

VT GARRAWAY INVESTMENT FUNDS ICVC

**Annual Report and Financial Statements
for the year ended 30 June 2017**

G A R R A W A Y
CAPITAL MANAGEMENT

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COMPANY OVERVIEW

Size of Company £64,785,529

Launch date 29 May 2012

Company objective and policy

The aim of the Fund is to provide a combination of capital growth and income.

The Fund will invest primarily in equity securities primarily of companies which are listed in the UK.

The Fund may also invest in other types of transferable securities and in companies which are not UK listed. At any one time, the Fund may invest in a relatively small number of securities. The Fund may invest in derivatives both for investment purposes and for efficient portfolio management. Derivatives may be used to create synthetic short positions in securities. The Fund may also invest in money market instruments, collective investment schemes, deposits, cash and near cash.

Type of Company

VT Garraway Investment Funds ICVC is an investment company with variable capital incorporated in Great Britain, and 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 (FCA Product Reference Number 573884).

The Company is a "UCITS scheme" (a type of scheme referred to in the FCA Rules).

The Company is structured as an umbrella comprising a number of funds. The assets of each fund will be treated as separate from those of every other fund and will be invested in accordance with the investment objective and investment policy applicable to that fund. New 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 only fund which has been established is VT Garraway UK Equity Market Fund.

You as a shareholder are not liable for the debts of the company.

Authorised Corporate Director (ACD) Valu-Trac Investment Management Limited from 1 July 2016.

Ex-distribution dates 30 June, 30 September, 31 December and 31 March

Distribution dates 31 August, 30 November, last day of February, 31 May

Individual Savings Account (ISA) The Company is a qualifying investment for inclusion in an ISA.

Share Classes

- Class R Sterling net accumulation Shares
- Class R Sterling net income Shares
- Class I Sterling net accumulation Shares
- Class I Sterling net income Shares
- Class F Sterling net accumulation Shares
- Class F Sterling net income Shares

Minimum Initial Investment:	Class R Sterling net accumulation Shares	£1,000
	Class R Sterling net income Shares	£1,000
	Class I Sterling net accumulation Shares	£1,000
	Class I Sterling net income Shares	£1,000
	Class F Sterling net accumulation Shares	£1,000,000
	Class F Sterling net income Shares	£1,000,000

Minimum Subsequent Investment:	Class R Sterling net accumulation Shares	£500
	Class R Sterling net income Shares	£500
	Class I Sterling net accumulation Shares	£500
	Class I Sterling net income Shares	£500
	Class F Sterling net accumulation Shares	£10,000
	Class F Sterling net income Shares	£10,000

COMPANY OVERVIEW

Minimum Holding:	Class R Sterling net accumulation Shares	£500
	Class R Sterling net income Shares	£500
	Class I Sterling net accumulation Shares	£500
	Class I Sterling net income Shares	£500
	Class F Sterling net accumulation Shares	£500
	Class F Sterling net income Shares	£500
Minimum Partial Redemption:	Class R Sterling net accumulation Shares	£500
	Class R Sterling net income Shares	£500
	Class I Sterling net accumulation Shares	£500
	Class I Sterling net income Shares	£500
	Class F Sterling net accumulation Shares	£500
	Class F Sterling net income Shares	£500
Preliminary Charge:	Class R Sterling net accumulation Shares	Nil
	Class R Sterling net income Shares	Nil
	Class I Sterling net accumulation Shares	Nil
	Class I Sterling net income Shares	Nil
	Class F Sterling net accumulation Shares	Nil
	Class F Sterling net income Shares	Nil
Annual Management Charge:	Class R Sterling net accumulation Shares	1.75%
	Class R Sterling net income Shares	1.75%
	Class I Sterling net accumulation Shares	1.00%
	Class I Sterling net income Shares	1.00%
	Class F Sterling net accumulation Shares	0.75%
	Class F Sterling net income Shares	0.75%

Note: Class F Shares are available only to investors with a separate arrangement with the ACD or one of its Associates. The annual management charge may be waived at the discretion of the ACD.

Changes to the Company

On 1 July 2016 the ACD changed to Valu-Trac Investment Management Limited from T. Bailey Fund Services Limited, and at that date the head office changed to Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW.

On 1 July 2016 the Company name changed to VT Garraway Investment Funds ICVC from TB Garraway Investment Funds ICVC.

On 1 July 2016 the Annual Management Charge of both of the share classes of the Class I Sterling Shares reduced from 1.25% to 1.00%.

There has been no change to the Investment Adviser, Garraway Capital Management LLP. David Urch and Tim Hall remain as portfolio managers and have managed the fund since its inception.

INVESTMENT MANAGER'S REVIEW

Cumulative returns for the period ended 30 June 2017

	1 year	2 years	3 years
Class R Shares	6.95	4.10	13.19
Class I Shares	7.74	5.38	15.17
Class F Shares	7.98	6.16	16.60
FTSE 350 Index TR*	17.76	20.52	23.42

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.

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Overview

For the twelve months under review, the Fund rose 7.74% against a significant market move of 17.76%. After further evidence that the Brexit result had not resulted in a material economic slowdown for either the UK or Europe, equity markets were again encouraged by Trump's victory in November, and moved significantly ahead over the period. The initial re-evaluation of the outlook for global growth, reflation trends and momentum in oil and commodities went hand in hand with a rally in the US dollar. The majority of relative underperformance of the Fund occurred over the latter months of 2016, as base metal stocks, financials and energy related constituents moved ahead strongly, where the Fund was underweight. While there have been periods of retrenchment, the trends have remained broadly intact.

With a backdrop of increasingly positive economic data from the US, Europe and the UK, and evidence of continued successful structural change within the Chinese economy, a number of equity markets hit or went through all-time highs, including UK indices. More recently, the debate around evidence of deflation and reflation has been reflected in increased sector rotation, particularly in February and May, with Trump's ability to push through his reform agenda increasingly under scrutiny, and concern raised over the underlying strength of Chinese growth on more mixed data.

Government 10-year bond yields also rose over the period, leaving defensives and bond proxies lagging broader index moves. The oil price initially rallied as real progress was made by all major producers to curb output, although it has been more volatile over 2017 as inventory data remained more variable.

The Trump Congressional speech encapsulated the varying pre and post-election promises, with a focus on infrastructure and defence spend, reversing Obamacare, overhauling tax for corporations and the middle classes, and enforcing immigration laws. However, failure to push through healthcare reforms raised questions on his ability to implement his programme more generally. In the background, the US economy continued to look robust. This set the scene for the well-flagged interest rate rise of 0.25% with a further hike expected over the latter months of 2017. However, Janet Yellen has remained pragmatic, stating that the Central Bank's task had shifted from a 'post crisis exercise of healing the economy to holding onto progress made.'

Within Europe, the final months of 2016 were dominated by the frailty of the banking sector and domestic politics. Uncertainty in these areas overshadowed generally very positive Eurozone data and little sign of undue impact from the UK's EU referendum choice. The outcome of the Italian referendum also saw a rally in the hard-pressed banking sector. With broad Eurozone economic and business confidence accelerating, there were increased calls for Draghi to reduce stimulus. The ECB did announce a reduction in its repurchasing programme from €80bn to €60bn over March. There was little sign of economic

INVESTMENT MANAGER'S REVIEW (Continued)

malaise from the French Presidential election debate. The French result, and Dutch elections calmed pro EU nerves. However, while there appeared to be little economic fallout, risks were reflected in record French – German bond spreads. These came in sharply as a win for the centralist candidate Macron became clearer.

The Chinese economic story remained broadly intact, with economic data, particularly in services, pointing to some success in reshaping its domestic economy. However, the debt-fuelled nature of the recovery remained a concern, and central government tightening of credit, and a clamp down in speculation in property and commodities, saw the equity market lose some of its gains. Japan continued to demonstrate momentum, with reasonable acceleration in GDP figures, and improved industrial production and employment numbers. There were even some hints of positive inflation, all reflected in a strong recovery in equities.

Emerging markets and currencies recovered from their initial weakness following the Trump election as we moved through the early months of 2017. Broader recovery was marred with the fall in the Rand from recent highs as President Zuma's authority was increasingly tested. In contrast, Erdogan's cementing of power in Turkey saw increased anti-West rhetoric, while the Lira hit a 2017 high.

As with the US, the UK enjoyed strong GDP numbers for the final quarters of 2016, and economic news demonstrated strong momentum, with any lasting impact from Brexit appearing to be contained. This backdrop was a helpful environment for the Autumn statement, where the ghosts of Cameron and Osborne were finally put to bed with a renewed emphasis on tangible fiscal spend, particularly in the area of infrastructure, at the expense of short-term austerity. Over 2017, the UK backdrop has reflected the two dominant trends; increasing pressure on disposable income, and benefits of weak sterling for manufacturing. As Governor Carney noted, Brexit risks 'continue to recede', but with wage inflation now falling below headline inflation, and imported inflation being felt in prices, the UK consumer is under some pressure, despite record employment levels. In contrast, UK manufacturing growth remains above long-term averages, helped by weaker sterling. Optimism among manufacturers hit its highest level since 1995.

With Parliamentary and Royal Assent given for the invocation of Article 50, the initial European response was robust. As expected, the SNP requested permission to have another referendum, under the guise of Brexit. The announcement of a snap Westminster election took place in a backdrop of generally good economic data, and increasing support for Theresa May and her robust approach to internal and external issues. However, the surprise result created considerable political uncertainty and worries that Brexit negotiation powers would be impaired, and created additional unwelcome uncertainty. Terror attacks in Manchester and London, as well as the Grenfell Tower tragedy, added pressure on an already weakened leadership.

The oil price rallied sharply towards the end of 2016, with Brent hitting \$56. But with inventories and the rig count on the rise, the oil price fell back off its February high. Despite OPEC commitment to output cuts, the price remained very volatile, swayed by the movement in crude inventories, domestic US gasoline stocks and pricing and increasing geopolitical tension. Within materials, after a substantial rally over much of 2016, most commodities lost some momentum in the early months of 2017, only to rally again as China maintained economic growth and robust domestic demand. The behaviour of iron ore reflected this environment, falling sharply as China moved to curb excesses in the property market, and cut steel production, to then rally on improved demand. Precious metals weakened over the period from earlier highs. US 10-year bond yields hit a high of 2.62% over March, and then came back in to 2.24%, reflecting the uncertain momentum behind the 'reflation trade'. While yields have fallen from recent highs, this has to be put in the perspective of negative rates experienced last year.

Performance Review

Unlike much of the early part of 2016, the somewhat binary impact of the Trump victory on areas where we were underweight, as well as the breakdown of precious metals as a 'hedge' in either a deflationary or reflationary environment, left our portfolio significantly lagging the index over the final quarter of 2016. Within precious metals positions, Fresnillo and Randgold Resources both detracted over the rolling twelve months. Our underweight position in HSBC Holdings had the most material impact on the Fund; we have since added to the position. We were also underweight AstraZeneca, with the stock outperforming over the year as a whole. While Anglo American and Glencore were added to the portfolio, fears over a slowdown in Chinese growth in the early months of 2017 impacted the shares negatively. An earlier position in Unilever was sold after the earnings momentum deteriorated. However, the proposed bid by Kraft Heinz, saw the shares rise again. Apple breaking their relationship with Imagination Technology, as with other suppliers, had a significant impact on the stock, and we sold the shares.

INVESTMENT MANAGER'S REVIEW (Continued)

Positive contributions came from Arm Holdings, receiving a bid from Softbank Corp. Construction and building product holdings also added value, such as CRH, Barratt Developments and Forterra. Within financials, Legal and General Group, Mortgage Advice Bureau and Provident Financial performed well. We have since sold Provident Financial ahead of a rapid deterioration in its business model. One of our newer positions, Arrow Global Group, also added value. While we had been underweight energy for the earlier part of the period under review, we had held Wood Group, which performed well. We sold the stock ahead of more sluggish results. The global cruise ship operator, Carnival, enjoyed the benefits of strong demand and weaker fuel costs.

Activity

New holdings included Ashtead Group, with its strong US rental franchise, Diageo, enjoying the benefits of cost cutting and a recovery in some of its key markets, and D S Smith, the leading European packaging and office products group, benefiting from market share growth and resilient margins. Shire was added to our stock list, now reaping the benefits of 2016 merger with Baxalta. A number of small cap positions were established such as IFG Group, the owner of Saunderson House and James Hay, with exposure to the high-end private client market and platform provision. We took a position in the IPO of Xafinity, a provider of pensions advice and governance. We added Tatton Asset Management, an AIM listed business, providing mortgage advice to IFAs, discretionary fund management, and an independent financial services arm. Within the mid cap sector, we bought Vesuvius, demonstrating strong momentum from its exposure to global steel manufacturing. We added Arrow Global Group, a buyer of retail debt across a number of European markets and Lancashire Holdings, the specialist insurer for property, marine, aviation and energy markets. Zoopla Property Group (now ZPG), the fast growing online and price comparison website provider, was added at the beginning of 2017. UBM was also purchased, a significant player in the global exhibition market. In the housing sector, we bought Bovis Homes Group, with its attractive land bank, which became subject of a bid from Redrow and Galliford Try. Within the building product sector, we established a holding in Forterra. We built up exposure to the defence sector, through BAE Systems and Ultra Electronics. With the earnings outlook now matching share price momentum, we added Anglo American and Glencore, both with broad exposure to global materials. In financials, additions were made to the banking sector by adding to HSBC Holdings and Barclays, and building up a position in Standard Chartered. We also added to our insurance holdings with the purchase of Prudential and Legal and General Group. With the outlook for emerging markets improving, we bought Ashmore Group and Old Mutual. Elsewhere, in the energy sector, we re-established a holding in BP, attracted to its improved cash flow prospects and realigned business. Towards the end of the period under review, we bought Marks and Spencer Group, where new management changes have created a significant opportunity for change. We also bought Wizz Air Holdings, a very low cost producer for Central and Eastern Europe, stimulating demand and creating additional routes.

These new holdings were funded through a number of outright sales including Centamin, Randgold Resources, and Acacia Mining, reducing our precious metal exposure. We sold Imperial Brands, switching into Diageo. We reduced our exposure to the consumer with sales of ITV, Dixons Carphone, Howden Joinery Group, and Pendragon. Within financials, we sold Aberdeen Asset Management, Provident Financial and Esure Group to fund Prudential, Legal and General Group and a number of our specialist finance groups. Ladbrokes Coral Group was sold over fears of increasing regulatory intervention, while the sale of Intertek and Babcock International helped fund Vesuvius. BT Group suffered from financial irregularities in Italy and was sold, while we used the proceeds of AstraZeneca to build up Shire.

Outlook

With geopolitical issues persisting, some nervousness has been reflected in the periodic appetite for 'safe havens'. However, equity markets have remained relatively stable, many pushing through recent highs. In the background, global growth expectations have nudged higher, and closer to home, positive earnings revisions and economic surprises have held up. Momentum is still apparent in the Fund's sector bias, with higher bond yields, higher oil and material prices, as well as some signs of inflationary pressures all supportive of current positioning.

Garraway Capital Management LLP
Investment Manager to the Fund

PERFORMANCE RECORD

Financial Highlights

Comparative Tables

Class I Net Income Shares

	2017	2016	2015
Changes in net assets per unit			
	GBp	GBp	GBp
Opening net asset value per unit	164.3655	169.4062	161.1115
Return before operating charges	11.4849	2.3189	15.2997
Operating charges (note 1)	(1.8075)	(2.2196)	(2.2600)
Return after operating charges*	9.6774	0.0993	13.0397
Distributions on income units	(5.6970)	(5.1400)	(4.7450)
Closing net asset value per unit	168.3459	164.3655	169.4062
*after direct transaction costs of:	0.9649	0.7200	1.3400
Performance			
Return after charges	5.88%	0.06%	8.10%
Other information			
Closing net asset value	£712,953	£678,187	£594,333
Closing number of units	423,505	412,609	1,254,611
Operating charges (note 2)	1.13%	1.33%	1.38%
Direct transaction costs	0.58%	0.44%	0.82%
Prices			
Highest unit price	179.80	175.53	180.33
Lowest unit price	159.95	154.34	148.37

Class I Net Accumulation Shares

	2017	2016	2015
Changes in net assets per unit			
	GBp	GBp	GBp
Opening net asset value per unit	186.7976	186.6017	172.4388
Return before operating charges	12.9605	2.6259	16.6829
Operating charges (note 1)	(2.0670)	(2.4300)	(2.5200)
Return after operating charges*	10.8935	0.1959	14.1629
Closing net asset value per unit	197.6911	186.7976	186.6017
Retained distributions	6.5763	5.7300	5.1300
*after direct transaction costs of:	1.1150	0.8215	1.4800
Performance			
Return after charges	5.83%	0.11%	8.21%
Other information			
Closing net asset value	£1,821,776	£1,678,834	£1,545,810
Closing number of units	921,526	898,504	828,401
Operating charges (note 2)	1.13%	1.33%	1.38%
Direct transaction costs	0.58%	0.44%	0.82%
Prices			
Highest unit price	205.61	193.37	196.59
Lowest unit price	182.92	172.41	159.80

PERFORMANCE RECORD (Continued)

Comparative Tables

Class R Net Income Shares

	2017	2016	2015
Changes in net assets per unit			
	GBP	GBP	GBP
Opening net asset value per unit	160.6559	166.4194	158.9851
Return before operating charges	11.1445	2.2265	15.2198
Operating charges (note 1)	(2.9303)	(2.9500)	(3.1200)
Return after operating charges*	8.2142	(0.7235)	12.0998
Distributions on income units	(5.5364)	(5.0400)	(4.6655)
Closing net asset value per unit	163.3337	160.6559	166.4194
*after direct transaction costs of:	0.9396	0.7196	1.3400
Performance			
Return after charges	5.11%	(0.43%)	7.61%
Other information			
Closing net asset value	£51,747	£50,899	£52,725
Closing number of units	31,682	31,682	31,682
Operating charges (note 2)	1.88%	1.83%	1.88%
Direct transaction costs	0.58%	0.44%	0.82%
Prices			
Highest unit price	175.42	172.40	177.23
Lowest unit price	155.87	151.15	146.21

Class R Net Accumulation Shares

	2017	2016	2015
Changes in net assets per unit			
	GBP	GBP	GBP
Opening net asset value per unit	182.8471	183.5401	170.4686
Return before operating charges	12.5971	2.5470	16.4215
Operating charges (note 1)	(3.3558)	(3.2400)	(3.3500)
Return after operating charges*	9.2413	(0.6930)	13.0715
Closing net asset value per unit	192.0884	182.8471	183.5401
Retained distributions	6.3754	5.6200	5.0500
*after direct transaction costs of:	1.0873	0.7800	1.4500
Performance			
Return after charges	5.05%	(0.38%)	7.67%
Other information			
Closing net asset value	£1,432,229	£1,379,051	£103,245
Closing number of units	745,609	754,210	56,252
Operating charges (note 2)	1.88%	1.83%	1.88%
Direct transaction costs	0.58%	0.44%	0.82%
Prices			
Highest unit price	200.89	190.14	193.46
Lowest unit price	178.50	169.08	157.74

PERFORMANCE RECORD (Continued)

Financial Highlights (continued)

Comparative Tables

Class F Net Income Shares

	2017	2016	2015
Changes in net assets per unit			
	GBp	GBp	GBp
Opening net asset value per unit	168.0377	172.3186	162.9674
Return before operating charges	11.5363	2.3591	15.6796
Operating charges (note 1)	(1.2277)	(1.3900)	(1.5200)
Return after operating charges*	10.3086	0.9691	14.1596
Distributions on income units	(5.8283)	(5.2500)	(4.8084)
Closing net asset value per unit	172.5180	168.0377	172.3186
*after direct transaction costs of:	0.9876	0.7400	1.400
Performance			
Return after charges	6.13%	0.56%	8.69%
Other information			
Closing net asset value	£36,282,869	£42,596,730	£32,125,884
Closing number of units	21,031,356	25,349,513	18,643,303
Operating charges (note 2)	0.88%	0.83%	0.88%
Direct transaction costs	0.58%	0.44%	0.82%
Prices			
Highest unit price	183.94	178.60	183.34
Lowest unit price	163.70	157.48	150.32

Class F Net

Accumulation Shares

	2017	2016	2015
Changes in net assets per unit			
	GBp	GBp	GBp
Opening net asset value per unit	189.4351	188.2819	173.1064
Return before operating charges	12.8896	2.6832	16.8355
Operating charges (note 1)	(1.3922)	(1.5300)	(1.6600)
Return after operating charges*	11.4974	1.1532	15.1755
Closing net asset value per unit	200.9325	189.4351	188.2819
Retained distributions	6.6130	5.8000	5.1600
*after direct transaction costs of:	1.1321	0.8100	1.5200
Performance			
Return after charges	6.07%	0.62%	8.76%
Other information			
Closing net asset value	£24,568,206	£18,249,014	£4,874,704
Closing number of units	12,227,093	9,633,386	2,859,046
Operating charges (note 2)	0.88%	0.83%	0.88%
Direct transaction costs	0.58%	0.44%	0.82%
Prices			
Highest unit price	208.61	195.16	198.26
Lowest unit price	185.63	174.51	160.66

PERFORMANCE RECORD (Continued)

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the fund.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund.

The fund is ranked as a '4' on a scale of 1-7. The Fund is ranked '4' because historical performance data indicates that it has experienced average rises and falls in market prices historically. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment. The fund indicator reduced from a '5' during the year.

The price of the Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to the future.

Where the Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

Where the Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the Fund.

Where investments are made in smaller company shares, these may be riskier as they can be more difficult to buy and sell. Their share prices may also move up and down more than larger companies.

Investments in emerging markets may involve greater risks due to political and economic instability and underdeveloped markets and systems. This means your money may be at greater risk of loss.

The Fund is entitled to use derivative instruments for efficient portfolio management. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Fund.

The organisation from which the Fund buys a derivative may fail to carry out its obligations, which could also cause losses to the Fund.

For further information please refer to the Key Investor Information Document ("KIID").

For full details on risk factors for the Fund, please refer to the Prospectus.

PORTFOLIO STATEMENT

PORTFOLIO STATEMENT

As at 30 June 2017

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
Aerospace & Defense (4.36%; 30.06.16 : 0.00%)			
303,816	BAE Systems	1,937,587	2.99
42,911	Ultra Electronics Holdings	885,468	1.37
		2,823,055	4.36
Basic Resources (5.83%; 30.06.16 : 4.63%)			
147,794	Anglo American	1,530,037	2.36
775,149	Glencore	2,243,863	3.47
		3,773,900	5.83
Consumer Staples (0.00%; 30.06.16 : 5.25%)			
		-	-
Diversified Financials (1.86%; 30.06.16 : 2.08%)			
82,618	Standard Chartered	643,636	0.99
358,974	Tatton Asset Management Ltd	559,999	0.87
		1,203,635	1.86
Energy (14.12%; 30.06.16 : 8.93%)			
234,629	BP	4,808,721	7.42
970,846	Royal Dutch Shell 'A'	4,342,837	6.70
		9,151,558	14.12
Financial Services (20.66%; 30.06.16 : 0.79%)			
232,108	Arrow Global Group	944,679	1.46
350,700	Ashmore Group	1,251,473	1.93
1,259,274	Barclays	2,581,512	3.98
716,120	HSBC Holdings	5,111,665	7.89
1,063,745	IFG Group	1,711,300	2.64
209,401	Mortgage Advice Bureau	845,718	1.31
578,800	Xafinity	937,656	1.45
		13,384,003	20.66
Food, Beverage & Tobacco (12.54%; 30.06.16 : 9.46%)			
72,753	British American Tobacco	3,830,809	5.91
111,568	Diageo	2,568,016	3.96
523,317	GKN	1,731,133	2.67
		8,129,958	12.54

PORTFOLIO STATEMENT (Continued)

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
Healthcare			
(0.00%; 30.06.16 : 2.30%)			
		-	-
Industrial Goods & Services			
(9.08%; 30.06.16 : 11.46%)			
83,088	CRH	2,311,508	3.57
630,236	Forterra	1,604,739	2.48
147,300	Smith (DS)	703,799	1.08
237,861	Vesuvius	1,263,637	1.95
		5,883,682	9.08
Insurance			
(9.38%; 30.06.16 : 2.26%)			
110,202	Lancashire Holdings Ltd	771,138	1.19
778,960	Legal & General Group	2,024,907	3.12
490,416	Old Mutual	962,932	1.49
129,707	Prudential	2,316,243	3.58
		6,075,220	9.38
Materials			
(1.40%; 30.06.16 : 2.71%)			
60,367	Fresnillo	909,731	1.40
		909,731	1.40
Media			
(0.00%; 30.06.16 : 1.43%)			
		-	-
Personal & Household Goods			
(2.99%; 30.06.16 : 3.11%)			
173,540	Barratt Developments	985,273	1.52
100,255	Bovis Homes Group	952,423	1.47
		1,937,696	2.99
Pharmaceuticals & Biotechnology			
(3.62%; 30.06.16 : 7.23%)			
41,180	GlaxoSmithKline	677,926	1.05
38,903	Shire	1,664,465	2.57
		2,342,391	3.62
Real Estate			
(1.67%; 30.06.16 : 2.81%)			
222,677	Segro	1,080,763	1.67
		1,080,763	1.67
Business Support Services			
(1.41%; 30.06.16 : 0.00%)			
56,857	Ashtead Group	911,702	1.41
		911,702	1.41

PORTFOLIO STATEMENT (Continued)

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
Telecommunication Services (2.10%; 30.06.16 : 7.99%)			
102,226	UBM	714,304	1.10
180,000	ZPG	648,720	1.00
		1,363,024	2.10
Travel & Leisure (4.33%; 30.06.16 : 7.62%)			
35,044	Carnival	1,793,377	2.77
42,048	Wizz Air Holdings	1,012,305	1.56
		2,805,682	4.33
Other (0.00%; 30.06.16 : 4.44%)			
		-	-
General Retailers (1.82%; 30.06.16 : 0.00%)			
349,239	Marks and Spencer Group	1,178,856	1.82
		1,178,856	1.82
Utilities (0.00%; 30.06.16 : 4.33%)			
		-	-
Retail (0.00%; 30.06.16 : 2.19%)			
		-	-
Semiconductors and Semiconductor (0.00%; 30.06.16 : 3.90%)			
		-	-
Contracts for Difference (-0.16%; 30.06.16 : 0.07%)			
(419,442)	Ocado	(101,119)	(0.16)
		(101,119)	(0.16)
Portfolio of investments (30.06.16 : 94.99%)		62,849,737	97.01
Net other assets (30.06.16 : 5.01%)		2,020,044	3.12
Adjustment to revalue assets from Mid to Bid prices (30.06.16: 0.00%)		(84,252)	(0.13)
Total net assets		64,785,529	100.00

Note: All of the above portfolio of investments are quoted on the London Stock Exchange.

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Sales for the year (note 14)	£72,558,908
Aberdeen Asset Management	673,593
Acacia Mining	839,785
Anglo American	171,023
Arm Holdings	3,698,284
Arrow Global Group	23,460
Ashmore Group	204,591
Ashtead Group	40,432
AstraZeneca	1,834,767
Atkins (WS)	1,442,516
Babcock International	2,097,707
BAE Systems	192,534
Barclays	226,701
Barrett Developments	1,291,452
Bovis Homes Group	23,152
BP	439,069
British American Tobacco	1,318,903
BT Group	2,214,092
Carnival	868,612
Centamin	1,941,630
Centrica	1,210,311
CRH	2,280,282
Diageo	115,063
Dixons Carphone	1,689,520
Esure Group	1,143,809
Fresnillo	1,331,690
Forterra	142,941
GKN	179,575
GlaxoSmithKline	4,837,744
Glencore	235,792
GoCompare Group	349,713
Howden Joinery Group	1,540,690
HSBC Holdings	527,758
Imagination Technologies Group	338,008
Imperial Brands	2,090,266
International Consolidated Airlines Group SA	2,146,664
Intertek Group	1,557,691
iShares Physical Metals plc Physical Gold etc	3,235,968
ITV	1,577,717
Ladbrokes Coral Group	1,641,100
Lancashire Holdings Ltd	33,227
Legal & General Group	1,605,969
Marks and Spencer Group	33,984
National Grid	2,720,988
Old Mutual	593,972
Pendragon	676,783
Persimmon	834,824
Provident Financial	1,918,227
Prudential	97,732
Randgold Resources	1,309,946
Royal Dutch Shell 'A'	1,124,640
Segro	1,424,778
Shire	70,859
Smith (DS)	208,946
Standard Chartered	2,366,165
UBM	99,032
Ultra Electronics Holdings	37,735
Unilever	3,487,985
Vectura Group	461,286
Vesuvius	34,913
Vodafone Group	2,666,837
Wood Group	2,729,506
Xlmedia	214,153
ZPG	91,816

SUMMARY OF MATERIAL PORTFOLIO CHANGES (Continued)

Total purchases for the year (note 14)	£72,174,735
Aberdeen Asset Management	840,855
Acacia Mining	994,686
Anglo American	1,995,794
Arrow Global Group	715,802
Ashmore Group	1,438,750
Ashtead Group	964,837
AstraZeneca	1,112,499
Atkins (WS)	1,555,141
Babcock International	585,293
BAE Systems	1,975,599
Barclays	3,087,543
Barrett Developments	541,923
Bovis Homes Group	861,259
BP	5,114,600
British American Tobacco	971,841
Carnival	145,246
Centamin	513,961
Centrica	1,409,982
CRH	549,640
Diageo	2,487,880
Dixons Carphone	499,279
Esure Group	525,808
Fresnillo	1,216,493
Forterra	1,200,506
GKN	1,901,426
GlaxoSmithKline	964,663
Glencore	2,355,682
Howden Joinery Group	265,507
HSBC Holdings	5,135,593
IFG Group	1,510,764
Imagination Technologies Group	803,862
Imperial Brands	328,140
ITV	667,095
Ladbrokes Coral Group	288,382
Lancashire Holdings Ltd	778,910
Legal & General Group	3,144,064
Marks and Spencer Group	1,412,432
Mortgage Advice Bureau	9,061
National Grid	409,751
Old Mutual	1,710,597
Pendragon	339,831
Provident Financial	1,067,623
Prudential	2,163,873
Randgold Resources	339,957
Royal Dutch Shell 'A'	2,520,787
Segro	502,543
Shire	1,941,820
Smith (DS)	848,758
Standard Chartered	2,872,560
UBM	830,435
Ultra Electronics Holdings	897,961
Unilever	432,152
Vesuvius	1,185,468
Wizz Air Holdings	969,394
Wood Group	751,935
Xafinity	804,532
ZPG	713,960
Contracts for Difference	£511,217
ICAP	215,024
JPM Indian Investment Trust	173,618
Ocado	39,200
Tesco	71,889
Standard Life	11,486

The above sales and purchases reflect all the sales and purchases for the year.

STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S (ACD'S) RESPONSIBILITIES

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenues and net capital gains for the year. In preparing these financial statements the Authorised Corporate Director is required to:

- comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook, we hereby certify the annual report.

Anne A. Laing CA

Neil J. Smith MA BA CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the "OEIC Regulations"), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme Documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored (this requirement on the Depositary applied from 18 March 2016) and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme Documents in relation to the investment and borrowing powers applicable to the Company.

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 AFM:

- 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 income in accordance with the Regulations and the Scheme Documents of the Company, and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank Plc
01 July 2017

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT GARRAWAY INVESTMENT FUNDS ICVC (SUB-FUND VT GARRAWAY UK EQUITY MARKET FUND)

We have audited the financial statements of VT Garraway Investment Funds ICVC ("the Company") for the year ended 30 June 2017 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. 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.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company at 30 June 2017 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended; and
- have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are described further in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the ACD's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT GARRAWAY INVESTMENT FUNDS ICVC (SUB-FUND VT GARRAWAY UK EQUITY MARKET FUND) (Continued)

Opinions on other matters prescribed by the COLL Regulations

In our opinion, based on the work undertaken in the course of the audit:

- Proper accounting records for the Company have been kept and the accounts are in agreement with those records;
- We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- The information given in the report of the ACD and in the report of the authorised fund manager for the period is consistent with the financial statements.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 15, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal controls as the ACD determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the ACD.
- Conclude on the appropriateness of the ACD'S use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

STATEMENT OF TOTAL RETURN

For the year ended 30 June 2017			Year ended 30.06.17 £	Year ended 30.06.16 £
	Notes	£		
Income				
Net capital gains/(losses)	2		2,041,870	(364,778)
Revenue	3	2,379,065		1,770,103
Expenses	4	(638,907)		(455,041)
Finance costs:	6	-		(29,817)
Net revenue before taxation		1,740,158		1,285,245
Taxation	5	(28,740)		(17,358)
Net revenue after taxation			1,711,418	1,267,887
Total return before distributions			3,753,288	903,109
Finance costs: Distributions	6		(2,350,325)	(1,720,521)
Change in net assets attributable to shareholders from investment activities			<u>1,402,963</u>	<u>(817,412)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 June 2017	Year ended 30.06.17 £	Year ended 30.06.16 £
Opening net assets attributable to shareholders	64,632,265	39,296,701
Amounts receivable on creation of shares	13,241,585	40,990,570
Amounts payable on cancellation of shares	(15,405,262)	(15,330,407)
Retained distributions on accumulation shares	913,978	492,813
Change in net assets attributable to shareholders from investment activities	1,402,963	(817,412)
Closing net assets attributable to shareholders	<u>64,785,529</u>	<u>64,632,265</u>

BALANCE SHEET

As at 30 June 2017

		30.06.17		30.06.16	
	Notes	£	£	£	£
FIXED ASSETS					
Investment assets			62,866,604		61,521,851
Current Assets					
Debtors	7	1,096,923		1,138,506	
Cash and bank balances	8	<u>2,149,994</u>		<u>4,799,941</u>	
Total other assets			<u>3,246,917</u>		<u>5,938,447</u>
Total assets			66,113,521		67,460,298
LIABILITIES					
Investment liabilities			(101,119)		(138,255)
Creditors					
Distribution payable on income shares	6	(372,290)		(467,469)	
Bank overdraft	8	(28)		-	
Other creditors	9	<u>(854,555)</u>		<u>(2,222,309)</u>	
Total liabilities			<u>(1,327,992)</u>		<u>(2,828,033)</u>
Net assets attributable to shareholders			<u>64,785,529</u>		<u>64,632,265</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association (IA) 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. Expenses are recognised on the accruals basis.

(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

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 19.75%. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

(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 as per the Prospectus.

(h) Exchange rates

All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 30 June 2017.

(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.

NOTES TO THE FINANCIAL STATEMENTS Continued

2	Net capital gains/(losses)	30.06.17	30.06.16
	The net capital gains/(losses) comprise:	£	£
	Non-derivative securities gains/(losses)	2,501,031	(508,643)
	Derivative contracts	(123,798)	39,450
	Currency (losses)/ gains	(325,682)	138,869
	Broker expenses	-	(29,116)
	Transaction charges	(9,681)	(5,338)
	Total net capital gains/(losses)	<u>2,041,870</u>	<u>(364,778)</u>
3	Revenue	30.06.17	30.06.16
		£	£
	UK franked dividends	2,010,926	1,420,377
	UK unfranked dividends	-	46,404
	Overseas dividends	368,139	303,615
	Unfranked income currency losses	-	(293)
	Total revenue	<u>2,379,065</u>	<u>1,770,103</u>
4	Expenses	30.06.17	30.06.16
		£	£
	Payable to the ACD and associates		
	Annual management charge	544,830	416,605
	Registration fees	-	903
	Administration fees	-	1,809
		<u>544,830</u>	<u>419,317</u>
	Payable to the depositary, associates of the depositary, and agents of either of them:		
	Depositary fee	49,289	25,680
	Safe custody fee	7,113	1,306
		<u>56,402</u>	<u>26,986</u>
	Other expenses		
	Audit fee	8,642	6,480
	FCA fee	52	292
	Other fees and subscriptions	28,981	1,966
		<u>37,675</u>	<u>8,738</u>
	Total expenses	<u>638,907</u>	<u>455,041</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5	Taxation	30.06.17	30.06.16
		£	£
(a)	Analysis of charge in the year		
	Overseas tax withheld	28,740	17,358
	Total tax charge for the year (note 5b)	28,740	17,358
(b)	Factors affecting current tax charge for the year		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (19.75% 2016: 20.00%). The differences are explained below:		
	Net revenue before taxation	1,740,158	1,285,245
	Corporation tax at 19.75% (2016:20.00%)	343,681	257,049
	<u>Effects of:</u>		
	Non-taxable dividends	(397,158)	(344,798)
	Excess management expenses	53,477	87,749
	Overseas tax	28,740	17,358
	Current taxation (note 5a)	28,740	17,358
(c)	Provision for deferred taxation		
	At 30 June 2017 there is a potential deferred tax asset of £211,853 (30 June 2016: £158,376) in relation to surplus management expenses. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
6	Finance costs	30.06.17	30.06.16
	Interim distributions	£	£
	-September	502,800	337,465
	-December	488,906	374,868
	-March	678,171	387,239
	Final dividend distribution (June)	649,121	694,932
		2,318,998	1,794,504
	Add: Revenue deducted on cancellation of shares	78,001	56,209
	Deduct: Revenue received on issue of shares	(46,674)	(160,192)
		2,350,325	1,720,521
	Interest payable and similar charges	-	290
	Dividends on short positions	-	29,527
	Total finance costs	2,350,325	1,750,338
	Reconciliation of distributions		
	Net revenue after taxation	1,711,418	1,267,887
	Expenses allocated to capital	638,907	455,041
	Income currency (losses)	-	(2,404)
	Net distribution for the year	2,350,325	1,720,521

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	30.06.17	30.06.16
	£	£
Amounts receivable for issue of shares	220,420	477,880
Amounts receivable on sale of securities	683,468	370,471
Accrued revenue	162,424	281,936
Tax recoverable	30,611	8,219
	<u>1,096,923</u>	<u>1,138,506</u>
8 Cash and bank balances	30.06.17	30.06.16
	£	£
Bank balances	<u>2,149,994</u>	<u>4,799,941</u>
Bank overdraft	<u>(28)</u>	<u>-</u>
9 Creditors	30.06.17	30.06.16
	£	£
Amounts payable on cancellation of shares	226,311	932,158
Amounts payable on purchase of securities	559,999	1,234,726
Other accrued expenses	68,245	55,425
	<u>854,555</u>	<u>2,222,309</u>
10 Shares held		
Shares Held – Class I Income Shares		
Opening units at 01.07.16	412,609	
Units issued during the year	33,616	
Units cancelled during the year	(22,720)	
Units converted during the year	-	
Closing units at 30.06.17	423,505	
Shares Held – Class R Income Shares		
Opening units at 01.07.16	31,682	
Units issued during the year	-	
Units cancelled during the year	-	
Units converted during the year	-	
Closing units at 30.06.17	31,682	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Shares held (continued)

Shares Held – Class F Income Shares

Opening units at 01.07.16	25,349,513
Units issued during the year	3,406,208
Units cancelled during the year	(7,724,365)
Units converted during the year	-
Closing units at 30.06.17	21,031,356

Shares Held – Class I Accumulation Shares

Opening units at 01.07.16	898,504
Units issued during the year	314,931
Units cancelled during the year	(291,909)
Units converted during the year	-
Closing units at 30.06.17	921,526

Shares Held – Class R Accumulation Shares

Opening units at 01.07.16	754,210
Units issued during the year	180,900
Units cancelled during the year	(189,501)
Units converted during the year	-
Closing units at 30.06.17	745,609

Shares Held – Class F Accumulation Shares

Opening units at 01.07.16	9,633,386
Units issued during the year	8,742,870
Units cancelled during the year	(6,149,163)
Units converted during the year	-
Closing units at 30.06.17	12,227,093

11 Risk management policies

Market price risk

Market price risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the company holds. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management policies (continued)

The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus, and managed by the diversification of the portfolio.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 June 2017 would have increased/decreased by £6,276,549 (2016 – £6,152,185).

Interest rate risk

Interest rate risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in interest rates.

During the year the Fund's direct exposure to interest rates consisted of cash and bank balances.

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules. However the risk is not actively managed.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

There is no exposure to interest bearing securities at the balance sheet date.

The table below details the interest rate risk profile at the balance sheet date

	30/06/2017		
	Floating rate financial assets	Financial Assets not carrying interest	
Currency			Total
	£	£	£
UK Sterling	2,149,994	63,963,527	66,113,521
Total	2,149,994	63,963,527	66,113,521
	Floating rate financial liabilities	Financial liabilities not carrying interest	
			Total
	£	£	£
Sterling	-	(1,327,964)	(1,327,964)
US Dollar	(28)	-	(28)
Total	(28)	(1,327,964)	(1,327,992)

	30/06/2016		
	Floating rate financial assets	Financial Assets not carrying interest	
Currency			Total
	£	£	£
UK Sterling	4,799,941	59,792,013	64,591,954
US Dollar	-	2,868,344	2,868,344
Total	4,799,941	62,660,357	67,460,298
	Floating rate financial liabilities	Financial liabilities not carrying interest	
			Total
	£	£	£
Sterling	-	(2,828,033)	(2,828,033)
Total	-	(2,828,033)	(2,828,033)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management policies (continued)

Foreign currency risk

Foreign currency risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

During the year the Fund's direct exposure to currencies consisted of investments, and is also managed by the diversification of the portfolio in line with the Company Prospectus.

Net foreign currency monetary assets and liabilities consist of:

	Net foreign currency assets at 30 June 2017			Net foreign currency assets at 30 June 2016		
	Monetary exposures	Non-monetary exposures	Total	Monetary exposures	Non-monetary exposures	Total
	£	£	£	£	£	£
US Dollar	-	-	-	-	2,868,344	2,868,344

Maturity of financial liabilities

The financial liabilities of the company as at 30 June 2017 are payable either within one year or on demand.

Liquidity risk

A significant risk of the Fund is the cancellation of shares/units which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet obligations. If there were significant requests for the redemption of shares/units in the Fund at a time when a large proportion of the Fund's portfolio of investments were not easily tradable due to market conditions the Fund's ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares/units in the Fund. However all investments of the fund are deemed readily realisable. The fund may borrow up to 10% of its value in order to ensure settlement.

Credit risk

This 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 risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Fund. The Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

The Fund holds cash and cash deposits with financial institutions which potentially exposes the Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Fund of default.

There have been no collateral arrangements in the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management policies (continued)

Fair Value Disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

A Fair value based on a quoted price for an identical instrument in an active market.

B Fair value based on the price of a recent transaction for an identical instrument.

C1 Fair value based on a valuation technique using observable market data.

C2 Fair value based on a valuation technique that relies significantly on non-observable market data

Valuation Technique	Assets (£'000)	Liabilities (£'000)
A Quoted prices for identical instruments in active markets	62,866	101

2016

A Quoted prices for identical instruments in active markets	61,522	138
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12 Contingent assets and liabilities

At 30 June 2017, the fund had no contingent liabilities or commitments (30 June 2016: £Nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 30 June 2017. Since that date, the Fund's quoted mid price has moved as follows for each share class:

Share class	Price (GBP) at 30 June 2017	Price (GBP) at 09 Oct 2017
Class I Net Income GBP	168.3459	177.3394
Class I Net Accumulation GBP	197.6911	209.9818
Class R Net Income GBP	163.3337	171.7017
Class R Net Accumulation GBP	192.0884	203.6086
Class F Net Income GBP	172.5180	181.8601
Class F Net Accumulation GBP	200.9325	213.5723

14 Direct transaction costs

Analysis of total purchase costs	30.06.17		30.06.16	
	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	72,347,729		52,665,998	
Commissions	22,971	0.03%	-	0.00%
Taxes	315,107	0.43%	225,054	0.43%
Levy	145	0.00%	-	0.00%
Total purchase costs	338,223	0.46%	225,054	0.43%
Total purchases including transaction costs	<u>72,685,952</u>		<u>52,891,052</u>	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Portfolio transaction costs (Continued)

Analysis of total sale costs	£	30.06.17 % of total sales	£	30.06.16 % of total sales
Sales in year before transaction costs	72,585,863		29,729,030	
Commissions	(26,703)	0.04%	(9,540)	0.03%
Levy	(252)	0.00%	-	0.00%
Total sale costs	(26,955)	0.04%	(9,540)	0.03%
Total sales net of transaction costs	<u>72,558,908</u>		<u>29,719,490</u>	

The following represents the total of each type of transaction cost, expressed as a percentage of the Fund's average net asset value in the year:

	2017 £	% of average net asset value	2016 £	% of average net asset value
Commission	49,674	0.08%	9,540	0.36%
Taxes	315,107	0.48%	225,054	0.00%
Levy	397	0.00%	-	0.00%
	<u>365,178</u>	<u>0.56%</u>	<u>234,594</u>	<u>0.36%</u>

DISTRIBUTION TABLES

Interim Accumulation/Distribution (30 September 2016)

Group 1 - Shares purchased on or prior to 30 June 2016

Group 2 - Shares purchased after 30 June 2016

Shares	Net revenue (pence)	Equal -isation (pence)	Paid/Acc umulated 30.11.16 (pence)	Paid/Acc umulated 30.11.15 (pence)
Class I Net Inc GBp				
Group 1	1.1969	-	1.1969	1.1920
Group 2	0.1896	1.0073	1.1969	1.1920
Class R Net Inc GBp				
Group 1	1.1589	-	1.1589	1.1742
Group 2	1.1589	-	1.1589	1.1742
Class F Net Inc GBp				
Group 1	1.2080	-	1.2080	1.2154
Group 2	0.0545	1.1535	1.2080	1.2154
Class I Net Acc GBp				
Group 1	1.3485	-	1.3485	1.3114
Group 2	0.0733	1.2752	1.3485	1.3114
Class R Net Acc GBp				
Group 1	1.3179	-	1.3179	1.2944
Group 2	0.8344	0.4835	1.3179	1.2944
Class F Net Acc GBp				
Group 1	1.3685	-	1.3685	1.3268
Group 2	0.9147	0.4538	1.3685	1.3268

DISTRIBUTION TABLES (Continued)

Interim Accumulation/Distribution (31 December 2016)

Group 1 - Shares purchased on or prior to 30 September 2016

Group 2 - Shares purchased after 30 September 2016

Shares	Net revenue (pence)	Equal -isation (pence)	Paid/Acc umulated 28.02.17 (pence)	Paid/Acc umulated 28.02.16 (pence)
Class I Net Inc GBp				
Group 1	1.1745	-	1.1745	1.1410
Group 2	0.9764	0.1981	1.1745	1.1410
Class R Net Inc GBp				
Group 1	1.1451	-	1.1451	1.1189
Group 2	1.1451	-	1.1451	1.1189
Class F Net Inc GBp				
Group 1	1.2143	-	1.2143	1.1627
Group 2	0.5346	0.6797	1.2143	1.1627
Class I Net Acc GBp				
Group 1	1.3431	-	1.3431	1.2659
Group 2	0.3120	1.0311	1.3431	1.2659
Class R Net Acc GBp				
Group 1	1.3113	-	1.3113	1.2429
Group 2	0.5679	0.7434	1.3113	1.2429
Class F Net Acc GBp				
Group 1	1.3379	-	1.3379	1.2796
Group 2	0.4962	0.8417	1.3379	1.2796

DISTRIBUTION TABLES (Continued)

Interim Accumulation/Distribution (31 March 2017)

Group 1 - Shares purchased on or prior to 31 December 2016

Group 2 - Shares purchased after 31 December 2016

Shares	Net revenue (pence)	Equal -isation (pence)	Paid/Acc umulated 31.05.17 (pence)	Paid/Acc umulated 31.05.16 (pence)
Class I Net Inc GBp				
Group 1	1.6333	-	1.6333	1.0359
Group 2	1.2042	0.4291	1.6333	1.0359
Class R Net Inc GBp				
Group 1	1.5886	-	1.5886	1.0143
Group 2	1.5886	-	1.5886	1.0143
Class F Net Inc GBp				
Group 1	1.6724	-	1.6724	1.0558
Group 2	1.1111	0.5613	1.6724	1.0558
Class I Net Acc GBp				
Group 1	1.8811	-	1.8811	1.1584
Group 2	1.6729	0.2082	1.8811	1.1584
Class R Net Acc GBp				
Group 1	1.8322	-	1.8322	1.1310
Group 2	1.8299	0.0023	1.8322	1.1310
Class F Net Acc GBp				
Group 1	1.9102	-	1.9102	1.1687
Group 2	1.3049	0.6053	1.9102	1.1687

DISTRIBUTION TABLES (Continued)

Final Accumulation/Distribution (30 June 2017)

Group 1 - Shares purchased on or prior to 31 March 2017

Group 2 - Shares purchased after 31 March 2017

Shares	Net revenue (pence)	Equal -isation (pence)	Paid/Acc umulated 31.08.17 (pence)	Paid/Acc umulated 31.08.16 (pence)
Class I Net Inc GBp				
Group 1	1.6923	-	1.6923	1.7745
Group 2	0.9114	0.8709	1.6923	1.7745
Class R Net Inc GBp				
Group 1	1.6438	-	1.6438	1.7356
Group 2	1.6438	-	1.6438	1.7356
Class F Net Inc GBp				
Group 1	1.7336	-	1.7336	1.8130
Group 2	0.7655	0.9681	1.7336	1.8130
Class I Net Acc GBp				
Group 1	2.0036	-	2.0036	1.9951
Group 2	1.0856	0.9180	2.0036	1.9951
Class R Net Acc GBp				
Group 1	1.9140	-	1.9140	1.9541
Group 2	1.2769	0.6371	1.9140	1.9541
Class F Net Acc GBp				
Group 1	1.9964	-	1.9964	2.0221
Group 2	0.7731	1.2233	1.9964	2.0021

INFORMATION FOR INVESTORS

Distribution

Distributions of the revenue of the Company will be made to shareholders on or before 31 August each year and interim allocations of revenue on or before 30 November, last day of February and 31 May.

Taxation

The Company will pay no corporation tax on its profits for the year to 30 June 2017 and capital gains within the Company will not be taxed.

Individual shareholders

HM Revenue & Customs changed the taxation of dividends on 6 April 2016. Dividend tax credits were abolished and replaced by a tax-free annual dividend allowance of £5,000. UK resident shareholders are now subject to new, higher rates of tax on dividend income in excess of the annual allowance. The actual rate depends on the individual's tax rate band.

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. The first £11,300 of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Debts of the ICVC fund

Unit holders of the ICVC are not liable for the debts of the ICVC.

Issue and redemption of shares

Valu-Trac Investment Management Limited is the ACD and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours. Instructions may be given by email to (garraway@valu-trac.com) or by sending an application form to the Registrar. Application forms are available from the Registrar.

The price of shares will be determined by reference to a valuation of the Company's net assets at 12:00 noon every Tuesday and the last business day of each month.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. Settlement is due four business days after the trade date shown on the contract note and should be made to the ACD's dealing account.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the ACD of a request for redemption. The ACD may at its discretion accept redemptions lower than the minimum amount.

The most recent issue and redemption prices are available from the ACD.

Pricing Basis

There is a single price for buying, selling and switching shares in a Sub-Fund which represents the net asset value of the Sub-Fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on the Investment Association website at www.investmentuk.org. Neither, the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected free of charge at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application.

CORPORATE DIRECTORY

Authorised Corporate Director Manager & Registrar from 01.07.16	<p>Valu-Trac Investment Management Limited Orton Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: (garraway@valu-trac.com)</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
Previous Authorised Corporate Director Manager & Registrar to 30.06.16	<p>T. Bailey Fund Services Limited 64 St. James's Street Nottingham NG1 6FJ</p> <p>Telephone 0115 988 8200 Fax 0115 988 8222</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Director	Valu-Trac Investment Management Limited as ACD
Investment Manager	<p>Garraway Capital Management LLP 6th Floor Beckett House 36 Old Jewry London EC2R 8DD</p>
Depository	<p>National Westminster Bank Plc Trustee and Depositary Services Younger Building 1st Floor , 3 Redheughs Avenue Edinburgh EH12 9RH</p> <p>Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority</p>
Auditor	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>