

VT ODD FUNDS ICVC
(Sub-Fund VT Odd Real Income Fund)

Annual Report and Financial Statements
for the year ended 31 March 2017

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COMPANY OVERVIEW

Size of Company	£3,618,157
Launch date	21 September 2015
Company objective and policy	<p>The investment objective of the VT Odd Real Income Fund is to generate real income and capital growth*.</p> <p>The Sub-Fund will aim to meet its objective by investing at least 50% in equities. In addition to investing in equities, the Sub-Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash.</p> <p>There is no particular emphasis on any economic sector.</p> <p><i>*The aim is that in normal circumstances the returns of the Sub-Fund will increase in excess of CPI annually so that any investment increases in 'real' terms.</i></p> <p>The Sub-Fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-Fund.</p>
Type of Company	<p>VT Odd Funds ICVC ("the Company") is an authorised open-ended investment company with variable capital ("ICVC") further to a Financial Conduct Authority ("FCA") authorisation order dated 27 August 2015. The Company is incorporated under registration number IC001050. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ("COLL") issued by the FCA.</p> <p>The Company has been set up as an umbrella company. The Company has currently one Sub-Fund available for investment, VT Odd Real Income Fund ("the Fund").</p> <p>The shareholders are not liable for the debts of the Company.</p>
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 March, 30 June, 30 September, 31 December
Distribution dates	31 May, 31 August, 30 November, last day of February
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.
Minimum investment	
Lump sum subscription:	Class A = £10,000
Top-up:	Class A = £1,000
Holding:	Class A = £1,000
Redemption:	N/A (provided minimum holding is maintained)
Switching:	N/A (provided minimum holding is maintained)

The ACD may at its discretion accept subscriptions lower than the minimum amount.

COMPANY OVERVIEW (Continued)

ACD charges

The annual management charge is comprised of a fixed element which is retained by the ACD for its own account and a variable element which is paid by the ACD to the Investment Manager.

The fixed element, which is equal to £20,000 per annum, is taken from Class A Shares pro-rata to their Net Asset Value.

The variable element in respect of the Class A Shares is equal to 1.0% per annum of the Net Asset Value of the Class A Shares.

The AMC rebate ceased on 31 March 2016 at the end of the first accounting period in accordance with the Prospectus.

Changes to the company

On 6 July 2017, the company launched another sub-fund, called VT Tyndall North American Fund.

INVESTMENT MANAGER'S REVIEW

– On contradictions and why it only matters when it matters

Introduction

Over the period your Fund (net income shares) returned 8.06 % and we paid total dividends of 3.61p per share. Your fund is exceeding its objective of generating real returns ahead of the annual inflation which was 2.3% over the period. It would be inappropriate, for regulatory reasons, to make a forecast for the coming year but it is reasonable to expect another year of income growth.

Review

Over the period, I am pleased that your portfolio has continued to deliver positive returns and I have been broadly satisfied with the performance of the holdings. The larger multinational companies in industries such as pharmaceuticals and tobacco benefited from their international earnings streams increasing in value due to the fall in Sterling. Of greater satisfaction were the less mainstream holdings such as BBA, which is the leading provider of private airport facilities; G4S, a global security company and Burberry, the fashion house. The portfolio has however, not been without its blemishes. Pearson, which provides a range of education services, and Cobham, an aerospace and defence company, struggled with poor management of historically robust assets. The market moves of recent months have created some attractive opportunities to buy high quality companies, such as Next and Jupiter, at sensible prices. Nearly 8% of the fund is held in US Dollars which was a source of positive return as the Pound fell, firstly after Brexit and then again when the Bank of England cut interest rates and reintroduced quantitative easing.

In previous reports, I have outlined concerns about the global issues confronting investors. These are long term structural problems of political economy, such as excess debt, which in the absence of considered political solutions, tend to be resolved by crisis forcing change. My concern last year was that imminent political risks would catalyse a resolution. That was not the case. Except for a few political reputations and the standing of the Pound, markets have coped well, aided by a massive infusion of liquidity from the Bank of England, the European Central Bank, the Bank of Japan and China. Consequently, markets saw some paradoxical moves; commodity prices rising alongside supply, the valuation of shares increasing on the back of currency derived earnings and low bond yields at a time of rising inflation.

Outlook

We have witnessed a corruption of the 19th century economic concept of laissez faire. Asset price inflation derived from loose monetary policy is different from wealth creation, it is more transitory (financial assets) or a means to buy other inflated assets (housing). It does not “trickle down” well. Consequently, equating financial stability with rising markets, as central banks now do, is not reflected in the day to day experience of most people.

This frustration is increasingly reflected in politics, with a rise in populism, as demonstrated by the vote for Brexit and election of Donald Trump. For all the sound and fury around Brexit it is notable that on the day Article 50 was invoked it trended seventh on the BBC website, behind “man found dead in a snake” and “bad statue of Ronaldo unveiled”.

It is also a reflection of the dismal efforts by traditional political parties to represent their core supporters' interests. Whether in the UK, US or Europe the mainstream leaders seem to have been seduced by internationalism at the expense of the constituents they purport to represent. Voters will remain exposed to the siren calls of populism until our leaders can muster the backbone to articulate a coherent argument for a sustainable way forward.

Our political games remain a salient reminder that silliness is always preferable to the alternative. Sadly, significant human conflict continues; whether it is the chemical and conventional tragedy of Syria and the Middle East or the more alarming nuclear antics of North Korea. This is a geo-political dance taking in the waning influence of OPEC; Putin's ability to play a weak hand well; the US's divisions and the necessities of Germany and China's export led economies.

The central issue remains the fragility of the financial system, tottering under a Minsky-style mountain of debt. There are three potential outcomes. Option 1, for the Puritans and Austrian economists, would see the traditional economic cycle reassert itself and debt repaid or written off. This would cause the large-scale wealth destruction, unemployment and societal damage already witnessed in large parts of southern Europe. Option 2 is for the optimists.

Grow our way out of the problem, trim the sails, right the ship and hope that growth reignites; this was what Osborne, and the Japanese in the 1990s, tried to do but ran into the paradox of thrift whereby what is good for the household is not healthy for the broader economy. This leaves us with Option 3. The historical solution, the tried and tested strategy of governments from classical to modern times – print, devalue and inflate. It resolves all the issues detailed above with only the slight handicap of reducing everyone's standard of living.

Central banks have played for time, hoping for Option 2. They plan on the basis that if the plates keep spinning something will turn up, though perhaps they articulate it rather better. This leaves the rest of us at a juncture. It is politically impractical for the UK (or the US, or China, or Europe) to seriously consider the Puritan Option 1, leaving the world at the mercy of either optimism or monetary debauchery. If markets were truly concerned about Option 1 and all it implied early in 2016, they are now largely discounting the success of Option 2. The markets' perspective has shifted, predicated largely by the evolution of central bank policy from reactionary to anticipatory action. The need for some crisis based denouement- as a final spur to launch seemingly inevitable policies, such as monetising deficits - appears to have waned.

Such extreme monetary policies would historically have risked serious inflation, as rising income increased demand, thereby forcing up the price of scarce goods. This traditional relationship has however, been distorted by rapid technological advances that can provide more goods and services at lower cost without regard for borders. As companies increasingly utilise intangible assets such as data, many supply constraints have fallen away. Supply has become close to infinite in some industries with a consequent impact on pricing. Many of the most famous "new economy" companies, such as Uber and Airbnb, are just facilitating the more efficient use of existing capital stock. This deflationary effect has in turn kept interest rates low and maintained unproductive capacity, further suppressing prices. Wage growth will remain low as workers compete with technology. We have already seen the automation of routine manual tasks but this is moving to non-routine manual work and will ultimately replace more cognitive jobs. This will further exacerbate labour polarisation and political discord.

Abundant capital, available labour, demographics, and rapid technological innovation all make demand induced inflation unlikely. The greater fear should be of a more corrosive inflation from falling confidence, depreciating currency, and rising commodity prices. None of these are associated with increasing demand or wages, they are simply a tax on living standards. There is therefore, a trade-off between powerful deflationary forces set against the risk of inflationary shocks.

For the time being the contradiction of high prices with abundant supply, from iron ore and oil to government debt, remains unresolved. This will be solved by either an increase in growth or a fall in prices. The risk is that no fundamental problems have been addressed; debt is still too high and growing, growth is still too low and falling. The only thing that appears to be in a structural deficit is the US Dollar, as emerging market countries have borrowed in US Dollars and are struggling to generate the cash flow to repay these debts. This is potentially the area of greatest strain and may prove to be the key to how these contradictions are resolved.

Following the General Election on June 8th, we have a new Conservative government, similar to the previous one and no commitment to fiscal responsibility. We have a French President with underdeveloped policies and scant political experience. We still have a Euro currency system woefully incapable of reforming itself and a Chinese government determined to pretend that everything is fine. Ironically, this leaves the otherwise comic Donald Trump as the only advocate of serious reform. Long standing Republican economic ambitions, particularly around tax and regulation, could be a material boost to the US economy and will be watched carefully. If successful, they may even inspire other countries to follow a similar path. We are walking a tightrope between optical reassurance and fundamental concern.

Writing this in Northumberland, I find myself looking across a mist filled valley; I can clearly see the far side but, as elsewhere for all of us, it is harder to fathom whether I face a gentle incline or something steeper. In managing your fund, I will continue to hope for the former and plan for the latter. Your portfolio is well positioned with a diverse range of companies; they can feed, water and entertain you. They will dress you, educate you, and help cure you. They will insure your car, heat your home and can build you a submarine. The sheer range and ambition of human activity remains a source of wonder, and a constant reminder that, despite the many challenges of our age, humanity never wants for cooperative resourcefulness.

Investment Manager to the Fund
Odd Asset Management Limited

PERFORMANCE RECORD

Financial Highlights

Class A Net Income GBP

	Year ended 31 March 2017	Period from 21 September 2015 to 31 March 2016^
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	101.1299	100.0000
Return before operating charges	10.9407	3.3491
Operating charges (note 1)	(2.7816)	(1.1908)
Return after operating charges*	8.1591	2.1583
Distribution on income units	(3.6080)	(1.0284)
Closing net asset value per unit	105.6810	101.1299
*after direct transaction costs of:	0.1241	0.3941
Performance		
Return after charges	8.06%	2.16%
Other information		
Closing net asset value	£2,354,410	£1,590,813
Closing number of units	2,227,847	1,573,040
Operating charges (note 2)	2.69%	1.19%
Direct transaction costs	0.12%	0.39%
Prices		
Highest unit price	107.49	103.67
Lowest unit price	97.71	95.59

Class A Net Accumulation GBP

	Year ended 31 March 2017	Period from 21 September 2015 to 31 March 2016^
Changes in net assets per unit	GBP	GBP
Opening net asset value per unit	102.1626	100.0000
Return before operating charges	11.1186	3.4059
Operating charges (note 1)	(2.8488)	(1.2433)
Return after operating charges*	8.2698	2.1626
Closing net asset value per unit	110.4324	102.1626
Retained distributions on accumulated units	3.5420	1.0291
*after direct transaction costs of:	0.1276	0.3961
Performance		
Return after charges	8.10%	2.16%
Other information		
Closing net asset value	£1,264,804	£601,258
Closing number of units	1,145,138	588,530
Operating charges (note 2)	2.68%	1.23%
Direct transaction costs	0.12%	0.39%
Prices		
Highest unit price	110.68	103.67
Lowest unit price	98.70	95.78

^ Fund classes launched 21 September 2015

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 expenses incurred during the period annualised, as a proportion of the average net asset value of the fund together with the ongoing charges included within the underlying Open ended Investment Companies held within the fund's holdings.

Risk Profile

Based on past data, the fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Fund is ranked '5' because the price of its investments has risen or fallen frequently and more dramatically than some other types of investment. Simulated monthly performance data indicates that it has experienced relatively high rises and falls in market prices historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

PORTFOLIO STATEMENT

As at 31 March 2017

Holding		Value £	% of net assets
EQUITIES 62.88% (31.03.2016: 53.16%)			
CONSUMER DISCRETIONARY (31.03.2016: 9.53%)			
4,000	Burberry Group	69,100	1.91
7,500	Greene King	52,069	1.44
7,000	Pearson	46,986	1.30
6,750	Sky	65,897	1.82
8,888	UBM	67,393	1.86
		<u>301,445</u>	<u>8.33</u>
CONSUMER STAPLES (31.03.2016: 9.79%)			
1,600	British American Tobacco	84,632	2.34
10,000	Britvic	64,450	1.78
2,500	Imperial Brands	96,669	2.67
1,000	Next	43,000	1.19
12,866	WM Morrison Supermarkets	30,705	0.85
11,000	Tate & Lyle	84,781	2.34
20,000	J Sainsbury	52,870	1.46
		<u>457,107</u>	<u>12.63</u>
ENERGY (31.03.2016: 4.44%)			
17,500	BP	80,684	2.23
6,000	John Wood Group	45,645	1.26
3,500	Royal Dutch Shell B	77,376	2.14
		<u>203,705</u>	<u>5.63</u>
HEALTHCARE (31.03.2016: 3.76%)			
1,900	AstraZeneca	93,551	2.58
5,500	GlaxoSmithKline	92,084	2.55
		<u>185,635</u>	<u>5.13</u>
INDUSTRIALS (31.03.2016: 11.22%)			
15,000	BBA Aviation	45,322	1.25
14,000	BAE Systems	90,685	2.50
7,500	Babcock International Group	65,756	1.82
52,500	Cobham	70,875	1.96
22,500	G4S	68,310	1.89
16,000	Essentra	84,040	2.32
15,000	Meggitt	67,020	1.85
		<u>492,008</u>	<u>13.59</u>
INSURANCE (31.03.2016: 4.83%)			
3,500	Admiral Group	69,492	1.92
16,000	Jupiter Fund Management	68,040	1.88
8,000	Lancashire Holdings	53,520	1.48
30,000	Esure Group	70,935	1.96
		<u>261,987</u>	<u>7.24</u>
MINING (31.03.2016: 0.00%)			
2,500	Fresnillo	37,687	1.04
500	Rangold Resources Ltd	34,388	0.95
		<u>72,075</u>	<u>1.99</u>
PROPERTY (31.03.2016: 1.45%)			
50,000	Hansteen Holdings	59,100	1.63
		<u>59,100</u>	<u>1.63</u>
TECHNOLOGY (31.03.2016: 6.06%)			
1,500	Fidessa Group	37,538	1.04
7,000	PayPoint	70,840	1.96
5,000	Smiths Group	80,375	2.22
		<u>188,753</u>	<u>5.22</u>
UTILITIES (31.03.2016: 2.08%)			
25,000	Centrica	54,063	1.49
		<u>54,063</u>	<u>1.49</u>
LIQUIDITY FUNDS (31.03.2016: 28.58%)			
325,000	Legal & General Cash I Acc	315,153	8.71
288,000	Aberdeen Cash A Acc	326,419	9.02
197,994	Henderson Institutional Cash Retail Acc	326,274	9.02
		<u>967,846</u>	<u>26.75</u>

PORTFOLIO STATEMENT (Continued)

Portfolio of Investments (31.03.2016: 81.74%)	3,243,726	89.65
Net Other Assets (31.03.2016: 18.29%)	375,288	10.37
Adjustment to revalue assets from Mid to Bid Prices (31.03.2016: (0.03%))	(857)	(0.02)
	<u>3,618,157</u>	<u>100.00</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Total sales for the year (note 14)	£ 270,333
Deutsche Global Liquidity Managed Sterling Fund	230,045
GoCompare	18,324
Petrofac	21,959
UBM	5

Total purchases for the year (note 14)	£ 1,571,399
Aberdeen Investment Funds	128,982
Admiral Group	39,207
AstraZeneca	31,067
Babcock International Group	36,261
BAE Systems	20,570
BBA Aviation	8,550
BP Plc	21,652
British American Tobacco	35,167
Britvic	33,398
Burberry Group	22,340
Centrica	10,699
Cobham	40,281
Deutsche Global Liquidity Managed Sterling Fund	20,000
Essentra	64,836
Esure Group	39,222
Fresnillo	35,879
GlaxoSmithKline	45,937
Greene King	19,801
Hansteen Holdings	21,468
Henderson Institutional Cash Retail Acc	325,758
Imperial Brands	59,001
J Sainsbury	19,883
John Wood Group	36,314
Jupiter Fund Management	69,028
Lancashire Holdings	29,226
Legal & General	107,516
Meggitt	65,167
Next	42,243
Paypoint	14,593
Pearson	13,057
Rangold Resources	33,942
Royal Dutch Shell B	37,013
Sky	36,801
Tate & Lyle	6,540

The above transactions represent all of the sales and purchases during the year.

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 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 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 the 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 in the Company is 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 aspects the Company, acting through the Authorised Fund Manager:

- 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 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 April 2017

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT ODD FUNDS ICVC (SUB-FUND VT ODD REAL INCOME FUND)

We have audited the financial statements of VT Odd Funds ICVC for the year ended 31 March 2017 which comprise the Statement of Total Return, Statement of Changes 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, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the ACD and Auditor

As explained more fully in the ACD's Responsibilities Statement set out on page 10, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE VT
ODD FUNDS ICVC (SUB-FUND VT ODD REAL INCOME FUND (Continued))

Opinion

In our opinion:

- the accounts give a true and fair view of the financial position of the Company as at 31 March 2017 and of the net revenue and the net capital gains on the property of the Company for the year then ended;
- the financial statements have been properly prepared in accordance with the IA Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the report of the ACD is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2017

		31.03.17		Period from 21.09.15 to 31.03.16	
	Notes	£	£	£	£
Income					
Net capital gains	2		234,225		24,654
Revenue	3	99,854		39,411	
Expenses	4	(81,281)		(35,380)	
Net revenue before taxation		<u>18,573</u>		<u>4,031</u>	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>18,573</u>		<u>4,031</u>
Total return before distributions			252,798		28,685
Finance costs: distributions	6		<u>(99,854)</u>		<u>(13,703)</u>
Change in net assets attributable to shareholders from investment activities			<u>152,944</u>		<u>14,982</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended March 2017

	31.03.17	Period from 21.09.15 to 31.03.16
	£	£
Opening net assets attributable to shareholders	2,190,577	-
Amounts receivable on creation of shares	1,294,776	2,169,789
Amounts payable on cancellation of shares	(59,754)	(203)
Retained accumulation distributions	37,870	6,009
Dilution levy	1,744	-
Change in net assets attributable to shareholders from investment activities (see above)	<u>152,944</u>	<u>14,982</u>
Closing net assets attributable to shareholders	<u>3,618,157</u>	<u>2,190,577</u>

BALANCE SHEET

As at 31 March 2017

		31.03.17		31.03.16	
	Notes	£	£	£	£
ASSETS					
Investment assets			3,242,869		1,789,818
Current Assets					
Debtors	7	11,340		65,464	
Cash and bank balances	8	<u>404,857</u>		<u>407,985</u>	
Total other assets			<u>416,197</u>		<u>473,449</u>
Total assets			3,659,066		2,263,267
LIABILITIES					
Creditors					
Distribution payable on income shares		(28,784)		(13,031)	
Other creditors	9	<u>(12,125)</u>		<u>(59,659)</u>	
Total liabilities			<u>(40,909)</u>		<u>(72,690)</u>
Net assets attributable to shareholders			<u><u>3,618,157</u></u>		<u><u>2,190,577</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. Accounting policies

(a) The financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014. The functional currency is Sterling.

(b) Dividends on equities are recognised when the security is quoted ex-dividend. Other revenue is accounted for on a receipts basis.

Equalisation received by the way of distributions from OEICs/unit trust investment is not included in revenue but is reflected as a reduction in the book cost of that investment.

(c) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.

(d) Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

(e) All expenses are accounted for on an accruals basis and are charged to the capital of the Fund.

(f) Quarterly distributions are paid to all holders of income shares and tax vouchers will be issued to shareholders.

(g) The listed investments of the Fund have been valued at bid market prices at the closing valuation point on 31 March 2017.

(h) 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 31 March 2017.

(i) 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.

(j) In certain circumstances the ACD may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Fund, is intended to cover certain charges not included in the bid market value of the Fund, used in calculating the share price, which could have a diluting effect on the performance of the Fund.

(k) Equalisation will be applied to the Company. An allocation of income to be made in respect of each Share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum ("income equalisation") representing the ACD's best estimate of the amount of income included in the price of that Share.

The amount of income equalisation in respect of any share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD's best estimate of the amounts of income included in the price of shares in that class issued or sold in the annual or interim period in question and dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

		From 21.09.15 to 31.03.16
2 Net capital gains	31.03.17	
The net capital gains comprise:	£	£
Non-derivative securities gains –unrealised	196,754	20,000
realised	595	-
Transaction charges	(331)	(2,520)
Currency gains	37,207	7,174
Total net capital gains	<u>234,225</u>	<u>24,654</u>
		From 21.09.15 to 31.03.16
3 Revenue	31.03.17	
	£	£
UK dividends	99,391	13,128
Unfranked income	-	380
Unfranked interest	463	195
AMC rebate	-	25,708
Total revenue	<u>99,854</u>	<u>39,411</u>
		From 21.09.15 to 31.03.16
4 Expenses	31.03.17	
	£	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD fee	49,766	16,440
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,143	9,012
Safe custody fee	3,838	1,368
	<u>21,981</u>	<u>10,380</u>
Other expenses		
Audit fee	8,100	8,100
FCA fee	110	159
Investment Association fee	124	301
Legal fees	1,200	-
	<u>9,534</u>	<u>8,560</u>
Total expenses	<u>81,281</u>	<u>35,380</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

		From 21.09.15 to 31.03.16
	31.03.17	31.03.16
	£	£
5. Taxation		
(a) Analysis of charge in the year		
Irrecoverable income tax	-	-
Total tax charge for the year (note 5b)	<u>-</u>	<u>-</u>
(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 (20%). The differences are explained below:		
Net revenue before taxation	<u>18,573</u>	<u>4,031</u>
Corporation tax at 20%	3,715	806
<u>Effects of:</u>		
Revenue not subject to taxation	(19,878)	(2,626)
Current year expenses not utilised	16,163	1,820
Total tax charge for year (note 5a)	<u>-</u>	<u>-</u>
(c) Provision for deferred taxation		
At 31 March 2017 there is a potential deferred tax asset of £17,983 (2016: £1,820) 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	31.3.17	From 21.09.15 to 31.03.16
	£	£
Interim distributions	67,076	3,583
Final dividend distribution	<u>44,334</u>	<u>17,910</u>
	111,410	21,493
Add: Revenue deducted on cancellation of shares	535	1
Deduct: Revenue received on issue of shares	<u>(12,091)</u>	<u>(7,791)</u>
Total finance costs	<u>99,854</u>	<u>13,703</u>
Reconciliation of distributions		
Net revenue after taxation	18,573	4,031
Allocations to capital:		
Expenses paid by capital, net of AMC rebate	81,281	9,672
Net distribution for the year	<u>99,854</u>	<u>13,703</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.03.17	31.03.16
	£	£
Amounts receivable for issue of shares	-	59,426
Accrued revenue	10,966	6,038
Prepayments	374	-
Total debtors	<u>11,340</u>	<u>65,464</u>
8 Cash and bank balances	31.03.17	31.03.16
	£	£
Cash and bank balances	<u>404,857</u>	<u>407,985</u>
9 Creditors	31.03.17	31.03.16
	£	£
Purchase of investments	-	47,487
Other accrued expenses	12,125	12,172
Total creditors	<u>12,125</u>	<u>59,659</u>
10. Units held		
Units Held – Class A Net Income		
Opening units at 01.04.16	1,573,040	
Units issued during the year	711,737	
Units cancelled during the year	(56,930)	
Units converted during the year	-	
Closing units at 31.03.17	2,227,847	
Units Held – Class A Net Accumulation		
Opening units at 01.04.16	588,530	
Units issued during the year	557,226	
Units cancelled during the year	(618)	
Units converted during the year	-	
Closing units at 31.03.17	1,145,138	

11. Financial instruments

In pursuing its investment objective as stated on page 1, the Company holds a number of financial instruments. The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Company's financial instruments, those of its underlying holdings and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

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.

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.

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 31 March 2017 would have increased/decreased by £324,287 (2016: £178,982).

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.

The Company's investment portfolio is invested in equities, some of which can be registered overseas and the balance sheet can be affected by movements in foreign exchange rates. The ACD may seek to manage exposure to currency movements for equities and any bank accounts held in foreign currencies by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

A portion of the net assets of the Company is denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency monetary assets and liabilities consist of:

	Net monetary assets and liabilities		Net non-monetary assets and liabilities		Total net assets	
	£		£		£	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Sterling	105,907	231,616	3,242,869	1,776,787	3,348,776	2,008,403
US Dollars	269,381	182,174	-	-	269,381	182,174
Total	375,288	413,790	3,242,869	1,776,787	3,618,157	2,190,577

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Interest rate risk

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

31.03.17			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	135,476	3,254,209	3,389,685
US Dollars	269,381	-	269,381
Total	404,857	3,254,209	3,659,066
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	-	(40,909)	(40,909)
Total	-	(40,909)	(40,909)

31.03.16			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	225,811	1,855,282	2,081,093
US Dollars	182,174	-	182,174
Total	407,985	1,855,282	2,263,267
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	-	(72,690)	(72,690)
Total	-	(72,690)	(72,690)

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.

Maturity of financial liabilities

The financial liabilities of the company as at 31 March 2017 are payable either within one year or on demand.

Liquidity risk

The Company's assets comprise mainly of readily realisable securities. The main liability of the Company is the redemption of any shares that the investors wish to sell. Assets of the Company may need to be sold if insufficient cash is available to finance such redemptions.

Credit risk

Certain transactions in securities that the Company enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Company has fulfilled its responsibilities.

The Company only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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	3,243	-
Total	3,243	-

12. Contingent assets and liabilities

At 31 March 2017, the fund had no contingent liabilities or commitments (2016: none).

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 31 March 2017. Since that date, the Fund's quoted mid price has moved as follows for each share class:

Share Class	Price at 31 March 2017	Price at 17 July 2017
Class A Net Income	105.681	105.070
Class A Net Accumulation	110.432	110.618

14. Portfolio transaction costs

	31.03.17		31.03.16	
Analysis of total purchase costs	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	1,567,170		1,708,542	
Commissions	754	0.05%	1,095	0.06%
Taxes	3,475	0.22%	4,973	0.29%
Total purchase costs	4,229	0.27%	6,068	0.35%
Total purchases including transaction costs	<u>1,571,399</u>		<u>1,714,610</u>	
Analysis of total sale costs	£	% of total sales	£	% of total sales
Sales in year before transaction costs	270,355		-	-
Commissions	(22)	0.01%	-	-
Taxes	-	0.00%	-	-
Total sale costs	(22)	0.01%	-	-
Total sales net of transaction costs	<u>270,333</u>		<u>-</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	776	0.02%	1,095	0.05%
Taxes	3,475	0.12%	4,973	0.23%
	<u>4,251</u>	<u>0.14%</u>	<u>6,068</u>	<u>0.28%</u>

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1 – Shares purchased prior to 01 January 2017

Group 2 – Shares purchased on or after 01 January 2017 and on or before 31 March 2017.

01 January 2017 to 31 March 2017

Class A Net Income	Dividend payable 31.05.2017	Equalisation	Distribution payable 31.05.2017	Distribution paid 31.05.2016
Group 1	1.2733p	0.0187p	1.2920p	0.8284p
Group 2	0.2715p	1.0205p	1.2920p	0.8284p

Class A Net Accumulation	Dividend accumulated 31.05.2017	Equalisation	Distribution accumulated 31.05.2017	Distribution accumulated 31.05.2016
Group 1	1.2947p	0.0633p	1.3580p	0.8291p
Group 2	0.3459p	1.0121p	1.3580p	0.8291p

Interim distribution in pence per share

Group 1 – Shares purchased prior to 28 September 2016

Group 2 – Shares purchased on or after 28 September 2016 and on or before 31 December 2016.

28 September 2016 to 31 December 2016

Class A Net Income	Dividend paid 26.02.2017	Equalisation	Distribution paid 26.02.2017	Distribution paid 26.02.2016
Group 1	0.7382p	0.0118p	0.7500p	0.2000p
Group 2	0.6537p	0.0963p	0.7500p	-

Class A Net Accumulation	Dividend accumulated 26.02.2017	Equalisation	Distribution accumulated 26.02.2017	Distribution accumulated 26.02.2016
Group 1	0.7499p	0.0001p	0.7500p	0.2000p
Group 2	0.7424p	0.0076p	0.7500p	-

Group 1 – Shares purchased prior to 1 July 2016

Group 2 – Shares purchased on or after 1 July 2016 and on or before 27 September 2016.

01 July 2016 to 27 September 2016

Class A Net Income	Dividend paid 30.11.2016	Equalisation	Distribution paid 30.11.2016
Group 1	0.7379p	0.0121p	0.7500p
Group 2	-	0.7500p	0.7500p

Class A Net Accumulation	Dividend accumulated 30.11.2016	Equalisation	Distribution accumulated 30.11.2016
Group 1	0.6330p	0.1170p	0.7500p
Group 2	-	0.7500p	0.7500p

DISTRIBUTION TABLES (Continued)

Group 1 – Shares purchased prior to 01 April 2016

Group 2 – Shares purchased on or after 01 April 2016 and on or before 30 June 2016.

01 April 2016 to 30 June 2016

Class A Net Income	Dividend paid 31.08.16	Equalisation	Distribution paid 31.08.16
Group 1	0.7500p	-	0.7500p
Group 2	0.1031p	0.6469p	0.7500p

Class A Net Accumulation	Dividend accumulated 31.08.16	Equalisation	Distribution accumulated 31.08.16
Group 1	0.7500p	-	0.7500p
Group 2	0.0301p	0.7199p	0.7500p

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 100.00% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 0.00% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

INFORMATION FOR INVESTORS

Distribution

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

Individual shareholders

HM Revenue and 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. However, 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.

Taxation

The company will pay no corporation tax on its profits for the period to 31 March 2017 and capital gains within the Company will not be taxed.

Debts of the ICVC fund

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

Corporate shareholders

Companies resident for tax purposes in the UK which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at a rate of 20% and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

The above information on taxation is only a general summary, and shareholders should consult their own tax advisors in relation to their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

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 (8.30am to 5.30pm). Instructions may be given by email to (odd@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 on each dealing day.

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 on receipt by the purchaser of the contract note and should be made to the Authorised Corporate Director'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 minimum value of shares that a shareholder may hold is £1,000. The ACD may at its discretion accept subscriptions lower than the minimum amount.

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

CORPORATE DIRECTORY

Authorised Corporate Director, Manager & Registrar	Valu-Trac Investment Management Limited Orton Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 E-mail: (odd@valu-trac.com) Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Director	Valu-Trac Investment Management Limited as ACD
Investment Manager	Odd Asset Management Limited Pasture House Juniper Hexham Northumberland UK NE46 1ST Authorised and regulated by the Financial Conduct Authority
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