

VT GARRAWAY INVESTMENT FUNDS ICVC

**Interim Report and Financial Statements (Unaudited)
for the 6 months ended 31 December 2017**



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COMPANY OVERVIEW

Size of Company £58,075,806

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 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 (Continued)

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.

As reported in the shareholder letter of 7 February, on 10 April 2018, the annual management charge for the Class F shares will rise to 0.85% and the Class I share class will be closed with the shareholdings switched into Class F. The minimum investment level in Class F shares will be reduced to be the same as that for Class I and Class R shares.

INVESTMENT MANAGER'S REVIEW

Performance

Cumulative returns for the period ended 31 December 2017

	6 months	1 year	2 years
Class R Shares	10.28	13.93	15.30
Class I Shares	10.70	14.78	16.86
Class F Shares	10.88	15.12	17.61
FTSE 350 Index TR*	7.20	12.91	31.93

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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6 month Market Commentary

Over the half year, the Fund rose 10.70% against a strong market move of 7.20%, placing it in first quartile positioning against its peer group. Over twelve months, the Fund rose 14.78% against an index return of 12.91%, maintaining its second quartile ranking. After a difficult final quarter in 2016, it is encouraging to see much improved momentum in relative returns.

Equity markets moved ahead over the period as the Trump tax bill made its way into law heralding a long term cut for corporations. Less helpful were the raised tensions with North Korea, resulting in significantly tougher UN sanctions. Equity markets remained resilient, however, with US and UK indices finishing at their highs for the year, supported by further evidence of robust global growth, as the IMF raised its forecasts for both 2017 and 2018. There was an increasing focus on inflation data, and the higher probability of rate rises both in the US and UK. Risk data remained very subdued, as it had over much of 2017, with VIX hitting a record low of 9.19.

The US economy maintained its momentum, with very strong employment, consumer, manufacturing and housing data, and CPI figures ahead of expectations, providing a backdrop for the expected 0.25% rate rise over December, the third such increase over 2017. Eurozone political worries focussed on the difficulties for Angela Merkel in creating a coalition with the support of the SDP, and the result of the Catalan regional parliament vote, with the separatists winning a majority. Economic data throughout the region continued to encourage, with Germany the main powerhouse. In a background of record business and economic confidence, Mario Draghi announced a scale back in QE from 60 billion euros per month to 30 billion euros in 2018, although still noted the need for a 'very substantial degree of monetary accommodation'.

In Japan, the call for a snap election by Shinzo Abe paid off, and he retained a two-thirds majority. Similar momentum was evident in the Japanese data, with their manufacturing boom supported by record exports. Very strong equity returns for the Nikkei reflected this optimism.

One critical ingredient for equity market momentum over 2017 has been China's ability to convincingly manage its transition towards a more serviced based economy. Strengthening manufacturing, consumer and industrial profit data provided a positive backdrop for the 19th Party Conference, characterised by its 'one belt, one road' (OBOR) policy. Domestic equity returns were muted as the authorities looked to curb market excesses, and clamp down on industrial pollution.

Oil prices moved up strongly over the period, with Brent finishing the year at \$67. The higher US rig count was offset by OPEC cuts, supply fears and geopolitical uncertainties. Material prices finished the year very positively, with copper strength

INVESTMENT MANAGER'S REVIEW (Continued)

a particular feature, in contrast to iron ore retracing previous highs. Gold held onto some of its earlier gains. US, and Chinese 10-year bond yields rose over the period, although UK yields were lower at 1.20%, having peaked closer to 1.40% mid-year.

Closer to home, progress on Brexit arrangements, tortuously slow, was sufficiently constructive to allow EU leaders to agree to the 'next stage' and allow trade talks to begin. Much of the period under review was spent on tense negotiation over the Irish border issue, and assuaging domestic critics. Theresa May's position remained under scrutiny following a Party Conference fraught with issues, although the focus on housing was welcomed. While the UK Budget was accompanied by reduced growth forecasts out to 2021, there was additional support for housing, transport, the NHS, and the National Productivity Fund. UK economic news has remained quite mixed, with a focus on the pressures on the domestic consumer, as wage inflation still lags headline inflation. Mixed Christmas sales and subdued mortgage approvals reflected such restraint. However, in contrast to a rather gloomy IMF outlook for the UK, the year ended with very strong data on export growth, with UK factory orders at their best for thirty years and a pickup in UK business confidence. UK equity markets finished through highs of the year with small cap returns a stand out feature, albeit weighted to the first half.

Fund Commentary

Significant positive contributions came from our position in Wizz Air Holdings, as it expanded its low cost franchise, our overweight position in energy, supported by a rising oil price, and our material stocks, Anglo American and Glencore. We benefited from the bid by First Rand Group for the challenger bank Aldermore Group, and the appetite for exposure to emerging market debt through our holding in Ashmore Group. Mortgage Advice Bureau also added value, expanding market share while being generous in its distribution policy. Ashtead Group continued to add value, a beneficiary of a very strong US economy. Being underweight GlaxoSmithKline was also a positive.

Less helpful was our position in Ultra Electronics Holdings, suffering margin pressure and the loss of its CEO; we sold the remainder of our stock. Hurricane Energy lost initial momentum, despite the grant of significant production licences, and we have since sold the shares. Not owning BHP Billiton also detracted from returns. Barclays failed to deliver consistency in its earnings mix, disappointing the market. We no longer own the shares. In a period that witnessed some sector rotation, not owning British American Tobacco was a negative.

Adding to our domestic earnings, new positions included Lloyds Banking Group, and Royal Bank of Scotland, where the pace of restructuring is being matched by earnings progression. We built up positions in the telecom sector, through Vodafone Group and BT Group. We also added Kaz Minerals, enjoying higher grades in its copper assets than initially expected, with further expansion opportunities. Rio Tinto was added, with its substantially improved cash flow, and its plans to sweat its world-class assets while maintaining recent capital discipline. We established two new shorts, and closed our exposure to Ocado Group before its significant rally.

Further sales included UBM on deteriorating momentum, and our small residual holding of GlaxoSmithKline, avoiding the worst of the fall on poor figures. We sold our last precious metals holding, Fresnillo, and Arrow Global Group, concerned over its pace of acquisitions. The insurer, Lancashire Holdings was sold, impacted by deteriorating news around the likely impact of insurance claims related to the hurricane devastation.

Outlook

With increased volatility evident in all markets, it has been encouraging to see the portfolio holding up relatively well. As the strength of the US economy stokes concern that the pace of rate rises might increase, global equity markets are likely to remain fragile in the short term. However, economic data more broadly, in both the US and Europe, points to an acceleration in growth, and a robust backdrop for corporate earnings. Amid almost universal gloom over the impact and outcome of Brexit, and significant pressure on the UK consumer, much of the economy is still prospering, as we continue to benefit from the uptick in global growth, and its impact on a number of sectors. The backdrop for our bias towards materials, energy and financials, put in place towards the end of 2016, remains intact, if not gaining momentum. We continue to test our underweights, and look for selective opportunities to short, but the portfolio remains much as it was at the year-end.

Garraway Capital Management LLP
Investment Manager to the Fund

PERFORMANCE RECORD

Financial Highlights

Comparative Tables		Six months to 31 December 2017	30 June 2017	30 June 2016
Class I Income Shares				
Changes in net assets per unit				
	GBP		GBP	GBP
	Opening net asset value per unit	168.3459	164.3655	169.4062
	Return before operating charges	19.9918	11.4849	2.3189
	Operating charges (note 1)	(2.0751)	(1.8075)	(2.2196)
	Return after operating charges*	17.9167	9.6774	0.0993
	Distributions on income units	(2.9035)	(5.6970)	(5.140)
	Closing net asset value per unit	183.3591	168.3459	164.3655
	*after direct transaction costs of:	0.1231	0.9649	0.7200
Performance	Return after charges	10.64%	5.88%	0.06%
Other information				
	Closing net asset value	£753,643	£712,953	£678,1873
	Closing number of units	411,020	423,505	412,609
	Operating charges (note 2)	1.18%	1.13%	1.33%
	Direct transaction costs	0.07%	0.58%	0.44%
Prices				
	Highest unit price	184.55	179.80	175.53
	Lowest unit price	167.97	159.95	154.34

Class I Accumulation Shares		Six months to 31 December 2017	30 June 2017	30 June 2016
Changes in net assets per unit				
	GBP		GBP	GBP
	Opening net asset value per unit	197.6911	186.7976	186.6017
	Return before operating charges	23.6046	12.9605	2.6259
	Operating charges (note 1)	(2.4575)	(2.0670)	(2.4300)
	Return after operating charges*	21.1471	10.8935	0.1959
	Closing net asset value per unit	218.8382	197.6911	186.7976
	Retained distributions	3.4273	6.5763	5.7300
	*after direct transaction costs of:	0.1458	1.1150	0.8215
Performance	Return after charges	10.70%	5.83%	0.11%
Other information				
	Closing net asset value	£1,544,980	£1,821,776	£1,678,384
	Closing number of units	705,992	921,526	898,504
	Operating charges (note 2)	1.18%	1.13%	1.33%
	Direct transaction costs	0.07%	0.58%	0.44%
Prices				
	Highest unit price	218.84	205.61	193.37
	Lowest unit price	197.25	182.92	172.41

PERFORMANCE RECORD (Continued)

Financial Highlights (continued)

		Six months to 31 December 2017	30 June 2017	30 June 2016
Class R Income Shares				
Changes in net assets per unit				
	GBP			
	Opening net asset value per unit	163.3337	160.6559	166.4194
	Return before operating charges	19.9983	11.1445	2.2265
	Operating charges (note 1)	(3.2865)	(2.9303)	(2.9500)
	Return after operating charges*	16.7118	(8.2142)	0.7235
	Distributions on income units	(2.8120)	(5.5364)	(5.0400)
	Closing net asset value per unit	177.2335	163.3337	160.6559
	*after direct transaction costs of:	0.1192	0.9396	0.7196
Performance	Return after charges	10.23%	5.11%	(0.43%)
Other information				
	Closing net asset value	£56,150	£51,747	£50,899
	Closing number of units	31,682	31,682	31,682
	Operating charges (note 2)	1.93%	1.88%	1.83%
	Direct transaction costs	0.07%	0.58%	0.44%
Prices				
	Highest unit price	178.39	175.42	172.40
	Lowest unit price	162.96	155.87	151.15

		Six months to 31 December 2017	30 June 2017	30 June 2016
Class R Accumulation Shares				
Changes in net assets per unit				
	GBP			
	Opening net asset value per unit	192.0884	182.8471	183.5401
	Return before operating charges	23.6522	12.5971	2.5470
	Operating charges (note 1)	(3.8979)	(3.3558)	(3.2400)
	Return after operating charges*	19.7543	9.2413	0.6930
	Closing net asset value per unit	211.8427	192.0884	182.8471
	Retained distributions	3.3199	6.3754	5.6200
	*after direct transaction costs of:	0.1414	1.0873	0.7800
Performance	Return after charges	10.28%	5.05%	(0.38%)
Other information				
	Closing net asset value	£1,440,028	£1,432,229	£1,379,051
	Closing number of units	679,763	745,609	754,210
	Operating charges (note 2)	1.93%	1.88%	1.83%
	Direct transaction costs	0.07%	0.58%	0.44%
Prices				
	Highest unit price	211.84	200.89	190.14
	Lowest unit price	191.65	178.50	169.08

PERFORMANCE RECORD (Continued)

Financial Highlights (continued)

		Six months to 31 December 2017	30 June 2017	30 June 2016
Class F Income Shares				
Changes in net assets per unit				
	GBP			
	Opening net asset value per unit	172.5180	168.0377	172.3186
	Return before operating charges	20.2748	11.5363	2.3591
	Operating charges (note 1)	(1.6770)	(1.2277)	(1.3900)
	Return after operating charges*	18.5978	10.3086	0.9691
	Distributions on income units	(2.9781)	(5.8283)	(5.2500)
	Closing net asset value per unit	188.1377	172.5180	168.0377
	*after direct transaction costs of:	0.1262	0.9876	0.7400
Performance	Return after charges	10.78%	6.13%	0.56%
Other information				
	Closing net asset value	£32,288,639	£36,282,869	£42,596,730
	Closing number of units	17,162,236	21,031,356	25,349,513
	Operating charges (note 2)	0.93%	0.88%	0.83%
	Direct transaction costs	0.07%	0.58%	0.44%
Prices				
	Highest unit price	189.35	183.94	178.60
	Lowest unit price	172.14	163.70	157.48

		Six months to 31 December 2017	30 June 2017	30 June 2016
Class F Accumulation Shares				
Changes in net assets per unit				
	GBP			
	Opening net asset value per unit	200.9325	189.4351	188.2819
	Return before operating charges	23.8352	12.8896	2.6832
	Operating charges (note 1)	(1.9703)	(1.3922)	(1.5300)
	Return after operating charges*	21.8649	11.4974	1.1532
	Closing net asset value per unit	222.7974	200.9325	189.4351
	Retained distributions	3.5725	6.6130	5.8000
	*after direct transaction costs of:	0.1483	1.1321	0.8100
Performance	Return after charges	10.88%	6.07%	0.62%
Other information				
	Closing net asset value	£22,073,447	£24,568,206	£18,249,041
	Closing number of units	9,907,409	12,227,093	9,633,386
	Operating charges (note 2)	0.93%	0.88%	0.83%
	Direct transaction costs	0.07%	0.58%	0.44%
Prices				
	Highest unit price	222.80	208.61	195.16
	Lowest unit price	200.49	185.63	174.51

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 Synthetic 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 in a higher category because daily 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 period.

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

Holding		Value £	% of net assets
AEROSPACE & DEFENSE 0.00% (30.06.17: 4.36%)			
BANKS 4.79% (30.06.17: 0.00%)			
422,500	Royal Bank of Scotland Group	1,171,804	2.02
2,376,983	Lloyds Banking Group	1,607,553	2.77
		<u>2,779,357</u>	<u>4.79</u>
BASIC RESOURCES 12.84% (30.06.17: 5.83%)			
145,097	Anglo American	2,234,857	3.85
41,382	Rio Tinto	1,607,898	2.77
753,585	Glencore	2,917,504	5.02
79,558	KAZ Minerals	696,729	1.20
		<u>7,456,988</u>	<u>12.84</u>
BUSINESS SUPPORT SERVICES 2.69% (30.06.17: 1.41%)			
79,282	Ashtead Group	1,558,684	2.69
		<u>1,558,684</u>	<u>2.69</u>
DIVERSIFIED FINANCIALS 3.21% (30.06.17: 1.86%)			
154,437	Standard Chartered	1,198,045	2.06
358,974	Tatton Asset Management	664,102	1.15
		<u>1,862,147</u>	<u>3.21</u>
ENERGY 18.36% (30.06.17: 14.12%)			
231,328	Royal Dutch Shell 'A'	5,701,657	9.82
955,194	BP	4,961,755	8.54
		<u>10,663,412</u>	<u>18.36</u>
FINANCIAL SERVICES 16.95% (30.06.17: 20.66%)			
406,628	Ashmore Group	1,646,437	2.83
705,491	HSBC Holdings	5,387,482	9.29
798,745	IFG Group	1,470,689	2.53
107,076	Mortgage Advice Bureau	593,201	1.02
364,351	Xafinity	699,554	1.20
28,027	Xafinity Rights (Dec 17)	47,646	0.08
		<u>9,845,009</u>	<u>16.95</u>
FOOD, BEVERAGE & TOBACCO 4.67% (30.06.17: 12.54%)			
100,668	Diageo	2,708,724	4.67
		<u>2,708,724</u>	<u>4.67</u>
GENERAL RETAILERS 0.00% (30.06.17: 1.82%)			
INDUSTRIAL GOODS & SERVICES-9.35% (30.06.17: 9.08%)			
62,506	CRH	1,654,847	2.85
489,113	Forterra	1,456,334	2.51
147,300	Smith DS	758,963	1.31
265,383	Vesuvius	1,560,452	2.68
		<u>5,430,596</u>	<u>9.35</u>
INSURANCE 7.73% (30.06.17: 9.38%)			
764,008	Legal & General Group	2,084,214	3.59
127,562	Prudential	2,403,587	4.14
		<u>4,487,801</u>	<u>7.73</u>
MATERIALS 0.00% (30.06.17: 1.40%)			
PERSONAL & HOUSEHOLD GOODS 1.93% (30.06.17: 2.99%)			
173,540	Barratt Developments	1,122,804	1.93
		<u>1,122,804</u>	<u>1.93</u>
PHARMACEUTICALS, BIOTECHNOLOGY 2.54% (30.06.17: 3.62%)			
37,860	Shire	1,471,240	2.54
		<u>1,471,240</u>	<u>2.54</u>
REAL ESTATE 2.16% (30.06.17: 1.67%)			
215,662	Segro	1,257,849	2.16
		<u>1,257,849</u>	<u>2.16</u>

PORTFOLIO STATEMENT (Continued)

Holding		Value £	% of net assets
TELECOMMUNICATION SERVICES 7.08% (30.06.17: 2.10%)			
402,820	BT Group	1,081,572	1.86
1,116,718	Vodafone Group	2,614,236	4.50
126,337	ZPG	417,228	0.72
		<u>4,113,036</u>	<u>7.08</u>
TRAVEL & LEISURE 4.43% (30.06.17: 4.33%)			
21,458	Carnival	1,051,871	1.81
42,048	Wizz Air Holdings	1,524,450	2.62
		<u>2,576,321</u>	<u>4.43</u>
CONTRACTS FOR DIFFERENCE (0.00%) (30.06.17: (0.16%))			
(181,500)	Newriver Reit	(7,704)	(0.01)
(25,352)	RPC Group	9,340	0.01
		<u>1,636</u>	<u>0.00</u>
	Portfolio of investments	57,335,604	98.73
	Net other assets	821,283	1.41
	Adjustment to revalue assets from Mid to Bid prices	(81,081)	(0.14)
	(30.06.17: (0.13%))	<u>58,075,806</u>	<u>100.00</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Total Sales for the Period	£22,402,900
Aldermore	855,288
Anglo American	41,225
Arrow Global Group	890,651
Ashtead Group	40,365
BAE Systems	1,812,528
Barclays	2,347,151
Bovis Homes Group	1,147,205
BP	81,169
British American Tobacco	3,512,867
Carnival	663,772
CRH	544,400
Diageo	286,646
Forterra	384,271
Fresnillo	866,019
GKN	1,701,594
GlaxoSmithKline	606,744
Glencore	103,246
HSBC Holdings	81,068
Hurricane Energy	524,955
IFG Group	438,414
Lancashire Holdings Ltd	678,101
Legal & General Group	40,240
Lloyds Banking Group	40,682
Marks and Spencer Group	1,074,985
Mortgage Advice Bureau	526,745
Old Mutual	970,046
Prudential	40,108
Royal Dutch Shell 'A'	81,443
Segro	40,731
Shire	40,819
UBM	697,373
Ultra Electronics Holdings	580,883
Vodafone Group	80,287
Xafinity	354,562
ZPG	185,207

The above analysis represents all of the sales of equities for the period.

SUMMARY OF MATERIAL PORTFOLIO CHANGES (Continued)

Total purchases for the period

Equities	£11,172,640
Ashmore Group	203,674
Ashtead Group	394,031
Aldermore	620,928
BT Group	1,074,913
Hurricane Energy	649,409
KAZ Minerals	626,625
Lloyds Banking Group	1,654,178
Rio Tinto	1,555,066
Royal Bank of Scotland Group	1,121,652
Standard Chartered	537,982
Vesuvius	161,305
Vodafone Group	2,525,231
Xafinity Rights	47,646

The above analysis represents all of the purchases of equities for the period.

Contracts for Difference	£177,055
Ocado Group	153,634
RPC Group	23,421

STATEMENT OF THE 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 period 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/losses for the period. 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 judgments 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 interim report.

Anne A. Laing CA

Neil J. Smith MA BA CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date

STATEMENT OF TOTAL RETURN

For the 6 months to 31 December 2017

	Six months to 31.12.17	Six months to 31.12.16
	£	£
Income		
Net capital gains/(losses)	5,533,670	424,000
Revenue	1,026,831	995,219
Expenses	(279,321)	(328,135)
Finance costs: Interest	(54)	(50)
Net revenue before taxation	747,456	667,034
Taxation	-	-
Net revenue after taxation	747,456	667,034
Total return before distributions	6,281,126	1,091,034
Finance costs: Distributions	(1,026,831)	(991,707)
Change in net assets attributable to shareholders from investment activities	5,254,295	99,327

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the 6 months to 31 December 2017

	Six months to 31.12.17	Six months to 31.12.16
	£	£
Opening net assets attributable to shareholders	64,785,529	64,632,265
Amounts receivable on creation of shares	2,885,717	9,105,507
Amounts payable on cancellation of shares	(15,268,823)	(5,123,884)
Change in net assets attributable to shareholders from investment activities	5,254,295	99,327
Retained distributions on accumulation shares	419,088	362,630
Closing net assets attributable to shareholders	58,075,806	69,075,845

The Investment Association SORP requires that comparatives are shown for the above report. As comparatives should be for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Company net asset value as at 30 June 2017 was £64,785,529.

BALANCE SHEET

As at 31 December 2017

	31.12.17		30.06.17	
	£	£	£	£
FIXED ASSETS				
Investment assets		57,254,523		62,866,604
Current Assets				
Debtors	133,062		1,096,923	
Cash and bank balances	<u>2,052,133</u>		<u>2,149,994</u>	
Total other assets		<u>2,185,195</u>		<u>3,246,917</u>
Total assets		59,439,718		66,113,521
LIABILITIES				
Investment liabilities	(59,152)		(101,119)	
Creditors				
Bank Overdrafts	(80)		(28)	
Distribution payable on income shares	(263,694)		(372,290)	
Other creditors	<u>(1,040,986)</u>		<u>(854,555)</u>	
Total liabilities		<u>(1,363,912)</u>		<u>(1,327,992)</u>
Net assets attributable to shareholders		<u>58,075,806</u>		<u>64,785,529</u>

Accounting Policies

The accounting policies applied are consistent with those of the financial statements for the year ended 30 June 2017 and are described in those financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Authorised Funds issued by the Investment Association in May 2014.

INFORMATION FOR INVESTORS

Distribution

Distributions of the revenue of the Company will be made to shareholders on or before 31 March each year and interim allocations of revenue on or before 30 June, 30 September and 31 December.

Taxation

The Company will pay no corporation tax on its profits for the year to 30 June 2016 and capital gains within the Company will not be taxed.

Individual shareholders

Tax on distributions: Revenue distributed by an OEIC is paid net but individual shareholders resident for tax purposes in the UK should generally be entitled to a tax credit equivalent to one ninth of the amount of the net distribution. Tax vouchers are sent to shareholders with each distribution and UK resident shareholders will be taxed on the total of the distribution and tax credit shown on the voucher. The credit will meet liability to basic rate tax but if the shareholder pays tax at the higher rate there will be a further liability. If the shareholder is not liable to income tax the amount of the tax credit cannot be reclaimed from HM Revenue and Customs. For payments made from April 2016 dividend tax credits were abolished.

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 £11,100 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.

INFORMATION FOR INVESTORS (Continued)

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.

DISTRIBUTION TABLE

Interim Accumulation/Distribution (30 September 2017)

Group 1 - Shares purchased on or prior to 30 June 2017

Group 2 - Shares purchased after 30 June 2017

Shares	Net revenue (pence)	Equal -isation (pence)	Paid/Acc- umulated 30.11.17 (pence)	Paid/Acc- umulated 30.11.16 (pence)
Class I Net Inc GBP				
Group 1	1.4430	-	1.4430	1.1969
Group 2	1.1168	0.3262	1.4430	1.1969
Class R Net Inc GBP				
Group 1	1.3987	-	1.3987	1.1589
Group 2	1.3987	-	1.3987	1.1589
Class F Net Inc GBP				
Group 1	1.4792	-	1.4792	1.2080
Group 2	0.8635	0.6157	1.4792	1.2080
Class I Net Acc GBP				
Group 1	1.6980	-	1.6980	1.3485
Group 2	1.3922	0.3058	1.6980	1.3485
Class R Net Acc GBP				
Group 1	1.6450	-	1.6450	1.3179
Group 2	0.9457	0.6993	1.6450	1.3179
Class F Net Acc GBP				
Group 1	1.7225	-	1.7225	1.3685
Group 2	0.9228	0.7997	1.7225	1.3685

DISTRIBUTION TABLE (Continued)

Interim Accumulation/Distribution (31 December 2017)

Group 1 - Shares purchased on or prior to 30 September 2017

Group 2 - Shares purchased after 30 September 2017

Shares	Net revenue (pence)	Equal -isation (pence)	Paid/Acc- umulated 28.02.18 (pence)	Paid/Acc- umulated 28.02.17 (pence)
Class I Net Inc GBP				
Group 1	1.4605	-	1.4605	1.1745
Group 2	1.3712	0.0893	1.4605	1.1745
Class R Net Inc GBP				
Group 1	1.4133	-	1.4133	1.1451
Group 2	1.1451	-	1.4133	1.1451
Class F Net Inc GBP				
Group 1	1.4989	-	1.4989	1.2143
Group 2	0.5953	0.9036	1.4989	1.2143
Class I Net Acc GBP				
Group 1	1.7293	-	1.7293	1.3431
Group 2	0.6065	1.1228	1.7293	1.3431
Class R Net Acc GBP				
Group 1	1.6749	-	1.6749	1.3113
Group 2	1.3578	0.3171	1.6749	1.3113
Class F Net Acc GBP				
Group 1	1.8500	-	1.8500	1.3379
Group 2	1.1008	0.7492	1.8500	1.3379

CORPORATE DIRECTORY

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