

THE VT icf ABSOLUTE RETURN PORTFOLIO

Short Form Interim Report and Financial Statements
(unaudited)
For the six months ended 30 September 2014

THE VT icf ABSOLUTE RETURN PORTFOLIO

Directory

Authorised Corporate Director & Registrar

Valu-Trac Investment Management Limited

Orton, Fochabers, Moray, IV32 7QE

Telephone: 01343 880344

Fax: 01343 880267

(Authorised and regulated by the Financial Conduct Authority)

Investment Manager

icf management limited

40 Gracechurch Street, London, EC3V 0BT

(Authorised and regulated by the Financial Conduct Authority)

Fund Managers

Mark Lynam

Jeremy Suffield

Depository

National Westminster Bank Plc

Younger Building, 1st 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

7 – 11 Melville Street

Edinburgh

EH3 7PE

THE VT icf ABSOLUTE RETURN PORTFOLIO

Investment Objective and Policy

The objective of the Sub-Fund is to achieve a consistent absolute return over the long term irrespective of market conditions.

The Sub-Fund will invest in a diverse mix of absolute return oriented collective investment schemes. The Sub-Fund may also invest in listed closed-ended funds, transferrable securities, cash deposits and money market funds.

Investment Manager's Report

For the 6 months ended 30 September 2014

Investors surveying markets see distortions. They watch re-ratings come and go, try to assess where reality is in relation to valuations, tut tut when leadership narrows, speculate about speculation, and despair at how their own disappointments are punished.

When we are surveying the last six months we saw a lot of it. When we talk with managers we hear a lot of it. We try and allocate our speculative time to the biggest distortions so we have tended to watch the plans and deeds of central banks. This makes the summer of 2014 an interesting time.

The Anglo Saxons are trying to work out how to extricate themselves from central bank largesse at the same time as the Europeans and Japanese are looking (some might say needing) to double up. When we consider the size of the opposing distortions we are, in some respects, surprised at how quiet financial markets have been. Over the six months the UK equity market finished little changed (with the dividend dragging the return up to just over 1%), bonds moved slightly higher, the dollar and pound rose, the euro and yen succumbed, commodity prices rumbled towards the cliff edge.

The summer months did prove heavy going for the world of absolute return funds. Our absolute return universe definitely didn't cover itself in glory, with the UCITs Alternative index falling over 6% in sterling terms. That made it hard to get rewarded for all our surveying although your fund did manage a small gain from 114.7p to 115.2p. We are pleased and honored to be rewarded in a different guise by Lipper (who bestowed a 5 rating on the fund for its capital preservation), by Wealth & Finance magazine (who chose icf as the 2014 UK family office investor), and by Citywire who awarded us a AA rating.



Citywire information is proprietary and confidential to Citywire Financial Publishers Ltd ("Citywire"), may not be copied and Citywire excludes any liability arising out its use. Rating shown is latest available and to end September 2014 and applies to Mark Lynam & Jeremy Suffield who are the fund managers for the VT icf Absolute Return Portfolio.



In July 2014 **icf management limited** was awarded the "Best Family Office Investor UK" award – a peer group award sponsored by Wealth & Finance magazine with a global audience of 80,000 across the UK, Europe and the USA.



The Lipper Rating for Preservation is a fund that has demonstrated a superior ability to preserve capital in a variety of markets when compared with other funds in its asset class.

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Fund Facts

Accounting and Distribution Dates

	Accounting	Distribution
Interim	30 September	30 November
Final	31 March	31 May

Net Asset Values

Share Class	Accumulation Shares		
	Net asset value (£)	No. of shares in issue	Net asset value (pence per share)
Class F 2012^	3,577,996	3,472,413	103.04
Class F 2013^	4,068,096	3,651,435	111.41
Class F 2014^	4,810,070	4,195,106	114.66
Class F 2014^^	4,718,735	4,096,945	115.18

^ As at 31 March

^^ As at 30 September

Price History

The table below shows the highest buying and lowest selling prices on a calendar year basis in pence per share since launch. Past performance is not necessarily a guide to the future performance.

Share Class	Accumulation Shares	
	Highest (pence)	Lowest (pence)
Class F 2010^	103.14	99.37
Class F 2011	104.85	99.89
Class F 2012	105.23	100.10
Class F 2013	114.64	104.59
Class F 2014^^	115.92	113.46

^ Launched 6 August 2010

^^To 30 September 2014

Distribution Record

Share Class	Accumulation Shares
	Net revenue per share (pence)
Class F 2011	0.0000
Class F 2012	0.0000
Class F 2013	0.0000
Class F 2014^	0.0000

^ To 30 September 2014

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Fund Facts

continued

Ongoing charges ^

Share Class	30 September 2014 %	31 March 2014 %	31 March 2013 %
Class F	2.34	2.76	2.94

^ The ongoing charges figure is annualised based on the fees suffered during the accounting period together with the underlying charges included within the fund portfolio holdings.

Major Holdings

The top ten holdings at the end of the year are shown below.

Holding	% of Fund as at 30.09.14
CF Odey UK Absolute Return Fund	9.20
S & W Kennox Strategic Value Fund	8.02
First Private Wealth Fund	7.99
Premier Defensive Growth Fund	7.72
Exane Fund 1 - Archimedes Fund	7.70
Jupiter Absolute Return Fund	7.41
Kames UK Equity Absolute Return Fund	7.39
Personal Assets Trust Plc	6.06
Ruffer Investment Company Ltd	5.36
Castlerigg Merger Arbitrage	5.35

Risk Profile

Based on past data, the fund is ranked a '3' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Fund is in a lower category because funds of this type have experienced low to medium rises and falls in value in the past. Please note that even the lowest risk class can lose money and that extreme market circumstances can mean you suffer severe losses in all cases.

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Fund Facts

continued

Risk Warning

An investment in an Investment Company with Variable Capital should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Reports and Accounts

Copies of the long form Interim Report and Financial Statements for the Company are available free of charge on request by contacting the ACD.