



Virgin Money Growth Fund 2

Interim Report and Financial Statements

For the six month period ended 31 January 2025 (unaudited)

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Management and professional services

For the six month period ended 31 January 2025 (unaudited)

Manager (the 'Manager')

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

Directors:

J. Byrne
S. Hynes
P. Moore
A. Patrizi (Resigned 28 October 2024)
C. Rhodes (Appointed 29 October 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***
10th Floor 135 Bishopsgate
London
EC2M 3TP

Authorised and regulated by the Financial Conduct Authority.

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
20 Castle Terrace
Edinburgh
EH1 2EG

* 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.

*** FNZ Plan Register (being a record of persons who subscribe for Units through Individual Savings Accounts (ISAs)).

Manager's investment report

For the six month period ended 31 January 2025 (unaudited)

Investment Objective, Policy and Strategy

The aim of the Fund is to provide a total return (income and capital growth) over the longer term (five years or more) by investing in shares and bonds from around the world. The Fund is the middle risk fund in the Virgin Money Growth range, which offers three funds with different levels of risk and potential return.

The Fund aims to meet 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 us, our Investment Adviser, or any other authorised fund manager.

The Fund invests:

- at least 60% 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 (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 such as bonds with strong credit ratings (for example, developed government and investment grade corporate bonds 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 of 60% to 80% 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.

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.

One way in which the Fund seeks to manage risks and opportunities is through Environmental, Social and Governance (ESG) considerations. Where the Investment Adviser feels it is beneficial from a risk and return perspective and suitable opportunities are available, investments will be chosen because of their integration of ESG considerations into stock selection, adoption of sustainable investing objectives or policies, positive shareholder engagement policies, and/or supporting the transition to a low carbon economy. Also the Fund will limit (to no more than 0.5% of the value of the fund) indirect exposure to companies which:

- make more than 5% of their earnings from tobacco, 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 does exceed 0.5% of the value of the Fund's assets, the Investment Adviser will take action to reduce exposure to below 0.5% (by selling underlying funds identified as contributing to the over-exposure) within a reasonable timeframe, ordinarily 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.

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 60% in funds with higher risk/return potential.

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 (UCITS) Directive.

Manager's investment report

For the six month period ended 31 January 2025 (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.

The Fund invests predominantly in collective investment schemes, as shown in the Portfolio statement on page 9. Management fees for the funds in which it invests are met by the Manager out of the operating charges set out on page 8.

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 a mixture of gilt-edged securities and corporate bonds - which typically provide moderate rewards but carry a lower level of risk, and company shares which typically provide higher rewards but carry a higher level of risk.

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.

Income Unit Class

The interim distribution for the period ended 31 January 2025 for the Income Unit Class will be 1.6415p net per unit payable on 31 March 2025.

Accumulation Unit Class

The interim distribution for the period ended 31 January 2025 for the Accumulation Unit Class will be 1.3811p net per unit payable on 31 March 2025.

Fund Performance

For the six months to 31 January 2025, the net asset value for Income Units increased by 4.41%³ from 130.51p to 136.27p. The net asset value for Accumulation Units increased by 5.67%³ from 109.30p to 115.50p.

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 Based on published net asset value as shown on page 8.

Manager's investment report

For the six month period ended 31 January 2025 (unaudited)

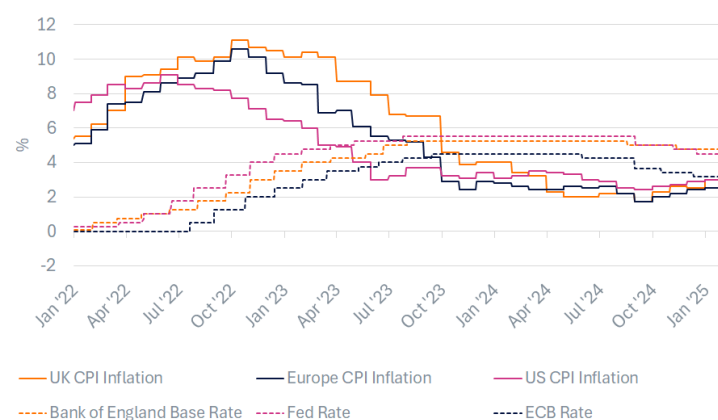
Markets overview from 1 August 2024 to 31 January 2025

Global equities gained over the six-month review period, given a generally resilient macroeconomic backdrop and an artificial intelligence (AI) led boom in large technology stocks. With cooling inflation, the US Federal Reserve (Fed), European Central Bank (ECB) and Bank of England (BoE) started cutting interest rates, although investors began anticipating a more measured pace of monetary policy easing in future as central banks maintained a data-dependent stance. Sentiment also turned more optimistic over pro-business measures from US President Donald Trump, despite lingering concerns about his tariff policies. The fixed income market had a largely good streak as well, with global government bonds rising in sterling terms.

Inflation eases but remains persistent:

- Inflation remained largely under control over the review period, barring an unexpected uptick in January. For their part, major central banks remained cautious, aiming to keep prices in check even while trying to spur economic growth.

Global Inflation Rates vs Interest Rates



- In the US, the Fed cut interest rates three times consecutively in late 2024, bringing the target range for the fed funds rate down to 4.25–4.50%, before leaving it unchanged in January. Inflation eased consistently throughout the review period but saw a surprising 0.5% month-on-month jump in January, the fastest pace since August 2023, causing annual inflation to touch 3%. Meanwhile, annualised US gross domestic product (GDP) growth came in at a strong 2.3% in the final three months of 2024, albeit lower than the 3.1% recorded in the third quarter, reflecting robust consumer spending.
- In the UK, the BoE reduced the Bank Rate twice, bringing it to an 18-month low of 4.75%. Inflation, too, eased consistently before an unanticipated rise to 3.0% in January, the highest level in 10 months. Meanwhile, economic growth remained sluggish but exceeded estimates of a contraction, expanding by 0.1% in the December quarter. Separately, the Labour

government's first Budget in October announced approximately £40 billion in tax rises to strengthen fiscal stability, along with a commitment to increase borrowing to stimulate growth.

- The ECB's deposit facility rate stood at 2.75% after four reductions. Inflation generally remained just above the 2% target before accelerating slightly to 2.5% in January. However, GDP data showed no growth in the region in the fourth quarter of 2024, falling short of analysts' estimates. On the political front, France and Germany faced instability due to leadership changes.

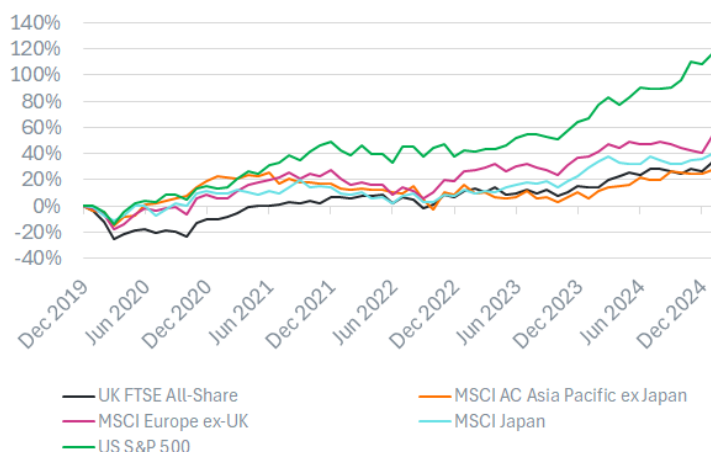
Global equities gain even as policies and politics remain uncertain:

- 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 higher as investors turned optimistic due to interest-rate cuts and soaring technology stocks. Trump's return as US president also boosted sentiment even as it caused jitters over potential trade tariffs on imports, particularly those from China, Mexico and Canada. In addition, China's aggressive stimulus measures to revive its economy were viewed positively, although their impact was lacklustre.
- US stock markets, as measured by the broad S&P 500 Index, touched fresh highs, buoyed by good corporate earnings, an AI-led rally in technology stocks, and optimism over Trump's pro-business policies. However, there was a pullback in the technology sector in January, with AI-related stocks retreating amid reports that Chinese start-up DeepSeek had developed a competitive AI model at a fraction of the cost of those made by market incumbents.
- UK equities ended the review period higher despite some volatility due to fluctuating oil prices. Eventually, energy stocks led the internationally oriented FTSE 100 Index to outperform the domestically focused FTSE 250 Index.
- European stock markets, as measured by the FTSE World Europe ex UK Index, also advanced. After rising at the start of the review period in line with broader sentiment, the market fell in the last quarter of 2024 in both euro and sterling terms. Enthusiasm over interest-rate cuts by the ECB was mitigated to an extent by weak economic growth in the region and political instability in France and Germany. Subsequently, the market rebounded and surged in January as investors rotated out of US technology stocks and into European equities, with Germany among the strongest global performers, supported also by optimism ahead of its general election in late February.

Manager's investment report

For the six month period ended 31 January 2025 (unaudited)

5 Year Global Market Returns



- Japanese equities remained subdued as inflation was persistently above target, climbing to a 2-year high of 4.0% in January. The Bank of Japan hiked its short-term policy rate twice to “around 0.5%”, the highest in 17 years. Furthermore, in a snap general election at the end of October, Japan’s new prime minister Shigeru Ishiba, saw his party lose its parliamentary majority, leading to political uncertainty.

Bond markets gain amid easing monetary policy:

- Global government bonds rose in sterling terms over the review period, although they fell in local-currency terms in the last quarter of 2024. In January, government bond performance was mixed. The 10-year US Treasury bond yield fell by 3 basis points (bps), the 10-year German Bund yield rose by 11bps, and there was pressure across the gilt curve.
- Corporate bonds experienced some volatility in the six months under review. In the US, riskier high-yield bonds and higher-quality investment-grade bonds fared well before their yields increased over the last quarter of 2024, although the spreads on both instruments tightened. In January, corporate bonds outperformed government issues, with better performance from riskier bonds.
- High-yield bonds were partially supported by their income attractions and manageable credit-quality trends. Investment-grade bonds benefited from their longer duration, or sensitivity to changes in interest rates, as underlying government bond yields decreased.

Cautious approach amid evolving global macro dynamics:

- With Trump securing his second term, uncertainty around election results has been replaced with policy ambiguity. Deregulation and tax cuts are supportive of GDP growth, but incremental tariffs and immigration restrictions could be inflationary. We must wait to see how much of Trump’s

campaign rhetoric translates into actual policy and how other nations react. Many questions also remain about inflation and interest rates, not just in the US, but globally.

- In Europe, political instability in both Germany and France is at the forefront of investors’ minds, as is political and policy uncertainty in Japan.
- Geopolitical tensions remain elevated globally, often seeming at odds with stock markets reaching all-time highs. Given the many uncertainties and challenges ahead, investor caution is advised.

Net asset value and operating charges

As at 31 January 2025 (unaudited)

	Income Units			Accumulation Units		
	31 Jan 25	31 Jul 24	31 Jul 23	31 Jan 25	31 Jul 24	31 Jul 23
Closing net asset value (£)	102,147,136	99,431,933	106,153,372	41,750,808	28,627,428	3,602,130
Closing number of units	74,959,767	76,184,578	86,945,981	36,148,872	26,190,796	3,598,405
Closing net asset value per unit (p)	136.27	130.51	122.09	115.50	109.30	100.10
Operating charges (%) [‡]	0.45	0.58	0.79	0.45	0.45	0.45

‡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 2025 (unaudited)

Security	Holdings	Market Value £'000	% of Net Assets
COLLECTIVE INVESTMENT SCHEMES			
Bonds and Gilts (26.26%*)		46,198	32.11
abrdn Liquidity Fund Lux - Sterling Fund Z-1 Income Shares [#]	2,168	2,168	1.51
abrdn OEIC IV - abrdn Global Corporate Bond Screened Tracker Fund Class B Income Shares [#]	11,073,455	9,852	6.85
abrdn OEIC IV - abrdn Global Inflation-Linked Bond Tracker [#]	4,972,086	4,187	2.91
abrdn OEIC IV - abrdn Short Dated Global Inflation-Linked Bond Tracker Fund [#]	1,405,196	1,351	0.94
abrdn OEIC IV - abrdn Short Dated Sterling Corporate Bond Tracker Fund [#]	5,252,070	5,693	3.96
abrdn SICAV I - Global High Yield Sustainable Bond Fund [#]	1,079,634	11,506	7.99
iShares ESG Sterling Corporate Bond Index Fund	7,106,909	5,772	4.01
Legal & General ESG Emerging Markets Government Bond Fund	5,667,154	5,668	3.94
Vontobel Fund-TwentyFour Sustainable Short Term Bond Income	9	1	-
Shares (73.83%*)		98,662	68.56
abrdn Evolve American Equity Index Fund [#]	6,809,254	9,933	6.90
abrdn Evolve Asia Pacific ex-Japan Equity Index Fund [#]	979	1	-
abrdn Evolve UK Equity Index Fund [#]	5,317,975	7,419	5.15
abrdn Evolve World Equity Index Fund [#]	20,344,543	26,603	18.49
abrdn OEIC IV - abrdn Asia Pacific ex-Japan Equity Tracker Fund [#]	6,438,923	7,206	5.01
abrdn OEIC IV - abrdn Global REIT Tracker Fund [#]	6,593,383	5,794	4.03
iShares Continental European Equity ESG Index Fund	10,585,838	12,181	8.46
iShares MSCI EM ESG Enhanced Fund	3,703,501	15,614	10.85
iShares MSCI Japan ESG Enhanced Fund	1,386,829	7,138	4.96
Virgin Money Climate Change Fund [^]	4,126,507	6,773	4.71
Portfolio of investments		144,860	100.67
Net other liabilities (-0.09%*)		(962)	(0.67)
Net assets		143,898	100.00

* Comparative figures shown in brackets relate to percentage of total net assets at 31 July 2024.

[^] This fund is managed by Virgin Money Unit Trust Managers Limited.

[#] This fund is managed by abrdn Investments Limited, Investment Advisor to the Fund.

Purchases and sales of investments

For the six month period ended 31 January 2025 (unaudited)

Purchases	Cost £'000
abrdn OEIC IV - abrdn Global Corporate Bond Screened Tracker Fund Class B Income Shares [#]	10,119
abrdn OEIC IV - abrdn Global Corporate Bond Screened Tracker Fund Class X Accumulation Shares [#]	9,101
abrdn Liquidity Fund Lux - Sterling Fund Z-3 Income Shares [#]	8,982
abrdn Liquidity Fund Lux - Sterling Fund Z-1 Income Shares [#]	6,470
abrdn OEIC IV - abrdn Asia Pacific ex-Japan Equity Tracker Fund [#]	5,550
abrdn SICAV I - Global High Yield Sustainable Bond Fund [#]	4,630
abrdn OEIC IV - abrdn Short Dated Sterling Corporate Bond Tracker Fund [#]	4,385
abrdn OEIC IV - abrdn Global Inflation-Linked Bond Tracker Fund [#]	4,351
iShares MSCI Japan ESG Enhanced Fund	3,190
iShares Continental European Equity ESG Index Fund	1,810
abrdn Evolve World Equity Index Fund [#]	920
Virgin Money Climate Change Fund [^]	740
iShares MSCI EM ESG Enhanced Fund	697
iShares ESG Sterling Corporate Bond Index Fund	610
abrdn Evolve UK Equity Index Fund [#]	600
Legal & General ESG Emerging Markets Government Bond Fund	536
abrdn Evolve American Equity Index Fund [#]	430
abrdn OEIC IV - abrdn Global REIT Tracker Fund [#]	400
abrdn OEIC IV - abrdn Short Dated Global Inflation-Linked Bond Tracker Fund [#]	120
abrdn Evolve Asia Pacific ex-Japan Equity Index Fund [#]	1
Vontobel Fund-TwentyFour Sustainable Short Term Bond Income	1
Total for the period	63,643

[^] This fund is managed by Virgin Money Unit Trust Managers Limited.

[#] This fund is managed by abrdn Investments Limited, Investment Advisor to the Fund.

The above constitutes all purchases of investments in the year.

Purchases and sales of investments

For the six month period ended 31 January 2025 (unaudited)

Sales	Proceeds £'000
abrdn Liquidity Fund Lux - Sterling Fund Z-3 Income Shares [#]	14,419
abrdn OEIC IV - abrdn Global Corporate Bond Screened Tracker Fund Class X Accumulation Shares [#]	9,216
iShares ESG Screened Global Corporate Bond Index Fund	9,200
Legal & General ESG Emerging Markets Government Bond Fund	4,800
abrdn Liquidity Fund Lux - Sterling Fund Z-1 Income Shares [#]	4,306
abrdn OEIC IV - abrdn Global Government Bond Tracker Fund [#]	3,758
Virgin Money Climate Change Fund [^]	2,600
abrdn Evolve American Equity Index Fund [#]	2,270
iShares ESG Sterling Corporate Bond Index Fund	1,300
iShares MSCI EM ESG Enhanced Fund	1,281
Total for the period	53,150

[^] This fund is managed by Virgin Money Unit Trust Managers Limited.

[#] This fund is managed by abrdn Investments Limited, Investment Advisor to the Fund.

The above constitutes all sales of investments in the year.

Statement of total return

For the six month period ended 31 January 2025 (unaudited)

	31 Jan 25		31 Jan 24	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		5,894		1,714
Revenue	1,998		1,854	
Expenses	(199)		(270)	
Interest payable and similar charges	(1)		-	
Net revenue before taxation	1,798		1,584	
Taxation	(102)		(20)	
Net revenue after taxation		1,696		1,564
Total return before distributions		7,590		3,278
Distributions		(1,696)		(1,563)
Change in net assets attributable to unitholders from investment activities		5,894		1,715

Statement of change in net assets attributable to unitholders

For the six month period ended 31 January 2025 (unaudited)

	31 Jan 25		31 Jan 24	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		128,059		109,756
Amounts receivable on issue of units	13,347		11,867	
Amounts payable on cancellation of units	(3,901)		(13,859)	
		9,446		(1,992)
Change in net assets attributable to unitholders from investment activities		5,894		1,715
Retained distribution on accumulation units		499		194
Closing net assets attributable to unitholders		143,898		109,673

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 2025 (unaudited)

	31 Jan 25		31 Jul 24	
	£'000	£'000	£'000	£'000
Assets				
Fixed assets				
Investments		144,860		128,170
Current assets				
Debtors	501		366	
Cash and bank balances	101		436	
Total current assets		602		802
Total assets		145,462		128,972
Liabilities				
Provision for liabilities		(12)		(15)
Creditors				
Distribution payable	(1,230)		(716)	
Other creditors	(322)		(182)	
Total liabilities		(1,564)		(913)
Net assets attributable to unitholders		143,898		128,059

Notes to the interim financial statements are on page 14.

Notes to the financial statements

For the six month period ended 31 January 2025 (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 2024. 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 and updated in June 2017.

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 2025 (unaudited)

Distribution in pence per unit

Interim distribution payable 31 March 2025

Group 1	Units purchased prior to 1 August 2024
Group 2	Units purchased from 1 August 2024 to 31 January 2025 inclusive

	Revenue (p)	Equalisation (p)	Distribution payable 31 Mar 25 (p)	Distribution paid 28 Mar 24 (p)
Income units				
Group 1	1.6415	-	1.6415	1.7922
Group 2	1.0622	0.5793	1.6415	1.7922

Accumulation units

Group 1	1.3811	-	1.3811	1.4183
Group 2	0.9014	0.4797	1.3811	1.4183

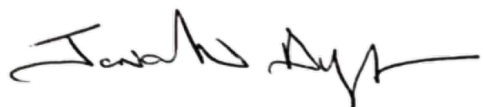
Equalisation

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 2025 (unaudited)

We approve the Interim Report and Financial Statements of Virgin Money Growth Fund 2 for the six month period ended 31 January 2025 on behalf of Virgin Money Unit Trust Managers Limited in accordance with the requirements of the Collective Investment



Jonathan Byrne
Director
27 March 2025



Paula Moore
Director
27 March 2025

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