



**TB GARRAWAY INVESTMENT FUNDS ICVC**  
(Formerly TB EEA Investment Funds ICVC)

ANNUAL REPORT &  
AUDITED FINANCIAL STATEMENTS

---

For the year ended 30 June 2015



---

## CONTENTS

---

The Authorised Corporate Director, Your Investments, Risk Profile, Other Information.....	1
Authorised Status, Structure of the Company, Investment Objective and Policy.....	2
Ongoing Charges Figure, Synthetic Risk and Reward Indicator.....	3
Statement of the ACD's Responsibilities, Director's Statement.....	4
Statement of Depositary's Responsibilities, Depositary's Report to the Shareholders of TB Garraway Investment Funds ICVC .....	5
Report of the Independent Auditor to the Shareholders of TB Garraway Investment Funds ICVC .....	6
Investment Review.....	8
Portfolio Statement.....	12
Summary of Fund Performance.....	16
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders.....	22
Balance Sheet.....	23
Notes to the Financial Statements.....	24
Distribution Table.....	36
Directory.....	40

*Note: The Authorised Corporate Director's Report consists of 'Authorised Status', 'Structure of the Company' and 'Investment Objective and Policy' on page 2, 'Investment Review' as provided by the Investment Manager, on pages 8 to 11 and 'Directory' on page 40.*



---

## THE AUTHORISED CORPORATE DIRECTOR

---

The Authorised Corporate Director (the 'ACD') is T. Bailey Fund Services Limited ('TBFS'). TBFS was previously called T. Bailey Fund Managers Limited and the name was changed on 30 June 2015. Garraway Capital Management LLP is the Investment Manager (the 'Investment Manager') of TB Garraway Investment Funds ICVC (the 'Company').

Please note that on 29 May 2015 the Investment Manager of the Company changed from EEA Fund Management Limited to Garraway Capital Management LLP. The name of the Company has also changed from TB EEA Investment Funds ICVC to TB Garraway Investment Funds ICVC. Updated documentation can be found at [www.tbailey.co.uk/Garraway](http://www.tbailey.co.uk/Garraway).

David Urch and Tim Hall have remained as Fund Managers throughout this transition.

Garraway Capital Management LLP and T. Bailey Fund Services Limited are authorised and regulated by the Financial Conduct Authority. Further information about Garraway Capital Management LLP can be found at [www.garrawaycm.com](http://www.garrawaycm.com)

---

## YOUR INVESTMENTS

---

You can buy or sell shares in the Company through your Financial Advisor. Alternatively, you can telephone the dealing line; 0115 988 8280, during normal office hours. Application forms can be requested in writing from the ACD or by calling the Client Services Team on the dealing line.

The Company is eligible for ISA investments/transfers.

---

## RISK PROFILE

---

Please remember that both the price of shares and the revenue derived from them may go down as well as up and that you may not get back the money you invested. Furthermore, changes in foreign currency exchange rates may cause the value of your investment to increase or diminish. You should, therefore, regard your investment as medium to long term. Past performance is not a reliable indicator of future results.

The Fund may invest in derivatives both to generate investment returns and to reduce risk.

Contracts for difference (CFDs) may be used to create synthetic short positions in securities. CFDs are a form of derivative contract.

Whilst the intention for using derivatives is to generate positive returns or to reduce risk, this outcome is not guaranteed and derivatives involve additional risk which could lead to significant losses.

---

## OTHER INFORMATION

---

Full details of TB Garraway Investments Funds ICVC are set out in the Prospectus. This document provides investors with extensive information about the funds including risks and expenses. A copy of the Prospectus is available on request from the ACD, or can be found at [www.tbailey.co.uk/Garraway](http://www.tbailey.co.uk/Garraway).

Key Investor Information documents and the Supplementary Information document are also available at [www.tbailey.co.uk/Garraway](http://www.tbailey.co.uk/Garraway).

---

## **AUTHORISED STATUS**

---

TB Garraway Investment Funds ICVC is an investment company with variable capital incorporated in Great Britain, having its head office in England, under registered number IC000935 and authorised and regulated by the Financial Conduct Authority ("FCA") with effect from 26 March 2012.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the company after they have paid the price on the purchase of the shares.

---

## **STRUCTURE OF THE COMPANY**

---

The Company is structured as an umbrella comprising a number of sub-funds. The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. At present there is only one sub-fund but new sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. If a new fund is introduced, a new Prospectus will be prepared to set out the required information in relation to that fund.

The Company is compliant with the Protected Cell Regime for OEICS. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly, the assets of the sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-fund and shall not be available for any such purpose.

There is currently one sub-fund in existence; TB Garraway UK Equity Market Fund (the 'Fund'). (Please note that the name of the Fund changed from TB EEA UK Equity Market Fund on 29 May 2015 following the change of Investment Manager).

The Company is a UCITS Scheme.

The assets of the Company will be invested in accordance with the investment objective and investment policy of the Company. Investment of the assets must comply with the FCA sourcebook.

Subject to the above, the liabilities, expenses, costs and charges of the Company will be allocated between classes in accordance with the terms of issue of shares of those classes.

---

## **INVESTMENT OBJECTIVE AND POLICY**

---

The Fund aims to provide a combination of long term capital growth and income.

The Fund will invest primarily in shares of companies which are listed in the UK. The Fund may also invest in shares in companies which are not UK listed, as well as other assets such as other collective investment schemes, money market instruments and cash.

At any one time, the Fund may invest in a relatively small number of assets.

The Fund may invest in derivatives both for investment purposes and for efficient portfolio management.

In order to generate positive returns where the Investment Manager has identified an overvalued share which is anticipated to fall in absolute terms, it is anticipated that the Fund could utilize contracts for difference (CFDs) to create the effect of short positions. CFDs are a form of derivative contract.

---

## ONGOING CHARGES FIGURE

---

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA, audit fees and transaction charges. Collectively these fees are known as other expenses.

The OCFs, as calculated in accordance with ESMA guidelines, are as follows:

	<b>30.06.15</b>	<b>30.06.14</b>
	<b>% p.a.</b>	<b>% p.a.</b>
<b>R Shares</b>		
Annual Management Charge	1.75	1.75
Other Expenses	0.13	0.28
<b>Ongoing Charges Figure</b>	<b>1.88</b>	<b>2.03</b>
<b>I Shares</b>		
Annual Management Charge	1.25	1.25
Other Expenses	0.13	0.28
<b>Ongoing Charges Figure</b>	<b>1.38</b>	<b>1.53</b>
<b>F Shares</b>		
Annual Management Charge	0.75	0.75
Other Expenses	0.13	0.28
<b>Ongoing Charges Figure</b>	<b>0.88</b>	<b>1.03</b>

---

## SYNTHETIC RISK AND REWARD INDICATOR

---

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money.

The Fund's ranking is 6.

*Please note that the Synthetic Risk and Reward Indicator changed to a 5 at the beginning of September 2015.*

---

## STATEMENT OF ACD'S RESPONSIBILITIES

---

The ACD of the Company is responsible for preparing the report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare Financial Statements for each accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law") and the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and
- give a true and fair view of the financial position of the Company as at the end of that period and the net revenue or expense and the net capital gains or losses on the property of the Company for that period.

In preparing the Financial Statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

---

## DIRECTORS' STATEMENT

---

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes sourcebook, we hereby certify the report on behalf of the Directors of T. Bailey Fund Services Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the assets of the Company consists of predominantly securities readily realisable and, accordingly the Company has adequate resources to continue in operational existence in the foreseeable future.

**Helen Stevens**  
**Chief Executive Officer**  
**T. Bailey Fund Services Limited**  
**13 October 2015**

**Richard Taylor**  
**Compliance Director**  
**T. Bailey Fund Services Limited**  
**13 October 2015**



---

## **STATEMENT OF DEPOSITARY'S RESPONSIBILITIES**

---

The Depositary is responsible for the safekeeping of all custodial assets of the Company which is entrusted to it, for verifying ownership and maintaining a record of all other assets of the Company, and for the collection of revenue that arises from those assets.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's ('FCA') Collective Investment Schemes Sourcebook ('COLL'), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ('OEIC Regulations'), the Company's Instrument of Incorporation and Prospectus, and from 22nd July 2014, where applicable, the FCA's Investment Funds Sourcebook ('FUND'), in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers applicable to the Company.

---

## **DEPOSITARY'S REPORT TO THE SHAREHOLDERS OF TB GARRAWAY INVESTMENT FUNDS ICVC**

---

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with COLL, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company and, where applicable, FUND.
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

**National Westminster Bank Plc**  
**Trustee & Depositary Services**  
**London**  
**13 October 2015**

---

**REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF TB GARRAWAY INVESTMENT FUNDS ICVC**

---

We have audited the Financial Statements of TB Garraway Investment Funds ICVC ("the Company") for the year ended 30 June 2015 which comprise Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes 1 to 15, and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

This report is made solely to the Company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of the Depositary, the ACD and the Auditor**

As explained more fully in the Statement of Depositary's Responsibilities and the Statement of ACD's Responsibilities, the Depositary is responsible for safeguarding the property of the Company and the ACD is responsible for the preparation of the Financial Statements. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with the requirements of the Collective Investment Schemes Sourcebook, applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ACD; and the overall presentation of the Financial Statements.

**Opinion on Financial Statements**

In our opinion the Financial Statements:

- give a true and fair view of the financial position of the Company as at 30 June 2015 and of the net revenue and the net capital gains on the property of the Company for the year ended 30 June 2015; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice "Financial Statements of Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

---

**REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF TB GARRAWAY INVESTMENT FUNDS ICVC (CONTINUED)**

---

**Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook**

In our opinion:

- proper accounting records for the Company have been kept and the Financial Statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the Annual Report for the year ended 30 June 2015 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the Financial Statements.

**Deloitte LLP**  
**Chartered Accountants and Statutory Auditor**  
**Birmingham, United Kingdom**  
**13 October 2015**

---

## INVESTMENT REVIEW

---

### Performance

---

	Cumulative returns for the periods ended 30 June 2015 (%)			
	1 year	2 years	3 years	From launch
Class R Shares <sup>3</sup>	8.73	25.09	65.74	67.75 <sup>1</sup>
Class I Shares <sup>3</sup>	9.29	26.41	68.32	70.54 <sup>1</sup>
Class F Shares <sup>3</sup>	9.84	N/A	N/A	21.26 <sup>2</sup>
FTSE 350 Index TR*	2.41	15.69	36.10	41.06 <sup>1</sup>
IA UK All Companies	7.03	22.00	49.15	52.93 <sup>1</sup>

---

<sup>1</sup> 29 May 2012. <sup>2</sup> F Shares launched 30 September 2013. <sup>3</sup> Performance based on accumulation shares.

Source: Financial Express. Total return, bid to bid. Sterling terms.

Note: Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

\*FTSE International Ltd ("FTSE") © FTSE 2015. "FTSE ®" is a trademark of the London Stock Exchange Group Companies and used by FTSE International Ltd under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE data is permitted without FTSE's express written content. (FTSE licence held by Garraway Capital Management LLP).

### Overview

The UK equity market rose modestly over the period under review, underperforming other major indices, in part related to broader European concerns around Greece, but primarily related to the hue of domestic politics in both the run up to the Scottish Independence Referendum and the Westminster election.

Much of the second half of the reporting year was dominated by the increasingly protracted negotiation between the European authorities and the Greek team led by Tsipras, with considerable daily volatility for global equity markets attached to public commentary from either group. Greek domestic equity and bond markets were the obvious casualties in this impasse.

The Greek crisis increasingly overshadowed news flow from key markets and economies. The US maintained momentum with positive data on housing, employment, consumer confidence and retail sales offsetting a more mixed picture on broad economic health – a pattern of data evident throughout the year under review. The public debate on the first interest rate rise has been persistent, with Janet Yellen reiterating that a rise would be 'gradual and data dependent'. The US market was not immune to the Greek crisis, and lost some of its positive return on the increased political and economic tension.

The implementation of European QE has also been a dominant theme for equity markets, and fuel to their recovery in mainland Europe, and a rally in stocks perceived as 'bond proxies'. By the end of the period under review, there was evidence that Draghi's increasingly public confidence in the effectiveness of QE was well founded with improved data on growth, employment and inflation now more broadly spread across the economies of Europe, albeit most noticeable in Germany and France. However, the possible impact of a deterioration in the Greek saga weighed heavily on equity markets, taking the shine off very strong market moves across the region. Elsewhere, there were notable rises in both the Japanese and Chinese equity markets although in the final quarter of our year, contrasts were more evident with Japan reaching an all-time high, and the Chinese index finishing the quarter over 20% off its high, reflecting the relative strength of their related economies.

---

## INVESTMENT REVIEW (CONTINUED)

---

A relatively decisive win for the 'No' vote in the 2014 autumn Scottish Referendum was followed by a successful and somewhat surprising Conservative win in the May Westminster elections. This gave the UK market comfort that economic management in its current form would be maintained. George Osborne's confident stance in the Mansion House Speech in June this year coincided with further signs of an economy moving forward and emphasising earlier trends evident in the year under review of a positive employment, housing and consumer backdrop. As with other markets, UK equities have not been immune to fears of a Greek exit, and fell back from highs as the outcome became more uncertain.

One of the features of 2015 has been the 'backing up' of bond yields from earlier lows. However any expected volatility, particularly in peripheral European bond market yields from Greek contagion, was muted, and while US, core European and UK government bond yields rose over the final quarter of the Fund's year, there was little evidence of distress, and yields still ended at lower levels than twelve months ago. This also characterised the relatively muted move in both US dollar and the euro, buffeted by daily news, but neither materially moving out of recent ranges.

What became materially more evident towards the end of the year under review was a further deterioration in the oil price, after a rally at the turn of the calendar year, and general malaise in commodity prices. The pressures on Emerging Markets, their economies and currencies persisted throughout the year, and have been exacerbated by the points above, and deterioration in Chinese growth.

### Performance Review

The Fund delivered strong relative outperformance against the UK equity market return, and outstripped the peer group, maintaining its top quartile position since inception. The majority of our returns have come from stock selection, in line with our process, which looks to harness as much stock specific risk as possible. Key contributors to our strong relative returns have included ITV, Provident Financial, Howden Joinery Group, Barratt Developments, Ashtead Group and International Consolidated Airlines. Less helpful were holdings in Premier Oil, Royal Dutch Shell, First Group, Enterprise Inns, Man Group and Antofagasta. At the sector level, we have added value through our position in Industrials, Consumer Discretionary, Financials and Health Care, the first two sectors being large overweights, while remaining underweight Energy, Utilities, Materials and Consumer Staples.

We continue to create a balanced portfolio, agnostic to both sector and market capitalisation for idea generation. Our reluctance to get drawn into owning defensive or bond proxy stocks earlier in 2015 has meant we have tended to favour large and mid cap stocks at the expense of 'mega' cap stocks.

New holdings over the rolling twelve months have included G4S, where new management is transforming the global franchise through introducing tougher management of contracts, procurement and cash, and Dixons Carphone, where the recent repositioning of the business aligns it further into becoming a critical player in cost effective retailing, provision of services and the UK and global solution provider in its sector. We have also built up a holding in Playtech, the global provider of platforms for the gaming industry. We participated in a new issue, Mortgage Advice Bureau, the highly cash generative umbrella platform for mortgage advisers. Other smaller company positions include Vectura Group, a niche pharmaceutical manufacturer of inhaler products and therapies, and NMC Health, a major player in the UAE private healthcare market, benefiting from demographics and the introduction of mandatory healthcare. Other new larger market cap positions include Carnival, the global cruise operator, enjoying stronger consumer spend and lower oil prices, Wolseley, the building materials group with a strong US presence, and CRH, a beneficiary of infrastructure spend and an accretive deal to buy the forced sale of assets from the Lafarge Holcim merger. In the recent quarter we added ARM Holdings, the semiconductor and technology solutions group, a partial holding in BP, reducing a still underweight position in the sector. We also added e2v Technologies, the designer and manufacturer of sophisticated systems and components used primarily in surveillance. Man Group was also added to the portfolio giving us asset management exposure, having sold Aberdeen Asset Management, and Unilever, where earnings momentum and share price support have highlighted the company as one of the better positioned stocks in the global consumer sector.

---

## INVESTMENT REVIEW (CONTINUED)

---

Recent sales have included Aviva, concerned over the longer term impact of dislocation in bond yields on their financial flexibility, the remaining positions in Lloyds Banking Group and Rio Tinto, and Sanne Group, a successful new issue in which we failed to secure a full position. Following indications that second half passenger yields would be sluggish, we sold EasyJet, while retaining our holding in International Consolidated Airlines, where longer term benefits from rationalisation of the Spanish business and over time, Aer Lingus, remain powerful.

We closed our longer standing short in Diageo, where the thesis based on a concern around material pressures on earnings and future dividend growth has been overtaken by bid rumour and anticipation of more aggressive cost management. As at the period end the Fund had no shorts in the portfolio.

<b>Sector</b>	<b>Asset allocation as at 30 June 2015 (%)</b>	<b>Asset allocation as at 30 June 2014 (%)</b>
Aerospace & Defense	1.6	2.2
Banks	2.7	5.9
Basic Resources	-	6.4
Chemicals	-	1.9
Construction & Materials	1.8	2.4
Consumer Staples	2.9	-
Diversified Financials	3.6	1.9
Energy	4.4	3.5
Financial Services	2.5	1.5
Food Beverage & Tobacco	2.7	1.5
Healthcare	6.2	11.4
Industrials Goods & Services	17.9	9.7
Information Technology	4.7	-
Insurance	1.6	5.3
Materials	-	1.9
Media	8.1	5.0
Oil & Gas	2.5	7.0
Personal & Household Goods	5.1	5.8
Real Estate	2.3	2.5
Retail	5.7	1.6
Semiconductors & Semiconductor	2.5	-
Support Services	3.5	-
Telecommunication Services	9.1	7.3
Travel & Leisure	7.0	11.5
Utilities	-	0.9
Cash and other	1.6	2.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

*The full list of holdings at the balance sheet date is shown in the portfolio statement on pages 12 to 15.*

---

## **INVESTMENT REVIEW (CONTINUED)**

---

### **Outlook**

While interest rate debate is likely to dominate markets over the near term, we feel both the UK equity market and bond market have discounted some marginal increase, and any rise by the year end will be an indication of a more robust economy - and resilient domestic consumer. Many of our holdings have prospered in a low growth environment, and will see further benefits if the economy and wage growth pick up. We retain a strong domestic consumer bias in our holdings. However, evidence of much slower Chinese growth, the recent devaluation of the Renminbi, coupled with the decline in energy and commodity pricing, makes the decision on a US and UK rate rise all the more difficult - not least because of dollar and sterling strength and related pressure on Emerging Market currencies and economies. Our process continues to identify a broad range of ideas that test the current portfolio. We maintain a diverse list of holdings, by industry, size and sector, with the ability to grow earnings even in a low growth environment, demonstrate strong cash generation, and with attributes of 'self-help'.

**David Urch**  
**Fund Manager**  
**Garraway Capital Management LLP**  
**13 October 2015**

---

**PORTFOLIO STATEMENT**As at 30 June 2015

---

<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Aerospace &amp; Defense (1.6%; 30.06.14 : 2.2%)</b>		
242,326 Cobham	637,317	1.6
	<b>637,317</b>	<b>1.6</b>
<b>Banks (2.7%; 30.06.14 : 5.9%)</b>		
187,120 HSBC Holdings	1,066,771	2.7
207 Secure Bank Trust	5,817	0.0
	<b>1,072,588</b>	<b>2.7</b>
<b>Construction &amp; Materials (1.8%; 30.06.14 : 2.4%)</b>		
225,830 Tyman	723,221	1.8
	<b>723,221</b>	<b>1.8</b>
<b>Consumer Staples (2.9%; 30.06.14 : 0.0%)</b>		
42,200 Unilever	1,151,638	2.9
	<b>1,151,638</b>	<b>2.9</b>
<b>Diversified Financials (3.6%; 30.06.14 : 1.9%)</b>		
47,698 Provident Financial	1,395,166	3.6
	<b>1,395,166</b>	<b>3.6</b>
<b>Energy (4.4%; 30.06.14 : 3.5%)</b>		
303,800 Gulf Marine Services	367,598	0.9
76,500 Royal Dutch Shell	1,366,672	3.5
	<b>1,734,270</b>	<b>4.4</b>



---

**PORTFOLIO STATEMENT (CONTINUED)**As at 30 June 2015

---

<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Financial Services</b> <b>(2.5%; 30.06.14 : 1.5%)</b>		
310,900 Man Group	487,491	1.2
211,423 Mortgage Advice Bureau	521,158	1.3
	<b>1,008,649</b>	<b>2.5</b>
<b>Food, Beverage &amp; Tobacco</b> <b>(2.7%; 30.06.14 : 1.5%)</b>		
35,164 Imperial Tobacco Group	1,078,128	2.7
	<b>1,078,128</b>	<b>2.7</b>
<b>Healthcare</b> <b>(6.2%; 30.06.14 : 11.4%)</b>		
22,622 Astrazeneca	909,178	2.3
136,342 BTG	856,228	2.2
17,345 NMC Health	137,806	0.4
273,673 Vectura Group	489,875	1.3
	<b>2,393,087</b>	<b>6.2</b>
<b>Industrial Goods &amp; Services</b> <b>(17.9%; 30.06.14 : 9.7%)</b>		
159,041 Ashtead Group	1,746,270	4.4
95,044 CRH	1,697,486	4.3
326,831 Howden Joinery Group	1,691,350	4.3
158,452 Northgate	911,099	2.3
24,693 Wolseley	1,003,277	2.6
	<b>7,049,482</b>	<b>17.9</b>
<b>Information Technology</b> <b>(4.7%; 30.06.14 : 0.0%)</b>		
281,020 E2V Technologies	705,360	1.8
137,592 Playtech	1,122,751	2.9
	<b>1,828,111</b>	<b>4.7</b>

---

**PORTFOLIO STATEMENT (CONTINUED)**As at 30 June 2015

---

<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Insurance (1.6%; 30.06.14 - 5.3%)</b>		
141,279 Standard Life	627,279	1.6
	<b>627,279</b>	<b>1.6</b>
<b>Media (8.1%; 30.06.14 : 5.0%)</b>		
414,053 Entertainment One	1,471,958	3.8
647,494 ITV	1,704,852	4.3
	<b>3,176,810</b>	<b>8.1</b>
<b>Oil &amp; Gas (2.5%; 30.06.14 - 7.0%)</b>		
230,200 BP	967,070	2.5
	<b>967,070</b>	<b>2.5</b>
<b>Personal &amp; Household Goods (5.1%; 30.06.14 : 5.8%)</b>		
231,901 Barratt Developments	1,423,872	3.6
30,177 Persimmon	595,996	1.5
	<b>2,019,868</b>	<b>5.1</b>
<b>Real Estate (2.3%; 30.06.14 : 2.5%)</b>		
223,163 Segro	905,372	2.3
	<b>905,372</b>	<b>2.3</b>
<b>Retail (5.7%; 30.06.14 : 1.6%)</b>		
269,432 Dixons Carphone	1,221,335	3.1
123,019 Inchcape	997,069	2.6
	<b>2,218,404</b>	<b>5.7</b>

---

**PORTFOLIO STATEMENT (CONTINUED)**As at 30 June 2015

---

<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Semiconductors &amp; Semiconductor (2.5%; 30.06.14 : 0.0%)</b>		
94,600 Arm Holdings	981,002	2.5
	<b>981,002</b>	<b>2.5</b>
<b>Support Services (3.5%; 30.06.14 : 0.0%)</b>		
517,206 G4S	1,389,215	3.5
	<b>1,389,215</b>	<b>3.5</b>
<b>Telecommunication Services (9.1%; 30.06.14 : 7.3%)</b>		
391,433 BT Group	1,762,036	4.5
793,362 Vodafone Group	1,823,543	4.6
	<b>3,585,579</b>	<b>9.1</b>
<b>Travel &amp; Leisure (7.0%; 30.06.14 : 11.5%)</b>		
30,818 Carnival	1,000,969	2.6
345,654 International Consolidated Airlines Group	1,709,259	4.4
	<b>2,710,228</b>	<b>7.0</b>
<b>Portfolio of investments</b>	<b>38,652,484</b>	<b>98.4</b>
<b>Net other assets</b>	<b>644,217</b>	<b>1.6</b>
<b>Total net assets</b>	<b>39,296,701</b>	<b>100.0</b>

*'Basic Resources' sector disinvested since the beginning of the period (30 June 2014: 6.4%). 'Chemicals' sector disinvested since the beginning of the period (30 June 2014: (1.9%)). 'Materials' sector disinvested since the beginning of the period (30 June 2014: (1.9%)). 'Utilities' sector disinvested since the beginning of the period (30 June 2014: (0.9%)).*

*All Equities are quoted on official stock exchanges.*

## SUMMARY OF FUND PERFORMANCE

Class I Income Shares	1 Jul 2014 to 30 Jun 2015	1 Jul 2013 to 30 Jun 2014	1 May 2012 to 30 Jun 2013
	(pence per share)(pence per share)(pence per share)		
<b>Change in net assets per share</b>			
Opening net asset value per share	161.11	143.76	110.00
Return before operating charges*	15.31	24.76	42.16
Operating charges	(2.26)	(2.51)	(3.46)
Return after operating charges*	13.05	22.25	38.70
Distributions on income shares	(4.75)	(4.90)	(4.94)
Closing net asset value per share	169.41	161.11	143.76
* after direct transaction costs of:	1.34	1.15	1.60
<b>Performance</b>			
Return after charges	8.10%	15.48%	35.18%
<b>Other information</b>			
Closing net asset value	£594,333	£2,021,364	£1,817,062
Closing number of shares	350,833	1,254,611	1,263,984
Operating charges (p.a.)	1.38%	1.53%	2.40%
Direct transaction costs (p.a.)	0.82%	0.73%	1.22%
<b>Prices</b>			
Highest published share price	180.33	167.78	154.89
Lowest published share price	148.37	142.40	106.87

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

---

**SUMMARY OF FUND PERFORMANCE (CONTINUED)**

---

<b>Class I Accumulation Shares</b>	<b>1 Jul 2014 to 30 Jun 2015</b>	<b>1 Jul 2013 to 30 Jun 2014</b>	<b>1 May 2012 to 30 Jun 2013</b>
	<b>(pence per share)(pence per share)(pence per share)</b>		
<b>Change in net assets per share</b>			
Opening net asset value per share	172.44	149.16	110.00
Return before operating charges*	16.68	25.95	42.90
Operating charges	(2.52)	(2.67)	(3.74)
Return after operating charges*	14.16	23.28	39.16
Closing net asset value per share	186.60	172.44	149.16
Retained distributions on accumulation shares	5.13	5.14	5.01
* after direct transaction costs of:	1.48	1.22	1.73
<b>Performance</b>			
Return after charges	8.21%	15.61%	35.60%
<b>Other information</b>			
Closing net asset value	£1,545,810	£635,375	£154,724
Closing number of shares	828,401	368,464	103,731
Operating charges (p.a.)	1.38%	1.53%	2.40%
Direct transaction costs (p.a.)	0.82%	0.73%	1.22%
<b>Prices</b>			
Highest published share price	196.59	176.27	159.10
Lowest published share price	159.80	147.78	106.87

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

---

**SUMMARY OF FUND PERFORMANCE (CONTINUED)**


---

<b>Class R Income Shares</b>	<b>1 Jul 2014 to 30 Jun 2015</b>	<b>1 Jul 2013 to 30 Jun 2014</b>	<b>1 May 2012 to 30 Jun 2013</b>
	<b>(pence per share)(pence per share)(pence per share)</b>		
<b>Change in net assets per share</b>			
Opening net asset value per share	158.99	142.83	110.00
Return before operating charges*	15.22	24.12	42.10
Operating charges	(3.12)	(3.11)	(4.36)
Return after operating charges*	12.10	21.01	37.74
Distributions on income shares	(4.67)	(4.85)	(4.91)
Closing net asset value per share	166.42	158.99	142.83
* after direct transaction costs of:	1.34	1.11	1.65
<b>Performance</b>			
Return after charges	7.61%	14.71%	34.31%
<b>Other information</b>			
Closing net asset value	£52,725	£6,423	£261,614
Closing number of shares	31,682	4,040	183,167
Operating charges (p.a.)	1.88%	2.03%	2.90%
Direct transaction costs (p.a.)	0.82%	0.73%	1.22%
<b>Prices</b>			
Highest published share price	177.23	165.83	153.97
Lowest published share price	146.21	141.48	106.80

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

---

**SUMMARY OF FUND PERFORMANCE (CONTINUED)**


---

<b>Class R Accumulation Shares</b>	<b>1 Jul 2014 to 30 Jun 2015</b>	<b>1 Jul 2013 to 30 Jun 2014</b>	<b>1 May 2012 to 30 Jun 2013</b>
	<b>(pence per share)(pence per share)(pence per share)</b>		
<b>Change in net assets per share</b>			
Opening net asset value per share	170.47	148.26	110.00
Return before operating charges*	16.42	25.55	42.54
Operating charges	(3.35)	(3.34)	(4.28)
Return after operating charges*	13.07	22.21	38.26
Closing net asset value per share	183.54	170.47	148.26
Retained distributions on accumulation shares	5.05	5.10	4.99
* after direct transaction costs of:	1.45	1.18	1.65
<b>Performance</b>			
Return after charges	7.67%	14.98%	34.78%
<b>Other information</b>			
Closing net asset value	£103,245	£95,892	£255,792
Closing number of shares	56,252	56,252	172,528
Operating charges (p.a.)	1.88%	2.03%	2.90%
Direct transaction costs (p.a.)	0.82%	0.73%	1.22%
<b>Prices</b>			
Highest published share price	193.46	174.54	158.23
Lowest published share price	157.74	146.89	106.80

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

---

## SUMMARY OF FUND PERFORMANCE (CONTINUED)

---

Class F Income Shares	1 Jul 2014 to 30 Jun 2015	30 Sep 2013 to* 30 Jun 2014
	(pence per share)(pence per share)	
<b>Change in net assets per share</b>		
Opening net asset value per share	162.97	150.43
Return before operating charges*	15.68	18.07
Operating charges	(1.52)	(1.65)
Return after operating charges*	14.16	16.42
Distributions on income shares	(4.81)	(3.88)
Closing net asset value per share	172.32	162.97
* after direct transaction costs of:	1.40	0.89
<b>Performance</b>		
Return after charges	8.69%	10.92%
<b>Other information</b>		
Closing net asset value	£32,125,884	£5,786,324
Closing number of shares	18,643,303	3,550,603
Operating charges (p.a.)	0.88%	1.03%
Direct transaction costs (p.a.)	0.82%	0.73%
<b>Prices</b>		
Highest published share price	183.34	169.43
Lowest published share price	150.32	149.61

\* Note: F share class launched 30 September 2013

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.



---

## SUMMARY OF FUND PERFORMANCE (CONTINUED)

---

Class F Accumulation Shares	1 Jul 2014 to 30 Jun 2015	30 Sep 2013 to* 30 Jun 2014
	(pence per share) (pence per share)	
<b>Change in net assets per share</b>		
Opening net asset value per share	173.11	156.09
Return before operating charges*	16.83	18.75
Operating charges	(1.66)	(1.73)
Return after operating charges*	15.17	17.02
Closing net asset value per share	188.28	173.11
Retained distributions on accumulation shares	5.16	4.05
* after direct transaction costs of:	1.52	0.93
<b>Performance</b>		
Return after charges	8.76%	10.90%
<b>Other information</b>		
Closing net asset value	£4,874,704	£352,391
Closing number of shares	2,589,046	203,569
Operating charges (p.a.)	0.88%	1.03%
Direct transaction costs (p.a.)	0.82%	0.73%
<b>Prices</b>		
Highest published share price	198.26	176.68
Lowest published share price	160.66	155.24

\* Note: F share class launched 30 September 2013

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

---

**STATEMENT OF TOTAL RETURN**For the year ended 30 June 2015

---

	Notes	£	30.06.15 £	30.06.14 £
Income				
Net capital gains	2		1,417,653	518,725
Revenue	3	793,138		213,317
Expenses	4	(233,413)		(80,335)
Interest payable and similar charges	6	(13,247)		(6,529)
Net revenue before taxation		546,478		126,453
Taxation	5	(7,429)		(199)
Net revenue after taxation			539,049	126,254
<b>Total return before distributions</b>			<b>1,956,702</b>	<b>644,979</b>
Distributions	6		(769,897)	(206,600)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,186,805</b>	<b>438,379</b>

---

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the year ended 30 June 2015

---

	Notes	£	30.06.15 £	30.06.14 £
<b>Opening net assets attributable to shareholders</b>			<b>8,897,769</b>	<b>2,489,192</b>
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		31,220,865		7,120,570
Amounts payable on cancellation of shares		(2,142,618)		(1,177,701)
			29,078,247	5,942,869
Stamp duty reserve tax			-	(682)
Change in net assets attributable to shareholders from investment activities			1,186,805	438,379
Retained distributions on accumulation shares	6		133,880	28,011
<b>Closing net assets attributable to shareholders</b>			<b>39,296,701</b>	<b>8,897,769</b>

---

**BALANCE SHEET**As at 30 June 2015

---

	Notes	30.06.15 £	30.06.14 £
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		38,652,484	8,643,697
<b>Current assets:</b>			
Debtors	7	441,084	60,265
Cash and bank balances	8	603,368	285,973
<b>Total assets</b>		<b>39,696,936</b>	<b>8,989,935</b>
<b>Liabilities:</b>			
Investment liabilities		-	2,964
<b>Creditors</b>			
Distribution payable on income shares	6	339,551	72,358
Other creditors	9	60,684	16,844
<b>Total liabilities</b>		<b>400,235</b>	<b>92,166</b>
<b>Net assets attributable to shareholders</b>		<b>39,296,701</b>	<b>8,897,769</b>

---

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2015

---

### 1. Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with FRS 102 as modified by the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

As described in the Statement of ACD's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

#### (b) Recognition of revenue

Dividends on holdings, net of any irrecoverable tax credits, are recognised when the underlying transferable security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

#### (c) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis.

#### (d) Treatment of expenses

All expenses, net of any associated tax effect, are charged to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are charged to the revenue account.

#### (e) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

#### (f) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20%.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

Stamp Duty Reserve Tax (SDRT) incurred on the cancellation of shares is charged to the capital account. (Please note that SDRT ceased on 30 March 2014).

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**As at 30 June 2015

---

**1. Accounting policies (continued)****(g) Distribution policy**

Revenue produced by the Fund's investments accrues quarterly. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is accumulated/distributed at the discretion of the Investment Manager as per the prospectus.

**(h) Exchange rates**

Assets and liabilities in overseas currencies at the year end are translated into Sterling at the latest available rates of exchange on the balance sheet date.

**(i) Basis of valuation of investments**

The investments are valued at closing prices on the balance sheet date. If closing prices are not available, the latest available prices are used. Investments held long are valued at closing bid price and investment held short are valued at the closing offer price.

If separate offer and bid prices are quoted for shares or units, then the bid price is used.

If no price or recent available price exists, the investment is valued at a price which, in the opinion of the ACD, reflects the fair value of the asset.

Unlisted investments are valued by the ACD taking into account, where appropriate, dealing prices, valuations from reliable sources, financial performance and other relevant factors.

**2. Net capital gains**

	<b>30.06.15</b>	<b>30.06.14</b>
	<b>£</b>	<b>£</b>
Non-derivative securities	1,428,890	526,017
Derivative securities	-	(2,964)
Currency losses	(854)	(315)
Transaction charges	(9,588)	(3,710)
Broker Expenses	(795)	(303)
<b>Net capital gains</b>	<b><u>1,417,653</u></b>	<b><u>518,725</u></b>

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**As at 30 June 2015

---

**3. Revenue**

	<b>30.06.15</b>	<b>30.06.14</b>
	£	£
UK franked dividends	669,325	204,312
UK unfranked dividends	21,222	6,438
Overseas dividends	102,006	2,566
Bank interest	585	1
<b>Total revenue</b>	<b>793,138</b>	<b>213,317</b>

**4. Expenses**

	<b>30.06.15</b>	<b>30.06.14</b>
	£	£
<b>Payable to the ACD, associates of the ACD and agents of either:</b>		
Annual management charge	208,151	62,768
Registration fees	545	282
Administration fees	1,710	1,944
	<b>210,406</b>	<b>64,994</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either:</b>		
Depositary's fees	12,755	5,993
Safe custody fees	725	167
	<b>13,480</b>	<b>6,160</b>
<b>Other expenses:</b>		
Audit fee	6,792	6,480
Tax fee	2,340	2,280
FCA fees	395	421
	<b>9,527</b>	<b>9,181</b>
<b>Total expenses</b>	<b>233,413</b>	<b>80,335</b>

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**As at 30 June 2015

---

**5. Taxation****(a) Analysis of the charge in the year**

	<b>30.06.15</b>	<b>30.06.14</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in the year</b>		
Overseas tax	7,429	199
<b>Total current tax for the year (see note 5(b))</b>	<b>7,429</b>	<b>199</b>
Deferred tax (see note 5(c))	-	-
<b>Total taxation for the year</b>	<b>7,429</b>	<b>199</b>

Corporation tax has been provided at a rate of 20%.

**(b) Factors affecting the current taxation charge for the year**

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	<b>30.06.15</b>	<b>30.06.14</b>
	<b>£</b>	<b>£</b>
Net revenue before taxation	546,478	126,453
Corporation tax at 20%	109,296	25,291
<b>Effects of:</b>		
Revenue not subject to taxation	(154,266)	(41,376)
Excess expenses for which no relief taken	44,970	16,085
Overseas taxation	7,429	199
<b>Current tax charge for the year (see note 5(a))</b>	<b>7,429</b>	<b>199</b>

**(c) Provision for deferred tax**

At 30 June 2015 the Fund had surplus management expenses of £353,133 (30 June 2014: £128,280). The deferred tax in respect of this would be £70,627 (30 June 2014: £25,656). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at the year end. (see note 5(a)).

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**As at 30 June 2015

---

**6. Distributions****Distributions and interest**

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	<b>30.06.15</b>	<b>30.06.14</b>
	£	£
Interim - Income (30 Sep)	116,286	15,560
Interim - Income (31 Dec)	107,618	35,042
Interim - Income (31 Mar)	209,989	70,034
Final - Income (30 Jun)	<u>339,551</u>	<u>72,358</u>
	773,444	192,994
Interim - Accumulation (30 Sep)	13,082	3,822
Interim - Accumulation (31 Dec)	18,836	5,050
Interim - Accumulation (31 Mar)	35,062	9,193
Final - Accumulation (30 Jun)	<u>66,900</u>	<u>9,946</u>
	133,880	28,011
Add: Revenue deducted on cancellation of shares	4,830	3,849
Deduct: Revenue received on issue of shares	<u>(142,257)</u>	<u>(18,254)</u>
<b>Net distribution for the year</b>	<b><u>769,897</u></b>	<b><u>206,600</u></b>
Interest	609	181
Dividends on short positions	<u>12,638</u>	<u>6,348</u>
<b>Total finance costs</b>	<b><u>783,144</u></b>	<b><u>213,129</u></b>
<b>Reconciliation to net distribution for the year</b>		
Net revenue after taxation for the year	539,049	126,254
Expenses allocated to capital, net of tax relief	231,701	80,336
Income currency (losses)/gains	<u>(853)</u>	<u>10</u>
<b>Net distribution for the year</b>	<b><u>769,897</u></b>	<b><u>206,600</u></b>

Details of the distributions per share are set out on pages 36 to 39.



---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**As at 30 June 2015

---

**7. Debtors**

	<b>30.06.15</b>	<b>30.06.14</b>
	£	£
Amounts receivable for issue of shares	365,050	31,176
Accrued revenue	72,540	29,089
Income tax recoverable	3,494	-
<b>Total debtors</b>	<b>441,084</b>	<b>60,265</b>

**8. Cash and bank balances**

	<b>30.06.15</b>	<b>30.06.14</b>
	£	£
Cash and bank balances	603,368	285,973
<b>Total cash and bank balances</b>	<b>603,368</b>	<b>285,973</b>

**9. Other creditors**

	<b>30.06.15</b>	<b>30.06.14</b>
	£	£
Amounts payable for cancellation of shares	21,053	-
Accrued annual management charge	28,198	7,170
Accrued registration fees	57	31
Accrued administration fees	179	149
Accrued depositary fees	1,732	519
Accrued custody fees	240	55
Accrued audit fees	6,792	6,480
Accrued tax fees	2,340	2,340
Accrued FCA fees	93	92
Accrued other expenses	-	1
Debit interest payable	-	7
<b>Total creditors</b>	<b>60,684</b>	<b>16,844</b>

**10. Related party transactions**

The ACD acts as either agent or principal for the Depositary in respect of all transactions of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to shareholders.

As at the balance sheet date, there were no shares held by the ACD, the Depositary or associates of either the ACD or the Depositary.

Details of transactions occurring during the accounting period with the ACD and the Depositary, and any balances due at the year end, are fully disclosed in the notes to the Financial Statements.

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**As at 30 June 2015

---

**11. Share classes**

As at the balance sheet date the fund had six share classes. The following table shows a breakdown of the change in shares in issue of each share class in the period:

	<b>Class I Income Shares</b>
Opening shares at the start of the period	1,254,611.248
Total creation of shares in the period	138,882.599
Total cancellation of shares in the period	(1,042,661.039)
<b>Closing shares at the end of the period</b>	<b>350,832.808</b>

  

	<b>Class R Income Shares</b>
Opening shares at the start of the period	4,040.078
Total creation of shares in the period	31,681.663
Total cancellation of shares in the period	(4,040.078)
<b>Closing shares at the end of the period</b>	<b>31,681.663</b>

  

	<b>Class F Income Shares</b>
Opening shares at the start of the period	3,550,602.608
Total creation of shares in the period	15,207,291.966
Total cancellation of shares in the period	(114,591.304)
<b>Closing shares at the end of the period</b>	<b>18,643,303.270</b>

  

	<b>Class I Accumulation Shares</b>
Opening shares at the start of the period	368,464.324
Total creation of shares in the period	514,159.275
Total cancellation of shares in the period	(54,222.735)
<b>Closing shares at the end of the period</b>	<b>828,400.864</b>

  

	<b>Class R Accumulation Shares</b>
Opening shares at the start of the period	56,252.091
Total creation of shares in the period	-
Total cancellation of shares in the period	-
<b>Closing shares at the end of the period</b>	<b>56,252.091</b>

  

	<b>Class F Accumulation Shares</b>
Opening shares at the start of the period	203,568.972
Total creation of shares in the period	2,491,314.755
Total cancellation of shares in the period	(105,837.585)
<b>Closing shares at the end of the period</b>	<b>2,589,046.142</b>

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

As at 30 June 2015

---

**11. Share classes (continued)**

The Annual Management Charge of each share class is as follows:

Class R Sterling Accumulation Shares	1.75% p.a.
Class R Sterling Income Shares	1.75% p.a.
Class I Sterling Accumulation Shares	1.25% p.a.
Class I Sterling Income Shares	1.25% p.a.
Class F Sterling Accumulation Shares	0.75% p.a.
Class F Sterling Income Shares	0.75% p.a.

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the comparative tables on pages 16 to 21. The distributions per share class are given in the distribution tables on pages 36 to 39. All share classes have the same rights on winding up.

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**As at 30 June 2015

---

**12. Risk management policies**

In pursuing the investment objectives financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolio, and the ACD's policies for managing these risks, which were applied consistently throughout the period, are set out below:

**(a) Currency exposures**

The Fund's financial assets are mainly invested in equities whose prices are generally quoted in Sterling. The Fund may also invest in other equities whose prices are quoted in other currencies. As it didn't do so at the year end, there was no direct currency exposure.

**(b) Cash flow risk and interest rate risk profile of financial assets and liabilities**

The Fund's revenue is mainly received from holdings in equities. The Fund does not have any long term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

---

	<b>Floating rate financial assets £'000</b>	<b>Fixed rate financial assets £'000</b>	<b>Financial assets not carrying interest £'000</b>	<b>Floating rate financial liabilities £'000</b>	<b>Financial liabilities not carrying interest £'000</b>	<b>Total £'000</b>
<b>30.06.15</b>						
Sterling	603	-	39,094	-	(400)	39,297
<b>30.06.14</b>						
Sterling	286	-	8,704	-	(92)	8,898

---

Short term debtors and creditors are included as financial assets and liabilities not carrying interest in the above table.

The floating rate financial assets and liabilities comprise: Sterling denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not carrying interest mainly comprise investments that do not have a maturity date.

**(c) Liquidity risk**

All of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**As at 30 June 2015

---

**12. Risk management policies (continued)****(d) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

**(e) Market price risk**

The Fund's underlying investments are equities quoted on recognised stock exchanges. The value of shares is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual investment or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding diversified portfolios of equities in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

**(f) Fair value of financial assets and liabilities**

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

	<b>INVESTMENT ASSETS</b>	
	<b>30.06.15</b>	<b>30.06.14</b>
<b>Valuation technique</b>	<b>£</b>	<b>£</b>
Quoted prices for identical instruments in active markets	38,652,484	8,643,697
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable market data	-	-
Valuation techniques using non-observable data	-	-
	<b>38,652,484</b>	<b>8,643,697</b>

  

	<b>INVESTMENT LIABILITIES</b>	
	<b>30.06.15</b>	<b>30.06.14</b>
<b>Valuation technique</b>	<b>£</b>	<b>£</b>
Quoted prices for identical instruments in active markets	-	2,964
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable market data	-	-
Valuation techniques using non-observable data	-	-
	<b>-</b>	<b>2,964</b>

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**As at 30 June 2015

---

**(g) Commitments on derivatives**

The Fund held no derivatives at the balance sheet date (30 June 2014: Unrealised losses of £2,964).

**13. Transaction costs****(a) Direct transaction costs**

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the period are shown in the table below:

	30.06.15		30.06.14	
	£		£	
<b>Analysis of total purchase costs</b>				
<b>PURCHASES</b>				
Equities	42,432,694		9,755,411	
REIT's	<u>661,109</u>		<u>128,720</u>	
Net purchases before direct transaction costs	43,093,803		9,884,131	
		<b>% of total</b>	<b>% of total</b>	
		<b>purchases</b>	<b>purchases</b>	
<b>DIRECT TRANSACTION COSTS</b>				
Equities	202,148	0.47%	43,649	0.44%
REIT's	<u>3,522</u>	0.01%	<u>685</u>	0.01%
Total direct transaction costs	205,670	0.47%	44,334	0.45%
<b>Gross purchases total</b>	<u><b>43,299,473</b></u>		<u><b>9,928,465</b></u>	
<b>Analysis of total sale costs</b>				
<b>SALES</b>				
Equities	14,687,043		4,213,242	
REIT's	<u>43,206</u>		<u>-</u>	
Gross sales before direct transaction costs	14,730,249		4,213,242	
		<b>% of total</b>	<b>% of total</b>	
		<b>sales</b>	<b>sales</b>	
<b>DIRECT TRANSACTION COSTS</b>				
Equities	(5,221)	0.04%	(1,590)	0.04%
REIT's	<u>(15)</u>	0.00%	<u>-</u>	0.00%
Total direct transaction costs	(5,236)	0.04%	(1,590)	0.04%
<b>Net sales total</b>	<u><b>14,725,013</b></u>		<u><b>4,211,652</b></u>	

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**As at 30 June 2015

---

**13. Transaction costs (continued)****(a) Direct transaction costs (continued)**

	30.06.15	% of	30.06.14	% of
	£	average NAV	£	average NAV
<b>Analysis of total direct transaction costs</b>				
Equities	207,369	0.80%	45,239	0.72%
REIT's	3,537	0.01%	685	0.01%
Total direct transaction costs	<u>210,906</u>	<u>0.81%</u>	<u>45,924</u>	<u>0.73%</u>

**(b) Average portfolio dealing spread**

The average portfolio dealing spread of the investments at the balance sheet date was 0.12%. This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value.

**14. Capital commitments and contingent liabilities**

The Fund had no capital commitments or contingent liabilities at the balance sheet date (30 June 2014: £nil).

**15. Post balance sheet events**

Subsequent to the year end, the net asset value per share of the Class I Sterling Accumulation Shares has decreased from 187.59p to 182.83p as at 25 September 2015. This movement takes into account routine transactions but also reflects the market movements of recent months. There are no post balance sheet events which require adjustments at the year end.

---

**DISTRIBUTION TABLE**As at 30 June 2015

---

**Interim Accumulation/Distribution (30 September 2014)**

Group 1 - Shares purchased on or prior to 30 June 2014

Group 2 - Shares purchased after 30 June 2014

---

<b>Shares</b>	<b>Gross revenue</b>	<b>Tax credit at 10%</b>	<b>Net revenue</b>	<b>Equal -isation<sup>1</sup></b>	<b>Paid/Acc -umulated 30.11.14</b>	<b>Paid/Acc -umulated 30.11.13</b>
	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>
<b>Class I Net Inc GBP</b>						
Group 1	1.1037	0.1104	0.9933	-	<b>0.9933</b>	<b>1.0695</b>
Group 2	1.1037	0.1104	0.9933	-	<b>0.9933</b>	<b>1.0695</b>
<b>Class R Net Inc GBP</b>						
Group 1	1.0887	0.1089	0.9798	-	<b>0.9798</b>	<b>1.0620</b>
Group 2	1.0393	0.1039	0.9354	0.0444	<b>0.9798</b>	<b>1.0620</b>
<b>Class F Net Inc GBP</b>						
Group 1	1.1171	0.1117	1.0054	-	<b>1.0054</b>	-
Group 2	0.0568	0.0057	0.0511	0.9543	<b>1.0054</b>	-
<b>Class I Net Acc GBP</b>						
Group 1	1.1813	0.1181	1.0632	-	<b>1.0632</b>	<b>1.1039</b>
Group 2	0.1449	0.0145	0.1304	0.9328	<b>1.0632</b>	<b>1.1039</b>
<b>Class R Net Acc GBP</b>						
Group 1	1.1671	0.1167	1.0504	-	<b>1.0504</b>	<b>1.1021</b>
Group 2	1.1671	0.1167	1.0504	-	<b>1.0504</b>	<b>1.1021</b>
<b>Class F Net Acc GBP</b>						
Group 1	1.1864	0.1186	1.0678	-	<b>1.0678</b>	-
Group 2	0.5739	0.0574	0.5165	0.5513	<b>1.0678</b>	-

<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.



---

**DISTRIBUTION TABLE (CONTINUED)**As at 30 June 2015

---

**Interim Accumulation/Distribution (31 December 2014)**

Group 1 - Shares purchased on or prior to 30 September 2014

Group 2 - Shares purchased after 30 September 2014

---

<b>Shares</b>	<b>Gross revenue</b>	<b>Tax credit at 10%</b>	<b>Net revenue</b>	<b>Equal -isation<sup>1</sup></b>	<b>Paid/Acc -umulated 28.02.15</b>	<b>Paid/Acc -umulated 28.02.14</b>
	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>
<b>Class I Net Inc GBP</b>						
Group 1	0.8653	0.0865	0.7788	-	<b>0.7788</b>	<b>0.8264</b>
Group 2	0.6498	0.0650	0.5848	0.1940	<b>0.7788</b>	<b>0.8264</b>
<b>Class R Net Inc GBP</b>						
Group 1	0.8463	0.0846	0.7617	-	<b>0.7617</b>	<b>0.8215</b>
Group 2	0.8463	0.0846	0.7617	-	<b>0.7617</b>	<b>0.8215</b>
<b>Class F Net Inc GBP</b>						
Group 1	0.8701	0.0870	0.7831	-	<b>0.7831</b>	<b>0.8396</b>
Group 2	0.5304	0.0530	0.4774	0.3057	<b>0.7831</b>	<b>0.8396</b>
<b>Class I Net Acc GBP</b>						
Group 1	0.9250	0.0925	0.8325	-	<b>0.8325</b>	<b>0.8638</b>
Group 2	0.4326	0.0433	0.3893	0.4432	<b>0.8325</b>	<b>0.8638</b>
<b>Class R Net Acc GBP</b>						
Group 1	0.9130	0.0913	0.8217	-	<b>0.8217</b>	<b>0.8566</b>
Group 2	0.9130	0.0913	0.8217	-	<b>0.8217</b>	<b>0.8566</b>
<b>Class F Net Acc GBP</b>						
Group 1	0.9296	0.0930	0.8366	-	<b>0.8366</b>	<b>0.8718</b>
Group 2	0.3489	0.0349	0.3140	0.5226	<b>0.8366</b>	<b>0.8718</b>

---

<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

**DISTRIBUTION TABLE (CONTINUED)**

As at 30 June 2015

**Interim Accumulation/Distribution (31 March 2015)**

Group 1 - Shares purchased on or prior to 31 December 2014

Group 2 - Shares purchased after 31 December 2014

Shares	Gross revenue (pence)	Tax credit at 10% (pence)	Net revenue (pence)	Equal -isation <sup>1</sup> (pence)	Paid/Acc -umulated 31.05.15 (pence)	Paid/Acc -umulated 31.05.14 (pence)
<b>Class I Net Inc GBP</b>						
Group 1	1.3511	0.1351	1.2160	-	<b>1.2160</b>	<b>1.5127</b>
Group 2	0.9849	0.0985	0.8864	0.3296	<b>1.2160</b>	<b>1.5127</b>
<b>Class R Net Inc GBP</b>						
Group 1	1.3297	0.1330	1.1967	-	<b>1.1967</b>	<b>1.4952</b>
Group 2	1.3297	0.1330	1.1967	-	<b>1.1967</b>	<b>1.4952</b>
<b>Class F Net Inc GBP</b>						
Group 1	1.3718	0.1372	1.2346	-	<b>1.2346</b>	<b>1.5274</b>
Group 2	0.6324	0.0632	0.5692	0.6654	<b>1.2346</b>	<b>1.5274</b>
<b>Class I Net Acc GBP</b>						
Group 1	1.4626	0.1463	1.3163	-	<b>1.3163</b>	<b>1.5892</b>
Group 2	0.5941	0.0594	0.5347	0.7816	<b>1.3163</b>	<b>1.5892</b>
<b>Class R Net Acc GBP</b>						
Group 1	1.4412	0.1441	1.2971	-	<b>1.2971</b>	<b>1.5739</b>
Group 2	1.4412	0.1441	1.2971	-	<b>1.2971</b>	<b>1.5739</b>
<b>Class F Net Acc GBP</b>						
Group 1	1.4730	0.1473	1.3257	-	<b>1.3257</b>	<b>1.5927</b>
Group 2	0.7973	0.0797	0.7176	0.6081	<b>1.3257</b>	<b>1.5927</b>

<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

**DISTRIBUTION TABLE (CONTINUED)**

As at 30 June 2015

**Interim Accumulation/Distribution (30 June 2015)**

Group 1 - Shares purchased on or prior to 31 March 2015

Group 2 - Shares purchased after 31 March 2015

Shares	Gross revenue (pence)	Tax credit at 10% (pence)	Net revenue (pence)	Equal -isation <sup>1</sup> (pence)	Paid/Acc -umulated 31.08.15 (pence)	Paid/Acc -umulated 31.08.14 (pence)
<b>Class I Net Inc GBP</b>						
Group 1	1.9521	0.1952	1.7569	-	<b>1.7569</b>	<b>1.4927</b>
Group 2	0.2618	0.0262	0.2356	1.5213	<b>1.7569</b>	<b>1.4927</b>
<b>Class R Net Inc GBP</b>						
Group 1	1.9192	0.1919	1.7273	-	<b>1.7273</b>	<b>1.4747</b>
Group 2	1.9192	0.1919	1.7273	-	<b>1.7273</b>	<b>1.4747</b>
<b>Class F Net Inc GBP</b>						
Group 1	1.9837	0.1984	1.7853	-	<b>1.7853</b>	<b>1.5087</b>
Group 2	0.8443	0.0844	0.7599	1.0254	<b>1.7853</b>	<b>1.5087</b>
<b>Class I Net Acc GBP</b>						
Group 1	2.1281	0.2128	1.9153	-	<b>1.9153</b>	<b>1.5829</b>
Group 2	0.4198	0.0420	0.3778	1.5375	<b>1.9153</b>	<b>1.5829</b>
<b>Class R Net Acc GBP</b>						
Group 1	2.0949	0.2095	1.8854	-	<b>1.8854</b>	<b>1.5659</b>
Group 2	2.0949	0.2095	1.8854	-	<b>1.8854</b>	<b>1.5659</b>
<b>Class F Net Acc GBP</b>						
Group 1	2.1446	0.2145	1.9301	-	<b>1.9301</b>	<b>1.5879</b>
Group 2	0.6284	0.0628	0.5656	1.3645	<b>1.9301</b>	<b>1.5879</b>

<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

---

## DIRECTORY

---

### The Company

TB Garraway Investment Funds ICVC  
64 St. James's Street  
Nottingham NG1 6FJ

### ACD

T. Bailey Fund Services Limited  
64 St. James's Street  
Nottingham NG1 6FJ

Tel: 0115 988 8200  
Fax: 0115 988 8222  
Dealing Line: 0115 988 8280  
Website: [www.tbailey.co.uk/garraway](http://www.tbailey.co.uk/garraway)

Authorised and regulated by the Financial Conduct Authority.

### Directors of the ACD

Mrs H C Stevens  
Mr R J Bonney  
Mr R J Taylor

### Investment Manager

Garraway Capital Management LLP  
6<sup>th</sup> Floor  
Becket House  
36 Old Jewry  
London  
EC2R 8DD

Authorised and regulated by the Financial Conduct Authority.

### Depository

National Westminster Bank Plc  
135 Bishopsgate  
London EC2M 3UR

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

### Registrar and Share Dealing

T. Bailey Fund Services Limited  
64 St. James's Street  
Nottingham NG1 6FJ

Tel: 0115 988 8200  
Fax: 0115 988 8222  
Dealing Line: 0115 988 8280

Authorised and regulated by the Financial Conduct Authority.

### Auditors

Deloitte LLP  
4 Brindleyplace  
Birmingham B1 2HZ

Registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

Issued by T. Bailey Fund Services Limited ('TBFS'). TBFS is a Regulated Collective Investment Scheme Manager and is authorised and regulated by the Financial Conduct Authority. Registered in England No: 3720363.