

**VT GARRAWAY INVESTMENT FUNDS ICVC**  
**(Sub-Fund VT Garraway UK Equity Market Fund)**

**Annual Report and Financial Statements**  
**for the year ended 30 June 2019**



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## COMPANY OVERVIEW

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**Size of Company** £47,236,022

**Launch date** 29 May 2012

### Company objective and policy

The aim of the Sub-fund is to provide a combination of capital growth and income.

The Sub-fund will invest primarily in equity securities primarily of companies which are listed in the UK.

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

### Type of Company

VT Garraway Investment Funds ICVC is an investment company with variable capital incorporated in Great Britain, and having its head office in England, under registered number IC000935 and authorised and regulated by the Financial Conduct Authority ("FCA") with effect from 26 March 2012 (FCA Product Reference Number 573884).

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

The Company is structured as an umbrella comprising a number of Sub-funds. The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. New Sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. If a new Sub-fund is introduced, a new Prospectus will be prepared to set out the required information in relation to that Sub-fund. The only Sub-fund which has been established for the year ended 30 June 2019 is VT Garraway UK Equity Market Fund. The Sub-fund, VT Garraway Asian Centric Global Growth Fund, was launched on 22 July 2019.

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

**Authorised Corporate Director (ACD)** Valu-Trac Investment Management Limited.

**Ex-distribution Dates** 30 June, 30 September, 31 December and 31 March

**Distribution Dates** 31 August, 30 November, last day of February, 31 May

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

**Share Classes**  
Class R Sterling net accumulation shares  
Class R Sterling net income shares  
Class F Sterling net accumulation shares  
Class F Sterling net income shares

<b>Minimum Initial Investment:</b>	Class R Sterling net accumulation shares	£1,000
	Class R Sterling net income shares	£1,000
	Class F Sterling net accumulation shares	£1,000
	Class F Sterling net income shares	£1,000

<b>Minimum Subsequent Investment:</b>	Class R Sterling net accumulation shares	£500
	Class R Sterling net income shares	£500
	Class F Sterling net accumulation shares	£500
	Class F Sterling net income shares	£500

## COMPANY OVERVIEW (Continued)

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<b>Minimum Holding:</b>	Class R Sterling net accumulation shares	£500
	Class R Sterling net income shares	£500
	Class F Sterling net accumulation shares	£500
	Class F Sterling net income shares	£500
<b>Minimum Partial Redemption:</b>	Class R Sterling net accumulation shares	£500
	Class R Sterling net income shares	£500
	Class F Sterling net accumulation shares	£500
	Class F Sterling net income shares	£500
<b>Preliminary Charge:</b>	Class R Sterling net accumulation shares	Nil
	Class R Sterling net income shares	Nil
	Class F Sterling net accumulation shares	Nil
	Class F Sterling net income shares	Nil
<b>Annual Management Charge:</b>	Class R Sterling net accumulation shares	1.75%
	Class R Sterling net income shares	1.75%
	Class F Sterling net accumulation shares	0.85%
	Class F Sterling net income shares	0.85%

The annual management charge may be waived at the discretion of the ACD. The ACD may at its absolute discretion accept investments lower than the relevant maximum.

### Changes to the company

On 22 July 2019, a new Sub-fund, VT Garraway Asian Centric Global Growth Fund, was launched.

# INVESTMENT ADVISER'S REVIEW

## Performance

Cumulative returns for the year ended 30 June 2019

	1 year	2 years	5 years
Class R Shares	0.12	11.47	25.61
Class F Shares	1.05	13.66	31.93
FTSE 350 Index TR*	0.67	9.77	35.49

*Performance based on accumulation shares.*

*Source: Financial Express. Total return, bid to bid. Sterling terms.*

*Note: Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

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## Market Commentary

Over the twelve months to the end of June 2019, the Fund rose 1.05% for the Class F accumulation share class, against an index move of 0.67%. This relative outperformance encompasses a period of significantly increased volatility in equity market moves.

The final quarter of 2018 witnessed sharp falls in equity markets, as worries over the trade war dominated sentiment with its negative impact feeding into global growth forecasts. The gloomy mood was little helped by a relatively 'hawkish' approach adopted by the Fed on the direction of interest rates. Economic data remained mixed, with Europe and China weakening. The fragile nature of EU stability was little helped by political turmoil in Italy. With worries over possible recession surfacing, bond yields deteriorated, and central banks became more public about the need for stimulus, particularly China.

The early months of 2019 witnessed a reversal of negative sentiment, with a more conciliatory tone established between the US and China over trade discussions, some signs from the Fed that interest rates had normalised, and a fourth quarter earnings season that tended to surprise on the upside. US economic data was also more positive, assuaging fears of imminent recession, although 10-year yields have remained under pressure. Common to all markets was a pick-up in both rhetoric and action around the need for stimulus, with China and Japan leading the way, and the ECB talking up the need for an accommodative approach. These themes played out over the first half of 2019, colouring equity market moves, with many markets finishing the period under review at recent highs.

In the background, geopolitical tensions were heightened, with instability in Venezuela and a standoff with Russia over the nuclear accord, and increasing friction with Iran. The rally in the oil price was a feature reflective of these broader tensions.

The UK backdrop has been dominated by the Brexit impasse, fraught with both external and internal hurdles. Sterling has acted as a safety valve, although not as weak as some pundits would suggest. Theresa May's inability to satisfy her audiences with reworked proposals both resulted in an extended timeline, increased fragility for the incumbent government and eventual change in leadership. Economic data was generally more positive than feared with the consumer's resilience offsetting a decline in manufacturing. A rise in wage growth against subdued inflation alleviated some household pressures. The housing market also held up with mortgage approvals steady. Positive government finances allowed Chancellor Hammond to promise substantial Brexit support, a pragmatic approach adopted by his successor and the Bank of England over subsequent months.

## INVESTMENT ADVISER'S REVIEW (Continued)

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### Fund Commentary

Positive returns were helped by our holdings in Ashmore Group, Anglo American, Rio Tinto, IFG Group, which received a bid, Diageo and being underweight British American Tobacco for much of the period. Less helpful were positions in GVC Holdings, WPP, Premier Oil and DS Smith. Not owning AstraZeneca, BHP Billiton and Unilever also detracted.

Over the period under review, we added a position in GVC Holdings, one of the largest global betting and gaming groups. The acquisition of Ladbrokes Coral Group has been an accretive deal, and despite concerns, the company has navigated regulatory changes at home and abroad. Having sold British American Tobacco successfully, after a subsequent period of significant underperformance, we bought back into the stock again. The company's global franchise, margin control and cash generative qualities looked significantly undervalued. We also built up a position in Reckitt Benckiser, following a recalibration of the business model and change in senior management. Within smaller financials, we bought two challenger banks, Secure Trust Bank, with a focus on lower risk business and consumer finance lending, and Charter Court Financial Services Group, a specialist buy-to-let and residential lending firm; the latter has since merged with One Savings Bank. A pick up in corporate activity benefited the portfolio with bids for IFG Group and Shire; we sold both holdings and reinvested proceeds in the aforementioned stocks. We also exited a number of stocks where earnings remained under pressure or share price momentum waned. These included Dixons Carphone, WPP, XPS Pensions Group, Prudential and D S Smith. Shorting activity remained minimal over the year.

### Outlook

Equity markets have begun the fourth quarter nervously with stock price falls fuelled by weaker than expected US manufacturing data, and further downgrades to global growth forecasts from the ongoing trade war. Central banks remain alert to the need to provide stimulus and support, as seen in actions taken in the US, Europe, Japan and China. The UK is not immune to global trends, and combined with acute Brexit uncertainty, both the Governor of the Bank of England and the Chancellor are faced with a tough backdrop. Their pragmatic responses, and considerable expansion promised by the Chancellor have provided some stability for our own domestic market. Like the US, economic data has remained mixed but not the 'melt down' some have been forecasting for the UK. Pressure on manufacturing has been offset by a resilient consumer in an environment of steady employment. We continue to reflect a balance in the portfolio in overseas and domestic earnings, market cap breadth and sector mix. With much priced in for a Brexit malaise, the UK equity market looks attractively rated against its global peers, and our portfolio represents considerable value.

Garraway Capital Management LLP

Investment Adviser to the Fund

## PERFORMANCE RECORD

### Financial Highlights

### Comparative Tables

#### Class I Net Income Shares

2018^

2017

#### Changes in net assets per unit

	GBp	GBp
Opening net asset value per unit	168.3459	164.3655
Return before operating charges	10.3854	11.4849
Operating charges (note 1)	(1.8507)	(1.8075)
Return after operating charges*	8.5347	9.6774
Distributions on income units	(4.4714)	(5.6970)
Closing net asset value per unit at 10 April 2018	172.4092	168.3459
*after direct transaction costs of:	0.0682	0.9649
Performance		
Return after charges	5.07%	5.88%
Other information		
Closing net asset value	-	£712,953
Closing number of units	-	423,505
Operating charges (note 2)	1.16%	1.13%
Direct transaction costs	0.04%	0.58%
Prices		
Highest unit price	188.51	179.80
Lowest unit price	166.73	159.95

^Shares were transferred to F Net Accumulation on 10 April 2018

#### Class I Net Accumulation Shares

2018^

2017

#### Changes in net assets per unit

	GBp	GBp
Opening net asset value per unit	197.6911	186.7976
Return before operating charges	12.1216	12.9605
Operating charges (note 1)	(2.1452)	(2.0670)
Return after operating charges*	9.9764	10.8935
Closing net asset value per unit at 10 April 2018	207.6675	197.6911
Retained distributions	5.2986	6.5763
*after direct transaction costs of:	0.0811	1.1150
Performance		
Return after charges	5.05%	5.83%
Other information		
Closing net asset value	-	£1,821,776
Closing number of units	-	921,526
Operating charges (note 2)	1.16%	1.13%
Direct transaction costs	0.04%	0.58%
Prices		
Highest unit price	224.98	205.61
Lowest unit price	197.25	182.92

^Shares were transferred to F Net Income on 10 April 2018

## PERFORMANCE RECORD (Continued)

### Financial Highlights (continued)

#### Comparative Tables

Class R Net Income Shares	2019	2018	2017
Changes in net assets per unit			
	GBp	GBp	GBp
Opening net asset value per unit	175.5556	163.3337	160.6559
Return before operating charges	3.1132	21.5688	11.1445
Operating charges (note 1)	(3.1580)	(3.2870)	(2.9303)
Return after operating charges*	(0.0448)	18.2818	8.2142
Distributions on income units	(6.8505)	(6.0599)	(5.5364)
Closing net asset value per unit	168.6603	175.5556	163.3337
*after direct transaction costs of:	0.2237	0.0678	0.9396
Performance			
Return after charges	(0.03%)	11.19%	5.11%
Other information			
Closing net asset value	£100,545	£104,655	£51,747
Closing number of units	59,614	59,614	31,682
Operating charges (note 2)	1.91%	1.91%	1.88%
Direct transaction costs	0.13%	0.04%	0.58%
Prices			
Highest unit price	177.00	184.46	175.42
Lowest unit price	148.62	160.85	155.87
Class R Net Accumulation Shares	2019	2018	2017
Changes in net assets per unit			
	GBp	GBp	GBp
Opening net asset value per unit	213.8601	192.0884	182.8471
Return before operating charges	4.1707	25.6866	12.5971
Operating charges (note 1)	(3.9073)	(3.9149)	(3.3558)
Return after operating charges*	0.2634	21.7717	9.2413
Closing net asset value per unit	214.1235	213.8601	192.0884
Retained distributions	8.4587	7.2211	6.3754
*after direct transaction costs of:	0.2782	0.0812	1.0873
Performance			
Return after charges	0.12%	11.33%	5.05%
Other information			
Closing net asset value	£929,829	£1,392,248	£1,432,229
Closing number of units	434,249	651,009	745,609
Operating charges (note 2)	1.91%	1.91%	1.88%
Direct transaction costs	0.13%	0.04%	0.58%
Prices			
Highest unit price	218.59	222.50	200.89
Lowest unit price	183.09	191.65	178.50



## PERFORMANCE RECORD (Continued)

### Financial Highlights (continued)

#### Comparative Tables

##### Class F Net Income Shares

	2019	2018	2017
Changes in net assets per unit			
	GBp	GBp	GBp
Opening net asset value per unit	187.2624	172.5180	168.0377
Return before operating charges	3.2596	22.8780	11.5363
Operating charges (note 1)	(1.6475)	(1.6990)	(1.2277)
Return after operating charges*	1.6121	21.1790	10.3086
Distributions on income units	(7.3381)	(6.4346)	(5.8283)
Closing net asset value per unit	181.5364	187.2624	172.5180
*after direct transaction costs of:	0.2392	0.0720	0.9876
Performance			
Return after charges	0.86%	12.28%	6.13%
Other information			
Closing net asset value	£24,287,133	£30,784,870	£36,282,869
Closing number of units	13,378,660	16,439,425	21,031,356
Operating charges (note 2)	0.93%	0.93%	0.88%
Direct transaction costs	0.13%	0.04%	0.58%
Prices			
Highest unit price	188.99	196.55	183.94
Lowest unit price	159.24	171.19	163.70

##### Class F Net Accumulation Shares

	2019	2018	2017
Changes in net assets per unit			
	GBp	GBp	GBp
Opening net asset value per unit	226.0110	200.9325	189.4351
Return before operating charges	4.3890	27.0830	12.8896
Operating charges (note 1)	(2.0197)	(2.0045)	(1.3922)
Return after operating charges*	2.3693	25.0785	11.4974
Closing net asset value per unit	228.3803	226.0110	200.9325
Retained distributions	9.0207	7.6850	6.6130
*after direct transaction costs of:	0.2954	0.0854	1.1321
Performance			
Return after charges	1.05%	12.48%	6.07%
Other information			
Closing net asset value	£21,984,188	£21,656,738	£24,568,206
Closing number of units	9,626,133	9,582,162	12,227,093
Operating charges (note 2)	0.93%	0.93%	0.88%
Direct transaction costs	0.13%	0.04%	0.58%
Prices			
Highest unit price	232.72	234.91	208.61
Lowest unit price	194.36	200.49	185.63

## 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 fund.

### **Risk and reward profile**

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

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

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

For full details on risk factors for the Sub-fund, please refer to the Prospectus.

## PORTFOLIO STATEMENT

As at 30 June 2019

Holding or nominal value of positions	Mid-price market value £	Percentage of total net assets %
<b>Basic Resources</b> <b>(9.19%; 30.06.18 : 11.28%)</b>		
92,909 Anglo American	2,063,741	4.37
168,084 Glencore	448,532	0.95
37,740 Rio Tinto	1,828,503	3.87
	<b>4,340,776</b>	<b>9.19</b>
<b>Diversified Financials</b> <b>(4.02%; 30.06.18 : 3.43%)</b>		
210,145 Standard Chartered	1,493,921	3.16
182,892 Tatton Asset Management Ltd	407,849	0.86
	<b>1,901,770</b>	<b>4.02</b>
<b>Energy</b> <b>(17.30%; 30.06.18 : 17.76%)</b>		
614,153 BP	3,372,007	7.14
869,661 Premier Oil	666,943	1.41
160,016 Royal Dutch Shell 'A'	4,131,213	8.75
	<b>8,170,163</b>	<b>17.30</b>
<b>Financial Services</b> <b>(10.32%; 30.06.18 : 14.58%)</b>		
327,653 Ashmore Group	1,658,743	3.51
211,664 Draper Esprit	1,073,136	2.28
325,915 HSBC Holdings	2,137,677	4.53
	<b>4,869,556</b>	<b>10.32</b>
<b>Food, Beverage &amp; Tobacco</b> <b>(15.09%; 30.06.18 : 9.80%)</b>		
188,877 Applegreen	907,554	1.92
55,568 British American Tobacco	1,533,816	3.25
87,840 Diageo	2,970,529	6.29
756,345 Tesco	1,715,769	3.63
	<b>7,127,668</b>	<b>15.09</b>
<b>Industrial Goods &amp; Services</b> <b>(8.27%; 30.06.18 : 8.48%)</b>		
53,092 CRH	1,357,828	2.87
299,878 Forterra	883,141	1.87
33,744 Travis Perkins	436,225	0.92
225,697 Vesuvius	1,232,870	2.61
	<b>3,910,064</b>	<b>8.27</b>

## PORTFOLIO STATEMENT (Continued)

Holding or nominal value of positions		Mid-price market value £	Percentage of total net Assets %
<b>Banks</b>			
<b>(5.97%; 30.06.18 : 5.29%)</b>			
1,912,814	Lloyds Banking Group	1,088,009	2.30
385,320	Royal Bank of Scotland Group	840,961	1.78
62,166	Secure Trust Bank	888,974	1.89
		<b>2,817,944</b>	<b>5.97</b>
<b>Insurance</b>			
<b>(2.63%; 30.06.18 : 7.05%)</b>			
460,014	Legal & General Group	1,243,648	2.63
		<b>1,243,648</b>	<b>2.63</b>
<b>Personal &amp; Household Goods</b>			
<b>(6.76%; 30.06.18 : 1.59%)</b>			
220,412	Barratt Developments	1,262,079	2.67
210,159	Charter Court Financial Services Group	630,477	1.34
49,939	Pearson	411,148	0.87
14,413	Reckitt Benckiser Group	890,363	1.88
		<b>3,194,067</b>	<b>6.76</b>
<b>Pharmaceuticals &amp; Biotechnology</b>			
<b>(3.95%; 30.06.18 : 6.69%)</b>			
118,046	GlaxoSmithKline	1,866,189	3.95
		<b>1,866,189</b>	<b>3.95</b>
<b>Real Estate</b>			
<b>(4.83%; 30.06.18 : 2.54%)</b>			
99,281	GVC Holdings	640,164	1.36
158,996	Segro	1,153,516	2.44
333,826	Serco Group	484,882	1.03
		<b>2,278,562</b>	<b>4.83</b>
<b>Retail</b>			
<b>(0.00%; 30.06.18 : 0.96%)</b>			
<b>Business Support Services</b>			
<b>(2.82%; 30.06.18 : 3.23%)</b>			
58,737	Ashtead Group	1,331,568	2.82
		<b>1,331,568</b>	<b>2.82</b>
<b>Telecommunication Services</b>			
<b>(2.57%; 30.06.18 : 3.10%)</b>			
439,664	BT Group	861,565	1.82
275,567	Vodafone Group	355,206	0.75
		<b>1,216,771</b>	<b>2.57</b>

# PORTFOLIO STATEMENT (Continued)

Holding or nominal value of positions		Mid-price market value £	Percentage of total net Assets %
<b>Travel &amp; Leisure</b> <b>(3.48%; 30.06.18 : 3.84%)</b>			
11,049	Carnival	384,395	0.81
37,277	Wizz Air Holdings	1,261,267	2.67
		<b>1,645,662</b>	<b>3.48</b>
<b>Contracts for Difference</b> <b>(0.00%; 30.06.18 : 0.00%)</b>			
	Rathbone Brothers	(860)	0.00
		<b>(860)</b>	<b>0.00</b>
<b>Portfolio of investments (30.06.18 : 99.62%)</b>		<b>45,913,548</b>	<b>97.20</b>
<b>Net other assets (30.06.18 : 0.50%)</b>		<b>1,388,147</b>	<b>2.94</b>
<b>Adjustment to revalue assets from mid to bid prices (30.06.18: (0.12%))</b>		<b>(65,673)</b>	<b>(0.14)</b>
<b>Total net assets</b>		<b>47,236,022</b>	<b>100.00</b>

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

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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<b>Total sales for the year (note 14)</b>	<b>£18,793,496</b>
Anglo American	504,935
Ashmore Group	373,143
Ashtead Group	379,498
Barratt Developments	241,207
BP	234,548
British American Tobacco	64,602
BT Group	115,593
Carnival	384,715
Charter Court Financial Services Group	62,678
CRH	141,145
Diageo	114,666
Dixons Carphone	469,650
Forterra	244,373
GlaxoSmithKline	79,554
Glencore	1,608,465
GVC Holdings	78,603
HSBC Holdings	1,368,760
IFG Group	1,482,326
J Sainsbury	881,308
Legal & General Group	847,232
Lloyds Banking Group	595,235
Pearson	276,195
Prudential	1,768,375
Rio Tinto	64,704
Royal Bank of Scotland Group	39,768
Royal Dutch Shell 'A'	881,859
Segro	306,538
Shire	1,981,762
Smith (DS)	606,679
Standard Chartered	101,646
Tatton Asset Management Ltd	444,824
Tesco	65,854
Vesuvius	324,757
Vodafone Group	541,616
WPP	591,355
XPS Pensions Group	525,328

<b>Contracts for Difference</b>	<b>£10,279</b>
BCA Marketplace	132
Rathbone Brothers	10,147

The above sales reflect all the sales for the year.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES (Continued)

<b>Total purchases for the year (note 14)</b>	<b>£12,631,151</b>
Anglo American	139,142
Applegreen	814,766
Ashmore Group	141,309
Ashstead Group	4,141
Barratt Developments	568,411
British American Tobacco	1,586,865
BT Group	620,029
Charter Court Financial Services Group	594,359
CRH	143,305
Draper Esprit	164,424
Forterra	218,570
GlaxoSmithKline	140,488
GVC Holdings	1,217,024
IFG Group	4,212
J Sainsbury	228,065
Legal & General Group	141,028
Pearson	740,491
Premier Oil	358,042
Reckitt Benckiser Group	903,871
Secure Trust Bank	964,024
Serco	479,778
Smith (DS)	134,209
Standard Chartered	522,130
Tatton Asset Management Ltd	1,564
Tesco	141,938
Travis Perkins	474,662
Vesuvius	145,105
Wizz Air Holdings	144,591
WPP	892,130
XPS Pensions Group	2,478

<b>Contracts for Difference</b>	<b>£120,672</b>
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BCA Marketplace	120,672
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The above purchases reflect all the purchases for the year.

## STATEMENT OF 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 revenues and net capital losses for the year. In preparing these financial statements the Authorised Corporate Director is required to:

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

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

### DIRECTOR'S STATEMENT

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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

Neil J. Smith MA BA CA

Valu-Trac Investment Management Limited  
Authorised Corporate Director

Date .....



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

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

NatWest Trustee and Depositary Services Limited  
01 July 2019

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

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## Opinion

We have audited the financial statements of VT Garraway Investment Funds ICVC ("the Company") for the year ended 30 June 2019 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including 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 30 June 2019 and of the net revenue and the net capital losses on the scheme property of the Company for the year then ended; and
- have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

## Basis for Opinion

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

## Conclusions Relating to Going Concern

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

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

## Other Information

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

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

We have nothing to report in this regard.

## 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 ACD and in the report of the authorised fund manager for the year is consistent with the financial statements.

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

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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 15, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal controls as the ACD 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 ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

## **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

## STATEMENT OF TOTAL RETURN

For the year ended 30 June 2019

	Notes	£	30.06.19 £	£	30.06.18 £
Income					
Net capital (losses)/gains	2		(1,620,498)		5,613,520
Revenue	3	1,973,909		2,083,699	
Expenses	4	(467,891)		(532,322)	
Finance costs: interest	6	-		-	
Net revenue before taxation		1,506,018		1,551,377	
Taxation	5	-		-	
Net revenue after taxation			1,506,018		1,551,377
Total return before distributions			(114,480)		7,164,897
Finance costs: distributions	6		(1,973,909)		(2,083,699)
<b>Change in net assets attributable to shareholders from investment activities</b>			<u>(2,088,389)</u>		<u>5,081,198</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 June 2019

	30.06.19 £	30.06.18 £
<b>Opening net assets attributable to shareholders</b>	53,875,496	64,785,529
Amounts receivable on creation of shares	13,459,010	24,457,796
Amounts payable on cancellation of shares	(18,934,746)	(41,308,808)
Retained distributions on accumulation shares	923,687	859,781
Dilution levy	964	-
Change in net assets attributable to shareholders from investment activities	(2,088,389)	5,081,198
<b>Closing net assets attributable to shareholders</b>	<u>47,236,022</u>	<u>53,875,496</u>

## BALANCE SHEET

As at 30 June 2019

		30.06.19		30.06.18	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Investment assets			45,848,735		53,608,592
<b>CURRENT ASSETS</b>					
Debtors	7	503,277		446,521	
Cash and bank balances	8	<u>1,914,478</u>		<u>439,879</u>	
<b>Total current assets</b>			<u>2,417,755</u>		<u>886,400</u>
<b>Total assets</b>			48,266,490		54,494,992
<b>INVESTMENT LIABILITIES</b>					
Investment liabilities			(860)		-
<b>CURRENT LIABILITIES</b>					
Distribution payable on income shares		(253,395)		(304,694)	
Bank overdraft	8	-		(27)	
Other creditors	9	<u>(776,213)</u>		<u>(314,775)</u>	
<b>Total current liabilities</b>			<u>(1,029,608)</u>		<u>(619,496)</u>
<b>Total liabilities</b>			<u>(1,030,468)</u>		<u>(619,496)</u>
<b>Net assets attributable to shareholders</b>			<u><u>47,236,022</u></u>		<u><u>53,875,496</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

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**For the year ended 30 June 2019**

## **1 Accounting policies**

### **(a) Basis of accounting**

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

As described in the Statement of ACD's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Sub-fund.

### **(b) Recognition of revenue**

Dividends on holdings, net of any irrecoverable tax credits, are recognised when the underlying transferable security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

### **(c) Treatment of stock dividends**

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue. The allocation of special dividends is considered on a case-by-case basis.

### **(d) Treatment of expenses**

All expenses, net of any associated tax effect, are charged to the capital account. Expenses are recognised on the accruals basis.

### **(e) Allocation of revenue and expenses to multiple share classes**

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

### **(f) Taxation**

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20.00%. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

### **(g) Distribution policy**

Revenue produced by the Sub-fund's investments accrues quarterly. At the end of each period, the net revenue plus an adjustment for expenses allocated to capital, is accumulated/distributed as per the Prospectus.

### **(h) Exchange rates**

All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 30 June 2019.

### **(i) Basis of valuation of investments**

The investments are valued at closing prices on the balance sheet date. If closing prices are not available, the latest available prices are used. Investments held long are valued at closing bid price and investment held short are valued at the closing offer price. Contracts For Difference are valued at their current profit/loss position.

If separate offer and bid prices are quoted for shares or units, then the bid price is used.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>2</b>	<b>Net capital (losses)/gains</b>	<b>30.06.19</b>	<b>30.06.18</b>
	The net capital (losses)/gains comprise:	£	£
	Non-derivative securities (losses)/gains	(1,577,032)	5,598,461
	Derivative contract losses	(42,578)	(55,362)
	Currency (losses)/gains	(195)	75,456
	Transaction charges	(693)	(5,035)
	Total net capital (losses)/gains	<u>(1,620,498)</u>	<u>5,613,520</u>
<b>3</b>	<b>Revenue</b>	<b>30.06.19</b>	<b>30.06.18</b>
		£	£
	UK franked dividends	1,939,760	2,017,490
	Overseas dividends	32,189	66,209
	Bank interest	1,960	-
	Total revenue	<u>1,973,909</u>	<u>2,083,699</u>
<b>4</b>	<b>Expenses</b>	<b>30.06.19</b>	<b>30.06.18</b>
		£	£
	<b>Payable to the ACD and associates:</b>		
	Annual management charge	<u>418,643</u>	<u>465,662</u>
		<u>418,643</u>	<u>465,662</u>
	<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
	Depositary fee	22,434	26,759
	Safe custody fee	<u>1,728</u>	<u>7,217</u>
		<u>24,162</u>	<u>33,976</u>
	<b>Other expenses:</b>		
	Audit fee	8,078	8,100
	FCA fee	39	233
	Other fees and subscriptions	<u>16,969</u>	<u>24,351</u>
		<u>25,086</u>	<u>32,684</u>
	Total expenses	<u>467,891</u>	<u>532,322</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>5</b>	<b>Taxation</b>	<b>30.06.19</b>	<b>30.06.18</b>
		<b>£</b>	<b>£</b>
(a)	<b>Analysis of charge in the year</b>		
	Overseas tax withheld	-	-
	Total tax charge for the year (note 5b)	-	-
(b)	<b>Factors affecting current tax charge for the year</b>		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2018:20.00%). The differences are explained below:		
	Net revenue before taxation	1,506,018	1,551,377
	Corporation tax at 20.00% (2018:20.00%)	301,204	310,275
	<u>Effects of:</u>		
	Revenue not subject to UK corporation tax	(394,390)	(416,740)
	Excess management expenses	93,186	106,465
	Current taxation (note 5a)	-	-
(c)	<b>Provision for deferred taxation</b>		
	At 30 June 2019 there is a potential deferred tax asset of £412,180 (30 June 2018: £318,994) 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</b>	<b>Finance costs</b>	<b>30.06.19</b>	<b>30.06.18</b>
		<b>£</b>	<b>£</b>
	Interim dividend distributions		
	-September	590,206	498,433
	-December	405,098	470,578
	-March	475,544	493,711
	Final dividend distribution (June)	491,561	529,848
		1,962,409	1,992,570
	Add: Revenue deducted on cancellation of shares	56,463	143,719
	Deduct: Revenue received on issue of shares	(44,963)	(52,590)
		1,973,909	2,083,699
	Interest payable and similar charges	-	-
	<b>Total finance costs</b>	<b>1,973,909</b>	<b>2,083,699</b>
	<b>Reconciliation of distributions</b>		
	Net revenue after taxation	1,506,018	1,551,377
	Expenses allocated to capital	467,891	532,322
	<b>Net distribution for the year</b>	<b>1,973,909</b>	<b>2,083,699</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>30.06.19</b>	<b>30.06.18</b>
	£	£
Amounts receivable for issue of shares	29,650	71,368
Amounts receivable on sale of securities	310,279	188,642
Dividends receivable	124,333	150,980
Income tax recoverable	38,773	35,477
Prepayments	242	54
	<u>503,277</u>	<u>446,521</u>
<b>8 Cash and bank balances</b>	<b>30.06.19</b>	<b>30.06.18</b>
	£	£
Cash at bank	<u>1,914,478</u>	<u>439,879</u>
Bank overdraft	<u>-</u>	<u>(27)</u>
<b>9 Creditors</b>	<b>30.06.19</b>	<b>30.06.18</b>
	£	£
Amounts payable on cancellation of shares	62,537	225,116
Amounts payable on purchase of securities	600,834	-
<b>Amounts payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	94,585	75,990
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Transaction charges	2,378	1,912
Safe custody and other bank charges	<u>2,641</u>	<u>913</u>
	5,019	2,825
Other accrued expenses	<u>13,238</u>	<u>10,844</u>
Total creditors	<u>776,213</u>	<u>314,775</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 Shares held

#### Shares Held – Class R Net Income Shares

<b>Opening units at 01.07.18</b>	<b>59,614</b>
Units issued during the year	-
Units cancelled during the year	-
Units converted during the year	-
<b>Closing units at 30.06.19</b>	<b>59,614</b>

#### Shares Held – Class F Net Income Shares

<b>Opening units at 01.07.18</b>	<b>16,439,425</b>
Units issued during the year	978,482
Units cancelled during the year	(4,039,247)
Units converted during the year	-
<b>Closing units at 30.06.19</b>	<b>13,378,660</b>

#### Shares Held – Class R Net Accumulation Shares

<b>Opening units at 01.07.18</b>	<b>651,009</b>
Units issued during the year	153,464
Units cancelled during the year	(370,224)
Units converted during the year	-
<b>Closing units at 30.06.19</b>	<b>434,249</b>

#### Shares Held – Class F Net Accumulation Shares

<b>Opening units at 01.07.18</b>	<b>9,582,162</b>
Units issued during the year	4,178,025
Units cancelled during the year	(4,134,054)
Units converted during the year	-
<b>Closing units at 30.06.19</b>	<b>9,626,133</b>

### 11 Risk management policies

#### 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, and managed by the diversification of the portfolio.

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

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 June 2019 would have increased/decreased by £4,584,788 (2018 – £5,360,859).

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### Interest rate risk

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.

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

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

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

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

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

	30/06/2019		
	Floating rate financial assets	Financial assets not carrying interest	
Currency			Total
	£	£	£
UK Sterling	1,914,478	46,352,012	48,266,490
Total	1,914,478	46,352,012	48,266,490
	Floating rate financial liabilities	Financial liabilities not carrying interest	
			Total
	£	£	£
Sterling	-	(1,030,468)	(1,030,468)
Total	-	(1,030,468)	(1,030,468)

	30/06/2018		
	Floating rate financial assets	Financial Assets not carrying interest	
Currency			Total
	£	£	£
UK Sterling	439,879	54,055,113	54,494,992
Total	439,879	54,055,113	54,494,992
	Floating rate financial liabilities	Financial liabilities not carrying interest	
			Total
	£	£	£
Sterling	-	(619,469)	(619,469)
US Dollar	(27)	-	(27)
Total	(27)	(619,469)	(619,496)

### 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.

There is indirect exposure to currencies relating to investments that trade or hold assets or liabilities in overseas currencies.

Net foreign currency monetary assets and liabilities consist of:

	Net foreign currency assets at 30 June 2019			Net foreign currency assets at 30 June 2018		
	Monetary exposures	Non-monetary exposures	Total	Monetary exposures	Non-monetary exposures	Total
	£	£	£	£	£	£
US Dollar	-	-	-	(27)	-	(27)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 June 2019 are payable either within one year or on demand.

### Liquidity risk

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

### Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

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

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

There have been no collateral arrangements in the year.

### Fair value disclosure

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

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

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

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

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

Valuation Technique	Assets (£'000)	Liabilities (£'000)
<b>2019</b>		
A Quoted prices for identical instruments in active markets	45,849	(1)
<b>2018</b>		
A Quoted prices for identical instruments in active markets	53,609	-

### 12 Contingent assets and liabilities

At 30 June 2019, the Sub-fund had no contingent liabilities or commitments (30 June 2018: £Nil).

### 13 Post balance sheet events

The Sub-fund, VT Garraway Asian Centric Global Growth Fund, was launched on 22 July 2019.

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 30 June 2019. Since that date, the Sub-fund's quoted mid price has moved as follows for each share class:

Share class	Price (GBp) at 30 June 2019	Price (GBp) at 25 Oct 2019
Class R Net Income GBP	168.6603	163.4647
Class R Net Accumulation GBP	214.1235	210.1851
Class F Net Income GBP	181.5364	176.4621
Class F Net Accumulation GBP	228.3803	224.8434

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 14 Direct transaction costs

Analysis of total purchase costs	£	30.06.19 % of total purchases	£	30.06.18 % of total purchases
Purchases in the year before transaction costs	12,580,068		20,267,173	
Commissions	5,267	0.04%	5,834	0.03%
Taxes	45,776	0.36%	-	0.00%
Levies	40	0.00%	55	0.00%
Total purchase costs	51,083	0.40%	5,889	0.03%
Total purchases including transaction costs	12,631,151		20,273,062	

Analysis of total sale costs	£	30.06.19 % of total sales	£	30.06.18 % of total sales
Sales in the year before transaction costs	18,801,529		35,239,040	
Commissions	(7,942)	0.04%	(11,892)	0.03%
Levies	(91)	0.00%	(184)	0.00%
Total sale costs	(8,033)	0.04%	(12,076)	0.03%
Total sales net of transaction costs	18,793,496		35,226,964	

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

	2019 £	% of average net asset value	2018 £	% of average net asset value
Commissions	13,209	0.03%	17,726	0.03%
Taxes	45,776	0.10%	-	0.00%
Levies	131	0.00%	239	0.00%
	59,116	0.13%	17,965	0.03%

## DISTRIBUTION TABLES

### Interim Accumulation/Distribution (28 September 2018)

Group 1 - Shares purchased on or prior to 30 June 2018

Group 2 - Shares purchased after 30 June 2018

Shares	Net revenue  (pence)	Equal -isation  (pence)	Paid/Acc umulated 30.11.18 (pence)	Paid/Acc umulated 30.11.17 (pence)
<b>Class I Net Inc GBp</b>				
Group 1	-	-	-	<b>1.4430</b>
Group 2	-	-	-	<b>1.4430</b>
<b>Class R Net Inc GBp</b>				
Group 1	1.9313	-	<b>1.9313</b>	<b>1.3987</b>
Group 2	1.9313	-	<b>1.9313</b>	<b>1.3987</b>
<b>Class F Net Inc GBp</b>				
Group 1	2.0623	-	<b>2.0623</b>	<b>1.4792</b>
Group 2	0.9792	1.0831	<b>2.0623</b>	<b>1.4792</b>
<b>Class I Net Acc GBp</b>				
Group 1	-	-	-	<b>1.6980</b>
Group 2	-	-	-	<b>1.6980</b>
<b>Class R Net Acc GBp</b>				
Group 1	2.3526	-	<b>2.3526</b>	<b>1.6450</b>
Group 2	1.4863	0.8663	<b>2.3526</b>	<b>1.6450</b>
<b>Class F Net Acc GBp</b>				
Group 1	2.4837	-	<b>2.4837</b>	<b>1.7225</b>
Group 2	0.8719	1.6118	<b>2.4837</b>	<b>1.7225</b>

## DISTRIBUTION TABLES (Continued)

### Interim Accumulation/Distribution (31 December 2018)

Group 1 - Shares purchased on or prior to 30 September 2018

Group 2 - Shares purchased after 30 September 2018

Shares	Net revenue  (pence)	Equal -isation  (pence)	Paid/Acc umulated 28.02.19 (pence)	Paid/Acc umulated 28.02.18 (pence)
<b>Class I Net Inc GBp</b>				
Group 1	-	-	-	<b>1.4605</b>
Group 2	-	-	-	<b>1.4605</b>
<b>Class R Net Inc GBp</b>				
Group 1	1.3886	-	<b>1.3886</b>	<b>1.4133</b>
Group 2	1.3886	-	<b>1.3886</b>	<b>1.4133</b>
<b>Class F Net Inc GBp</b>				
Group 1	1.4839	-	<b>1.4839</b>	<b>1.4989</b>
Group 2	0.5813	0.9026	<b>1.4839</b>	<b>1.4989</b>
<b>Class I Net Acc GBp</b>				
Group 1	-	-	-	<b>1.7293</b>
Group 2	-	-	-	<b>1.7293</b>
<b>Class R Net Acc GBp</b>				
Group 1	1.7107	-	<b>1.7107</b>	<b>1.6749</b>
Group 2	0.5802	1.1305	<b>1.7107</b>	<b>1.6749</b>
<b>Class F Net Acc GBp</b>				
Group 1	1.8141	-	<b>1.8141</b>	<b>1.8500</b>
Group 2	0.7107	1.1034	<b>1.8141</b>	<b>1.8500</b>

## DISTRIBUTION TABLES (Continued)

### Interim Accumulation/Distribution (31 March 2019)

Group 1 - Shares purchased on or prior to 31 December 2018

Group 2 - Shares purchased after 31 December 2018

Shares	Net revenue  (pence)	Equal -isation  (pence)	Paid/Acc umulated 31.05.19 (pence)	Paid/Acc umulated 31.05.18 (pence)
<b>Class I Net Inc GBp</b>				
Group 1	-	-	-	<b>1.5679</b>
Group 2	-	-	-	<b>1.5679</b>
<b>Class R Net Inc GBp</b>				
Group 1	1.7758	-	<b>1.7758</b>	<b>1.5138</b>
Group 2	1.7758	-	<b>1.7758</b>	<b>1.5138</b>
<b>Class F Net Inc GBp</b>				
Group 1	1.9057	-	<b>1.9057</b>	<b>1.6094</b>
Group 2	1.1850	0.7207	<b>1.9057</b>	<b>1.6094</b>
<b>Class I Net Acc GBp</b>				
Group 1	-	-	-	<b>1.8713</b>
Group 2	-	-	-	<b>1.8713</b>
<b>Class R Net Acc GBp</b>				
Group 1	2.2077	-	<b>2.2077</b>	<b>1.8093</b>
Group 2	1.8927	0.3150	<b>2.2077</b>	<b>1.8093</b>
<b>Class F Net Acc GBp</b>				
Group 1	2.3474	-	<b>2.3474</b>	<b>1.9049</b>
Group 2	1.6538	0.6936	<b>2.3474</b>	<b>1.9049</b>



## DISTRIBUTION TABLES (Continued)

### Final Accumulation/Distribution (30 June 2019)

Group 1 - Shares purchased on or prior to 31 March 2019

Group 2 - Shares purchased after 31 March 2019

Shares	Net revenue  (pence)	Equal -isation  (pence)	Paid/Acc umulated 31.08.19 (pence)	Paid/Acc umulated 31.08.18 (pence)
<b>Class I Net Inc GBp</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Class R Net Inc GBp</b>				
Group 1	1.7548	-	<b>1.7548</b>	<b>1.7341</b>
Group 2	1.7548	-	<b>1.7548</b>	<b>1.7341</b>
<b>Class F Net Inc GBp</b>				
Group 1	1.8862	-	<b>1.8862</b>	<b>1.8471</b>
Group 2	0.3968	1.4894	<b>1.8862</b>	<b>1.8471</b>
<b>Class I Net Acc GBp</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Class R Net Acc GBp</b>				
Group 1	2.1877	-	<b>2.1877</b>	<b>2.0919</b>
Group 2	1.0957	1.0920	<b>2.1877</b>	<b>2.0919</b>
<b>Class F Net Acc GBp</b>				
Group 1	2.3755	-	<b>2.3755</b>	<b>2.2076</b>
Group 2	1.3046	1.0709	<b>2.3755</b>	<b>2.2076</b>

## INFORMATION FOR INVESTORS

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### **Distribution**

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

### **Taxation**

The Company will pay no corporation tax on its profits for the year to 30 June 2019 and capital gains within the Company will not be taxed.

### **Individual shareholders**

HM Revenue & Customs changed the taxation of dividends on 6 April 2016. Dividend tax credits were abolished and replaced by a tax-free annual dividend allowance now standing at £2,000. UK resident shareholders are now subject to new, higher rates of tax on dividend income in excess of the annual allowance. The actual rate depends on the individual's tax rate band.

### **Capital gains tax:**

Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. The first £12,000 (2019/2020) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

### **Debts of the ICVC fund**

Unitholders of the ICVC are not liable for the debts of the ICVC.

### **Issue and redemption of shares**

Valu-Trac Investment Management Limited is the ACD and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours (between 8.30am and 5.30pm). Instructions may be given by email to ([garraway@valu-trac.com](mailto:garraway@valu-trac.com)) or by sending an application form to the Registrar. Application forms are available from the Registrar.

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

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

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

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

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

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

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

### **Pricing basis**

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

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

## INFORMATION FOR INVESTORS (Continued)

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### **Other information**

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

## CORPORATE DIRECTORY

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<b>Authorised Corporate Director Manager &amp; Registrar</b>	Valu-Trac Investment Management Limited Orton Moray IV32 7QE  Telephone: 01343 880344 Fax: 01343 880267 Email: (garraway@valu-trac.com)  Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
<b>Director</b>	Valu-Trac Investment Management Limited as ACD
<b>Investment Adviser</b>	Garraway Capital Management LLP 200 Aldersgate Street London EC1A 4HD
<b>Depository</b>	NatWest Trustee and Depositary Services Limited Drummond House 2nd Floor, 1 Redheughs Avenue Edinburgh EH12 9RH  Authorised and regulated by the Financial Conduct Authority
<b>Auditor</b>	Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE