

# **THE MULBEN INVESTMENT FUNDS**

**(Sub-Funds The VT Global Total Return Fund (formerly known as The VT icf Absolute Return Portfolio) and The VT De Lisle America Fund)**

**Annual Report and Financial Statements  
for the year ended 31 March 2021**

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## COMPANY OVERVIEW

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### Type of Company

The Mulben Investment Funds ("the Company") is an authorised open-ended investment company with variable capital ("ICVC") further to a Financial Conduct Authority ("FCA") authorisation order dated 19 May 2010. The Company is incorporated under registration number IC000816. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes Sourcebook ("COLL") issued by the FCA.

The Company has been set up as an umbrella company. The Company has currently two sub-funds available for investment, The VT Global Total Return Fund and The VT De Lisle America Fund.

### Changes to the company

On 11 November 2020, the Sub-fund VT icf Absolute Return Portfolio changes its name to The VT Global Total Return Fund.

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

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

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

The Authorised Corporate Director is required to keep proper accounting records and 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

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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

David E. Smith MA

Valu-Trac Investment Management Limited  
Authorised Corporate Director

Date 28 July 2021

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

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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 and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
  - > the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
  - > the value of shares 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 respects the Company, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the Investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited  
01 April 2021

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE MULBEN INVESTMENT FUNDS (SUB-FUNDS THE VT GLOBAL TOTAL RETURN FUND AND THE VT DE LISLE AMERICA FUND)**

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**Opinion**

We have audited the financial statements of The Mulben Investment Funds ("the Company") for the year ended 31 March 2021 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, including significant accounting policies 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

> give a true and fair view of the financial position of the Company at 31 March 2021 and of the net revenue/expenses and the net capital gains on the scheme property of the Company for the period then ended; and

> have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

**Basis for Opinion**

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

**Conclusions Relating to Going Concern**

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

**Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on Other Matters Prescribed by the COLL Regulations**

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

> Proper accounting records for the Company have been kept and the accounts are in agreement with those records;

> We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and

> The information given in the report of the Authorised Corporate Director for the period is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE MULBEN INVESTMENT FUNDS (SUB-FUNDS THE VT GLOBAL TOTAL RETURN FUND AND THE VT DE LISLE AMERICA FUND) (Continued)**

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**Responsibilities of the Authorised Corporate Director**

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 2, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal controls as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE MULBEN INVESTMENT FUNDS (SUB-FUNDS THE VT GLOBAL TOTAL RETURN FUND AND THE VT DE LISLE AMERICA FUND) (Continued)**

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**Extent to which an Audit is Considered Capable of Detecting Irregularities, Including Fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide the basis for our opinion. We planned and conducted our audit so as to obtain reasonable assurance of detecting any material misstatements in the financial statements resulting from irregularities or fraud.

All engagement team members were briefed on relevant laws and regulations and potential fraud risks at the planning stage of the audit. However, the primary responsibility for the prevention and detection of fraud rest with the Authorised Corporate Director. We evaluated management's incentives for fraudulent activity and determined the key risk of fraud to be management override of controls in order to manipulate the financial statements. We determined that the principal risks in this regard were in relation inappropriate journal entries to increase net revenue or to increase the net asset value.

We considered the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. The most significant risk in relation to non-compliance with laws and regulations was deemed to be compliance with the Collective Investment Schemes Sourcebook and the Company's Prospectus.

Audit procedures performed in response to these risks included:

- Evaluating of the control environment designed to prevent and detect irregularities which the Authorised Corporate Director has in place;
- Enquiring of management and those charged with governance regarding any known or suspected instances of non-compliance with laws and regulations and fraud and where they think fraud would most likely to occur and the safeguards put in place.
- Assessing the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur around the key risks of valuation and ownership of investments, and revenue recognition;
- Reviewing of material journal entries during the period;
- Review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity that may indicate management override in the Company's financial statements; and
- Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook and its Prospectus.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Use of Our Report**

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes Sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP  
Chartered Accountants  
Statutory Auditor  
Elgin

Date



## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	The VT Global Total Return Fund
<b>Size of Sub-fund</b>	£3,584,731
<b>Launch date</b>	06 August 2010
<b>Investment objective and policy</b>	<p>The objective of the Sub-fund is to achieve capital and income growth over the long term (5 years). Capital is in fact at risk, and there is no guarantee that the investment objective will be achieved over a five year, or any, period.</p> <p>The Sub-fund will seek to achieve its objective by investing at least 70% in collective investment schemes (both active and index tracker and which may include those managed and/or advised by the ACD or Investment Manager) to actively gain exposure (indirectly) to a broad range of asset classes (including equities, bonds (both investment grade and sub-investment grade), commodities, infrastructure and property) on a global basis, including emerging markets (those markets whose economies are in an emerging growth phase and offer higher potential return with higher risks than developed market countries).</p> <p>The Sub-fund may also invest directly in shares in companies, corporate and government bonds (both investment grade and sub-investment grade), cash, deposits and money market instruments (such as treasury bills).</p> <p>In managing the Sub-fund, the Investment Manager aims for volatility to be no more than two-thirds of that of the S&amp;P 500.</p> <p>Derivatives may be used by the Sub-fund for efficient portfolio management and hedging.</p> <p>The investment policy is subject to the limitations set out in Appendix B.</p>
<b>Benchmark</b>	<p>The Sub-fund does not have a specific benchmark. However, to gauge the relative performance of the Sub-fund, Shareholders may compare the Sub-fund's performance against Sterling Overnight Index Average (SONIA) (the "Index"). SONIA is published and administered by the Bank of England, further information for which can be obtained from <a href="https://www.bankofengland.co.uk/markets/sonia-benchmark">https://www.bankofengland.co.uk/markets/sonia-benchmark</a>.</p> <p>The Index has been recommended for comparison purposes as it a common standard which will allow assessment as to whether shareholders' investments are growing in real terms over a time period which is consistent with the Sub-fund's long-term investment horizon.</p> <p>Performance comparisons against the Index may be least representative during periods of very strong performance (either positive or negative) in particular markets and comparison should be made over periods of at least 5 years in order to reduce the impact of short-term performance.</p>
<b>Authorised Corporate Director (ACD)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	31 March, 30 September
<b>Distribution dates</b>	31 May, 30 November
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

## SUB-FUND OVERVIEW (continued)

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### Minimum investment

Lump sum subscription: (currently only the class F are open)	Class A Net Accumulation = £1,000 Class B Net Accumulation = £250,000 Class F Net Accumulation = £1,000,000
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Top-up:	All share classes = £500
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Holding:	Class A Net Accumulation = £1,000 Class B Net Accumulation = £250,000* Class F Net Accumulation = £1,000,000
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Redemption:	All share classes = £500
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The ACD may waive the minimum levels at its discretion.

\* This figure is £100,000 for those investing prior to 11 November 2020

### ACD charges 01 April 2020 to 10 November 2020

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 £12,500 per annum+ plus:

The variable element in respect of the Class A shares is equal to 1.50% per annum of the net asset value of the Class A shares.

The variable element in respect of the Class B shares is equal to 1.00% per annum of the net asset value of the Class B shares.

The variable element in respect of the Class F shares is equal to 0.50% per annum of the net asset value of the Class F shares.

Initial charge	Class A Net Accumulation = 5.0% Class B Net Accumulation = 2.0% Class F Net Accumulation = 0.0%
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### ACD charges 11 November 2020 onwards

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 £12,500 per annum+ plus:

The variable element in respect of the Class A shares is equal to 0.75% per annum of the net asset value of the Class A shares.

The variable element in respect of the Class B shares is equal to 0.65% per annum of the net asset value of the Class B shares.

The variable element in respect of the Class F shares is equal to 0.50% per annum of the net asset value of the Class F shares.

Initial charge	All share classes = 0.0%
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The ACD may waive in full or part the initial charge at its discretion.

+ The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year (from 1 January 2021)). In the event of negative inflation, this fee will remain unchanged

### Changes to Sub-fund

On 11 November 2020, the Sub-fund VT icf Absolute Return Portfolio changes its name to The VT Global Total Return Fund. The investment objective and policy wording was updated to the wording above on 11 November 2020 and that these amendments were made with a view to making the objective and policy simpler and easier to understand. The changes do not change the nature or purpose of the Sub-fund and there is no change to the overall risk profile.

## INVESTMENT MANAGER'S REVIEW

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The year to 31st March 2021 was by far the most extreme in your fund's existence. We will not repeat market history (extraordinary as it was) but look at how your fund has been transformed, from a NAV of £1.12 last March (a level last previously seen in 2014) to £1.35 at the financial year end, by some distance an all time high, and a 20% gain during one of the worst economic disasters in living memory.

### THAT WAS THEN

We start with what failed to work, a decade of patiently and cautiously eking out gains, in the belief that at least the downside was protected, evaporated almost overnight. We were already talking with Monogram Capital Management (MCM), who advised another Real Return fund, and we were both struck by the similarity of our experiences in this category of investing.

Clearly the world had shifted, and we now needed to articulate a different route forward. We still had to protect the downside where possible and our intent remains to hold half our assets in hedge funds, balanced bond/equity portfolios and credit. But we needed to work the other part harder, be more active, be prepared to back a direction in the market, and always look at what was really working.

In short for an active fund, we needed to be more active, and more alert to a world where a slow steady grind higher cannot be taken for granted. MCM also brought in an experienced investor in Charles Gillams and alongside that a fresh set of choices and possibilities.

MCM run a quite separate systemic strategy, based on momentum in major markets. While trend following is the antithesis of our active macro driven approach, the results it produces enforce a certain fierce discipline. Funds simply cannot remain below average, or ignore global trends, when the comparison is a low-cost momentum model. Far too much money is tied up in Absolute Return funds that try to ignore this simple truth. The Monogram model very clearly shows that to perform in modern markets growth and global growth at that, must be a strong focus, they are not optional.

### THIS IS NOW

So, we embarked on a relaunch, adding MCM as fund advisor (alongside icf as fund manager) and Charles as co-manager, we renamed the fund, to reflect both the previous MCM fund and the new global approach and a focus on total return. We welcomed the investors from that MCM fund aboard, we are very pleased to have them, and hope they will both add funds and generate further profit from their investments to date.

At the same time, we refreshed the management fee structure, and updated a number of prospectus areas. By mid-November the Financial Conduct Authority had approved all the changes. That done we modified our approach, added a growth bucket and global section to the existing three defensive ones of global macro, hedge and credit and set about reviewing the portfolio.

In the new growth sector, we are, at this stage of the economic cycle, focused on big listed (and we believe) cheap private equity funds. They are both typically strong performers coming out of a recession and also stocks many investors are nervous of. We of course major on performance, and performance while keeping volatility lower (our measure is less than two thirds of the S&P 500), but we also want to provide exposure and expertise that is not easily found elsewhere. These funds fit the bill and are in an area where Charles has also been active and investing in for several decades.

On the global side, we have perhaps found life less obvious, we have three themes, areas that the COVID recession will have hurt severely, but which will revive, this includes insurance, where a new rate cycle has been triggered (as many of us know to our cost) and property, especially European logistics holdings, that the e-shopping world has created great demand for. While our other global theme has been BREXIT, not seeking to take a position on it, as such, but convinced the demise of the UK economy had been rather over-stated.

The final global element was to invest in the Far East, including China, which seemed to be the rising power, having largely avoided the wrenching dislocation of the pandemic. That is less about recovery than a clear secular trend.

### STEADY AS SHE GOES

Having said all that, while our aim was to be more active, we have also both been involved in fund management for long enough to know that haste can be the foe of returns. We still want a focused portfolio, we held sixteen investments at the end of March, up from twelve the previous year, but for all the above, we still have over half last year's positions (seven), although often at a different weighting.

We took a long hard look at the Hedge Funds, but are aware when they get it right, they can give exceptional performance, especially in volatile markets. By some way the LF Brook fund has been a star performer, we sold about two thirds of this over the year, but the holding is still valued at just 10% less, it has been superb, and we will rebuild that, when we can.

Within Global Macro, the holdings had crept up, in value and number. While the March 2020 dip (and bounce back) really showed who was properly awake in the sector. Our policy is to hold the best we can, at the most sensible valuation available (not always easy). We have also learnt not to let these creep to a premium to NAV, as that seldom endures. This area has seen the most culling.

This was where a number of other Absolute Return type holdings were held. Having ourselves grown wary of the feasibility of sensible returns in this space, we were harsh with similar strategies. We remain staggered by the tens of billions left stranded in UK portfolios, held by well-known names, tagged Absolute Return, that absolutely don't produce any returns. It is past time they thought of switching to funds like ours.

While pure credit, never a large position, has, given the predicted interest rate rises over the next years, been trimmed to a shadow. Again, when times call for it, we will rebuild, but that is not now.

### LEARN MORE

A few closing thoughts, we are alert to costs, and aware that although a 50% increase in fund size since last year end has helped, we must remain vigilant. Our monthly fact sheets also list, as a matter of policy every holding, they are on our websites or are sent automatically to our mailing list. The focus on good funds is primary, but global macro analysis is not far behind. We continue to circulate and publish a review from Andrew Hunt (of the Way AHEad Research Ltd) monthly. Charles writes a fortnightly blog, which when it is not too dull to do so, also has economic analysis, these blogs are periodically collected in book form, please let us know if you would like a signed copy, they explain how the fund advisors are thinking and indeed where they sometimes get it wrong.

As ever please contact us with questions, queries or ideas, they are always welcome.

We remain delighted to have you on board.

Mark Lynam icf management limited  
Investment Manager to the Fund  
Charles Gillams Monogram Capital Management Ltd  
Adviser to icf management limited  
11 June 2021

## PERFORMANCE RECORD

### Financial Highlights

Class F Net Accumulation GBP		Year to 31 March 2021	Year to 31 March 2020	Year to 31 March 2019
Changes in net assets per unit		GBP	GBP	GBP
	Opening net asset value per unit	112.5406	119.6433	120.2347
	Return before operating charges	25.5476	(4.0928)	1.9275
	Operating charges (note 1)	(2.8372)	(3.0099)	(2.5189)
	Return after operating charges *	22.7104	(7.1027)	(0.5914)
	Closing net asset value per unit	135.2510	112.5406	119.6433
	Retained distribution on accumulated units	-	-	-
	*after direct transactions costs of:	0.1611	0.0348	0.0600
Performance				
	Return after charges	20.18%	(5.94%)	(0.49%)
Other information				
	Closing net asset value	£3,589,706	£2,632,090	£4,362,094
	Closing number of units	2,654,108	2,338,791	3,645,915
	Operating charges (note 2)	2.29%	2.48%	2.07%
	Direct transaction costs	0.13%	0.03%	0.05%
Prices				
	Highest unit price	135.99	125.38	123.88
	Lowest unit price	112.19	109.81	118.90

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 Sub-fund together with the ongoing charges included within the underlying Open Ended Investment Companies and investment trusts held within the Sub-fund's holdings.

### Risk Profile

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The lowest category does not mean "risk free".

## PORTFOLIO STATEMENT

As at 31 March 2021

Holding	Security	Value (Note 1g) £	Total Net Assets %
<b>Investment Companies 81.22% (2020 – 90.60%)</b>			
572	Personal Assets Trust PLC	258,830	7.22
62,000	Dexion Absolute Ltd**	-	-
93,672	Ruffer Investment Company PRF	270,712	7.55
45,163	LF Brook Absolute Return GBP Inst Acc	203,422	5.67
40,723	Polar Capital Global Insurance Fund F GBP Acc	316,220	8.82
1,250	Vontobel Fund - TwentyFour Absolute Return Credit Fund	147,650	4.12
180,000	JPM Global Macro Opportunities C Net Acc	315,360	8.80
7,000	Vanguard FTSE 250 UCITS ETF	244,370	6.82
11,809	RIT Capital Partners Ord	282,235	7.87
5,159	Pantheon International PKC	134,650	3.76
6,782	Harbourvest Global Private Equity	135,742	3.79
10,000	Pershing Square Ord NPV	256,500	7.16
2,700	Vanguard FTSE Japan UCITS ETF	70,889	1.98
425	ISHRS MSCI EM ASIA UCITS USD ETF	63,019	1.76
4,577	TB Amati UK Smaller Companies B Acc	71,945	2.01
18,000	TR Property Investment Trust PLC	70,605	1.97
35,000	HANSA INV.A"A" Non VTG Ord 1P (DI)	68,950	1.92
		<b>2,911,099</b>	<b>81.22</b>
<b>Liquidity Funds 9.20% (2020 – 9.15%)</b>			
330,000	Invesco Sterling Liquidity Portfolio	330,000	9.20
14	Deutsche Managed Sterling Fund	14	-
		<b>330,014</b>	<b>9.20</b>
<b>Derivatives - Forward Currency Contract (0.00%) (2020 - (0.18%))</b>			
		<b>-</b>	<b>-</b>
<b>Investment assets (2020 - 99.57%)</b>		<b>3,241,113</b>	<b>90.42</b>
<b>Net other assets (2020 - 0.76%)</b>		<b>348,595</b>	<b>9.72</b>
<b>Adjustment to revalue assets from mid to bid prices (2020 - (0.33%))</b>		<b>(4,977)</b>	<b>(0.14)</b>
<b>Net assets</b>		<b>3,584,731</b>	<b>100.00</b>

\*\*Dexion Absolute Limited is an unquoted security and is valued by the ACD's fair value pricing committee at fair value.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
<b>Total sales for the year (note 14)</b>	<b>3,029,143</b>
BH Macro Limited GBP	133,072
First Private Wealth A	223,460
IFSL Brooks Macdonald Defensive Capital C Acc	274,375
iShares MSCI All Country Asia ex Japan ETF	86,344
iShares MSCI EAFE ETF	85,567
iShares S&P Global Technology Sector Index Fund	84,486
iShares UK Gilts 0-5yr UCITS ETF GBP (Dist)	353,847
LF Odey Absolute Return GBP Inst Acc	180,000
Liontrust Sustainable Future Absolute Growth 2 Acc	273,916
MI Metropolis Value Fund S Acc	241,642
Pyrford Global Total Return (Sterling) C Acc	296,552
RIT Capital Partners PLC	71,213
Ruffer Investment Company Ltd	68,778
STIC GBP Liquidity Portfolio Institutional Inc	535,000
Vontobel Fund TwentyFour Abs Ret Credit Fund I	117,950
Dexion (liquidation)	2,869
Absolute Return Trust For Chari PFD	72

	£
<b>Total purchases for the year (note 14)</b>	<b>3,011,128</b>
Hansa Investment Company Ltd "A" Ord	68,634
HarbourVest Global Private Equity Ltd	120,195
iShares MSCI All Country Asia ex Japan ETF	79,280
iShares MSCI EAFE ETF	79,921
iShares MSCI EM Asia UCITS ETF USD (Acc)	69,072
iShares S&P Global Technology Sector Index Fund	79,958
iShares UK Gilts 0-5yr UCITS ETF GBP (Dist)	354,745
Liontrust Sustainable Future Absolute Growth 2 Acc	250,031
Pantheon International PLC	120,782
Pershing Square Holdings Ltd	263,462
Personal Assets Trust PLC	89,391
Polar Capital Global Insurance F GBP Acc	73,565
RIT Capital Partners PLC	270,790
Ruffer Investment Company Ltd	45,022
STIC GBP Liquidity Portfolio Institutional Inc	625,000
TB Amati UK Smaller Companies B Acc	70,000
TR Property Investment Trust PLC	68,687
Vanguard FTSE 250 UCITS ETF GBP Dist	212,790
Vanguard FTSE Japan UCITS ETF	69,803

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

## STATEMENT OF TOTAL RETURN

For the year ended 31 March 2021

		2021	2020
	Notes	£	£
Income			
Net capital gains/(losses)	2	631,301	(89,112)
Revenue	3	16,144	6,710
Expenses	4	(60,091)	(56,987)
Interest payable and similar charges	6	(1,872)	-
Net expenses before taxation		(45,819)	(50,277)
Taxation	5	-	-
Net expenses after taxation		(45,819)	(50,277)
Total return before distributions		585,482	(139,389)
Finance costs: distributions	6	-	-
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>585,482</b>	<b>(139,389)</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2021

	2021	2020
	£	£
<b>Opening net assets attributable to shareholders</b>	2,623,472	4,356,910
Amounts receivable on creation of shares	1,624,142	41,318
Amounts payable on cancellation of shares	(1,248,811)	(1,636,264)
Dilution levy	446	897
Changes in net assets attributable to shareholders from investment activities (see above)	585,482	(139,389)
<b>Closing net assets attributable to shareholders</b>	<b>3,584,731</b>	<b>2,623,472</b>



## BALANCE SHEET

As at 31 March 2021		2021		2020	
	Notes	£	£	£	£
<b>Assets</b>					
Investment assets			3,236,136		2,608,166
<b>Current Assets</b>					
Debtors	7	1,487		525	
Cash and bank balances	8	762,303		380,598	
<b>Total current assets</b>			763,790		381,123
<b>Total assets</b>			3,999,926		2,989,289
<b>Liabilities</b>					
Currency hedge			-		(4,714)
<b>Current liabilities</b>					
Creditors	9	(12,846)		(11,542)	
Bank overdrafts	8	(402,349)		(349,561)	
<b>Total current liabilities</b>			(415,195)		(361,103)
<b>Net assets attributable to shareholders</b>			3,584,731		2,623,472

## NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 March 2021

### 1 Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and to the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

#### (b) Recognition of revenue

Revenue is included in the statement of total return on the following basis:

Dividends on quoted equities are recognised when the shares are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distribution revenue.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

#### (c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distribution revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

#### (d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue for the year on an accruals basis.

#### (e) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Where overseas tax has been deducted from overseas income that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation purposes, calculated at the rate at which it is anticipated the timing difference will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not there will be taxable profits in the future against which the deferred tax asset can be offset.

#### (f) Distribution policy

The net revenue after taxation, as disclosed, in the financial statements, after adjustments for items of a capital nature, is distributable to shareholders as dividend distributions. Any revenue deficit is funded from capital.

The balance of revenue is distributed to investors via an interim and final distribution in accordance with the regulations.

Distributions not claimed within a six year period will be forfeited and added back to the capital property of the Sub-fund.

#### (g) Basis of valuation of investments

Listed investments are valued at close of business bid prices, excluding any accrued interest in the case of fixed interest securities.

Collective investment schemes are valued at published bid prices for dual priced funds and at published price for single priced funds, on the last business day of the accounting period.

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

#### (h) Exchange rates

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transaction. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into Sterling at the closing exchange rate ruling on that date.

#### (i) Dilution levy

The ACD may require a dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for redemption) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances; where the scheme property is in continual decline; on a Sub-fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of its opinion that the interests of remaining shareholders require the imposition of a dilution levy.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 2 Net capital gains/(losses)

	2021	2020
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	638,851	(81,565)
Derivative securities (losses)	(2,861)	(21,426)
Transaction charges	(326)	(70)
Currency (losses)/gains	(4,363)	13,949
Total net capital gains/(losses)	631,301	(89,112)

### 3 Revenue

	2021	2020
	£	£
Franked (Cash Dividends)	14,357	5,753
Overseas dividends	1,232	-
Unfranked (Interest Distributions)	529	463
Bank interest	26	494
Total revenue	16,144	6,710

### 4 Expenses

	2021	2020
	£	£
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
ACD fee	29,161	30,413
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	17,963	18,136
Safe custody fee	216	840
	18,179	18,976
Audit fee	6,881	6,957
FCA fee	59	42
Investment Association fees	96	302
Legal fees	3,600	180
LEI fees	117	117
	10,753	7,598
Other expenses	1,998	-
Total expenses	60,091	56,987

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 Taxation

2021 2020

£ £

#### (a) Analysis of charge in the year

Irrecoverable income tax

Total tax charge for the year (note 5b)

-	-
-	-

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2020: 20.00%) The differences are explained below:

Net expenses before UK corporation tax

Corporation tax at 20.00% (2020:20.00%)

Effects of:

Revenue not subject to UK corporation tax

Excess management expenses

Total tax charge for year (note 5a)

(45,819)	(50,277)
(9,164)	(10,055)
(3,118)	(1,151)
12,282	11,206
-	-

#### (c) Provision for deferred taxation

At 31 March 2021 there is a potential deferred tax asset of £130,532 (31 March 2020: £118,250) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

### 6 Finance costs

2021 2020

£ £

Interim dividend distribution

Final dividend distribution

-	-
-	-
-	-

Add: Revenue deducted on cancellation of shares

Deduct: Revenue received on issue of shares

-	-
-	-

#### Net distribution for the year

Interest payable and similar charges

Total finance costs

-	-
1,872	-
1,872	-

#### Reconciliation of distributions

Net expenses after taxation

Net deficit paid by capital

Net distribution for the year

(45,819)	(50,277)
45,819	50,277
-	-

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>31.03.21</b>	<b>31.03.20</b>
	<b>£</b>	<b>£</b>
Accrued revenue	1,487	525
Total debtors	<u>1,487</u>	<u>525</u>

<b>8 Cash and bank balances</b>	<b>31.03.21</b>	<b>31.03.20</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	762,303	380,598
Bank overdrafts	<u>(402,349)</u>	<u>(349,561)</u>

<b>9 Creditors</b>	<b>31.03.21</b>	<b>31.03.20</b>
	<b>£</b>	<b>£</b>
<b>Amounts payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	4,070	2,244
<b>Amounts payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	1,627	1,574
Safe custody and other bank charges	<u>170</u>	<u>756</u>
	1,797	2,330
Other accrued expenses	<u>6,979</u>	<u>6,968</u>
Total creditors	<u>12,846</u>	<u>11,542</u>

## 10 Shares Held

### Shares Held - Class F Net Accumulation GBP

<b>Opening Shares at 01.04.20</b>	<b>2,338,791</b>
Shares issued during the year	1,326,813
Shares cancelled during the year	(1,011,496)
Shares converted during the year	-
<b>Closing Shares as at 31.03.21</b>	<b>2,654,108</b>

## 11 Risk Management

In pursuing its investment objective as stated on page 7, the Sub-fund holds a number of financial instruments. The Sub-fund'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 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 Sub-funds' 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 Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund'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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 11 Risk Management (Continued)

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 31.03.21 would have increased/decreased by £323,614 (2020: £260,345).

#### Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities, and the balance sheet can be affected by movements in foreign exchange rates. The ACD may seek to manage exposure to currency movements 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 Sub-fund 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 assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets and liabilities		Total net assets	
	£		£		£	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
Sterling	348,044	20,020	3,236,136	2,388,438	3,584,180	2,408,458
US dollar	551	-	-	-	551	-
Euro	-	-	-	215,014	-	215,014
Total	348,595	20,020	3,236,136	2,603,452	3,584,731	2,623,472

#### Interest rate risk

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

31.03.21				
Currency	Floating rate financial assets	Investment in liquidity funds	Financial assets not carrying interest	Total
	£	£	£	£
Sterling	761,752	330,014	2,907,609	3,999,375
US Dollar	551	-	-	551
Total	762,303	330,014	2,907,609	3,999,926
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Sterling	(402,349)	-	(12,846)	(415,195)
Total	(402,349)	-	(12,846)	(415,195)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 11 Financial instruments (Continued)

31.03.20				
Currency	Floating rate financial assets	Investment in liquidity funds	Financial assets not carrying interest	Total
	£	£	£	£
Sterling	380,598	240,014	2,153,663	2,774,275
Euro	-	-	215,014	215,014
Total	380,598	240,014	2,368,677	2,989,289
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Sterling	(349,561)	-	(16,256)	(365,817)
Total	(349,561)	-	(16,256)	(365,817)

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

#### Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 March 2021 are payable either within one year or on demand.

#### Liquidity risk

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund 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. Credit risk also arises on cash held within financial institutions and debt securities. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund.

#### 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 value levels in these financial statements are as follows:

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

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

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

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

Valuation Technique	Assets (£000's)	Liabilities (£000's)
A Quoted prices for identical instruments in active markets	3,236	-
C2 Fair value based on a valuation technique that relies significantly on non-observable market data.	-	-
Total	3,236	-

For Dexion Absolute Limited, the fair value pricing committee feels that it is appropriate to include the security in the portfolio of investments with no value as the security is in liquidation with little prospect of a distribution to shareholders.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12 Contingent assets and liabilities

At 31 March 2021, the Sub-fund had no contingent liabilities or commitments (31 March 2020: £nil).

### 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 March 2021. Since that date, the Sub-fund's quoted price has moved as follows for the following share class:

Share Class	Price at 31 March 2021 GBp	Price at 29 July 2021 GBp
Class F Net Accumulation GBP	135.2510	139.3638

### 14 Direct transaction costs

	2021		2020	
Analysis of total purchase costs	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	3,007,028		600,970	
Commissions	1,354	0.04%	-	0.00%
Taxes	2,733	0.09%	-	0.00%
Levies	13	0.00%	-	0.00%
Total purchase costs	4,100	0.13%	-	0.00%
Total purchases including transaction costs	3,011,128		600,970	

	£	% of total sales	£	% of total sales
Analysis of total sale costs				
Sales in the year before transaction costs	3,029,593		2,104,246	
Commissions	(442)	(0.01%)	(707)	0.03%
Levies	(8)	(0.00%)	(4)	0.00%
Total sale costs	(450)	(0.01%)	(711)	0.03%
Total sales net of transaction costs	3,029,143		2,103,535	

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

	2021	% of average net asset	2020	% of average net asset
	£		£	
Commissions	1,796	0.05%	707	0.03%
Taxes	2,733	0.08%	-	0.00%
Levies	21	0.00%	4	0.00%
	4,550	0.13%	711	0.03%



## SUB-FUND OVERVIEW

<b>Name of Sub-fund</b>	The VT De Lisle America Fund
<b>Size of Sub-fund</b>	£54,939,531
<b>Launch date</b>	06 August 2010
<b>Investment objective and policy</b>	<p>The Sub-fund will aim to achieve capital and income growth over the long term (5 years).</p> <p>The Sub-fund will invest primarily in equities and other investments in America (and may also invest in Canada). The Sub-fund will invest in, predominantly, listed securities, typically common stock and American Depositary Receipts listed on US exchanges, including exchange traded funds. The Sub-funds may invest in collective schemes, transferable securities, cash deposits and money market funds, permitted by the FCA Rules.</p> <p>The investment policy is subject to the limitations set out in Appendix B of the Prospectus, save in relation to derivatives and investment in collective investment schemes, for which see below.</p>
<b>Investment restriction</b>	The Sub-fund may not invest more than 10% of its value in other collective investment schemes and may not invest in other Sub-funds of the Company.
<b>Benchmark</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the ACD use a benchmark in order to assess performance.</p> <p>However, the performance of the Sub-fund can be compared to that of the S&amp;P 500.</p> <p>The performance of the Sub-fund can be compared against that of the benchmark. This benchmark has been selected as it is considered that this index most closely reflects the investments which the Sub-fund will make (and its risk/return objectives) at the current time. For the avoidance of doubt, the Investment Manager is not bound or influenced by the index when making its decisions and can make investments that are not included in the index.</p>
<b>Authorised Corporate Director (ACD)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	31 March, 30 September
<b>Distribution dates</b>	31 May, 30 November
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.
<b>Minimum investment</b>	
Lump sum subscription:	All net accumulation share classes £1,000 (or \$1,000)
Top-up:	All net accumulation share classes £500 (or \$500)
Holding:	All net accumulation share classes £1,000 (or \$1,000)
Redemption:	All net accumulation share classes £500 (or \$500)
The ACD may waive the minimum levels at its discretion.	
<b>ACD charges</b>	
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 £12,500 per annum, is taken from A Class and B Class shares pro-rata to their net asset value.	
The variable element in respect of the A Class shares (£) is equal to 1.50% per annum of the net asset value of the A Class shares (£). However this share class is currently unavailable.	
The variable element in respect of the B Class shares (£) is equal to 1.00% per annum of the net asset value of the B Class shares (£)	
The variable element in respect of the B Class shares (\$) is equal to 1.00% per annum of the net asset value of the B Class shares (\$)	
Initial charge	Class A Net Accumulation GBP = 0.0% Class B Net Accumulation GBP = 0.0% Class B Net Accumulation USD = 0.0%

## INVESTMENT MANAGER'S REVIEW

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### Investment Objectives & Policy

The VT De Lisle America Fund seeks to achieve capital appreciation by principally investing in US smaller companies. We have 130 holdings of which none are large cap. Our mean market cap is \$402 million and our median is \$364 million as at year-end, 31st March 2021.

Our largest holding remains F S Bancorp, which ended the year at 7.7% of the Fund. The second largest holding remains Johnson Outdoors, which had a good year and is 6.5% of the Fund. We first started buying it at \$9 in 2010 and it finished the year at \$143.

### Manager's Review

The share classes within the VT De Lisle America Fund rose by 117.99% for the US dollar class and rose by 95.25% for the sterling class. The sterling class rose less because over the period the pound rose from \$1.24 to \$1.38 and the Fund does not hedge its US dollar exposure. The two share classes have the same value per share if measured in a single currency. In the period, the Fund's assets under management rose from \$27 million to \$76 million, of which \$12 million was from new investment and \$37 million was from share price appreciation.

As I review the previous year's report, everything has reversed. Indeed it is the polar opposite. In last year's 'Outlook' that we said that our relative performance would change as MMT bites did indeed happen. My opinion is that the Kondratieff cycle finally turned in August 2020, with the bond peak, and the move to value was accelerated by the election on November 3rd and the move to small cap by the vaccine on November 9th. Our relative performance is again best measured by our nearest indices:

S&P 500: +53.71%

S&P 400 (mid cap): +81.09%

Russell 2000 (small cap): +92.57%

S&P 600 (small cap): +93.42%

Community Bank ETF (proxy for our 32% in banks): +73.93%

S&P 600 value component (300 small cap value stocks): +101.60%

We are nearest to the last two of these, being a value fund and being overweight community banks with a 32.4% weighting at period end. This weighting was down from 40.0% as they failed to distinguish themselves in the rebound compared with our other holdings.

Last year I wrote that we were at an extreme harking back to 1904 for the undervaluation of value stocks to growth stocks. Remarkably, this extreme was pushed further until the end of August 2020. 1904 was when Standard Oil was at maximum power with 91% of US oil production and 85% of sales. Charged with antitrust in 1906, it was broken up in 2011, at which point its market share was down to 64%. The summer of 2020 showed large cap growth at an even greater price extreme.

Nevertheless, the elastic band has started ping-pong back and with enough gusto to hurt the fingers. If we take the 53.71% of the S&P 500 against our +117.99%, we can see we are coming back well. Although the S&P 500 comprises the big 500, it had become distorted by a hatful of tech stocks which had become worth more than a trillion dollars and, in this summer of extremis, it is fair to say that more than 40% of the S&P 500 was weighted to large cap tech.

We outperformed all our comparable indices by being in the Great Outdoors for experiential millennials and doubling down when the pandemic hit, as detailed in our monthlies. We pressed the bet, maintained faith in our community banks as they flat-lined as though dead through the summer and pivoted to new experiential ideas on the vaccine announcement.

The election and the vaccine in early November accelerated the movement into our stocks. We retained an alternative approach so that while others perceived Zoom and Netflix as Stay at Home stocks, we saw the theme in Kirklands (John Lewis type retailer) and Blue Lynx (a builders' merchant) in July. By year-end Kirklands had risen 9 fold to \$28 from our \$2.96 entry price and Blue Lynx had doubled. We had similar experiences in the Great Outdoors with Horizon Global (tow-bars for trailers, caravans) going up 6 fold from purchase in summer 2020 to year-end.

## INVESTMENT MANAGER'S REVIEW (Continued)

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Additionally, the community banks started to rally sharply as the market reluctantly recognised they weren't going bust. By January they were the only part of the banking sector to report an up year, spurred on by their closeness to their customers which only got closer as they became the chief administrators of the Payment Protection Plan (PPP) loans.

By December we were expressing our pivot to experiential plays to follow the path of pandemics past. To some that meant Disney, to us it meant Build-a-Bear and Sally Beauty (teenage hair colouring and body adornment). As I write in mid-May, these two have both doubled and are in the Fund's top 10 holdings at 2.2% and 2.7% respectively.

If we had played these ideas and others with conviction, we would have achieved far stronger performance than we did. However, in the one-year period that this report covers, the +117.99% we did report made us number 1 of 220 North American funds listed in the UK and number 4 of all 4237 funds listed in the UK according to Financial Express.

### Outlook

With growth, the re-opening and the infrastructure plan in prospect we see more of the same. A video on the website on the 100-year history of small and value investments indicates we expect to be back in the zone for a long, long time. Small and value has been underperforming large-cap growth worldwide since 2004 and in the first ten years from our launch we've watched small and value undergoing its worst ever run. This is all over now as our children will look back and marvel that in the summer of 2020 a third of sovereign debt had negative yields, with the P/E's on growth stretched concomitantly.

Today, we continue to press our bets in the Great Outdoors and in Experiences, based on the premise that behavioural change has been affected by the pandemic more deeply than markets currently acknowledge. Cultural norms have been changed and we're effectively a different species.

One way this is playing out is in society's increasing concern for the environment and cultural diversity. Increasingly investors and their agents want to be sure that their money is being invested responsibly in companies that take these issues seriously. We have always avoided the 'sin' stocks such as oil, weapons and gambling but going forward we are taking a closer look at our portfolio. We have recently appointed an ESG officer, Gill Charlton, who will be assessing our stock portfolio to ensure we are investing in companies that, on balance, help rather than harm the planet and society. Gill is an investigative journalist who has always embraced ESG values. She has travelled widely and is familiar with manufacturing locations that even the outsourcing companies themselves may not have visited. She will be contacting all our investments to gain an understanding of their inherent culture.

Recently the surge in activity due to reopening and the changed cultural norms has caused supply chain pressures and the biggest monthly commodity price rises in 50 years in April. While these are bottlenecks and are several decades too early to portend structural inflationary pressure, we predict that the bottlenecks will remain tighter and longer than expected and cause quite a scare. We are positioning for this by moving into a variety of primary producers and intermediaries who will, in their turn, wrap their price increases on like pass the parcel in reverse.

While an inflationary scare, even a transitory one, will bring down the elevated P/E of the S&P 500 we would not expect our own portfolio to get smashed up by it. In the disinflationary times, we got hit in 2008 and we got hit in March 2020 as growth hit the wall and small & value collapsed. Today we are facing the highest GNP growth in prospect in a lifetime. If this causes supply side (shorter term) inflation which surprises in its length and strength - because of the abandon with which it is embraced in the new Roaring 20s - it may be a grim surprise for high multiple growth stocks. Conversely, in our neck of the woods, these are quality problems to have because our small-cap stocks benefit from the heightened economic activity and concomitant inflation. It is not our turn to get smashed up any more.

De Lisle Partners LLP  
Investment Manager to the Fund  
02 June 2021

## PERFORMANCE RECORD

### Financial Highlights

Class B GBP Net Accumulation		Year to 31 March 2021	Year to 31 March 2020	Year to 31 March 2019
Changes in net assets per unit		GBP	GBP	GBP
	Opening net asset value per unit	274.7168	339.3753	350.5309
	Return before operating charges	266.2377	(60.6045)	(7.0217)
	Operating charges (note 1)	(4.5827)	(4.0540)	(4.1339)
	Return after operating charges *	261.6550	(64.6585)	(11.1556)
	Closing net asset value per unit	536.3718	274.7168	339.3753
	Retained distributions on accumulation shares	1.7559p	2.9786p	2.1643p
	*after direct transactions costs of:	1.3497	0.5527	0.4829
Performance				
	Return after charges	95.25%	(19.05%)	(3.18%)
Other information				
	Closing net asset value	£33,283,608	£12,289,856	£14,801,445
	Closing number of units	6,205,324	4,473,646	4,361,379
	Operating charges (note 2)	1.13%	1.11%	1.12%
	Direct transaction costs	0.33%	0.18%	0.14%
Prices				
	Highest unit price	562.86	394.93	419.40
	Lowest unit price	254.05	265.03	309.34

Class B USD Net Accumulation		Year to 31 March 2021	Year to 31 March 2020	Year to 31 March 2019
Changes in net assets per unit		USDc	USDc	USDc
	Opening net asset value per unit	219.1735	288.3823	319.6502
	Return before operating charges	262.5438	(65.8631)	(27.7442)
	Operating charges (note 1)	(3.9378)	(3.3457)	(3.5237)
	Return after operating charges *	258.6060	(69.2088)	(31.2679)
	Closing net asset value per unit	477.7795	219.1735	288.3823
	Retained distributions on accumulation shares	1.1365c	1.9468c	1.4167c
	*after direct transactions costs of:	1.1597	0.4568	0.4256
Performance				
	Return after charges	117.99%	(24.00%)	(9.78%)
Other information				
	Closing net asset value	\$30,057,976	\$14,274,346	\$19,581,249
	Closing number of units	6,291,182	6,512,805	6,790,030
	Operating charges (note 2)	1.13%	1.11%	1.12%
	Direct transaction costs	0.33%	0.18%	0.14%
Prices				
	Highest unit price	505.03	332.80	350.10
	Lowest unit price	201.72	197.73	253.50

## PERFORMANCE RECORD (Continued)

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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 Sub-fund.

### **Risk Profile**

Based on past data, the Sub-fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked 6 because funds of this type have experienced significant rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.

## PORTFOLIO STATEMENT

As at 31 March 2021

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
<b>Financials 38.55% (2020 – 45.32%)</b>			
16,119	American National Bankshares Inc (Virginia) com	395,807	0.73
2,000	Ameris Bancorp	77,491	0.15
4,292	Bank of South Carolina	70,620	0.13
5,000	Bank OZK	150,315	0.27
6,548	BCB Bancorp Inc Common Stock	68,060	0.12
13,065	Bar Harbor Bankshares Common Stock	280,707	0.51
15,575	C B Financial Services Inc	259,889	0.47
32,705	CF Bankshares Inc	465,880	0.85
22,238	Central Pacific Financial Corp. Common Stock	435,702	0.79
15,741	Colony Bancorp	179,109	0.33
5,000	Customers Bancorp Inc	115,656	0.21
22,324	Evans Bancorp	567,557	1.03
37,361	Fauquier Bankshares Inc	568,309	1.03
10,000	First Busey Corporation	187,752	0.34
16,288	First Business Financial Services Inc	300,190	0.55
19,118	First National Corporation	251,081	0.46
55,690	First United Corporation	772,461	1.41
85,875	F S Bancorp Inc	4,205,209	7.65
5,145	Hingham Institution for Savings	1,050,847	1.91
7,491	Home Bancorp	199,157	0.36
5,591	HV Bancorp	80,192	0.15
19,939	Landmark Bancorp Inc Common USD0.01	388,558	0.71
29,850	MBIA Inc	206,587	0.38
62,378	Medallion Financial Corp	323,384	0.59
28,270	Mercantile Bank Corp	676,308	1.23
32,308	Mid Penn Bancorp Inc Common USD1	655,301	1.19
3,948	Nicolet Bankshares Inc	243,745	0.44
15,551	Northrim BanCorp Inc	486,717	0.89
11,000	OFG Bancorp Common Stock	178,594	0.33
20,375	Oregon Bancorp Inc	755,024	1.37
27,682	People's Bancorp of North Carolina Inc NPV	489,767	0.89
43,968	Plumas Bancorp	957,611	1.74
23,227	Salient Midstream & MLP Fund Common Shares of Beneficial Interest	84,299	0.15
8,798	Salisbury Bancorp	298,694	0.54
14,697	Select Bancorp Inc	123,287	0.22
8,302	Southern First Bancshares	280,950	0.51
55,071	Southern National Bancorp of Virginia Inc	603,217	1.10
10,000	Sterling Bancorp Inc	40,907	0.07
50,564	Timberland Bancorp	1,022,831	1.86
32,773	Tortoise Energy Infrastructure Corporation Common Stock	572,696	1.04
66,749	Townebank	1,483,845	2.70
4,361	Village Bank And Trust Financial Corp	126,953	0.23
24,975	United Insurance Holdings Corp.	131,201	0.24
4,000	West Bancorporation	71,076	0.13
28,588	Westwood Holdings Group Inc	300,985	0.55
		<b>21,184,528</b>	<b>38.55</b>
<b>Real Estate 0.14% (2020 – 0.00%)</b>			
10,000	Paramount Group Inc	75,312	0.14
		<b>75,312</b>	<b>0.14</b>
<b>Communication 0.00% (2020 – 0.34%)</b>			
		-	-

**PORTFOLIO STATEMENT (Continued)**

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
<b>Consumer Staples 0.80% (2020 – 0.25%)</b>			
20,000	Coty Inc. Class A Common Stock	133,185	0.24
15,000	Limoneira Co	186,590	0.34
14,797	Rocky Mountain Chocolate Factory Inc USD0.03	57,144	0.10
10,000	Willamette Valley Vineyards, Inc	66,157	0.12
		<b>443,076</b>	<b>0.80</b>
<b>Materials 4.11% (2020 – 5.07%)</b>			
7,000	Barrick Gold Corporation	99,206	0.18
10,000	Cleveland-Cliffs Inc Common Shares	125,302	0.23
52,105	Friedman Industries, Incorporated Common Stock	315,557	0.57
49,200	Rayonier Advanced Materials Inc Common Stock, par value \$0.01	324,775	0.59
18,170	Steel Partners 6% Preferred	265,035	0.48
35,615	Synalloy Corporation	231,606	0.42
22,476	UFP Technologies	817,774	1.49
24,000	Venator Materials PLC Ordinary Shares	80,914	0.15
		<b>2,260,169</b>	<b>4.11</b>
<b>Consumer Discretionary 36.21% (2020 – 25.09%)</b>			
223,282	Build-A-Bear Workshop, Inc Common Stock	1,138,085	2.07
3,000	Cannae Holdings, Inc Common Stock	85,818	0.16
32,157	Cedar Fair	1,154,472	2.10
183,994	Crown Crafts Inc	1,021,387	1.86
24,299	Escalade, Incorporated	374,386	0.68
99,763	Horizon Global Corp	756,406	1.38
35,041	Johnson Outdoors Inc Class 'A' USD0.05	3,576,968	6.51
35,900	Kirkland's Inc	710,159	1.29
18,089	Lazydays Holdings Inc	228,169	0.42
4,000	LCI Industries	388,526	0.71
12,000	Malibu Boats Inc	692,170	1.26
42,529	MarineMax	1,573,964	2.86
108,177	Marine Products Corp USD0.1	1,302,812	2.37
37,855	MasterCraft Boat Holdings Inc	734,254	1.34
6,900	M/I Homes Inc	294,268	0.54
11,063	Myers Industries, Inc Common Shares	157,511	0.29
17,648	OneWater Marine Inc	504,840	0.92
22,000	Party City Holdco Inc. Common Stock	91,515	0.17
1,000	RH Common Stock	435,696	0.79
99,873	Sally Beauty Holdings, Inc, Common Stock	1,479,286	2.69
61,766	Select Interior Concepts, Inc	317,294	0.58
9,291	Strattec Security Corp	316,275	0.58
28,636	Superior Group of Companies Inc	528,701	0.96
4,858	Thor Industries, Inc. Common Stock	479,612	0.87
2,000	Vail Resorts, Inc. Common Stock	421,775	0.77
12,600	Winnebago Industries	704,578	1.28
8,000	YETI Holdings, Inc. Common Stock	416,194	0.76
		<b>19,885,121</b>	<b>36.21</b>
<b>Energy 2.29% (2020 – 0.68%)</b>			
50,000	Birchcliff Energy Ltd	75,817	0.14
36,300	Dawson Geophysical Company	65,807	0.12
27,746	Earthstone Energy, inc Class A Common Stock	146,161	0.27
25,375	FTS International	450,794	0.82
19,000	Geospace Technologies Corporation	125,767	0.23
48,400	Macro Enterprises Inc	82,879	0.15
5,000	MPLX LP Common units representing limited partner	91,969	0.17
10,000	Murphy Oil Corporation Common stock	120,942	0.22
35,000	W & T Offshore, Inc Common Stock	92,441	0.17
		<b>1,252,577</b>	<b>2.29</b>

**PORTFOLIO STATEMENT (Continued)**

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
<b>Industrials 8.83% (2020 – 13.10%)</b>			
27,303	Alta Equipment Group	262,758	0.48
18,845	BGSF INC	187,248	0.34
18,956	Blue Bird Corporation	335,106	0.61
15,600	BlueLinx Holdings Common Stock	444,612	0.81
20,876	Builders FirstSource Inc	696,231	1.27
23,000	DLH Holdings Corporation	169,707	0.31
7,200	DXP Enterprises, Inc	161,836	0.29
7,877	Eastern Company	153,215	0.28
2,110	Espey Manufacturing and Electronics Corp	24,047	0.04
47,641	Gencor Industries Inc	455,024	0.83
43,971	Jewett-Cameron Trading Ltd	336,904	0.61
10,642	L.B. Foster Company	137,367	0.25
130,266	Manitex International	745,375	1.36
20,000	NN Inc Common	99,035	0.18
25,482	Orion Group Holdings	110,535	0.20
10,000	Steel Partners Holdings L.P. Common Units	101,506	0.18
21,671	Sterling Construction Company	354,523	0.65
33,821	Virco Manufacturing Corporation	76,672	0.14
		<b>4,851,701</b>	<b>8.83</b>
<b>Information Technology 3.53% (2020 – 5.68%)</b>			
769	BM Technologies	6,459	0.01
92,331	Computer Task Group Inc USD0.01	642,697	1.17
4,000	Dun & Bradstreet holding, Inc. Common Stock	69,477	0.13
66,487	Wayside Technology Group Inc USD0.01	1,221,257	2.22
		<b>1,939,890</b>	<b>3.53</b>
<b>Health 3.33% (2020 – 6.13%)</b>			
10,000	Agenus Inc	19,654	0.04
13,000	Affimed N.V.	69,379	0.13
9,976	Bicycle Therapeutics	196,145	0.36
8,000	HOOKIPA Pharma Inc	77,397	0.14
1,400	LHC Group	191,764	0.35
25,176	Kewaunee Scientific Corporation	223,081	0.41
3,710	National Research Corporation	125,537	0.23
7,954	Pennant Group INC	256,343	0.47
7,000	Provention Bio	51,955	0.09
3,000	SQZ Biotechnologies Company Common Stock	27,923	0.05
8,600	The Ensign Group Inc	578,976	1.05
1,000	Xenon Pharmaceuticals Inc	12,646	0.01
		<b>1,830,800</b>	<b>3.33</b>
<b>Investment assets (2020 – 101.66%)</b>		<b>53,723,174</b>	<b>97.79</b>
<b>Net other assets (2020 – (0.91%))</b>		<b>1,400,449</b>	<b>2.55</b>
<b>Adjustment to revalue assets from mid to bid prices (2020 – (0.75%))</b>		<b>(184,092)</b>	<b>(0.34)</b>
<b>Net assets</b>		<b>54,939,531</b>	<b>100.00</b>



## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total sales for the year (note 14)</b>	<b>29,113,550</b>
Amazon.com	5,018,570
Microsoft Corporation	1,240,383
Cedar Fair L.P	1,107,198
Patrick Industries Inc	1,069,792
LGI Homes, Inc	704,666
B & G Foods Inc	699,760
NVIDIA Corporation	642,117
National Research Corporation	639,919
Regeneron Pharmaceuticals Inc	621,849
YETI Holdings, Inc common Stock	621,749

	£
<b>Total purchases for the year (note 14)</b>	<b>36,441,196</b>
Amazon.com	3,596,345
Cedar Fair L.P	2,179,024
Sally Beauty Holdings	927,825
Build-a-Bear Workshop	880,517
Microsoft Corporation	772,490
First United Corporation	663,064
YETI Holdings, Inc common Stock	635,643
B & G Foods Inc	617,441
NVIDIA Corporation	602,249
Regeneron Pharmaceuticals Inc	600,886

The above transactions represent the top 10 the sales and purchases during the period.

## STATEMENT OF TOTAL RETURN

For the year ended 31 March 2021

		2021	2020
	Notes	£	£
Income			
Net capital gains/(losses)	2	22,352,445	(5,864,388)
Revenue	3	653,397	734,727
Expenses	4	(401,002)	(360,804)
Interest payable and similar charges	6	(1,246)	-
Net revenue before taxation		251,149	373,923
Taxation	5	(98,393)	(113,983)
Net revenue after taxation		152,756	259,940
Total return before distributions		22,505,201	(5,604,448)
Finance costs: distributions	6	(152,756)	(259,940)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>22,352,445</b>	<b>(5,864,388)</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2021

	2021	2020
	£	£
<b>Opening net assets attributable to shareholders</b>	23,661,669	29,649,146
Amounts receivable on creation of shares	16,195,448	6,519,606
Amounts payable on cancellation of shares	(7,466,746)	(6,917,986)
Distribution accumulated	171,921	264,150
Dilution levy	24,794	11,141
Changes in net assets attributable to shareholders from investment activities (see above)	22,352,445	(5,864,388)
<b>Closing net assets attributable to shareholders</b>	<b>54,939,531</b>	<b>23,661,669</b>

## BALANCE SHEET

As at 31 March 2021	Notes	31.03.21		31.03.20	
		£	£	£	£
<b>Fixed Assets</b>					
Investment assets			53,539,082		23,877,767
<b>Current Assets</b>					
Debtors	7	553,382		275,585	
Cash and bank balances	8	<u>1,986,303</u>		<u>1,908,695</u>	
<b>Total current assets</b>			<u>2,539,685</u>		<u>2,184,280</u>
<b>Total assets</b>			56,078,767		26,062,047
<b>Current Liabilities</b>					
Creditors	9	<u>(1,139,236)</u>		<u>(2,400,378)</u>	
<b>Total current liabilities</b>			<u>(1,139,236)</u>		<u>(2,400,378)</u>
<b>Net assets attributable to shareholders</b>			<u>54,939,531</u>		<u>23,661,669</u>

## NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 March 2021

### 1 Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and to the amendments to the SORP issued by the IA in June 2017. The functional currency is US dollars and the presentational currency is Sterling.

#### (b) Recognition of revenue

Revenue is included in the statement of total return on the following basis:

Dividends on quoted equities and preference shares are recognised when the shares are quoted ex-dividend.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

#### (c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distribution revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

#### (d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue for the year on an accruals basis.

#### (e) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Where overseas tax has been deducted from overseas income that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation purposes, calculated at the rate at which it is anticipated the timing difference will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not there will be taxable profits in the future against which the deferred tax asset can be offset.

#### (f) Distribution policy

The net revenue after taxation, as disclosed, in the financial statements, after adjustments for items of a capital nature, is distributable to shareholders as dividend distributions. Any revenue deficit is funded from capital.

The balance of revenue is distributed to investors via an interim and final distribution in accordance with the regulations.

Distributions not claimed within a six year period will be forfeited and added back to the capital property of the Sub-fund.

#### (g) Basis of valuation of investments

Listed investments are valued at close of business bid prices, excluding any accrued interest in the case of fixed interest securities.

#### (h) Exchange rates

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transaction. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into Sterling at the closing exchange rate ruling on that date.

#### (i) Dilution levy

The ACD may require a dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for redemption) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances; where the scheme property is in continual decline; on a Sub-fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of its opinion that the interests of remaining shareholders require the imposition of a dilution levy.

#### (j) Equalisation

Equalisation will be applied to the Sub-fund. 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 allocations 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 shares may be the actual amount of income included in the issue price of the shares 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)

<b>2 Net capital gains/(losses)</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	22,330,792	(5,817,219)
Transaction charges	(3,914)	(4,973)
Currency gains/(losses)	25,567	(42,196)
Total net capital gains/(losses)	<u>22,352,445</u>	<u>(5,864,388)</u>
<b>3 Revenue</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Overseas dividends	653,380	730,762
Bank interest	17	3,965
Total revenue	<u>653,397</u>	<u>734,727</u>
<b>4 Expenses</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
ACD fee	12,474	12,594
<b>Payable to the Investment Manager, associates of the Investment Manager, and agents of either of them:</b>		
Investment manager's fee	<u>355,721</u>	<u>319,719</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary fee	17,963	18,136
Safe custody and transaction fees	5,708	2,966
	<u>23,671</u>	<u>21,102</u>
<b>Other expenses:</b>		
Audit fee	7,107	6,938
FCA fee	65	36
Investment Association fee	164	235
Legal fees	1,800	180
	<u>9,136</u>	<u>7,389</u>
<b>Total expenses</b>	<u>401,002</u>	<u>360,804</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2021	2020
	£	£
<b>(a) Analysis of charge in the year</b>		
Irrecoverable income tax	98,393	113,983
Total tax charge for the year (note 5b)	98,393	113,983
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2020:20.00%). The differences are explained below:		
Net revenue before UK corporation tax	251,149	373,923
Corporation tax at 20.00% (2020:20.00%)	50,230	74,785
<u>Effects of:</u>		
Revenue not subject to UK Corporation tax	(130,676)	(146,152)
Current year expenses not utilised	80,447	71,368
Overseas tax expenses	98,393	113,983
Total tax charge for year (note 5a)	98,393	113,983
<b>(c) Provision for deferred taxation</b>		
At 31 March 2021 there is a potential deferred tax asset of £583,894 (31 March 2020: £503,447) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
<b>6 Finance costs</b>	<b>2021</b>	<b>2020</b>
	£	£
Interim dividend distribution	47,131	97,225
Final dividend distribution	124,790	164,123
	171,921	261,348
Add: Revenue deducted on cancellation of shares	9,188	16,216
Deduct: Revenue received on issue of shares	(28,353)	(17,624)
<b>Net distribution for the year</b>	152,756	259,940
Interest payable and similar charges	1,246	-
<b>Total finance costs</b>	154,002	259,940
<b>Reconciliation of distributions</b>		
Net revenue after taxation	152,756	259,940
<b>Net distribution for the year</b>	152,756	259,940

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>31.03.21</b>	<b>31.03.20</b>
	£	£
Overseas dividends	33,008	41,221
Outstanding trade settlements	-	202,263
Income tax recoverable	22,217	20,746
Outstanding subscriptions	498,157	11,355
Total debtors	<u>553,382</u>	<u>275,585</u>

<b>8 Cash and bank balances</b>	<b>31.03.21</b>	<b>31.03.20</b>
	£	£
Cash and bank balances	<u>1,986,303</u>	<u>1,908,695</u>

<b>9 Creditors</b>	<b>31.03.21</b>	<b>31.03.20</b>
	£	£
<b>Amounts payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	<u>1,130</u>	<u>1,093</u>

<b>Amounts payable to the Investment Manager, associates of the Investment Manager, and agents of either of them</b>		
Investment manager's fee	<u>49,883</u>	<u>20,861</u>

<b>Amounts payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	1,627	1,574
Safe custody and other bank charges	<u>2,797</u>	<u>5,300</u>
	4,424	6,874
Other expenses:		
Audit fee	7,004	6,900
FCA fee	<u>5</u>	<u>7</u>
	7,009	6,907

Outstanding redemptions	626,005	877,526
Outstanding trade settlements	<u>450,785</u>	<u>1,487,117</u>
Total creditors	<u>1,139,236</u>	<u>2,400,378</u>

## 10 Shares Held

### Shares Held - Class B Net Accumulation GBP

<b>Opening Shares at 01.04.20</b>	<b>4,473,646</b>
Shares issued during the year	3,242,718
Shares cancelled during the year	(1,511,040)
Shares converted during the year	-
<b>Closing Shares as at 31.03.21</b>	<b>6,205,324</b>

### Shares Held - Class B Net Accumulation USD

<b>Opening Shares at 01.04.20</b>	<b>6,512,805</b>
Shares issued during the year	146,251
Shares cancelled during the year	(367,874)
Shares converted during the year	-
<b>Closing Shares as at 31.03.21</b>	<b>6,291,182</b>

## 11 Risk Management

In pursuing its investment objective as stated on page 23, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments, 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 11 Risk Management (continued)

The main risks arising from the Sub-fund'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 Sub-fund'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 Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund'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 31.03.21 would have increased/decreased by £5,353,908 (2020: £2,387,777).

#### Foreign currency risk

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

The Sub-fund's investment portfolio is invested in overseas equities, and the balance sheet can be affected by movements in foreign exchange rates.

A portion of the net assets of the Sub-fund is denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements. If foreign exchange rates 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 31.03.21 would have increased/decreased by £5,325,135 (2020: £2,478,756).

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
Sterling	1,688,181	(1,125,893)	-	-	1,688,181	(1,125,893)
Canadian dollars	1,067	-	198,213	-	199,280	-
US Dollar	(288,799)	909,795	53,340,869	23,877,767	53,052,070	24,787,562
Total	1,400,449	(216,098)	53,539,082	23,877,767	54,939,531	23,661,669

#### Interest rate risk

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

31.03.21			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	1,325,094	553,382	1,878,476
Canadian dollars	1,067	198,213	199,280
US Dollar	660,142	53,340,869	54,001,011
Total	1,986,303	54,092,464	56,078,767
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	-	(688,451)	(688,451)
US Dollar	-	(450,785)	(450,785)
Total	-	(1,139,236)	(1,139,236)



## 11 Financial instruments (Continued)

31.03.20			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	998,899	-	998,899
US Dollar	909,796	24,153,352	25,063,148
Total	1,908,695	24,153,352	26,062,047
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	-	(913,261)	(913,261)
US Dollar	-	(1,487,117)	(1,487,117)
Total	-	(2,400,378)	(2,400,378)

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

**Maturity of financial liabilities**

The financial liabilities of the Sub-fund as at 31 March 2021 are payable either within one year or on demand.

**Liquidity risk**

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund 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. Credit risk also arises on cash held within financial institutions and debt securities. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund.

**Fair value disclosure**

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

- A Fair value based on a quoted price for an identical instrument in an active market.
- B Fair value based on the price of a recent transaction for an identical instrument.
- C1 Fair value based on a valuation technique using observable market data.
- C2 Fair value based on a valuation technique that relies significantly on non-observable market data.

Valuation Technique	Assets (£000's)	Liabilities (£000's)
A Quoted prices for identical instruments in active markets	53,539	
Total	53,539	-

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12 Contingent assets and liabilities

At 31 March 2021, the Sub-fund had no contingent liabilities or commitments (31 March 2020: £nil).

### 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 March 2021. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share Class	Price at 31 March 2021	Price at 29 July 2021
	GBp	GBp
Class B Net Accumulation GBP	536.3718	551.1031
	USc	USc
Class B Net Accumulation USD	477.7795	497.8928

### 14 Direct transaction costs

Analysis of total purchase costs	2021	% of total	2020	% of total
	£	purchases	£	purchases
Purchases in the year before transaction costs	36,378,036		17,646,468	
Commissions	63,160	0.17%	24,673	0.14%
Taxes & levies	-	0.00%	-	0.00%
Total purchase costs	63,160	0.17%	24,673	0.14%
Total purchases including transaction costs	36,441,196		17,671,141	

Analysis of total sale costs	£	% of total sales	£	% of total sales
Sales in the year before transaction costs	29,165,639		17,616,554	
Commissions	(51,284)	(0.18%)	(25,316)	0.14%
Taxes & levies	(805)	(0.00%)	(345)	0.00%
Total sale costs	(52,089)	(0.18%)	(25,661)	0.14%
Total sales net of transaction costs	29,113,550		17,590,893	

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

	2021	% of average net asset value	2020	% of average net asset value
	£		£	
Commissions	114,444	0.33%	49,989	0.16%
Taxes & levies	805	0.00%	345	0.00%
	115,249	0.33%	50,334	0.16%

## DISTRIBUTION TABLES

### Final distribution in pence per share

Group 1: Shares purchased prior to 01 October 2020

Group 2 : Shares purchased on or after 01 October 2020 and on or before 31 March 2021

01 October 2020 to 31 March 2021

<b>Class B Net Accumulation GBP</b>	<b>Distribution accumulated 28.05.21</b>	<b>Equalisation</b>	<b>Distribution accumulated 28.05.2021</b>	<b>Distribution accumulated 29.05.2020</b>
Group 1	1.2142p	-	1.2142p	1.8807p
Group 2	0.1461p	1.0681p	1.2142p	1.8807p

<b>Class B Net Accumulation USD</b>	<b>Distribution accumulated 28.05.21</b>	<b>Equalisation</b>	<b>Distribution accumulated 28.05.2021</b>	<b>Distribution accumulated 29.05.2020</b>
Group 1	0.7859c	-	0.7859c	1.2282c
Group 2	0.6785c	0.1074c	0.7859c	1.2282c

### Interim distribution in pence per share

Group 1: Shares purchased prior to 01 April 2020

Group 2 : Shares purchased on or after 01 April 2020 and on or before 30 September 2020

01 April 2020 to 30 September 2020

<b>Class B Net Accumulation GBP</b>	<b>Distribution accumulated 29.11.2020</b>	<b>Equalisation</b>	<b>Distribution accumulated 29.11.2020</b>	<b>Distribution accumulated 29.11.2019</b>
Group 1	0.5417p	-	0.5417p	1.0979p
Group 2	0.3973p	0.1444p	0.5417p	1.0979p

<b>Class B Net Accumulation USD</b>	<b>Distribution accumulated 29.11.2020</b>	<b>Equalisation</b>	<b>Distribution accumulated 29.11.2020</b>	<b>Distribution accumulated 29.11.2019</b>
Group 1	0.3506c	-	0.3506c	0.7186c
Group 2	0.3506c	-	0.3506c	0.7186c

### 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

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### Authorised Status

The Mulben Investment Funds is incorporated in England and Wales as an ICVC under registration number IC000816. The shareholders are not liable for the debts of the Company.

The Company is authorised by the FCA as a UCITS Scheme under the COLL Sourcebook and is an umbrella company for the purposes of the OEIC Regulations. Each Fund would be a UCITS Scheme if it had a separate authorisation order. The effective date of the authorisation order made by the FSA (predecessor of the FCA) was 19 May 2010.

### Head Office

Valu-Trac Investment Management Limited, Level 13, Broadgate Tower, 20 Primrose Street, London, EC2A 2EW.

### Base Currency

The base currency of the Company is Pounds Sterling.

### Share Capital

The minimum share capital of the Company is £1 and the maximum is £150,000,000,000.

### Structure of the Company

The Mulben Investment Funds is structured as an umbrella company. Provision exists for an unlimited number of sub-funds, and at the date of this report two sub-funds, The VT Global Total Return Fund and The VT De Lisle America Fund are authorised.

### Classes of Shares

The Company can issue different classes of share in respect to any sub-fund.

### Valuation Point

The scheme property of the Company and each sub-Fund will normally be valued at 12:00 mid day on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

The ACD reserves the right to revalue the Company or any Sub-Fund at any time if it considers it desirable to do so, with the Depositary's approval.

### Buying and Selling of Shares

The ACD will accept orders for the purchase and sale of shares on normal business days between 8.30am and 5.30pm. Instructions to buy or sell shares may either be in writing to:

Valu-Trac Investment Management Limited  
Orton, Fochabers, Moray, IV32 7QE

Or by email to;

icf@valu-trac.com for deals relating to The VT Global Total Return Fund

delisle@valu-trac.com for deals relating to The De Lisle America Fund

A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

### 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.fundlistings.com](http://www.fundlistings.com). Neither, the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

### Other information

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

**Remuneration:** Information about the authorised fund manager (AFM) remuneration policies and disclosures is available from Valu-Trac Investment Management Limited on its website which can be found on the link below.  
<https://www.valu-trac.com/VIML%20Remuneration%20Policy%20Statement.pdf>

The AFM does not employ any staff directly from the fund, so there are no quantitative disclosures in this report.

## CORPORATE DIRECTORY

<b>Authorised Corporate Director, Administrator &amp; Registrar</b>	<p>Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: icf@valu-trac.com delisle@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
<b>Director</b>	Valu-Trac Investment Management Limited as ACD
<b>Investment Managers</b>	<p>For the VT icf Absolute Return Portfolio: icf management limited Unit 1, Gibbs Reed Pashley Road Ticehurst Wadhurst East Sussex TN5 7HE</p> <p>For the VT de Lisle America Fund: De Lisle Partners LLP 3 Firs Lane Poole Dorset BH14 8JG</p> <p>Both authorised and regulated by the Financial Conduct Authority</p>
<b>Fund Managers</b>	<p>The VT Global Total Return Fund Mark Lynam Charles Gillams</p> <p>The VT De Lisle America Fund Richard de Lisle</p>
<b>Depositary</b>	<p>NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Auditor</b>	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>

# Statement by the Authorised Fund Manager (AFM) to the shareholders of The VT Global Total Return Fund on the outcome of the AFM's assessment of the value provided to shareholders

For the year ended 31 March 2021

This assessment is to establish what The VT Global Total Return Fund (the fund), formerly known as the VT icf Absolute Return Portfolio has delivered to you in return for the price you have had to pay.

The AFM is the Authorised Corporate Director of the Fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Manager is icf management limited.

The fund was launched on 6 August 2010.

The objective of the fund is to achieve capital and income growth over the long term (5 years). Capital is in fact at risk, and there is no guarantee that the investment objective will be achieved over a five year, or any, period.

The fund will seek to achieve its objective by investing at least 70% in collective investment schemes (both active and index tracker and which may include those managed and/or advised by the AFM or Investment Manager) to actively gain exposure (indirectly) to a broad range of asset classes (including equities, bonds (both investment grade and sub-investment grade), commodities, infrastructure and property) on a global basis, including emerging markets (those markets whose economies are in an emerging growth phase and offer higher potential return with higher risks than developed market countries).

The fund may also invest directly in shares in companies, corporate and government bonds (both investment grade and sub-investment grade), cash, deposits and money market instruments (such as treasury bills).

In managing the fund, the Investment Manager aims for volatility to be no more than two-thirds of that of the S&P 500.

Derivatives may be used by the fund for efficient portfolio management and hedging.

Class F Net Accumulation	At and for the year ended <sup>1</sup>				
	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Value of fund (per performance record)	£3,590k	£2,632k	£4,362k	£4,582k	£4,747k
Shares outstanding	2,654k	2,339k	3,646k	3,811k	3,906k
NAV per share	135.25p	112.54p	119.64p	120.23p	121.52p
Dividend Per share	-p	-p	-p	-p	-p
Net gains/(losses) (before expenses)					
Capital gains/(losses)	£632k	(£89k)	£30k	£5k	£202k

Total Net gains/(losses)	£648k	(£82k)	£47k	£16k	£214k
<i>1 Sources of data is Valu-Trac Administration Services</i>					

The fund does not have a specific benchmark. However, the performance of the fund can be assessed by considering whether the objective is achieved (i.e. whether there has been capital growth and income over the long term (+5 years)). Shareholders may also compare the fund's performance against Sterling Overnight Index Average (SONIA).

**Cumulative gain for  
5 years to 31 March  
2021**

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**NAV per share** 14.77%

In carrying out the assessment of value the following criteria were considered:

**1. Quality of service**

The AFM considers that a good level of service was provided to shareholders by all parties involved commensurate to the amount paid by the fund for those services. The AFM monitors the following operational services:

Depository – NatWest Trustee and Depositary Services Limited

Custodian – RBC Investor Services Trust, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP.

These services are essential in ensuring that the fund operated efficiently and in the case of the Depository and Custodian the service is supervised on an on-going daily basis by the AFM. As a shareholder this means that you can be certain that your requests such as investment and redemption of the fund's units will always be carried out exactly as set out in the documentation.

Valu-Trac does not delegate any of the core functions of the fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the shareholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with icf management limited to coordinate mailings such as annual letters and financial reports to avoid excessive correspondence whilst providing all required reporting on a timely and clear basis. This also has ensured that the AFM has responded to any enquiries from shareholders fully and promptly.

**2. Performance**

The AFM has assessed performance of the fund net of all the charges that are outlined in its prospectus. The objective of the Fund is to achieve capital and income growth over the long term (5 years).

To show long-term capital growth, the total returns generated are shown on the table below this is after operating costs, including the fee paid to the investment manager, and transaction costs.

	<b>2021 performance</b>	<b>Annualised 5-year performance</b>
Class F Net Accumulation	20.18%	2.95%

As shown on page 1 however the fund has not provided any income in the period under review or in the past five years and is not meeting the objective of achieving income growth. The AFM does note that the fund has provided capital growth in the period under review compared to five years ago.

To show the fund volatility is no more than two thirds of that of the S&P 500 the below table shows the volatility return of both the fund and the S&P 500.

	1 Year Volatility	5 Year Volatility
VT Global Total Return Fund	6.08%	4.09%
S&P 500	16.53%	14.75%
Fund Volatility as % of S&P 500 Volatility	36.78%	27.72%

The AFM has also assessed the risk taken to achieve the above performance and is satisfied no excessive risk was taken to achieve performance, (detailed analysis on how we have arrived at this conclusion can be provided on request).

### 3. AFM costs - general

The costs charged during the year ended 31 March 2021 were as follows:

	£	% of average fund value
Investment manager's fee	16,687	0.50%
ACD fee	12,474	0.37%
Depositary fee	17,963	0.54%
Audit fee	6,881	0.21%
FCA fee	59	0.00%
Investment Association fee	96	0.00%
LEI fee	117	0.00%
Safe custody fee	216	0.01%
Other fees	1,998	0.06%
Transaction fee (capital)	326	0.01%
Legal fee	3,600	0.11%
<b>Total costs</b>	<b>60,417</b>	<b>1.81%</b>

Gains for the year (capital and revenue) including costs was £585k; there was no taxation.

There were no preliminary charges or redemption charges during the year.

The need to charge a dilution levy will depend on the volume of sale and redemptions. The AFM may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all shareholders and potential Shareholders. In particular, the dilution levy may be charged in the following circumstances:

- i. where over a dealing period the Fund has experienced a large level of net sales or redemptions relative to its size;
- ii. on "large deals". For these purposes are deals in respect of Shares exceeding the sum of: £50,000 in value (or, in respect of Shares denominated in US dollars \$50,000); and
- iii. where the AFM considers it necessary to protect the interests of the Shareholders



The total dilution levy charged in the period under review was £446.

The AFM has considered the costs charged to the fund by comparing the operating charges of the share classes to the average OCF of the largest 10 funds in the IA Absolute Return Section, retail classes where available. This is shown below.

	<b>Operating charges (excluding Legal fees and capital transaction fees)</b>
The VT Global Total Return Fund	2.29%
IA Absolute Return Section (average of 10 largest funds)	1.07%
Source - Morningstar	

The AFM has concluded the costs, and in particular the Investment Manager's fee is appropriate and justified for the fund with the Investment Manager's fee considered competitive for this style of fund at 0.50%. While the OCF of the fund is higher than the comparator it is not considered excessive due to the size of the fund and part of its operating charge being the costs of underlying funds it holds, excluding this the operating charges would be 1.69% which is the above excluding capital transaction fees and legal fees.

#### **4. Economies of scale**

The AFM has assessed to what extent it has been able to achieve any savings as a result of economies of scale. Where any such savings have been made this has in every case been passed on to the shareholders. Some fees, such as the ACD element of the Investment management fee, are charged as a fixed amount. This methodology could result in savings that are made as a result of the increased growth of the fund and AFM. As the AFM grows its total assets across all schemes it uses this purchasing power to benefit all schemes.

#### **5. Comparable market rates**

The AFM has compared the charges of this fund with that of comparable funds. The AFM selected funds that are classified in the IA Absolute Return Section along with similar style funds that the AFM administer. The AFM believes that the shareholders of the fund are achieving efficient market rates as a whole and are not excessive as discussed in section 3. As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

#### **6. Comparable services**

The services provided to this Fund and the costs are also comparable amongst other similar funds operated by the AFM, and is aligned with its normal operating model.

#### **7. Classes of units**

The operating charge for the single class of shares over the past 5 years is as noted below.

	<b>At and for the year ended</b>				
	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
Operating charges	2.29%	2.48%	2.07%	2.13%	2.23%

The IM fee is charged at 0.50% of the fund value, which is a competitive rate for comparable funds.

## **CONCLUSION**

In taking all of these criteria into consideration the AFM concludes that in assessing whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to shareholders, while the fund has not provided any income which is part of the fund's objective, it has provided capital growth in the period under review and over the long-term per its objectives. Therefore, the AFM concludes that the shareholders of VT Global Total Return Fund are receiving good value.

30 July 2021

**Statement by the Authorised Fund Manager (AFM) to the shareholders of The VT De Lisle America Fund on the outcome of the AFM's assessment of the value provided to shareholders**

For the year ended 31 March 2021

This assessment is to establish what The VT De Lisle America Fund (the fund) has delivered to you in return for the price you have had to pay.

The AFM is the Authorised Corporate Director of the Fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Manager is De Lisle Partners LLP.

The fund was launched on 6 August 2010.

The fund will aim to achieve capital and income growth over the long term (5 years).

The fund will invest primarily (70%) in equities and other investments in America (and may also invest in Canada).

The fund will invest in, predominantly (80%), listed securities, typically common stock and American Depositary Receipts listed on US exchanges, including exchange traded funds.

The fund may also invest in collective investment schemes (including those managed and/or operated by the AFM), transferable securities, cash deposits and money market funds as permitted by the FCA Rules.

	<b>At and for the year ended<sup>1</sup></b>				
	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Value of fund (per Performance Record)</b>					
Class B GBP Net Accumulation	£33,284k	£12,290k	£14,801k	£18,591k	£16,699k
Class B USD Net Accumulation	\$30,058k	\$14,274k	\$19,581k	\$21,215k	\$19,222k
<b>Shares outstanding</b>					
Class B GBP Net Accumulation	6,205k	4,474k	4,361k	5,304k	4,705k
Class B USD Net Accumulation	6,291k	6,513k	6,790k	6,637k	6,705k
<b>NAV per share</b>					
Class B GBP Net Accumulation	536.37p	274.72p	339.38p	350.53p	354.89p
Class B USD Net Accumulation	477.78c	219.17c	288.38c	319.65c	286.67c
<b>Dividend per share</b>					
Class B GBP Net Accumulation	1.76p	2.98p	2.16p	0.43p	1.16p
Class B USD Net Accumulation	1.14c	1.95c	1.42c	0.28c	0.78c
<b>Net gains/(losses) (before expenses)</b>					
Capital gains/(losses)	£22,356k	(£5,859k)	(£1,217k)	(£580k)	£9,636k
Total Net gains/(losses)	£23,010k	(£5,125k)	(£518k)	(£131k)	£10,119k

*1 Sources of data is Valu-Trac Administration Services*

The fund does not have a specific benchmark. However, the performance of the Fund can be assessed by considering whether the objective is achieved (i.e. whether there has been capital and income growth over the long term (+5 years)).

**Cumulative gain/(loss) for  
5 years to 31 March 2021**

Class B GBP Net Accumulation	126.0%
Class B USD Net Accumulation	115.7%

The reinvestment of income is included in the above calculations.

In carrying out the assessment of value the following criteria were considered:

**1. Quality of service**

The AFM considers that a good level of service was provided to shareholders by all parties involved commensurate to the amount paid by the fund for those services. The AFM monitors the following operational services:

Depository – NatWest Trustee and Depository Services Limited

Custodian – RBC Investor Services Trust, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP.

These services are essential in ensuring that the fund operated efficiently and in the case of the Depository and Custodian the service is supervised on an on-going daily basis by the AFM. As a shareholder this means that you can be certain that your requests such as investment and redemption of the fund's units will always be carried out exactly as set out in the documentation.

Valu-Trac does not delegate any of the core functions of the fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the shareholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with DeLisle Partners LLP to coordinate mailings such as annual letters and financial reports to avoid excessive correspondence whilst providing all required reporting on a timely and clear basis. This also has ensured that the AFM has responded to any enquiries from shareholders fully and promptly.

**2. Performance**

The AFM has assessed performance of the fund net of all the charges that are outlined in its prospectus. The objective of the fund is to achieve long term capital and income growth.

The Fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.

However, the performance of the Fund can be compared to that of the S&P 500.

To show long-term capital growth, the total returns generated are shown on the table below compared to the S&P 500 comparator. This is after operating costs, including the fee paid to the investment manager, and transaction costs.

	<b>2021 performance</b>	<b>2021 Comparator Performance</b>	<b>Annualised 5-year performance</b>	<b>Annualised 5-year Comparator Performance</b>
Class B GBP Net Accumulation	95.3%	56.39%	25.2%	18.51%
Class B USD Net Accumulation	118.0%	56.39%	23.1%	18.51%

*Total return basis has distributions added back in for the share class.*

The table in page 1 shows the fund has generated income each year in the form of dividends. The below table shows the growth in income in the last five years.

	<b>2021 Income</b>	<b>Annualised 5-year Income</b>
Class B GBP Net Accumulation	1.76p	1.70p
Class B USD Net Accumulation	1.14c	1.12c

The AFM has also assessed the risk taken to achieve the above performance and is satisfied no excessive risk was taken to achieve performance, (detailed analysis on how we have arrived at this conclusion can be provided on request).

### **3. AFM costs - general**

The costs charged during the year ended 31 March 2021 were as follows:

	<b>£</b>	<b>% of average fund value</b>
Investment manager's fee	355,721	1.00%
ACD fee	12,474	0.04%
Depositary fee	17,963	0.05%
Audit fee	7,107	0.02%
FCA fee	65	0.00%
IA fee	164	0.00%
Safe custody and transaction fees	5,708	0.02%
Transaction fees (capital)	3,914	0.01%
Legal fees	1,800	0.01%
<b>Total costs</b>	<b>404,916</b>	<b>1.15%</b>

Gains for the year (capital and revenue) including costs was £22,505k; there was overseas taxation of £98k.

There were no preliminary charges or redemption charges paid by shareholders during the year.

The need to charge a dilution levy will depend on the volume of sale and redemptions. The AFM may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing

Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all shareholders and potential Shareholders. In particular, the dilution levy may be charged in the following circumstances:

- i. where over a dealing period the Fund has experienced a large level of net sales or redemptions relative to its size;
- ii. on “large deals”. For these purposes are deals in respect of Shares exceeding the sum of: £500,000 in value (or, in respect of Shares denominated in US dollars, \$650,000) and
- iii. where the AFM considers it necessary to protect the interests of the Shareholders.

The total dilution levy charged in the period under review was £25k.

The AFM has considered the costs charged to the fund by comparing the operating charges of the share classes to the average OCF of the largest 10 funds in the Morningstar US Small-Cap Equity Allocation, retail classes where available. This is shown below. Note that the operating charges excludes legal fees and Transaction fees (capital) which is why the operating charge below is 0.02% less than the total costs above.

	<b>Operating charges (excluding capital transaction fees and legal fees)</b>
Class B	1.13%
US Small-Cap Equity Allocation (average of 10 largest funds)	1.21%
Source - Morningstar	

The AFM has concluded the costs, and in particular the Investment Manager’s fee is appropriate and justified for the fund with the OCF of the fund being lower than its comparator. The Investment Manager’s fee at 1% is considered appropriate due to the expertise of the manager.

#### **4. Economies of scale**

The AFM has assessed to what extent it has been able to achieve any savings as a result of economies of scale. Where any such savings have been made this has in every case been passed on to the shareholders. An example of this is the depositary fees charges being on a sliding scale so reduce in cost as the fund exceeds certain thresholds. As the AFM grows its total assets across all schemes it uses this purchasing power to benefit all schemes.

#### **5. Comparable market rates**

The AFM has compared the charges of this fund with that of comparable funds. The AFM selected funds that are classified by Morningstar as the US Small-Cap Equity Allocation along with similar style funds that the AFM administer. The AFM believes that the shareholders of the fund are achieving efficient market rates as a whole and are not excessive as discussed in section 3. As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

#### **6. Comparable services**

The services provided to this Fund and the costs are also comparable amongst other similar funds operated by the AFM, and is aligned with its normal operating model.

## 7. Classes of units

The operating charge for the two B class shares (£ and US\$) over the past 5 years is as noted below.

	At and for the year ended				
	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Operating charges	1.13%	1.11%	1.12%	1.15%	1.18%

The IM fee is charged at 1.00% of the fund value as can be seen in section 3.

## CONCLUSION

In taking all of these criteria into consideration the AFM concludes that in assessing whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to shareholders; the shareholders of the VT De Lisle America Fund are receiving good value.

30 July 2021