



The Virgin Money Bond Fund

Interim Report and Financial Statements
For the six month period ended 1 April 2024 (unaudited)

Contents

Manager's report	3
Management and professional services	3
Manager's investment report	4
Net asset value and operating charges	7
Portfolio statement	8
Top purchases and sales of investments	15
Securities Financing Transactions (SFTs) (unaudited)	17
Statement of total return	20
Statement of change in net assets attributable to unitholders	20
Balance sheet	21
Notes to the financial statements	22
Distribution tables	23
Directors' statement	24

Management and professional services

For the six month period ended 1 April 2024 (unaudited)

Manager (the 'Manager')

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

Directors:

J. Byrne	
H. Chater	(Resigned 10 April 2024)
S. Hynes	(Appointed 11 March 2024)
P. Moore	(Appointed 16 April 2024)
D. Mouille	(Resigned 2 April 2024)
F. Murphy	(Resigned 2 April 2024)
A. Patrizi	(Appointed 10 April 2024)
M. Phibbs	
D. Taylor	(Resigned 30 April 2024)
S. Wemyss	(Resigned 2 April 2024)

Telephone 03456 10 20 30*

Authorised and regulated by the Financial Conduct Authority.

Investment Adviser

abrdn Investments Limited
280 Bishopsgate
London
EC2M 4AG

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.

Independent Auditor

KPMG LLP
319 St. Vincent Street
Glasgow
G2 5AS

* 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.

Manager's investment report

For the six month period ended 1 April 2024 (unaudited)

Investment Objective, Policy and Strategy

The Virgin Money Bond Fund ("the Fund") aims to provide a total return (income and capital growth) over the longer term (5 years or more) by investing mainly in sterling denominated bonds. The Fund aims to match or beat the performance of its benchmark (50% the FTSE 5-15 Year Gilt Index and 50% the ICE Bank of America Merrill Lynch 5-15 Year Non- Gilt Index), after charges, measured over periods of three years or more.

The Fund will invest in:

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

At least 80% of the Fund's assets will be denominated in sterling or hedged back to sterling. Investment will mainly be directly in individual bonds, but the Fund can also invest up to 20% in other investment funds, which themselves invest in bonds.

Whilst the benchmark (see Objective) provides a starting point, the Investment Adviser has discretion over which bonds to invest in. The Fund can also invest in bonds which aren't part of the benchmark, including non-investment grade bonds (as rated by the leading credit rating agencies). Non-investment grade bonds, often called 'high-yield' bonds, won't exceed 10% of the value of the Fund.

The amount a Fund's returns differ from its benchmark is known as tracking error. It's calculated as the standard deviation of the difference in annual returns. This is low (0% to 0.5%) for index-tracking funds and higher (4%+) for active stock-picking funds.

The Fund is expected to have relatively low tracking error of 1-3%, meaning returns will differ from the benchmark, but not by a large amount.

One way in which the Fund will differ from its benchmark is due to some exclusions and Environmental, Social and Governance (ESG) considerations.

- > The Fund won't invest in bonds issued by companies that make more than 5% of their earnings from the manufacture or sale of tobacco products, extraction or processing of thermal coal or unconventional fossil fuels (such as oil sands), and the manufacture of controversial weapons. It also excludes bonds issued by companies that violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.
- > Using third party data and in-house research, the Fund will compare companies, against others in their industry and/or with similar credit rating / maturity profiles, on a range of ESG measures. Based on this analysis, the Fund will either not invest in companies within the benchmark or increase / decrease the amount it does invest. In this way, we expect the Fund to have a better ESG rating and lower carbon footprint than the benchmark itself.
- > The Fund will engage with companies to encourage better ESG practices and as part of the transition to a low carbon economy. You can read about our 'investor engagement policy' on virginmoney.com

The Fund seeks to be fully invested at all times but may hold cash (up to 5%) for cash flow and transactional purposes as deemed appropriate to manage costs.

The Fund may use derivatives to reduce trading costs and generally for the efficient management of the Fund, for example managing money coming in and out of the Fund. The Fund will not use derivatives for speculative purposes or to increase the risk profile of the Fund.

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 UCITS¹ scheme under the Collective Investment Schemes Sourcebook ('the COLL Rules').

¹ Authorised in accordance with the Undertakings in Collective Investments in Transferable Securities (UK UCITS) Directive.

Manager's investment report

For the six month period ended 1 April 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 Regulations² 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.

Risk and Reward Profile

The Fund's Synthetic Risk and Reward Indicator ('SRRI') at the reporting date was 4 on a scale of 1 (lower) to 7 (higher). The SRRI is a backward looking measure of volatility (how much a fund goes up and down by) over the previous five years. It is a requirement for all funds to include this within its Key Investor Information Document.

As interest rates have risen, bonds have fallen in value, and this has contributed to higher volatility. Over the years, we expect the Virgin Money Bond Fund to oscillate between a risk rating of 3 or 4, depending on market movements. A change in SRRI rating does not mean a Fund is being managed in a different way, but just that the assets the Fund invests in have been more / less volatile over the preceding five years, which may or may not continue.

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

Distribution

The Fund receives interest income from the corporate bonds and government gilts 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 distributions for each unit class outlined below reflect differences in both the net assets of the Fund represented by each class and their operating charges.

Income Unit Class

The interim distribution for the period ended 1 April 2024 for the Income Unit Class will be 2.0489p net per unit payable on 31 May 2024.

AE Income Unit Class³

The interim distribution for the period ended 1 April 2024 for the AE Income Unit Class³ will be 0.0000p net per unit. Share class AE Income Units was closed on 8 January 2024.

Fund Performance

For the six months to 1 April 2024, the net asset value of each unit increased by 6.39%⁴ from 102.26p to 108.79p.

The Fund is managed to have relatively low tracking error⁵ of 1-3% 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 0.60%. This is lower than desired and we expect tracking error to increase to within the managed range in the next financial year.

² 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.

³ The Auto-Enrolment (AE) Income Unit Class was only available for investment to Virgin Money Nominees Limited on behalf of Virgin Stakeholder Pension Scheme auto-enrolment members. This unit class was not available to retail customers.

⁴ Based on net asset value of the Income Unit Class.

⁵ 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 01 April 2024

Markets overview from 1 October 2023 to 1 April 2024

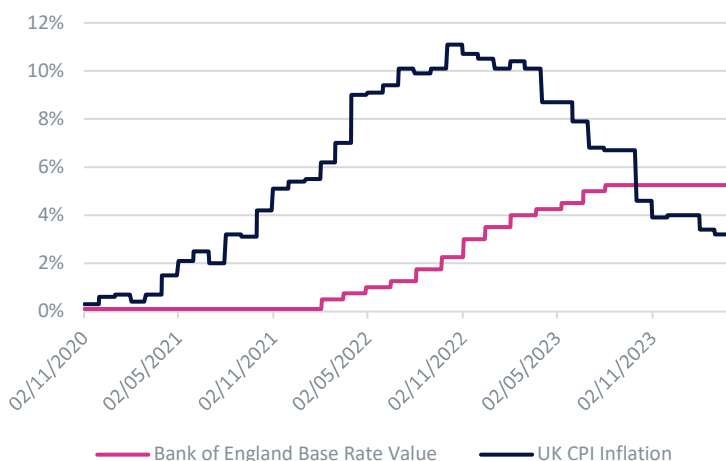
Global government bonds advanced over the six-month review period, pushing yields lower. While headline inflation decreased across most developed economies, core inflation (excluding food and energy categories) persisted at elevated levels. This prompted major central banks, including the US Federal Reserve (Fed), the European Central Bank (ECB) and the Bank of England (BoE), to halt interest rate hikes and adopt a data-driven approach. The economic landscape exhibited a mix of optimism and caution, with a narrative of a global "soft landing" where growth slows but stays positive, particularly driven by robust US economic data. However, this could be tempered by challenges in the Chinese economy and ongoing geopolitical tensions. Amid this backdrop, expectations of rate cuts in 2024 bolstered investor risk appetite.

Central banks remain cautious on easing inflation:

- In the UK, the Consumer Price Index was 3.2% in March 2024, down from 3.4% in February. Core inflation also declined from 4.5% in February to 4.2% in March. The BoE kept its base rate at a 15-year high of 5.25% over the six-month, monitoring inflation levels to meet its annual 2% target.
- The Fed maintained the target range for the federal funds rate at 5.25-5.50%, the highest level since 2001, in response to a relatively robust economy and persistent inflation. The Core Personal Consumption Expenditures Price Index, Fed's preferred measure of inflation, slowed to 2.8% in February, the lowest in nearly three years, yet remained above the 2% target as well.
- Annual inflation in the Euro area also softened to 2.4% in March, down from 2.6% in February, slightly surpassing the ECB's 2% target. The ECB kept its base rate unchanged at 4.5%.

- The yield on the UK 10-year Gilt started the review period around 4.45%, but declined to 3.50% in December 2023, finishing March 2024 just below 4.00%. Gilts' capital value strengthened modestly on the back of declining inflation and optimistic remarks from BoE governor Andrew Bailey. He suggested possible interest rate cuts while emphasising the importance of economic stability in managing price pressures.
- Similarly, optimism about the potential end of the interest-rate hike cycle and diminishing recession worries helped corporate bonds to perform well over the period. Spreads tightened as investor appetite for riskier assets began to return. In the latter part of the review period, riskier high-yield (HY) bonds in the US outperformed higher-quality investment-grade (IG) bonds, with spreads tightening for both. HY bonds benefitted from their income appeal and a brighter outlook for issuers' credit quality, while IG bonds trailed due to their longer duration, making them more sensitive to changes in interest rates as underlying government bond yields rose.

UK Interest Rates vs Inflation



Bond markets hold steady amid volatility and rate cut expectations:

- Global government bonds rose over the review period, although the first quarter of 2024 presented a challenging environment for developed market government bonds. Meanwhile, yields rose as markets reduced their expectations for near-term policy cuts.

Net asset value and operating charges

As at 1 April 2024 (unaudited)

	Income Units			AE Income Units [^]		
	01 Apr 24 (p)	01 Oct 23 (p)	01 Oct 22 (p)	01 Apr 24 (p)	01 Oct 23 (p)	01 Oct 22 (p)
Closing net asset value (£)	189,493,107	185,154,391	204,310,361	-	305,849	403,057
Closing number of units	174,181,746	181,067,399	201,656,729	-	376,411	500,658
Closing net asset value per unit (p)	108.79	102.26	101.32	-	81.25	80.51
Operating charges (%) [‡]	0.46	0.60	0.60	-	0.60	0.60

[^]Share class AE Income Units was closed on 8 January 2024.

[‡]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 0.60% to 0.30% on 6 January 2024.

Portfolio statement

As at 1 April 2024 (unaudited)

Security	Holdings	Market Value £'000	% of Net Assets
GILTS (49.87%*)		94,198	49.73
UK Treasury 0.375% 22/10/2030 [†]	18,245,500	14,701	7.76
UK Treasury 4.75% 07/12/2030 [†]	6,121,800	6,479	3.42
UK Treasury 0.25% 31/07/2031	11,572,300	8,976	4.74
UK Treasury 3.25% 31/01/2033	15,760,300	15,037	7.94
UK Treasury 4.625% 31/01/2034	1,678,700	1,774	0.94
UK Treasury 4.5% 07/09/2034	20,539,500	21,485	11.34
UK Treasury 0.625% 31/07/2035	10,214,400	7,101	3.75
UK Treasury 1.75% 07/09/2037	15,539,100	11,764	6.21
UK Treasury 4.75% 07/12/2038	6,486,300	6,881	3.63
EUROSTERLING-CORPORATE (50.34%*)		93,461	49.27
America Movil 5.75% 28/06/2030	620,000	649	0.34
America Movil 4.948% 22/07/2033	760,000	763	0.40
Anglian Water Services Financing 2.75% 26/10/2029	1,000,000	894	0.47
Anglian Water Services Financing 5.875% 20/06/2031	584,000	608	0.32
Annington Funding 3.685% 12/07/2034	750,000	636	0.34
Arqiva Financing 5.34% 30/12/2037	456,000	453	0.24
Associated British Foods 2.5% 16/06/2034	450,000	372	0.20
Assura Financing 1.5% 15/09/2030	280,000	226	0.12
AT&T 2.875% 02/03/2025	1,000,000	833	0.44
AT&T 4.375% 14/09/2029	1,000,000	974	0.51
AT&T 5.2% 18/11/2033	800,000	804	0.42
Australia & New Zealand Banking 1.809% 16/09/2031	1,000,000	908	0.48
Aviva 4.375% 12/09/2049	1,200,000	1,123	0.59
Aviva 5.125% 04/06/2050	1,000,000	961	0.51
Aviva 6.875% 27/11/2053	757,000	799	0.42
Banco Santander 5.125% 25/01/2030	700,000	703	0.37
Bank of America 3.584% 27/04/2031	810,000	757	0.40
Barclays 5.875% 15/09/2024	500,000	492	0.26
Barclays 6.369% 31/01/2031	1,200,000	1,250	0.66
Barclays 8.407% 14/11/2032	1,300,000	1,382	0.73

Portfolio statement

As at 1 April 2024 (unaudited)

Security	Holdings	Market Value £'000	% of Net Assets
Barclays 5.851% 21/03/2035	364,000	368	0.19
Bazalgette Finance 2.75% 10/03/2034	800,000	654	0.35
Berkeley 2.5% 11/08/2031	426,000	329	0.17
BNP Paribas 2.875% 24/02/2029	1,200,000	1,089	0.57
BNP Paribas 1.25% 13/07/2031	1,100,000	851	0.45
British Telecommunications 6.375% 23/06/2037	400,000	432	0.23
Broadgate Financing 4.851% 05/04/2033	197,349	194	0.10
Broadgate Financing 5.098% 05/04/2035	213,150	194	0.10
Canary Wharf Finance II 6.455% 22/10/2033	100,013	102	0.05
Canary Wharf Finance II 5.952% 22/10/2037	208,000	209	0.11
Church Commissioners for England 3.25% 14/07/2032	570,000	519	0.27
Comcast 1.5% 20/02/2029	610,000	532	0.28
CPPIB Capital 1.125% 14/12/2029	780,000	654	0.35
CTRL Section 1 Finance 5.234% 02/05/2035	564,098	591	0.31
Deutsche Bank 6.125% 12/12/2030	1,000,000	1,012	0.53
Deutsche Telekom International Finance 2.25% 13/04/2029	800,000	724	0.38
E.ON International Finance 5.875% 30/10/2037	800,000	835	0.44
Eastern Power Networks 2.125% 25/11/2033	500,000	396	0.21
Electricite de France 6.125% 02/06/2034	750,000	774	0.41
Electricite de France 5.5% 27/03/2037	500,000	482	0.25
Enel Finance International 2.875% 11/04/2029	900,000	819	0.43
ENW Finance 4.893% 24/11/2032	479,000	482	0.25
European Investment Bank 3.875% 08/06/2037	1,500,000	1,444	0.76
Eversholt Funding 6.697% 22/02/2035	628,571	665	0.35
Experian Finance 3.25% 07/04/2032	800,000	731	0.39
Gatwick Funding 4.625% 27/03/2034	500,000	472	0.25
GlaxoSmithKline Capital 5.25% 19/12/2033	892,000	943	0.50
Goldman Sachs 1.875% 16/12/2030	720,000	600	0.32
Grainger 3% 03/07/2030	900,000	771	0.41
Great Rolling Stock Co 6.875% 27/07/2035	399,168	426	0.22
Greene King Finance 4.0643% 15/03/2035	576,153	515	0.27
Gwynt y Mor OFTO 2.778% 17/02/2034	668,151	581	0.31

Portfolio statement

As at 1 April 2024 (unaudited)

Security	Holdings	Market Value £'000	% of Net Assets
Hammerson 6% 23/02/2026	900,000	897	0.47
Heathrow Funding 2.75% 13/10/2031	1,200,000	1,076	0.57
HSBC 6.8% 14/09/2031	850,000	915	0.48
ING Groep 6.25% 20/05/2033	800,000	807	0.43
Integrated Accommodation Services 6.48% 31/03/2029	226,616	231	0.12
International Bank for Reconstruction & Development 5.75% 07/06/2032	357,000	398	0.21
Intesa Sanpaolo 6.625% 31/05/2033	700,000	742	0.39
JPMorgan Chase 1.895% 28/04/2033	1,190,000	966	0.51
Koninklijke KPN 5.75% 17/09/2029	1,200,000	1,252	0.66
La Banque Postale 5.625% 21/09/2028	600,000	603	0.32
Legal & General 5.125% 14/11/2048	1,100,000	1,081	0.57
Legal & General 4.5% 01/11/2050	800,000	743	0.39
Lloyds Banking 6.625% 02/06/2033	600,000	610	0.32
Lloyds Banking 2.707% 03/12/2035	1,200,000	974	0.51
Logicor Financing 2.75% 15/01/2030	1,100,000	928	0.49
London & Quadrant Housing Trust 4.625% 05/12/2033	800,000	772	0.41
McDonald's 2.95% 15/03/2034	1,100,000	942	0.50
Meadowhall Finance 4.988% 12/01/2032	360,431	288	0.15
Meadowhall Finance 4.986% 12/07/2037	317,102	292	0.15
Mobico 4.25% 26/11/2025	800,000	732	0.39
Morgan Stanley 5.789% 18/11/2033	1,200,000	1,258	0.66
Motability Operations 5.625% 29/11/2030	360,000	381	0.20
Motability Operations 5.625% 11/09/2035	803,000	858	0.45
National Grid Electricity Transmission 2.75% 06/02/2035	1,600,000	1,279	0.68
NatWest 3.619% 29/03/2029	760,000	713	0.38
NatWest 3.622% 14/08/2030	1,100,000	1,067	0.56
NatWest 5.125% Perpetual	900,000	829	0.44
Network Rail Infrastructure Finance 4.75% 29/11/2035	300,000	311	0.16
Northern Electric Finance 5.125% 04/05/2035	320,000	321	0.17
Northern Powergrid Yorkshire 4.375% 05/07/2032	450,000	432	0.23
Northumbrian Water Finance 4.5% 14/02/2031	500,000	477	0.25
Northumbrian Water Finance 5.625% 29/04/2033	1,250,000	1,274	0.67

Portfolio statement

As at 1 April 2024 (unaudited)

Security	Holdings	Market Value £'000	% of Net Assets
Northumbrian Water Finance 5.5% 02/10/2037	233,000	230	0.12
Notting Hill Genesis 3.75% 20/12/2032	420,000	384	0.20
Octagon Healthcare Funding 5.333% 31/12/2035	221,872	225	0.12
Optivo Finance 2.857% 07/10/2035	370,000	293	0.15
Orsted 2.5% 18/02/3021	600,000	435	0.23
Orsted 4.875% 12/01/2032	1,000,000	987	0.52
Pension Insurance 4.625% 07/05/2031	1,000,000	899	0.47
Pension Insurance 8% 13/11/2033	683,000	745	0.39
Phoenix 5.625% 28/04/2031	1,200,000	1,155	0.61
Pinewood Finco 6% 27/03/2030	548,000	548	0.29
Realty Income 1.75% 13/07/2033	890,000	672	0.35
Realty Income 6% 05/12/2039	575,000	613	0.32
Santander UK 7.098% 16/11/2027	750,000	774	0.41
Santander UK 3.875% 15/10/2029	970,000	916	0.48
Scottish Hydro Electric Transmission 2.25% 27/09/2035	600,000	459	0.24
Severn Trent Utilities Finance 2.75% 05/12/2031	900,000	770	0.41
Severn Trent Utilities Finance 5.25% 04/04/2036	300,000	302	0.16
Sky 4% 26/11/2029	260,000	253	0.13
Societe Generale 6.25% 22/06/2033	1,100,000	1,187	0.63
South East Water Finance 5.5834% 29/03/2029	1,200,000	1,183	0.62
South Eastern Power Networks 6.375% 12/11/2031	690,000	758	0.40
Southern Electric Power Distribution 5.5% 07/06/2032	600,000	629	0.33
Standard Chartered 5.125% 06/06/2034	500,000	476	0.25
Swedbank 7.272% 15/11/2032	1,000,000	1,039	0.55
Telefonica Emisiones 5.445% 08/10/2029	1,500,000	1,534	0.81
Telereal Securitisation 1.3657% 10/12/2031	234,007	204	0.11
Telereal Securitisation 5.3887% 10/12/2033	196,339	196	0.10
Telereal Securitisation 8.2887% 10/12/2033	700,000	633	0.33
Telereal Securitisation 3.5625% 10/12/2036**	350,000	313	0.17
Telereal Securitisation 3.5625% 10/12/2036	350,000	314	0.17
Tesco Property Finance 4 5.8006% 13/10/2040	909,288	928	0.49
Thames Water Utilities Finance 5.125% 28/09/2037	750,000	622	0.33

Portfolio statement

As at 1 April 2024 (unaudited)

Security	Holdings	Market Value £'000	% of Net Assets
Time Warner Cable 5.75% 02/06/2031	700,000	677	0.36
Trafford Centre Finance 6.5% 28/07/2033	224,507	223	0.12
Tritax Big Box 3.125% 14/12/2031	950,000	832	0.44
UBS 2.25% 09/06/2028	800,000	730	0.39
UBS 1.875% 03/11/2029	840,000	735	0.39
United Utilities Water Finance 2.625% 12/02/2031	1,030,000	897	0.47
United Utilities Water Finance 2% 03/07/2033	988,000	776	0.41
United Utilities Water Finance 5.75% 26/06/2036	972,000	1,028	0.54
Verizon Communications 1.875% 03/11/2038	600,000	393	0.21
Virgin Money UK 4% 25/09/2026 [^]	800,000	781	0.41
Vodafone 5.9% 26/11/2032	2,100,000	2,257	1.19
Wellcome Trust Finance 4.625% 25/07/2036	590,000	599	0.32
Whitbread 3% 31/05/2031	480,000	417	0.22
Workspace 2.25% 11/03/2028	1,065,000	909	0.48
Yorkshire Water Finance 6.6011% 17/04/2031	900,000	949	0.50
Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	1,190,000	1,156	0.61
DERIVATIVES (-0.09%*)		381	0.23
Futures			
10-Year Long Gilt Futures June 2024	170	340	0.18
Euro-BUND Futures June 2024	78	99	0.05
Euro-OAT Futures June 2024	(54)	(18)	-
US Treasury 10 Year Note Ultra Futures June 2024	(60)	(49)	(0.02)

Portfolio statement

As at 1 April 2024 (unaudited)

Security	Holdings	Market Value £'000	% of Net Assets
Forward Currency Contracts			
Bought EUR 108,600 for GBP 92,962 Settlement 17/04/2024		-	-
Bought USD 778,939 for GBP 614,316 Settlement 17/04/2024		2	0.01
Sold EUR 1,199,268 for GBP 1,034,385 Settlement 17/04/2024		9	0.01
Sold USD 718,872 for GBP 567,069 Settlement 17/04/2024		(2)	-
Portfolio of investments		188,040	99.23
Net other assets (-0.12%*)[‡]		1,453	0.77
Net assets		189,493	100.00

*Comparative figures shown in brackets relate to percentage of total net assets at 1 October 2023.

**Dual listed security.

[‡]As at 1 April 2024, these securities were being used in stock lending arrangements.

[^]This bond is issued by Virgin Money UK, a related party to Virgin Unit Trust Managers Limited.

* Prior year figure was Net other liabilities.

Credit Ratings of Investments

	Market Value £'000	% of Net Assets
AAA	3,289	1.74
AA	97,101	51.23
A	25,475	13.43
BBB	58,474	30.85
BB	3,321	1.75
Futures	372	0.21
Forward Currency Contracts	9	0.02
	188,040	99.23

Portfolio statement

As at 1 April 2024 (unaudited)

Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and the identity of counterparties as at 1 April 2024 was as follows:

Counterparty	Value of Exposure	Value of Exposure
	£'000	£'000
	1 Apr 24	1 Oct 23
Bank of America Securities	372	(172)
Barclays	11	-
Morgan Stanley	(2)	-
	381	(172)

Top purchases and sales of investments

For the six month period ended 1 April 2024 (unaudited)

Purchases	Cost £'000
UK Treasury 4.5% 07/09/2034	21,441
UK Treasury 4.75% 07/12/2030	15,777
UK Treasury 3.25% 31/01/2033	14,600
UK Treasury 4.75% 07/12/2038	7,866
UK Treasury 0.375% 22/10/2030	7,550
UK Treasury 0.625% 31/07/2035	5,176
UK Treasury 1.75% 07/09/2037	4,634
UK Treasury 0.25% 31/07/2031	4,444
UK Treasury 1.125% 31/01/2039	3,214
UK Treasury 1.625% 22/10/2054	2,368
UK Treasury 4.625% 31/01/2034	1,734
UK Treasury 4.375% 31/07/2054	1,516
UK Treasury 3.75% 22/10/2053	1,395
Legal & General 5.125% 14/11/2048	1,010
UK Treasury 3.75% 29/01/2038	878
AT & T 2.875% Perpetual	833
Aviva 6.875% 27/11/2053	762
Intesa Sanpaolo 6.625% 31/05/2033	742
Societe Generale 6.25% 22/06/2033	729
Pension Insurance 8% 13/11/2033	695
Other purchases	9,459
Total for the period	106,823

The above constitutes all purchases of investments in the period.

Top purchases and sales of investments

For the six month period ended 1 April 2024 (unaudited)

Sales	Proceeds £'000
UK Treasury 0.5% 31/01/2029	27,221
UK Treasury 1% 31/01/2032	15,678
UK Treasury 0.125% 31/01/2028	10,255
UK Treasury 0.875% 31/07/2033	9,911
UK Treasury 4.75% 07/12/2030	9,822
UK Treasury 1.75% 07/09/2037	3,632
UK Treasury 6% 07/12/2028	3,499
UK Treasury 1.125% 31/01/2039	3,239
UK Treasury 0.25% 31/07/2031	2,749
UK Treasury 1.625% 22/10/2054	2,255
UK Treasury 3.75% 29/01/2038	1,807
UK Treasury 4.375% 31/07/2054	1,560
UK Treasury 3.75% 22/10/2053	1,465
UK Treasury 4.5% 07/09/2034	1,242
Goldman Sachs 3.625% 29/10/2029	1,101
UK Treasury 4.75% 07/12/2038	1,042
Bank of America 8.125% 02/06/2028	987
Legal & General 5.375% 27/10/2045	970
Citigroup 4.5% 03/03/2031	963
Engie 7% 30/10/2028	806
Other sales	15,078
Total for the period	115,282

The above constitutes all purchases of investments in the period.

Securities Financing Transactions (SFTs) (unaudited)

For the six month period ended 1 April 2024 (unaudited)

The Securities Financing Transactions Regulation was introduced to provide greater transparency to unitholders regarding a fund's dealings in stock lending and total return swap transactions. The Regulation sets out additional information that Managers who engage in SFTs must disclose. The Fund undertakes stock lending transactions but does not employ total return swaps.

The Manager is permitted to generate additional income for the benefit of the Fund, and for unitholders, by entering into stock lending transactions, only where there is an acceptable degree of risk. Income is earned from a stock lending programme administered on the Fund's behalf by State Street Bank and Trust (SSBT), which lends a proportion of assets from the Fund to third parties who pay a fee to take those assets on loan for a period. In return for the loan, the third party also provides collateral of at least 100% of the value of the assets on loan, which is assessed and adjusted on a daily basis by SSBT. At the end of the loan period, the third party borrower returns the assets on loan. The Manager does not make a profit from these transactions. The total value of fund assets under management as at 1 April 2024 was £193,292.

The information provided below is as at 1 April 2024, unless stated otherwise.

Global data

Proportion of securities on loan	£'000	%
Total lendable assets excluding cash and cash equivalents	184,762	
Securities on loan	21,303	11.53

Assets engaged in SFTs	£'000	%
Fund assets under management	193,292	
Absolute value of assets engaged in securities lending	21,303	11.02

Concentration data

(a) Top issuers of collateral provided to the Fund by value received	£'000
United Kingdom Gilt	21,675

(b) Top counterparties by name and value of outstanding transactions	£'000
Citigroup Global Markets (UK)	21,303

Securities Financing Transactions (SFTs) (unaudited)

For the six month period ended 1 April 2024 (unaudited)

Aggregate transaction data

Type, quality and currency of collateral received

Type	Quality	Currency	£'000
Fixed Income	Investment Grade	Sterling	21,675

Maturity tenor of collateral received (remaining period to maturity)

Type	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open maturity £'000	Total £'000
Securities lending	-	-	-	4,618	5,105	11,952	-	21,675

Counterparty details

Type	Countries of counterparty establishment	Settlement and clearing	£'000
Securities lending	United Kingdom	Tri-party	21,675

Maturity tenor of SFTs (remaining period to maturity)

Type	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open maturity £'000	Total £'000
Securities lending	-	-	-	-	-	-	21,303	21,303

Re-use of collateral

The Fund does not engage in re-use of collateral.

Securities Financing Transactions (SFTs) (unaudited)

For the six month period ended 1 April 2024 (unaudited)

Safekeeping of collateral received

Names of custodians safekeeping collateral and value held	£'000
Crest	21,675
Number of custodians safekeeping collateral	1

Safekeeping of collateral granted

The Fund does not borrow stock from counterparties: therefore, no collateral has been granted.

Return and cost for the six month period ended 1 April 2024

	Collective investment undertaking	Manager of collective investment undertaking	Third parties (e.g. lending agent)	Total
Gross return (£'000)	1	-	1	2
Proportion of gross return (%)	50	-	50	100
Cost (£'000) ^Δ	-	-	1	1

^ΔAll direct costs from securities lending are borne by the lending agent.

Statement of total return

For the six month period ended 1 April 2024 (unaudited)

	1 Apr 24		1 Apr 23	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		11,611		14,144
Revenue	4,060		2,959	
Expenses	(433)		(641)	
Interest payable and similar charges	(1)		(2)	
Net revenue before taxation	3,626		2,316	
Taxation	-		-	
Net revenue after taxation		3,626		2,316
Total return before distributions		15,237		16,460
Distributions		(3,626)		(2,316)
Change in net assets attributable to unitholders from investment activities		11,611		14,144

Statement of change in net assets attributable to unitholders

For the six month period ended 1 April 2024 (unaudited)

	1 Apr 24		1 Apr 23	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		185,460		204,713
Amounts receivable on issue of units	4,120		3,445	
Amounts payable on cancellation of units	(11,699)		(13,708)	
		(7,579)		(10,263)
Change in net assets attributable to unitholders from investment activities		11,611		14,144
Unclaimed distributions		1		-
Closing net assets attributable to unitholders		189,493		208,594

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 1 April 2024 (unaudited)

		1 Apr 24		1 Oct 23
	£'000	£'000	£'000	£'000
Assets				
Fixed assets				
Investments		188,109		185,853
Current assets				
Debtors	2,370		3,255	
Cash and bank balances	3,033		994	
Total current assets		5,403		4,249
Total assets		193,512		190,102
Liabilities				
Investment liabilities		(69)		(172)
Creditors				
Bank overdrafts	-		(292)	
Distribution payable	(3,569)		(3,278)	
Other creditors	(381)		(900)	
Total liabilities		(4,019)		(4,642)
Net assets attributable to unitholders		189,493		185,460

Notes to the interim financial statements are on page 22.

Notes to the financial statements

For the six month period ended 1 April 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 1 October 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 1 April 2024 (unaudited)

Distribution in pence per unit

Interim distribution payable 31 May 2024

Group 1	Units purchased prior to 2 October 2023
Group 2	Units purchased from 2 October 2023 to 1 April 2024 inclusive

	Revenue (p)	Equalisation (p)	Distribution payable 31 May 24 (p)	Distribution paid 1 Jun 23 (p)
Income units				
Group 1	2.0489	-	2.0489	1.1738
Group 2	1.2676	0.7813	2.0489	1.1738
AE Income units[^]				
Group 1	-	-	-	0.9328
Group 2	-	-	-	0.9328

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.

[^]Share class AE Income Units was closed on 8 January 2024.

Directors' statement

For the six month period ended 1 April 2024 (unaudited)

We approve the Interim Report and Financial Statements of The Virgin Money Bond Fund for the six month period ended 1 April 2024 on behalf of Virgin Money Unit Trust Managers Limited in accordance with the requirements of the Collective Investment Schemes Sourcebook.



Jonathan Byrne
Director
29 May 2024



Paula Moore
Director
29 May 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