager of the Scheme, the pension feeder funds and the qualifying master schemes is Virgin Money Unit Trust Managers Limited (the 'Manager'). The Trustee of the Scheme, the pension feeder funds and the qualifying master schemes is Citibank Europe plc, UK Branch (the 'Trustee').

## Pension Funds within the Scheme

The Scheme offers the following seven pension funds:

- > **The Virgin Pension Growth Fund** (invested in the Virgin UK Index Tracking Trust)
- > **The Virgin Money Pension Bond and Gilt Fund** (invested in the Virgin Money Bond and Gilt Fund)
- > **The Virgin Pension Bond, Gilt and UK Share Fund** (invested in the Virgin Bond, Gilt and UK Share Fund)
- > **The Virgin Pension Bond, Gilt, UK and Overseas Share Fund** (invested in the Virgin Bond, Gilt, UK and Overseas Share Fund)
- > **The Virgin Pension Global Share Fund** (invested in the Virgin Global Share Fund)
- > **The Virgin Money Pension Growth Fund 3** (invested in the Virgin Money Growth Fund 3)
- > **The Virgin Money Pension Defensive Fund** (invested in the Virgin Money Defensive Fund)

The largest fund within the Scheme is the Virgin Money Pension Growth Fund 3. In the default Glidepath approach, contributions are initially invested in the Virgin Money Pension Growth Fund 3 and then, starting from age 51 over a 15 year period, some of this investment is moved into the Virgin Money Pension Defensive Fund. The majority of Scheme unitholders are invested in the default Glidepath approach. The other funds are available for Scheme unitholders who have chosen a tailored investment approach.

Details of the individual investment objectives, policy and strategy for each NURS feeder fund are on pages 6 to 13. Half-yearly and annual long reports for the Qualifying Master Schemes can be found online in the Personal Pension section of myvirginmoney.com under the header 'Helpful information', or free on request to the Manager.

The Scheme only offers accumulation unit classes to investors in each of the funds as this aligns to the overall investment objective of the Scheme, which is to achieve capital growth. As a consequence any investment income earned is reinvested.

## Significant Events

Investors will be aware of the COVID-19 outbreak and the impact this has had on the global economy and capital markets. The outbreak has also had an impact on operational matters with key suppliers and stakeholders operating on a working from home model. Our focus on individual investors and their access to security protected telephone help and support has remained robust during a period in which the office working model has been replaced almost entirely by home working. We continue to monitor closely this service provision during this period in order to retain the high service standards demanded.

<sup>1</sup> Undertakings in Collective Investments in Transferable Securities (UCITS) that are established in accordance with the European Parliament and Council Directive of 13 July 2009 (No. 2009/65/EC). Where a scheme is authorised but not established in accordance with this Directive it is a Non-UCITS scheme.

# Manager's investment report

For the six month period ended 15 June 2021 (unaudited)

## Summary of Performance in the six month period ended 15 June 2021

Fund	Change in Net Asset Value per Unit	Total Income Accumulation per Unit
<b>The Virgin Pension Growth Fund</b> (invested in the Virgin UK Index Tracking Trust)	12.68%	3.6165p
<i>Auto Enrolment Accumulation units<sup>2</sup></i>	12.71%	1.2951p
<b>The Virgin Money Pension Bond and Gilt Fund</b> (invested in the Virgin Money Bond and Gilt Fund)	-3.41%	1.0891p
<i>Auto Enrolment Accumulation units<sup>2</sup></i>	-3.39%	0.4070p
<b>The Virgin Pension Bond, Gilt and UK Share Fund</b> (invested in the Virgin Bond, Gilt and UK Share Fund)	4.00%	1.0785p
<b>The Virgin Pension Bond, Gilt, UK and Overseas Share Fund</b> (invested in the Virgin Bond, Gilt, UK and Overseas Share Fund)	6.76%	1.3382p
<b>The Virgin Pension Global Share Fund</b> (invested in the Virgin Global Share Fund)	8.11%	1.6782p
<b>The Virgin Money Pension Growth Fund 3</b> (invested in the Virgin Money Growth Fund 3)	8.92%	0.0000p
<i>Auto Enrolment Accumulation units<sup>2</sup></i>	9.02%	0.0000p
<b>The Virgin Money Pension Defensive Fund</b> (invested in the Virgin Money Defensive Fund)	0.59%	0.0000p
<i>Auto Enrolment Accumulation units<sup>2</sup></i>	0.59%	0.0000p

<sup>2</sup> Auto-Enrolment units are only available to customers who are automatically enrolled into the Virgin Stakeholder Pension Scheme under Automatic Enrolment Workplace Pension Scheme Legislation.

# Manager's investment report

For the six month period ended 15 June 2021 (unaudited)

## Investment Objectives and Strategy of the Funds in the Scheme

The Scheme offers a range of seven pension funds, each of which has its own investment objective, policy and strategy. Each pension fund invests solely in an associated Virgin authorised unit trust with a corresponding investment objective. As a result, the performance of each pension fund is affected by different external market and economic conditions. An overview of each pension fund is provided below. Further details on fund policies and strategy are available in the prospectus for the Master Funds, which is available from the Manager free of charge on request.

## Virgin Pension Growth Fund

The objective and policy of the Fund is to invest solely in the Virgin UK Index Tracking Trust (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin UK Index Tracking Trust is stated below.

<b>Master Scheme Investment Objective</b>	The investment objective of the Virgin UK Index Tracking Trust is to provide a total return (income and capital growth) from UK Shares. The Fund aims to achieve this by tracking the performance of the FTSE <sup>3</sup> All-Share Index, measured annually, less charges.
<b>Policy and Strategy</b>	<p>The Virgin UK Index Tracking Trust aims to achieve the objective by holding the 600+ stocks that comprise the benchmark index, in similar proportions to the index.</p> <p>To manage costs, some company shares which make up a very small part of the index may not always be held, whilst stock index futures are used to manage money coming in and out of the Fund.</p>
<b>Typical Fund Mix</b>	100% in UK shares, across the 600+ companies on the FTSE All-Share Index.
<b>Performance:</b>	
<b>Change in net assets value per unit during the 6-month period</b>	12.68% (Auto Enrolment Accumulation units 12.71%).
<b>Total income accumulation per unit for the 6-month period</b>	3.6165p (Auto Enrolment Accumulation units 1.2951p).
<b>Commentary</b>	<p>UK shares rose over the review period. This was despite the reimposition of lockdowns, which saw more than three quarters of England's population under the most severe restrictions by the end of December 2020. Investor sentiment improved following the late Brexit deal on Christmas Eve and on the back of a highly successful domestic vaccine rollout. By the end of the review period, over 40 million people in the UK had received their first vaccine dose, with over 30 million being fully vaccinated. Supportive government policy, with Chancellor Rishi Sunak pledging an additional £65 billion in emergency support measures for workers and businesses, drove markets upwards. Easing lockdown restrictions and positive corporate earnings also benefited UK shares. The Bank of England raised its 2021 GDP economic growth forecast to 7.25% in its May meeting and noted that rising inflation numbers were most likely temporary.</p> <p>The Fund posted a return of 12.68% over the six-month period.</p>

<sup>3</sup> The Scheme has been developed solely by Virgin Money Unit Trust Managers Limited. The Scheme is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE All-Share Index (the "Index") vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Trust. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Scheme or the suitability of the Index for the purpose to which it is being put by Virgin Money Unit Trust Managers Limited.

# Manager's investment report

For the six month period ended 15 June 2021 (unaudited)

## Virgin Money Pension Bond and Gilt Fund

The objective and policy of the Fund is to invest solely in the Virgin Money Bond and Gilt Fund (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Money Bond and Gilt Fund is stated below.

### Master Scheme Investment Objective

The investment objective of the Virgin Money Bond and Gilt Fund is to provide a total return (predominantly income but also any capital growth) from bonds and gilts. The Fund aims to achieve this by tracking the performance of a composite index, comprising 50% the FTSE 5-15 Year Gilt Index and 50% the Bank of America Merrill Lynch 5-15 Year AAA-A Non-Gilt Index, measured annually, less charges.

### Policy and Strategy

The Virgin Money Bond and Gilt Fund invests 50% of its assets in bonds issued by the UK Government (known as "gilts") and 50% in other bonds. These other bonds comprise:

- > corporate bonds
- > bonds issued by government agencies; and
- > bonds issued by supranational organisations, such as the European Investment Bank.

All bonds are denominated in sterling.

The Fund pursues a low risk strategy by investing in medium term (5 to 15 years) gilts, whilst its other bonds are highly rated (AAA-A) by leading credit agencies. This means a lower risk of non-payment compared to lower rated bonds.

An Investment Adviser manages the Fund and seeks to match closely the composition of the composite index by only investing in the bonds and gilts that make up the two indices referenced in the investment objective. This means that the Fund is "passively" managed, as it only invests in line with these indices.

### Typical Fund Mix

50% in UK Government Gilts and 50% in corporate bonds.

### Performance:

Change in net assets value per unit during the 6-month period

-3.41% (Auto Enrolment Accumulation units -3.39%).

Total income accumulation per unit for the 6-month period

1.0891p (Auto Enrolment Accumulation units 0.4070p).

### Commentary

Global government and corporate bonds mostly fell over the review period. Improving sentiment concerning the economic recovery which increased demand for shares and ongoing government and central bank support resulted in expectations of rising inflation and pushed down bond prices. The first quarter of 2021 saw global government bonds fall sharply, with UK government bonds (gilts) enduring their worst quarter in over 20 years. Government bond markets then stabilised but were unable to offset earlier losses. Corporate bonds fared better than government bonds, but still fell over the period.

The Fund fell over the past six months, posting a return of -3.41%.

# Manager's investment report

For the six month period ended 15 June 2021 (unaudited)

## Virgin Pension, Bond, Gilt and UK Share Fund

The investment objective and policy of the Fund is to invest solely in the Virgin Bond, Gilt and UK Share Fund (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Bond, Gilt and UK Share Fund is stated below.

### Master Scheme Investment Objective

The investment objective of the Virgin Bond, Gilt and UK Share Fund is to provide a total return (income and capital growth) from bonds, gilts and UK shares. The Fund aims to achieve this by tracking the performance of a composite index, comprising 50% FTSE All-Share Index, 18.5% Bloomberg Barclays UK Gilt Index, 13.0% Bloomberg Barclays UK Gilt 1-5 Year Index, 9.25% FTSE 5-15 Year Gilt Index, and 9.25% Bank of America Merrill Lynch 5-15 Year AAA-A Non-Gilt Index, measured annually, less charges.

### Policy and Strategy

The Fund aims to achieve the objective by investing in other funds rather than in individual bonds or shares. This type of fund is often referred to as a 'fund-of-funds'.

In order to achieve the objective, the underlying funds aim to track the performance of the stock market indices specified within the investment objective. No decisions are taken by the Manager of these funds on which individual shares or bonds may perform better or worse. In this way, the underlying funds are designed to perform as closely as possible with the respective index, rather than trying to outperform it.

The Fund rebalances its investments at the end of each calendar quarter to the percentage allocations shown in the investment objective. If at any calendar quarter end, any particular allocation is within +/-0.5% from the specified allocation, that element of the fund may not be traded in order to minimise transaction costs.

### Typical Fund Mix

50% in UK Government Gilts and corporate bonds and 50% in UK shares.

### Performance:

Change in net assets value per unit during the 6-month period

4.00%

Total income accumulation per unit for the 6-month period

1.0785p

### Commentary

UK shares rose over the review period, despite the reimposition of lockdowns. Investor sentiment improved following the late Brexit deal on Christmas Eve and on the back of a highly successful domestic vaccine rollout. By the end of the review period, over 40 million people in the UK had received their first vaccine dose, with over 30 million being fully vaccinated. Supportive government policy, with Chancellor Rishi Sunak pledging an additional £65 billion in emergency support measures for workers and businesses, drove markets upwards. Easing lockdown restrictions and positive corporate earnings results also benefited UK shares.

While improving sentiment concerning the economic recovery and ongoing government and central bank support drove up stock markets, they also fuelled concerns of rising inflation. Accordingly, global government bonds, particularly UK gilts, and corporate bonds fell over the period. The Bank of England raised its 2021 GDP growth forecast to 7.25% and noted that rising inflation numbers were most likely temporary.

Overall, the Fund returned 4.00% over the six-month period.



# Manager's investment report

For the six month period ended 15 June 2021 (unaudited)

## Virgin Pension Bond, Gilt, UK and Overseas Share Fund

The investment objective and policy of the Fund is to invest solely into the Virgin Bond, Gilt, UK and Overseas Share Fund (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Bond, Gilt, UK and Overseas Share Fund is stated below.

<b>Master Scheme Investment Objective</b>	The investment objective of the Virgin Bond, Gilt, UK and Overseas Share Fund is to provide a total return (income and capital growth) from bonds, gilts, UK and overseas shares. The Fund aims to achieve this by tracking the performance of a composite index, comprising 50% FTSE All-Share Index, 6.5% FTSE World North America Index, 6.5% FTSE All-World Developed Europe ex UK Index, 6% FTSE Japan Index, 6% FTSE All-World Developed Asia Pacific ex Japan Index, 6.5% Bloomberg Barclays UK Gilt Index, 9.25% FTSE 5-15 Year Gilt Index, and 9.25% Bank of America Merrill Lynch 5-15 Year AAA-A Non-Gilt Index, measured annually, less charges.
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<b>Policy and Strategy</b>	<p>The Virgin Bond, Gilt, UK and Overseas Share Fund aims to achieve the objective by investing in other funds rather than in individual bonds or shares. This type of fund is often referred to as a 'fund-of-funds'.</p> <p>The Fund's investments are split between funds which invest in shares and funds which invest in bonds.</p> <p>In order to achieve the objective, the underlying funds aim to track the performance of the stock market indices specified within the investment objective. No decisions are taken by the Manager of these funds on which individual shares or bonds may perform better or worse. In this way, the underlying funds are designed to perform as closely as possible with the respective index, rather than trying to outperform it.</p> <p>The Fund rebalances its investments at the end of each calendar quarter to the percentage allocations shown in the investment objective. If at any calendar quarter end, any particular allocation is within +/-0.5% from the specified allocation, that element of the fund may not be traded in order to minimise transaction costs.</p>
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<b>Typical Fund Mix</b>	50% in UK shares, 25% in overseas shares, 25% in UK Government Gilts and corporate bonds.
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## Performance:

Change in net assets value per unit during the 6-month period	6.76%
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Total income accumulation per unit for the 6-month period	1.3382p
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**Commentary**

Global stock markets rose over the six-month review period, with most major world indices seeing strong growth. The COVID-19 pandemic's impact continued to be felt by economies around the world, with new variants of the virus adding further uncertainty and leading to the reimposition of lockdowns in many countries. However, markets had already largely adapted to this constrained environment, and many markets were also underpinned by ongoing government and central bank support. Investor sentiment also improved on the back of largely successful vaccine rollouts.

UK shares performed well over the review period, as investor sentiment improved following the late Brexit deal on Christmas Eve and on the back of an impressive domestic vaccine rollout. Supportive government policy, easing lockdown restrictions and positive earnings results also drove up UK shares. However, improving sentiment concerning the economic recovery and ongoing government and central bank support fuelled concerns of rising inflation. Accordingly, global government bonds, particularly UK gilts, and corporate bonds fell over the period.

The Fund rose by 6.76% during the period.

# Manager's investment report

For the six month period ended 15 June 2021 (unaudited)

## Virgin Pension Global Share Fund

The investment objective of the Fund is to invest solely into the Virgin Global Share Fund (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Global Share Fund is stated below:

<b>Master Scheme Investment Objective</b>	The investment objective of the Virgin Global Share Fund is to provide a total return (income and capital growth) from UK and overseas shares. The Fund aims to achieve this by tracking the performance of a composite index, comprising 25% FTSE All-Share Index, 12.5% FTSE World North America Index, 12.5% FTSE All-World Developed Europe ex UK Index, 12.5% FTSE Japan Index, 12.5% FTSE All-World Developed Asia Pacific ex Japan Index, and 25% MSCI Emerging Markets Index, measured annually, less charges.
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<b>Policy and Strategy</b>	<p>The Virgin Global Share Fund aims to achieve the objective by investing in other funds rather than in individual shares. This type of fund is often referred to as a 'fund-of-funds'.</p> <p>The Fund's investments are funds which invest in shares.</p> <p>In order to achieve the objective, the underlying funds aim to track the performance of the stock market indices specified within the investment objective. No decisions are taken by the Manager of these funds on which individual shares may perform better or worse. In this way, the underlying funds are designed to perform as closely as possible with the respective index, rather than trying to outperform it.</p> <p>The Fund rebalances its investments at the end of each calendar quarter to the percentage allocations shown in the investment objective. If at any calendar quarter end, any particular allocation is within +/-0.5% from the specified allocation, that element of the fund may not be traded in order to minimise transaction costs.</p>
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<b>Typical Fund Mix</b>	25% in UK shares, 50% in overseas shares and 25% in emerging market shares.
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## Performance:

Change in net assets value per unit during the 6-month period	8.11%
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Total income accumulation per unit for the 6-month period	1.6782p
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<b>Commentary</b>	<p>Global stock markets rose over the six-month review period, with most major world indices seeing strong growth. The COVID-19 pandemic's impact continued to be felt by economies around the world, with new variants of the virus adding further uncertainty and leading to the reimposition of lockdowns in many countries. However, markets had already largely adapted to this constrained environment, and many markets were also underpinned by ongoing government and central bank support. Investor sentiment also improved on the back of largely successful vaccine rollouts.</p>
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The review period started with the discovery of a new, highly contagious COVID-19 strain in the UK, which negatively affected global stocks. However, optimism concerning the vaccine rollouts that were already underway and the last-minute Brexit agreement on Christmas Eve offset the bad news. Although momentum stalled in January and February 2021, amid concerns of rising inflation, stock markets resumed their upward momentum, and recoveries continued apace in April. This was despite an alarming rise in COVID-19 cases in India and renewed outbreaks in many other geographies. From mid-May, investor focus shifted to corporate earnings announcements, which were generally better than expected.

Against this backdrop, the Fund returned 8.11% over the period.

# Manager's investment report

For the six month period ended 15 June 2021 (unaudited)

## Virgin Money Pension Growth Fund 3

The investment objective of the Fund is to invest solely into the Virgin Money Growth Fund 3 (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Money Growth Fund 3 is stated below.

### Master Scheme Investment Objective

The aim of the Virgin Money Growth Fund 3 is to generate capital growth over the longer term (5 years or more) from a multi-asset portfolio of shares and bonds from around the world (i.e. globally invested). The Fund is the highest risk fund in the Virgin Money Growth range, which offers three funds with different levels of risk and potential return.

### Policy and Strategy

The Virgin Money Growth Fund 3 aims to achieve the objective by investing in other funds, rather than investing directly in individual shares and bonds. 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 the Manager, the Investment Adviser, or any other authorised fund manager.

The Fund invests:

> at least 80% in funds that have a higher return potential (compared to other investments in the Fund) – but which carry a higher level of risk, such as shares (from both developed and emerging countries) and higher yielding bonds. This includes company shares, property shares, and higher yielding bonds such as corporate bonds rated by the leading credit agencies as below investment grade (BB or lower); and

> the rest in funds that have a lower return potential (compared to other investments in the Fund) – but which carry a lower level of risk. This includes government bonds (loans to a government) from developed countries, investment grade corporate bonds (loans to a company) with relatively strong credit ratings (BBB or higher), and cash.

The split between higher and lower risk investments, and the types of investment (for example, geography and types of bonds) are chosen so that risk (measured by how much the Fund's value fluctuates, known as 'volatility') is expected to remain within the range 80% to 100% of the risk of world stock markets over 10 year periods. The Fund uses the MSCI All Countries World Index GBP to represent world stock markets.

The underlying funds are chosen to implement the desired mix of assets as per the bullet points above. 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 particular share index or bond index. The rest will be actively managed funds – this is where the fund manager chooses individual shares / bonds and as a result returns may be higher (or lower) than the market.

As well as investing in bond and share funds, the Fund may also hold cash or funds investing in cash and money-market investments.

The Fund's mix of investments will be reviewed at least annually, and may change in consideration of the outlook for each investment type, but it will always include at least 80% in funds with higher risk/return potential.

### Performance:

Change in net assets value per unit during the 6-month period

8.92% (Auto Enrolment Accumulation units 9.02%).

Total income accumulation per unit for the 6-month period

0.0000p (Auto Enrolment Accumulation units 0.0000p).

# Manager's investment report

For the six month period ended 15 June 2021 (unaudited)

## Performance (continued):

### Commentary

Global stock markets rose over the six-month review period, with most major world indices seeing strong growth. The COVID-19 pandemic's impact continued to be felt by economies around the world, with new variants of the virus adding further uncertainty and leading to the reimposition of lockdowns in many countries. However, markets had already largely adapted to this constrained environment, and many markets were also underpinned by ongoing government and central bank support. Investor sentiment also improved on the back of largely successful vaccine rollouts.

While improving sentiment concerning the economic recovery and ongoing government and central bank support drove up stock markets, they also fuelled concerns of rising inflation. Accordingly, global government bonds fell. Corporate bonds saw better performance than government bonds, but also fell.

The Fund returned 8.92% over the review period.

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# Manager's investment report

For the six month period ended 15 June 2021 (unaudited)

## Virgin Money Pension Defensive Fund

The investment objective of the Fund is to invest solely into the Virgin Money Defensive Fund (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Money Defensive Fund is stated below.

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**Master Scheme Investment Objective** The Virgin Money Defensive Fund aims to grow investors' money over the medium term (3 years or more) whilst limiting ups and downs in value by investing mainly in assets considered to be lower risk or 'defensive' in nature.

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**Policy and Strategy** The Virgin Money Defensive Fund aims to achieve the objective by investing in other funds, rather than investing directly in individual bonds and 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.

The Fund invests:

> at least 75% in funds that have a lower risk and return potential compared to other investments in the Fund. This includes government bonds (loans to a government) from developed countries, investment grade corporate bonds (loans to a company) with relatively strong credit ratings (BBB or higher), and cash;

> the rest in funds that have a higher return potential compared to other investments in the Fund – but which carry a higher level of risk, such as shares (from both developed and emerging countries) and higher yielding bonds. This includes company shares, property shares, and higher yielding bonds such as corporate bonds rated by the leading credit agencies as below investment grade (BB or lower).

The split between higher and lower risk investments, and the types of investment (for example, geography and types of bonds) are chosen so that risk (measured by how much the Fund's value fluctuates, known as 'volatility') is expected to remain within the range 2% to 5% per year, measured over five year periods.

The underlying funds are chosen to implement the desired mix of assets as per the bullet points above. 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 particular share index or bond index. The rest will be actively managed funds – this is where the fund manager chooses individual shares / bonds and as a result returns may be higher (or lower) than the market.

As well as investing in bond and share funds, the Fund may also hold cash or funds investing in cash and money-market investments.

The Fund's mix of investments will be reviewed at least annually, and may change in consideration of the outlook for each investment type, but it will always include at least 75% in funds with lower risk/return potential.

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## Performance:

Change in net assets value per unit during the 6-month period 0.59% (Auto Enrolment Accumulation units 0.59%).

Total income accumulation per unit for the 6-month period 0.0000p (Auto Enrolment Accumulation units 0.0000p).

**Commentary** Improving sentiment concerning the economic recovery and ongoing government and central bank support drove up global stock markets, but fuelled concerns of rising inflation. Accordingly, global government bonds, particularly UK gilts, fell over the period. Corporate bonds saw better performance than government bonds, but also fell. Within global stock markets, most major world indices saw strong growth, as positive economic and vaccine-related news more than offset fears of vaccine resistant COVID-19 strains and renewed outbreaks in many geographies.

The Fund returned 0.59% over the review period.

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# Manager's investment report

For the six months to 15 June 2021

## Markets overview for the six months to 15 June 2021

Each Fund in the Scheme has its own investment strategy. This means each Fund will perform differently depending on external and economic factors during the period.

- Global stock markets rose over the six-month review period, with most major world indices seeing strong double digit growth.
- The COVID-19 pandemic continued to put strain on economies around the world, and new variants of the virus added further uncertainty and led to the reimposition of lockdowns in many countries. However, markets had already largely adapted to this constrained environment, and many markets were also underpinned by ongoing government and central bank support. Investor sentiment also improved on the back of largely successful vaccine rollouts.

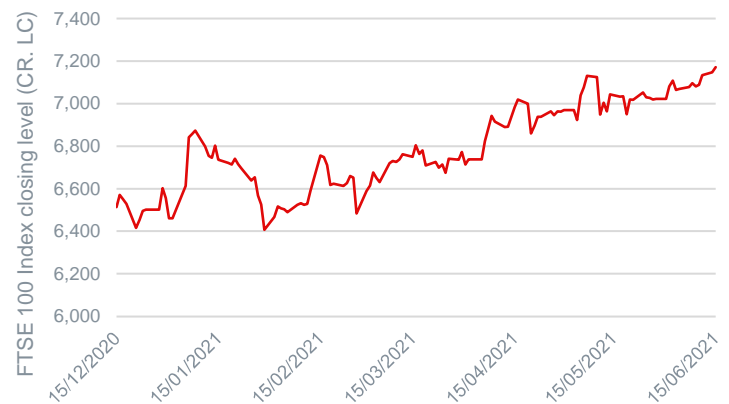
## Positive newsflow outweighs the negative

- The review period started with the discovery of a new, more contagious COVID-19 strain in the UK, which negatively affected global shares. However, optimism about the continued rollout of the vaccination programme in the UK offset the bad news. Further news which helped stock markets rebound at the end of December was the last minute Brexit agreement reached between the UK and European Union.
- Momentum for shares and more significantly bond stalled in January and February 2021, amid concerns that the extraordinary level of government spending that has supported the economy would lead to rising inflation. As a result, gilts and bonds fell in value due to rising inflation expectations and what that means for future interest rates. The next move in interest rates is expected to be up, which pushes down the prices of bonds already in existence as they pay a fixed level of interest.
- However, stock markets resumed their upward momentum, and recoveries continued apace in April. This was despite an alarming rise in COVID-19 cases in India and renewed outbreaks in many other geographies.
- From mid-May, investor focus shifted to corporate profits announcements, which were generally better than expected. While some travel-related areas remain challenged, worldwide vaccine rollouts continue to accelerate. This has allowed businesses to reopen and the recovery to broaden out, as reflected in the better employment data and the outlook for many companies.
- Oil prices continued to recover, with Brent crude oil starting the six-month period at just over US\$50 per barrel and ending it at over US\$70 per barrel. Oil prices fell sharply in mid-March as analysts worried that Europe's slow vaccination programme could stunt travel and economic growth. However, prices then jumped in April when the US Energy Information Agency predicted rising demand and shrinking oil inventories.

## Major stock markets rose over the period

- UK shares rose over the review period. This was despite the reimposition of lockdowns shortly after the review period started. Investor sentiment improved following the late Brexit deal on Christmas Eve. As the period progressed, supportive government policy, easing lockdown restrictions, positive earnings results and an impressive vaccine rollout all drove up UK stocks.

## UK Stock Market - FTSE 100 Index



- US stock markets saw positive performance over the review period. They ended 2020 at new all-time highs. Recent inflation concerns were offset by positive economic figures and corporate earnings. President Biden also unveiled three stimulus packages, amounting to almost US\$5 trillion in total, as well as a US\$6 trillion 2022 federal budget. Vaccination progressed at pace, with over 311 million doses administered by the end of the period.
- European stock markets performed well over the last six months. They had a strong start, driven by the launch of vaccine rollouts, the Brexit trade deal and the €500 billion expansion of the European Central Bank's monetary stimulus programme. However, most European indices fell briefly in January amid renewed lockdown measures, although they rose thereafter, despite ongoing lockdowns and rising COVID-19 cases. While the Eurozone experienced a falling economic growth rate for the first quarter of 2021 due to vaccination delays and extended lockdowns, the European Commission upgraded its 2021 growth forecast from 3.7% to 4.2%.

# Manager's investment report

For the six months to 15 June 2021

- Asia-Pacific shares performed well over the last six months, despite renewed COVID-19 outbreaks within the region and generally sluggish vaccine rollouts. Generous spending and tax policies in the US buoyed Asian shares at the start of the review period but falling bond prices in February and March – plus ongoing pandemic recovery concerns – depressed markets. However, stabilising bond prices and higher economic optimism meant that the region generally posted positive returns to the end of the period. Further, the Federal Reserve's reassurances that higher inflation should be short lived calmed markets. Emerging-market equities also rose overall.

## Global recovery hits bond markets

- Due to increased demand for perceived riskier assets such as shares and the expectation of rising interest rates, bond prices fell over the period with corporate bonds generally faring better than government bonds.

### Virgin Money Pension Bond and Gilt Fund unit price



# Net asset value and operating charges

As at 15 June 2021 (unaudited)

	Virgin Pension Growth Fund					
	Accumulation Units			AE Accumulation Units		
	15 Jun 21	15 Dec 20	15 Dec 19	15 Jun 21	15 Dec 20	15 Dec 19
Closing net asset value (£)	204,309,012	185,375,271	1,124,996,121	2,600,130	2,847,770	31,212,870
Closing number of units	54,809,410	56,038,980	311,519,541	1,952,921	2,410,624	24,187,130
Closing net asset value per unit (p)	372.76	330.80	361.13	133.14	118.13	129.05
Operating Charges (%) <sup>‡</sup>	0.60	0.60	0.60	0.60	0.60	0.60

	Virgin Money Pension Bond and Gilt Fund					
	Accumulation Units			AE Accumulation Units		
	15 Jun 21	15 Dec 20	15 Dec 19	15 Jun 21	15 Dec 20	15 Dec 19
Closing net asset value (£)	150,410,876	171,052,100	334,341,223	974,663	1,839,764	6,325,776
Closing number of units	48,868,694	53,682,671	110,161,105	847,582	1,545,799	5,581,521
Closing net asset value per unit (p)	307.79	318.64	303.50	114.99	119.02	113.33
Operating Charges (%) <sup>‡</sup>	0.60	0.60	0.60	0.60	0.60	0.60

	Virgin Pension Bond, Gilt and UK Share Fund			Virgin Pension Bond, Gilt, UK and Overseas Share Fund		
	Accumulation Units			Accumulation Units		
	15 Jun 21	15 Dec 20	15 Dec 19	15 Jun 21	15 Dec 20	15 Dec 19
Closing net asset value (£)	3,270,461	3,186,945	3,273,607	6,587,494	6,271,140	6,408,273
Closing number of units	2,684,539	2,720,631	2,781,718	4,711,684	4,788,697	4,957,431
Closing net asset value per unit (p)	121.83	117.14	117.68	139.81	130.96	129.27
Operating Charges (%) <sup>‡</sup>	0.85	1.00	1.00	0.85	1.00	1.00



# Net asset value and operating charges

As at 15 June 2021 (unaudited)

Virgin Pension Global Share Fund			
Accumulation Units			
	15 Jun 21	15 Dec 20	15 Dec 19
Closing net asset value (£)	19,972,710	18,309,305	15,607,104
Closing number of units	12,282,235	12,172,651	11,194,905
Closing net asset value per unit (p)	162.61	150.41	139.41
Operating Charges (%) <sup>‡</sup>	0.85	1.00	1.00

Virgin Money Pension Growth Fund 3				
	Accumulation Units		AE Accumulation Units	
	15 Jun 21	15 Dec 20	15 Jun 21	15 Dec 20
Closing net asset value (£)	999,422,494	923,934,106	23,974,795	22,470,559
Closing number of units	873,041,492	879,132,835	20,925,901	21,381,337
Closing net asset value per unit (p)	114.48	105.10	114.57	105.09
Operating Charges (%) <sup>‡</sup>	0.85	0.85	0.85	0.75

Virgin Money Pension Defensive Fund				
	Accumulation Units		AE Accumulation Units	
	15 Jun 21	15 Dec 20	15 Jun 21	15 Dec 20
Closing net asset value (£)	100,552,007	87,129,235	1,714,230	1,528,903
Closing number of units	98,400,420	85,765,008	1,677,557	1,504,967
Closing net asset value per unit (p)	102.19	101.59	102.19	101.59
Operating Charges (%) <sup>‡</sup>	0.70	0.70	0.70	0.70

Virgin Money Pension Growth Fund 3 and Virgin Money Pension Defensive Fund were launched on 5 November 2020.

<sup>‡</sup> No charges are levied at the NURS feeder fund level and these operating charges are the total expenses paid by the relevant Qualifying Master Scheme.

# Portfolio Statements

As at 15 June 2021 (unaudited)

	Holdings	Market Value £'000	% of Net Assets
<b>Virgin Pension Growth Fund</b>			
Virgin UK Index Tracking Trust Income Units (98.49%*)	74,619,801	204,309	98.74
Virgin UK Index Tracking Trust AE Income Units (1.51%*)	2,339,150	2,599	1.26
<b>Portfolio of investments</b>		<b>206,908</b>	<b>100.00</b>
Net other assets		1	-
<b>Net assets</b>		<b>206,909</b>	<b>100.00</b>
<b>Virgin Money Pension Bond and Gilt Fund</b>			
Virgin Money Bond and Gilt Fund Income Units (98.92%*)	112,655,170	150,395	99.35
Virgin Money Bond and Gilt Fund AE Income Units (1.07%*)	918,441	974	0.64
<b>Portfolio of investments</b>		<b>151,369</b>	<b>99.99</b>
Net other assets		17	0.01
<b>Net assets</b>		<b>151,386</b>	<b>100.00</b>
<b>Virgin Pension Bond, Gilt and UK Share Fund</b>			
Virgin Bond, Gilt and UK Share Fund (100.00%*)	2,925,271	3,270	100.00
<b>Portfolio of investments</b>		<b>3,270</b>	<b>100.00</b>
Net other assets		-	-
<b>Net assets</b>		<b>3,270</b>	<b>100.00</b>

# Portfolio Statements

As at 15 June 2021 (unaudited)

	Holdings	Market Value £'000	% of Net Assets
<b>Virgin Pension Bond, Gilt, UK and Overseas Share Fund</b>			
Virgin Bond, Gilt, UK and Overseas Share Fund (100.00%*)	5,215,751	6,587	100.00
<b>Portfolio of investments</b>		<b>6,587</b>	<b>100.00</b>
Net other assets		-	-
<b>Net assets</b>		<b>6,587</b>	<b>100.00</b>
<b>Virgin Pension Global Share Fund</b>			
Virgin Global Share Fund (100.00%*)	13,440,585	19,973	100.00
<b>Portfolio of investments</b>		<b>19,973</b>	<b>100.00</b>
Net other assets		-	-
<b>Net assets</b>		<b>19,973</b>	<b>100.00</b>
<b>Virgin Money Pension Growth Fund 3</b>			
Virgin Money Growth Fund 3 Income Units (97.63%*)	835,637,537	999,422	97.66
Virgin Money Growth Fund 3 AE Income Units (2.37%*)	20,029,068	23,975	2.34
<b>Portfolio of investments</b>		<b>1,023,397</b>	<b>100.00</b>
<b>Net other assets</b>		<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>1,023,397</b>	<b>100.00</b>

# Portfolio Statements

As at 15 June 2021 (unaudited)

	Holdings	Market Value £'000	% of Net Assets
<b>Virgin Money Pension Defensive Fund</b>			
Virgin Money Defensive Fund Income Units (98.28%*)	97,623,308	100,552	98.32
Virgin Money Defensive Fund AE Income Units (1.72%*)	1,664,301	1,714	1.68
<b>Portfolio of investments</b>		<b>102,266</b>	<b>100.00</b>
<b>Net other assets</b>		-	-
<b>Net assets</b>		<b>102,266</b>	<b>100.00</b>

\*Comparative figures shown in brackets relate to percentage of total net assets at 15 December 2020.

Investments in Collective Investment Schemes are a related party to the funds (see note 2 on page 28).

# Purchases of investments

For the six month period ended 15 June 2021 (unaudited)

	<b>Cost £'000</b>
<b>Virgin Pension Growth Fund</b>	
Virgin UK Index Tracking Trust Income Units	5,829
Virgin UK Index Tracking Trust AE Income Units	54
	<b>5,883</b>
<b>Virgin Money Pension Bond and Gilt Fund</b>	
Virgin Money Bond and Gilt Fund Income Units	2,250
Virgin Money Bond and Gilt Fund AE Income Units	8
	<b>2,258</b>
<b>Virgin Pension Bond, Gilt and UK Share Fund</b>	
Virgin Bond, Gilt and UK Shares Fund	241
	<b>241</b>
<b>Virgin Pension Bond, Gilt, UK and Overseas Share Fund</b>	
Virgin Bond, Gilt, UK and Overseas Share Fund	403
	<b>403</b>
<b>Virgin Pension Global Share Fund</b>	
Virgin Global Share Fund	1,492
	<b>1,492</b>
<b>Virgin Money Pension Growth Fund 3</b>	
Virgin Money Growth Fund 3 Income Units	12,282
Virgin Money Growth Fund 3 AE Income Units	283
	<b>12,565</b>

The above constitutes all purchases of investments in the period.

# Purchases of investments

For the six month period ended 15 June 2021 (unaudited)

	<b>Cost £'000</b>
<b>Virgin Money Pension Defensive Fund</b>	
Virgin Money Defensive Fund Income Units	15,108
Virgin Money Defensive Fund AE Income Units	274
	<b>15,382</b>

The above constitutes all purchases of investments in the period.

# Sales of investments

For the six month period ended 15 June 2021 (unaudited)

	<b>Proceeds £'000</b>
<b>Virgin Pension Growth Fund</b>	
Virgin UK Index Tracking Trust Income Units	8,133
Virgin UK Index Tracking Trust AE Income Units	618
	<b>8,751</b>
<b>Virgin Money Pension Bond and Gilt Fund</b>	
Virgin Money Bond and Gilt Fund Income Units	16,606
Virgin Money Bond and Gilt Fund AE Income Units	815
	<b>17,421</b>
<b>Virgin Pension Bond, Gilt and UK Share Fund</b>	
Virgin Bond, Gilt and UK Shares Fund	253
	<b>253</b>
<b>Virgin Pension Bond, Gilt, UK and Overseas Share Fund</b>	
Virgin Bond, Gilt, UK and Overseas Share Fund	441
	<b>441</b>
<b>Virgin Pension Global Share Fund</b>	
Virgin Global Share Fund	1,109
	<b>1,109</b>
<b>Virgin Money Pension Growth Fund 3</b>	
Virgin Money Growth Fund 3 Income Units	18,903
Virgin Money Growth Fund 3 AE Income Units	779
	<b>19,682</b>

The above constitutes all sales of investments in the period.

## Sales of investments

For the six month period ended 15 June 2021 (unaudited)

	<b>Proceeds £'000</b>
<b>Virgin Money Pension Defensive Fund</b>	
Virgin Money Defensive Fund Income Units	2,362
Virgin Money Defensive Fund AE Income Units	100
	<b>2,462</b>

The above constitutes all sales of investments in the period.



# Statements of total return

For the six month period ended 15 June 2021 (unaudited)

	Virgin Pension Growth Fund		Virgin Money Pension Bond and Gilt Fund		Virgin Pension Bond, Gilt and UK Share Fund		Virgin Pension Bond, Gilt, UK and Overseas Share Fund		Virgin Pension Global Share Fund		Virgin Money Pension Growth Fund 3	Virgin Money Pension Defensive Fund
	15 Jun 21	15 Jun 20	15 Jun 21	15 Jun 20	15 Jun 21	15 Jun 20	15 Jun 21	15 Jun 20	15 Jun 21	15 Jun 20	15 Jun 21	15 Jun 21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income												
Net Capital Gains/(Losses)	21,556	(210,538)	(6,342)	10,951	97	(210)	354	(505)	1,289	(1,150)	84,217	688
Revenue	2,039	14,236	550	1,939	30	38	63	76	202	209	-	-
Expenses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net revenue</b>	<b>2,039</b>	<b>14,236</b>	<b>550</b>	<b>1,939</b>	<b>30</b>	<b>38</b>	<b>63</b>	<b>76</b>	<b>202</b>	<b>209</b>	<b>-</b>	<b>-</b>
<b>Total return before accumulation</b>	<b>23,595</b>	<b>(196,302)</b>	<b>(5,792)</b>	<b>12,890</b>	<b>127</b>	<b>(172)</b>	<b>417</b>	<b>(429)</b>	<b>1,491</b>	<b>(941)</b>	<b>84,217</b>	<b>688</b>
Accumulations	(2,039)	(14,236)	(550)	(1,939)	(30)	(38)	(63)	(76)	(202)	(209)	-	-
<b>Change in unitholders' funds from investment activities</b>	<b>21,556</b>	<b>(210,538)</b>	<b>(6,342)</b>	<b>10,951</b>	<b>97</b>	<b>(210)</b>	<b>354</b>	<b>(505)</b>	<b>1,289</b>	<b>(1,150)</b>	<b>84,217</b>	<b>688</b>

# Statements of change in unitholders' funds

For the six month period ended 15 June 2021 (unaudited)

	Virgin Pension Growth Fund		Virgin Money Pension Bond and Gilt Fund		Virgin Pension Bond, Gilt and UK Share Fund		Virgin Pension Bond, Gilt, UK and Overseas Share Fund		Virgin Pension Global Share Fund		Virgin Money Pension Growth Fund 3	Virgin Money Pension Defensive Fund
	15 Jun 21	15 Jun 20	15 Jun 21	15 Jun 20	15 Jun 21	15 Jun 20	15 Jun 21	15 Jun 20	15 Jun 21	15 Jun 20	15 Jun 21	15 Jun 21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Opening net assets</b>	<b>188,223</b>	<b>1,156,209</b>	<b>172,892</b>	<b>340,667</b>	<b>3,187</b>	<b>3,274</b>	<b>6,271</b>	<b>6,408</b>	<b>18,309</b>	<b>15,607</b>	<b>946,405</b>	<b>88,658</b>
Amounts receivable on issue of units	3,826	19,214	1,705	22,537	208	724	337	519	1,272	2,010	12,565	15,382
Amounts payable on cancellation of units	(8,703)	(25,499)	(17,405)	(16,136)	(251)	(331)	(438)	(334)	(1,103)	(2,021)	(19,790)	(2,462)
	<b>(4,877)</b>	<b>(6,285)</b>	<b>(15,700)</b>	<b>6,401</b>	<b>(43)</b>	<b>393</b>	<b>(101)</b>	<b>185</b>	<b>169</b>	<b>(11)</b>	<b>(7,225)</b>	<b>12,920</b>
Change in unitholders' funds from investment activities	21,556	(210,538)	(6,342)	10,951	97	(210)	354	(505)	1,289	(1,150)	84,217	688
Income retained on accumulation units	2,007	14,265	536	1,942	29	43	63	81	206	216	-	-
<b>Closing net assets</b>	<b>206,909</b>	<b>953,651</b>	<b>151,386</b>	<b>359,961</b>	<b>3,270</b>	<b>3,500</b>	<b>6,587</b>	<b>6,169</b>	<b>19,973</b>	<b>14,662</b>	<b>1,023,397</b>	<b>102,266</b>

Virgin Money Pension Growth Fund 3 and Virgin Money Pension Defensive Fund were launched on 5 November 2020, therefore there are no comparatives.

Comparative information is provided for the Statements of change in unitholders funds. 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 sheets

As at 15 June 2021 (unaudited)

	Virgin Pension Growth Fund		Virgin Money Pension Bond and Gilt Fund		Virgin Pension Bond, Gilt and UK Share Fund		Virgin Pension Bond, Gilt, UK and Overseas Share Fund		Virgin Pension Global Share Fund		Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund	
	15 Jun 21	15 Dec 20	15 Jun 21	15 Dec 20	15 Jun 21	15 Dec 20	15 Jun 21	15 Dec 20	15 Jun 21	15 Dec 20	15 Jun 21	15 Dec 20	15 Jun 21	15 Dec 20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Assets</b>														
<b>Fixed assets</b>														
Investments	206,908	188,222	151,369	172,875	3,270	3,187	6,587	6,271	19,973	18,309	1,023,397	946,405	102,266	88,658
<b>Current assets</b>														
Debtors	21	142	64	20	1	1	1	1	3	4	54	212	1	87
Cash and bank balances	1	1	16	17	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>22</b>	<b>143</b>	<b>80</b>	<b>37</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>54</b>	<b>212</b>	<b>1</b>	<b>87</b>
<b>Total assets</b>	<b>206,930</b>	<b>188,365</b>	<b>151,449</b>	<b>172,912</b>	<b>3,271</b>	<b>3,188</b>	<b>6,588</b>	<b>6,272</b>	<b>19,976</b>	<b>18,313</b>	<b>1,023,451</b>	<b>946,617</b>	<b>102,267</b>	<b>88,745</b>
<b>Liabilities</b>														
<b>Current liabilities</b>														
Creditors	(21)	(142)	(63)	(20)	(1)	(1)	(1)	(1)	(3)	(4)	(54)	(212)	(1)	(87)
<b>Total liabilities</b>	<b>(21)</b>	<b>(142)</b>	<b>(63)</b>	<b>(20)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(3)</b>	<b>(4)</b>	<b>(54)</b>	<b>(212)</b>	<b>(1)</b>	<b>(87)</b>
<b>Net assets attributable to unitholders</b>	<b>206,909</b>	<b>188,223</b>	<b>151,386</b>	<b>172,892</b>	<b>3,270</b>	<b>3,187</b>	<b>6,587</b>	<b>6,271</b>	<b>19,973</b>	<b>18,309</b>	<b>1,023,397</b>	<b>946,405</b>	<b>102,266</b>	<b>88,658</b>

Notes to the interim financial statements are on page 28.

# Notes to the financial statements

For the six month period ended 15 June 2021 (unaudited)

## 1. 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 15 December 2020. They have been prepared under the historical cost basis, 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 Scheme, 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.

The Manager has considered the impact of the emergence and spread of COVID-19 and potential implications on future operations of the Scheme of reasonably plausible downside scenarios. The Manager has undertaken a detailed assessment, and continues to monitor, the Scheme's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Scheme continues to be open for trading and the Manager is satisfied the Scheme has adequate financial resources to continue in operation and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

## 2. Related parties

Virgin Money Unit Trust Managers Limited manages the following:

<b>NURS Feeder Fund</b>	<b>Qualifying Master Scheme</b>
Virgin Pension Growth Fund	Virgin UK Index Tracking Trust
Virgin Money Pension Bond and Gilt Fund	Virgin Money Bond and Gilt Fund
Virgin Pension Bond, Gilt, and UK Share Fund	Virgin Bond, Gilt, and UK Shares Fund
Virgin Pension Bond, Gilt, UK and Overseas Share Fund	Virgin Bond, Gilt, UK and Overseas Share Fund
Virgin Pension Global Share Fund	Virgin Global Share Fund
Virgin Money Pension Growth Fund 3	Virgin Money Growth Fund 3
Virgin Money Pension Defensive Fund	Virgin Money Defensive Fund

The details of units created and cancelled by Virgin Money Unit Trust Managers Limited are shown in the Statements of change in unitholders' funds. The details of investment held in the Virgin UK Index Tracking Trust; Virgin Money Bond and Gilt Fund; Virgin Bond, Gilt and UK Share Fund; Virgin Bond, Gilt, UK and Overseas Share Fund; Virgin Global Share Fund; Virgin Money Growth Fund 3 and Virgin Money Defensive Fund are shown in the Portfolio Statements.

# Accumulation tables

For the six month period ended 15 June 2021 (unaudited)

## Interim accumulation in pence per unit

Group 1	Units purchased prior to 16 December 2020
Group 2	Units purchased from 16 December 2020 to 15 June 2021 inclusive

### Virgin Pension Growth Fund

	Revenue (p)	Equalisation (p)	Accumulation payable 13 Aug 21 (p)	Accumulation paid 14 Aug 20 (p)
<b>Accumulation units</b>				
Group 1	3.6165	-	3.6165	4.4805
Group 2	2.0749	1.5416	3.6165	4.4805

### AE Accumulation units

Group 1	1.2951	-	1.2951	1.5591
Group 2	0.3361	0.9590	1.2951	1.5591

### Virgin Money Pension Bond and Gilt Fund

	Revenue (p)	Equalisation (p)	Accumulation payable to 13 Aug 21 (p)	Accumulation paid 14 Aug 20 (p)
<b>Accumulation units</b>				
Group 1	1.0891	-	1.0891	1.6983
Group 2	0.7171	0.3720	1.0891	1.6983

### AE Accumulation units

Group 1	0.4070	-	0.4070	0.6361
Group 2	0.0022	0.4048	0.4070	0.6361

# Accumulation tables

For the six month period ended 15 June 2021 (unaudited)

## Virgin Pension Bond, Gilt and UK Share Fund

	Revenue (p)	Equalisation (p)	Accumulation payable 13 Aug 21 (p)	Accumulation paid 14 Aug 20 (p)
Group 1	1.0785	-	1.0785	1.3668
Group 2	0.1137	0.9648	1.0785	1.3668

## Virgin Pension Bond, Gilt, UK and Overseas Share Fund

	Revenue (p)	Equalisation (p)	Accumulation payable 13 Aug 21 (p)	Accumulation paid 14 Aug 20 (p)
Group 1	1.3382	-	1.3382	1.5652
Group 2	0.2129	1.1253	1.3382	1.5652

## Virgin Pension Global Share Fund

	Revenue (p)	Equalisation (p)	Accumulation payable 13 Aug 21 (p)	Accumulation paid 14 Aug 20 (p)
Group 1	1.6782	-	1.6782	1.9204
Group 2	0.3774	1.3008	1.6782	1.9204

### 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 refundable 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.

Virgin Money Pension Growth Fund 3 and Virgin Money Pension Defensive Fund were launched on 5 November 2020, therefore no accumulations have so far occurred.

# Directors' statement

For the six month period ended 15 June 2021 (unaudited)

We approve the Interim Report and Financial Statements of the Virgin Stakeholder Pension Scheme for the six month period ended 15 June 2021 on behalf of Virgin Money Unit Trust Managers Limited in accordance with the requirements of the Collective Investment Schemes Sourcebook.



**Jonathan Byrne**

Director

09 August 2021



**David Taylor**

Director

09 August 2021

**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