

**THE MULBEN INVESTMENT FUNDS**  
**(Sub-funds VT icf Absolute Return Portfolio and**  
**VT De Lisle America Fund)**

**Annual Report and Financial Statements**  
**for the year ended 31 March 2016**

## CONTENTS

---

	Page
Company Overview	1
Statement of the Authorised Corporate Director's (ACD'S) Responsibilities	2
Statement of the Depositary's Responsibilities and Report of the Depositary	3
Independent Auditors' Report to the Shareholders of The Mulben Investment Funds (Sub-funds VT ICF Absolute Return Portfolio And VT De Lisle America Fund)	4
<b>VT icf Absolute Return Portfolio</b>	
Sub-Fund Overview	6
Investment Manager's Review	7
Performance Record	8
Portfolio Statement	9
Summary of Material Portfolio Changes	10
Statement of Total Return	11
Statement of Changes in Net Assets Attributable to Shareholders	11
Balance Sheet	12
Notes to the Financial Statements	13
<b>VT De Lisle America Fund</b>	
Sub-fund Overview	21
Investment Manager's Review	22
Performance Record	23
Portfolio Statement	25
Summary of Material Portfolio Changes	29
Statement of Total Return	30
Statement of Changes in Net Assets Attributable to Shareholders	30
Balance Sheet	31
Notes to the Financial Statements	32
Distribution Tables	41
Information for Investors	42
Corporate Directory	43

## COMPANY OVERVIEW

---

### **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 IC00816. 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 icf Absolute Return Portfolio and the VT De Lisle America Fund.

### **Changes to the Company**

The head office of the Company changed to Level 13, Broadgate Tower, 20 Primrose Street, London, EC2A 2EW on 13 August 2015.

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

---

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the end of the financial year and its net revenues/expenses and net capital gains/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 judgments and estimates that are reasonable and prudent.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

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

### DIRECTOR'S STATEMENT

---

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook, we hereby certify the annual report.

Anne A. Laing CA

Neil J. Smith MA BA CA

Valu-Trac Investment Management Limited  
Authorised Corporate Director

Date

20 July 2016

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

---

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to 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 (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and 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 Authorised Corporate Director:

- (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 Regulations, the Instrument of Incorporation and Prospectus of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank Plc  
01 April 2016

# INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE MULBEN INVESTMENT FUNDS (SUB FUNDS VT ICF ABSOLUTE RETURN PORTFOLIO AND VT DE LISLE AMERICA FUND)

---

We have audited the financial statements of The Mulben Investment Funds for the year ended 31 March 2016 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland."

This report is made solely to the Company's shareholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective Responsibilities of the ACD and Auditors**

As explained more fully in the ACD's Responsibilities Statement set out on page 2, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE  
MULBEN INVESTMENT FUNDS (SUB FUNDS VT ICF ABSOLUTE RETURN  
PORTFOLIO AND VT DE LISLE AMERICA FUND) (Continued)

---

**Opinion**

In our opinion;

- the accounts give a true and fair view of the financial position of the Company as at 31 March 2016 and of the net expense and the net capital losses on the property of the Company for the year then ended;
- the financial statements have been properly prepared in accordance with the IA Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the report of the ACD is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.

Johnston Carmichael LLP  
Chartered Accountants  
Statutory Auditors  
Edinburgh

## SUB-FUND OVERVIEW

---

<b>Size of Company</b>	£4,668,475
<b>Launch date</b>	6 August 2010
<b>Sub - Fund objective and policy</b>	<p>The objective of the Sub-Fund is to achieve a consistent absolute return over the long term irrespective of market conditions.</p> <p>The Sub-Fund will invest in a diverse mix of absolute return oriented collective investment schemes. The Sub-Fund may also invest in listed closed-end funds, transferable securities, cash deposits and money market funds.</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:	A Class = £1,000 B Class = £100,000 F Class = £1,000,000
Top-up:	All Share Classes = £500
Holding:	A Class = £1,000 B Class = £100,000 F Class = £1,000,000
Redemption:	All Share Classes = £500

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

### ACD charges

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

The fixed element, which is equal to £12,500 per annum, is taken from A Class, B Class Shares and F 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.

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 F Class Shares is equal to 0.50% per annum of the Net Asset Value of the F Class Shares.

Initial Charge	A Class = 5.0% B Class = 2.0% F Class = 0.0%
----------------	--



## INVESTMENT MANAGER'S REVIEW

---

On the 26th of April 1986 inadequately trained staff were experimenting with a system with some inherent design flaws. Each time they pushed or pulled a lever, ostensibly to bring the system back under control, another sequence of events took over. The resulting disastrous breakdown of number 4 reactor at Chernobyl led to the world's worst nuclear disaster. Although there are some details of the events that will never be known, it is likely that the unforeseen consequences of various levers being pushed and pulled in an attempt to stabilise the reactor played a major part.

We were given a poignant reminder of the events in the north of Ukraine some 30 years previously as parts of the world's media looked back on what happened and analysed the effects on those involved. Maybe it is the slickness of modern media that allows almost seamless movement from historic events to current news stories but then I was hearing how Mario Draghi, the ECB president, was being dragged in front of various European parliaments to explain his quantitative easing strategies. So one minute I was thinking of the consequences of people pulling various levers of a system they didn't really understand and the next I was thinking of the consequences of people pulling various levers of a system they didn't really understand.

Much of our financial year has been tied to the effects of central bank manipulation. We understood, all those years ago, why it was necessary to bring interest rates down to very low levels and to inject vast amounts of financial liquidity. We knew it was experimental and that the practitioners didn't really understand all the consequences, but it was the lesser of two evils. Unfortunately as we have watched large swathes of the world head to very low or negative rates we can't help thinking they have pulled one or two levers they shouldn't have. Banking, insurance, pensions, mortgages, loans are predicated on a positive carry. We have seen mortgages for some lucky Belgians head into negative territory and wondered if the need to go out once a month to blow the mortgage interest would become a chore.

It seems equity markets spent the year pondering whether it had all become too tedious. The FTSE100 which set out bright eyed and bushy tailed at 6891 ended the year some 10% lower at 6203. The pound, which should have been still lording it over the Euro at €1.38 drooped to just over €1.26. Oil which started out at an already beaten up \$55.8, slumped further to \$39.1. This all contrived to make the absolute return sector a difficult one. Your fund, which started out at 118.7p finished the year at 117.8p to register a loss of 0.7%, possibly putting it on a par with a Belgian mortgage.

There are signs that some of the levers are being nudged back (the Federal reserve at least has put forward the rhetoric to that effect) but as comrades Akimov and Toptunov found some 30 years ago the process can be unpredictable.

icf management limited

Investment Managers to the Fund

## PERFORMANCE RECORD

### Financial Highlights

Class F Net Accumulation GBP		Year to 31 March 2016	Year to 31 March 2015	Year to 31 March 2014
Changes in net assets per unit		GBP	GBP	GBP
Opening net asset value per unit		118.7223	114.6591	111.4109
Return before operating charges		1.7595	6.5598	6.4964
Operating charges (note 1)		(2.6396)	(2.4966)	(3.1879)
Return after operating charges*		(0.8801)	4.0632	3.2482
Closing net asset value per unit		117.8422	118.7223	114.6591
Retained distributions on accumulated units		-	-	-
*after direct transaction costs of:		0.0118	0.0117	0.0113
Performance				
Return after charges		(0.74%)	3.54%	2.92%
Other information				
Closing net asset value		£4,679,423	£4,806,649	£4,810,070
Closing number of units		3,970,923	4,048,649	4,195,106
Operating charges (note 2)		2.25%	2.16%	2.76%
Direct transaction costs		0.01%	0.01%	0.01%
Prices				
Highest unit price		119.66	119.04	115.92
Lowest unit price		115.40	112.16	110.74

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 year.
2. The operating charges percentage is based on expenses incurred during the year annualised, as a proportion of the average net asset value of the fund together with the ongoing charges included within the underlying Open ended Investment Companies held within the fund's holdings.

### Risk Profile

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

## PORTFOLIO STATEMENT

As at 31 March 2016

<b>Holding</b>	<b>Security</b>	<b>Value (Note 1g) £</b>	<b>% of Total Net Assets %</b>
<b>Investment Companies 98.07% (2015 – 90.60%)</b>			
850	Personal Assets Trust PLC	313,778	6.72
62,000	Dexion Absolute Limited	107,957	2.31
125,000	Ruffer Investment Company Limited	251,875	5.40
6,000	BH Macro Limited	119,670	2.56
250,000	S&W Kennox Strategic Value Fund	266,500	5.71
291,100	Kames UK Equity Absolute Return Fund	359,392	7.70
150,000	CF Odey UK Absolute Return Fund	480,390	10.30
140,000	Old Mutual Global Equity Absolute Return	219,548	4.70
60,000	Polar Capital - Insurance	267,462	5.73
28	Exane Funds 1 - Archimedes Fund	391,418	8.38
370,000	Premier Defensive Growth Fund	441,632	9.46
8,500	First Private Wealth Fund	493,190	10.56
700,000	Jupiter Absolute Return Fund	383,670	8.22
50	ING (L) Invest Absolute Return Bond	227,105	4.86
425,000	F & C Global Equity Market Neutral Fund	255,000	5.46
		<u>4,578,587</u>	<u>98.07</u>
<b>Liquidity Funds 5.14% (2015 – 1.66%)</b>			
200,000	Short-term Inv Co (Global Series) - £ liquidity	200,000	4.28
40,000	Deutsche Managed Sterling Fund	40,000	0.86
		<u>240,000</u>	<u>5.14</u>
<b>Derivatives - Forward Currency Contract (0.26%) (2015 - 0.06%)</b>			
	Sold eur 1,395,139 Bought £1,089,883 (06.06.16)	<u>(12,159)</u>	<u>(0.26)</u>
	<b>Investment assets (2015-92.32%)</b>	<b>4,806,428</b>	<b>102.95</b>
	<b>Net other assets (2015-7.78%)</b>	<b>(127,004)</b>	<b>(2.72)</b>
	<b>Adjustment to revalue assets from Mid to Bid prices (2015-(0.10%))</b>	<b>(10,949)</b>	<b>(0.23)</b>
	<b>Net assets</b>	<b><u>4,668,475</u></b>	<b><u>100.00</u></b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

---

<b>Total sales for the year (note 14)</b>	<b>£ 800,508</b>
Absolute Return Trust	156
AC Risk Parity 12 Fund	95,133
Castlerigg Merger Arbitrage	207,354
Schroder GAIA Avoca Credit C Accumulation	152,865
Short-term Inv Co (Global Series) - £ liquidity	345,000

<b>Total purchases for the year (note 14)</b>	<b>£ 1,092,278</b>
Dexion Absolute Limited	67,882
Polar Capital – Insurance	118,815
Premier Defensive Growth Fund	68,937
First Private Wealth Fund	92,856
F & C Global Equity Market Neutral Fund	238,788
Short-term Inv Co (Global Series) - £ liquidity	505,000

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

## STATEMENT OF TOTAL RETURN

### For the year ended 31 March 2016

	Notes	£	31.03.16 £	31.03.15 £
Income				
Net capital gains	2		6,418	211,354
Revenue	3	15,583		16,512
Expenses	4	(63,341)		(62,944)
Interest payable and similar charges	6	-		(32)
Net expense before taxation		<u>(47,758)</u>		<u>(46,464)</u>
Taxation	5	<u>-</u>		<u>-</u>
Net expense after taxation			<u>(47,758)</u>	<u>(46,464)</u>
Total return before distributions			(41,340)	164,890
Finance costs: distributions	6		<u>-</u>	<u>-</u>
<b>Change in net assets attributable to shareholders from investment activities</b>			<u>(41,340)</u>	<u>164,890</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the year ended 31 March 2016

	31.03.16 £	31.03.15 £
<b>Opening net assets attributable to shareholders</b>	4,802,050	4,808,560
Amounts receivable on creation of shares	304,978	200,740
Amounts payable on cancellation of shares	(397,213)	(372,140)
Change in net assets attributable to shareholders from investment activities (see above)	<u>(41,340)</u>	<u>164,890</u>
<b>Closing net assets attributable to shareholders</b>	<u>4,668,475</u>	<u>4,802,050</u>

## BALANCE SHEET

---

As at 31 March 2016

	Notes	31.03.16		31.03.15	
		£	£	£	£
<b>ASSETS</b>					
Investment assets			4,795,480		4,428,537
<b>Current Assets</b>					
Debtors	7	1,071		128,313	
Cash and bank balances	8	<u>213,143</u>		<u>420,449</u>	
<b>Total other assets</b>			<u>214,214</u>		<u>548,762</u>
<b>Total assets</b>			5,009,694		4,977,299
<b>LIABILITIES</b>					
<b>Creditors</b>					
Creditors	9	(129,033)		(12,173)	
Bank overdrafts	8	<u>(212,186)</u>		<u>(163,076)</u>	
<b>Total liabilities</b>			<u>(341,219)</u>		<u>(175,249)</u>
<b>Net assets attributable to shareholders</b>			<u><u>4,668,475</u></u>		<u><u>4,802,050</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

---

For the year ended 31 March 2016

## 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 for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and there have been no changes to the comparatives following the adoption of this SORP. The functional currency of the Fund 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.

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 accrual 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 that 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 mid prices, excluding any accrued interest in the case of fixed interest securities. On the last business day of the accounting year a mid to bid adjustment is made in the portfolio statement to revalue the portfolio to bid price.

Collective investment schemes are valued at quoted mid prices for dual priced funds and at quoted price for single priced funds, on the last business day of the accounting period. On the last business day of the accounting year a mid to bid adjustment is made in the portfolio statement to revalue the portfolio to bid price.

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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

---

**(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)

<b>2 Net capital gains</b>	<b>31.03.16</b>	<b>31.03.15</b>
The net capital gains comprise:	<b>£</b>	<b>£</b>
Non-derivative securities gains –unrealised	133,167	88,860
realised (losses)	(43,490)	120,152
Derivative securities (losses)/gains	(82,269)	1,018
Transaction charges	(597)	(599)
Currency (losses)/gains	(393)	1,923
Total net capital gains	<u>6,418</u>	<u>211,354</u>
<b>3 Revenue</b>	<b>31.03.16</b>	<b>31.03.15</b>
	<b>£</b>	<b>£</b>
Franked investment income	10,417	16,149
Unfranked income	4,118	-
Bank Interest	12	-
Bond Interest	1,036	363
Total revenue	<u>15,583</u>	<u>16,512</u>
<b>4 Expenses</b>	<b>31.03.16</b>	<b>31.03.15</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	36,507	36,681
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	18,037	18,000
Safe Custody fee	1,339	1,005
	<u>19,376</u>	<u>19,005</u>
<b>Other expenses</b>		
Audit fee	6,900	6,900
FCA fee	315	301
Investment Association fees	243	57
	<u>7,458</u>	<u>7,258</u>
Total expenses	<u>63,341</u>	<u>62,944</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>5. Taxation</b>	<b>31.03.16</b>	<b>31.03.15</b>
	<b>£</b>	<b>£</b>
<b>(a) Analysis of charge in the year</b>		
Irrecoverable income tax	-	-
Total tax charge for the year (note 5b)	<u>-</u>	<u>-</u>
<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%). The differences are explained below:		
Net expense before taxation	<u>(47,758)</u>	<u>(46,464)</u>
Corporation tax at 20%	(9,552)	(9,293)
<u>Effects of:</u>		
UK Franked and Unfranked income	(2,907)	(3,230)
Current year expenses not utilised	12,459	12,523
Total tax charge for year (note 5a)	<u>-</u>	<u>-</u>
<b>(c) Provision for deferred taxation</b>		
At 31 March 2016 there is a potential deferred tax asset of £69,341 (31 March 2015: £56,882) in relation to surplus management expenses. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
<b>6. Finance costs</b>	<b>31.03.16</b>	<b>31.03.15</b>
	<b>£</b>	<b>£</b>
Interim distribution	-	-
Final dividend distribution	<u>-</u>	<u>-</u>
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on issue of shares	<u>-</u>	<u>-</u>
Interest payable and similar charges	<u>-</u>	<u>32</u>
<b>Total finance costs</b>	<u>-</u>	<u>32</u>
<b>Reconciliation of distributions</b>		
Net expenses after taxation	(47,758)	(46,464)
Allocations to Capital:		
Excessive expenses paid by capital	47,758	46,464
<b>Net distribution for the year</b>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>31.03.16</b>	<b>31.03.15</b>
	<b>£</b>	<b>£</b>
Unfranked dividends	1,071	1,190
Outstanding subscriptions	-	13,040
Outstanding trade settlements	-	113,900
Prepayments	-	183
Total debtors	<u>1,071</u>	<u>128,313</u>
<b>8 Cash and bank balances</b>	<b>31.03.16</b>	<b>31.03.15</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	<u>213,143</u>	<u>420,449</u>
Bank overdrafts	<u>(212,186)</u>	<u>(163,076)</u>
<b>9 Creditors</b>	<b>31.03.16</b>	<b>31.03.15</b>
	<b>£</b>	<b>£</b>
Amounts payable for redemption of shares	118,152	-
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,041	3,204
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	1,578
Safe custody and other bank charges	805	176
	<u>805</u>	<u>1,754</u>
Other accrued expenses	7,035	7,215
Total creditors	<u>129,033</u>	<u>12,173</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10. Units held

#### Units Held – Class F Net Accumulation

Opening units at 01.04.15	4,048,649
Units issued during the year	275,932
Units cancelled during the year	(353,658)
Units converted during the year	-
Closing units at 31.03.16	3,970,923

### 11. Financial instruments

In pursuing its investment objective as stated on page 6, 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-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 31.03.16 would have increased/decreased by £479,548 (2015 – £442,854).

#### 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 monetary assets and liabilities consist of:

	Monetary assets and liabilities		Non-monetary assets and liabilities		Total net assets	
	£		£		£	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
Sterling	(127,005)	373,513	3,695,925	3,498,128	3,568,920	3,871,641
Euro	-	-	1,099,555	930,409	1,099,555	930,409
Total	(127,005)	373,513	4,795,480	4,428,537	4,668,475	4,802,050

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### Interest rate risk

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

<b>31.03.16</b>			
<b>Currency</b>	<b>Floating rate financial assets</b>	<b>Financial assets not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Sterling	213,143	3,696,996	3,910,139
Euros	-	1,099,555	1,099,555
Total	213,143	4,796,551	5,009,694
	<b>Floating rate financial liabilities</b>	<b>Financial liabilities not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Sterling	(212,186)	(129,033)	(341,219)
Total	(212,186)	(129,033)	(341,219)

<b>31.03.15</b>			
<b>Currency</b>	<b>Floating rate financial assets</b>	<b>Financial assets not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Sterling	420,449	3,626,441	4,046,890
Euros	-	930,409	930,409
Total	420,449	4,556,850	4,977,299
	<b>Floating rate financial liabilities</b>	<b>Financial liabilities not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Sterling	(163,076)	(12,173)	(175,249)
Total	(163,076)	(12,173)	(175,249)

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 company as at 31 March 2016 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 Sub-fund 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 Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

### Fair Value Disclosure

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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)
A Quoted prices for identical instruments in active markets	4,710	(12)
B Price of a recent transaction for an identical instrument	108	
Total	4818	(12)

### 12. Contingent assets and liabilities

At 31 March 2016, the fund had no contingent liabilities or commitments (31 March 2015 £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 2016. Since that date, the Fund's quoted price has moved as follows for the following share class:

Share Class	Price at 31 March 2016	Price at 28 June 2016
Class F Net Accumulation	117.8422p	117.8297

### 14. Portfolio transaction costs

Analysis of total purchase costs	31.03.16		31.03.15	
	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	1,092,278		1,016,241	
Commissions	-	0.00%	-	0.00%
Taxes	-	0.00%	-	0.00%
Levy	-	0.00%	-	0.00%
Total purchase costs	-	0.00%	-	0.00%
Total purchases including transaction costs	<u>1,092,278</u>		<u>1,016,241</u>	

Analysis of total sale costs	31.03.16		31.03.15	
	£	% of total sales	£	% of total sales
Sales in year before transaction costs	800,508		1,241,232	
Commissions	-	0.00%	-	0.00%
Taxes	-	0.00%	-	0.00%
Levy	-	0.00%	-	0.00%
Total sale costs	-	0.00%	-	0.00%
Total sales net of transaction costs	<u>800,508</u>		<u>1,241,232</u>	

## SUB-FUND OVERVIEW

---

<b>Name of Sub-Fund</b>	VT De Lisle America Fund
<b>Size of Sub-Fund</b>	£19,491,301
<b>Launch date</b>	6 August 2010
<b>Sub-Fund objective and policy</b>	<p>The Sub-Fund will aim to achieve a long term return.</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-Fund may invest in collective schemes, transferable securities, cash deposits and money market funds permitted by the FCA Rules.</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 Company is a qualifying investment for inclusion in an ISA.
<b>Minimum investment</b>	
Lump sum subscription:	All share classes £1,000 (or \$1,000)
Top-up:	All share classes £500 (or \$500)
Holding:	All share classes £1,000 (or \$1,000)
Redemption:	All share classes £500 (or \$500)
The ACD may at its discretion accept subscriptions lower than the minimum amount.	
<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 (£).	
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 = 5.0% Class B Net Accumulation GBP = 2.0% Class B Net Accumulation USD = 2.0%

# INVESTMENT MANAGER'S REVIEW

---

## Investment Manager's Report

For the period from 1st April 2015 to 31st March 2016.

## Investment Objectives and Policy

The Sub-Fund seeks to achieve capital appreciation by investing in US smaller companies. Typically, 85% of the portfolio is in US companies of market capitalisation less than \$500 million and the rest is in larger US companies. The portfolio will consist of equity securities quoted on the US stock markets.

## Manager's Review

The share classes within the Sub-Fund fell by -0.28%(+23.03% 2015) for the Class B GBP and -2.94%(9.52% 2015) in the Class B USD for the year ending 31st March 2016, while the S&P500 Index fell by -0.39%. Our performance was better than any index we might be compared with. For instance, the Russell 2000 was down 11.1%; the New York Stock Exchange Index (all NYSE stocks) was down 6.3%; the S&P600 (small cap) was down 4.6% and the S&P400 (mid cap) was down 5.2%. The index that best reflects the capitalisation of each of our holdings is the Russell 2000, although the S&P600 better reflects their quality as it has stricter listing requirements.

Our largest overweight position remains in small community banks because we have an edge and they work. These banks are typically in towns with a Main Street in states which are attractive yet not mainstream. For instance, the Carolinas, Virginia, Kansas, Indiana, Washington, Michigan and Kentucky are important to us. We have no banks in California or Florida. Community banks are low beta and consolidate, occasionally merging with neighbours. They suffered in the financial crisis, as the Fed required more deposits and are gently returning to pre-crisis levels and beyond. They tend to just lend to local businesses and consumers. Our edge is we can study them deeper over the years and they anyway tend to be not much followed by research. They are also mainly locally owned. Occasionally, surprises happen. In this year I was starting a holding in Riverside Bank of Indiana, having made an enjoyable romp through their 100 years of history of not much happening when they received a bid from German-American Bank which we have held for ten years and had never previously done anything so exciting. Thus we now have more than 1% of the Fund in German—American and their capitalisation has advanced to \$500 million, which is tectonic change in this world. Another surprise last year was when a list showed us to be the only institutional holder of Monarch Bank of Virginia, our largest position. This \$200 million bank is now in the process of bringing us company on the shareholder list by getting taken over by the much larger Towne Bank.

Sometimes nothing happens at all, even though it should. Last autumn FS Bancorp of Washington increased its deposit base by a third in buying, for a song, four branches from Bank of America in the remote Olympic National Park around Puget Sound. The share price has been resolutely unmoved as we have shifted our position up to 2.5% of the Fund and maybe we will have to wait for the associative lending to increase to get some attention for this transformational event. The bank itself bought back 3% of its own equity in the last quarter so I presume it is also stamping its feet in protest at its lack of recognition at getting its hands on some of the old Seafirst Bank and becoming the banker for this beautiful area.

Elsewhere, we hold, as ever, representation in canoes, cemeteries, RVs and avocados. More mundanely, we have plastics, choline, car locks and polymers. In machinery we have cherry pickers, fork lifts, boom trucks and stump grinders. However, what unifies these disparate enterprises is that they are all bets on the continuing function of the great American heartland. Always the condition to upset the apple cart would be a deep recession because these stocks would get hurt no matter how strong their balance sheets.

We try to stick with value and I cannot see value in Amazon however far we project into the future but their phenomenon means we will no longer hold any retail, having left Village Stores this year. The general creative disruption is so threatening that it would be easy to run away and hide in consumer staples, yet they are also too expensive and we are left pondering more sociological questions such as whether motor boats will retain the same appeal to millennials or are they destined, like golf, to be judged too time-consuming in the age of the Internet? These questions can challenge the strongest convictions of the older generation. For instance, many generations had certitude in death and taxes, yet even these are going out of fashion as our coffin makers cite revenue shortfalls on a falling death rate and five technology companies hold \$500 billion offshore to escape tax.

We need to be flexible as the barriers have gone and this goes beyond predicting the death of newspapers and imagining the effects of 3D printing. For this reason, and again surprisingly, a lot of the paths lead back to the Middle American catchall of the community bank. As far as I can see we just have to make one modern assumption – that peer-to-peer lending is not a disruptor, and, given the smash-up that greedy Wall Street has already made, this seems a quite reasonable view.

I do not think we will get the robust economy which will make the Fund fly, but then again, I don't think the economic weakness that is priced into the current market will portend, as we seem to be at another disinflation high tide and we are positioned accordingly. Earlier this year Money Observer gave the Fund its Stability Award and I think that is fair, as we move slowly with only very rare stock blow-ups.

Richard de Lisle  
De Lisle Partners LLP  
Investment Managers to the Fund



## PERFORMANCE RECORD

### Financial Highlights

#### Class B GBP Net Accumulation

	Year to 31 March 2016	Year to 31 March 2015	Year to 31 March 2014
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	<u>238.0148</u>	<u>193.4598</u>	<u>176.6972</u>
Return before operating charges	2.0288	47.0503	19.1871
Operating charges (note 1)	<u>(2.6839)</u>	<u>(2.4953)</u>	<u>(2.4245)</u>
Return after operating charges*	(0.6551)	44.5550	16.7626
Closing net asset value per unit	<u>237.3597</u>	<u>238.0148</u>	<u>193.4598</u>
Retained distributions on accumulated units	0.0137p	0.0011p	-
*after direct transaction costs of:	0.3565	0.2157	0.2221
Performance			
Return after charges	(0.28%)	23.03%	9.49%
Other information			
Closing net asset value	£8,932,448	£9,359,762	£8,354,754
Closing number of units	3,763,254	3,932,428	4,318,600
Operating charges (note 2)	1.22%	1.23%	1.29%
Direct transaction costs	0.15%	0.10%	0.12%
Prices			
Highest unit price	241.20	238.01	202.03
Lowest unit price	199.86	181.27	164.04

#### Class B USD Net Accumulation

	Year to 31 March 2016	Year to 31 March 2015	Year to 31 March 2014
Changes in net assets per unit	USDc	USDc	USDc
Opening net asset value per unit	<u>228.2065</u>	<u>208.3662</u>	<u>172.8995</u>
Return before operating charges	(4.0951)	22.4366	37.9641
Operating charges (note 1)	<u>(2.6202)</u>	<u>(2.5963)</u>	<u>(2.4974)</u>
Return after operating charges*	(6.7153)	19.8403	35.4667
Closing net asset value per unit	<u>221.4912</u>	<u>228.2065</u>	<u>208.3662</u>
Retained distributions on accumulated units	0.0076p	0.0007p	-
*after direct transaction costs of:	0.3373	0.2183	0.2287
Performance			
Return after charges	(2.94%)	9.52%	20.51%
Other information			
Closing net asset value	\$15,284,807	\$16,289,522	\$15,091,561
Closing number of units	6,900,863	7,138,063	7,242,806
Operating charges (note 2)	1.22%	1.23%	1.29%
Direct transaction costs	0.15%	0.10%	0.12%
Prices			
Highest unit price	230.00	228.91	215.40
Lowest unit price	193.58	196.44	162.88

## PERFORMANCE RECORD (Continued)

---

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on expenses incurred during the period annualised, as a proportion of the average net asset value of the fund.

### **Risk Profile**

Based on past data, the fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Fund is ranked 5 because funds of this type have experienced relatively high 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.

### **Risk Warning**

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

## PORTFOLIO STATEMENT

As at 31 March 2016

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
	<b>Financials 48.65% (2015 – 39.75%)</b>		
10,603	Access National Corporation Common	141,035	0.72%
3,698	American National Bankshares	65,324	0.34%
18,948	BCB Bancorp	133,187	0.68%
10,615	Bank of South Carolina	118,792	0.61%
1,122	Bar Harbour Bankshares Common Stock	26,312	0.13%
16,901	BNC Bancorp	248,273	1.27%
4,000	Cardinal Financial	56,913	0.29%
13,135	Carolina Bank Holdings	144,713	0.74%
5,500	Central Pacific Financial	83,448	0.43%
5,323	DNB Financial	107,702	0.55%
1,869	East West Bancorp	42,247	0.22%
10,712	Farmers Capital Bank	196,809	1.01%
13,473	First Merchants	219,569	1.13%
26,330	Frac 1 <sup>st</sup> Merchants	4	0.00%
28,091	FS Bancorp	488,319	2.51%
1,289	Home Bancorp	24,031	0.12%
23,819	Mercantile Bank Corp	377,926	1.94%
11,806	German American Bancorp	263,585	1.35%
6,500	Hanmi Financial Corp	99,252	0.51%
18,571	Landmark Bancorp	326,245	1.68%
5,000	LTC Properties	156,583	0.80%
17,200	Medallion Financial	112,362	0.58%
2,000	Middleburg Financial Corp	28,262	0.14%
12,654	Mid Penn Bancorp	130,585	0.67%
130,402	Monarch Financial Holdings	1,514,092	7.78%
3,695	New Germany Fund	36,015	0.18%
14,934	Pacific Continental	166,452	0.85%
20,109	People's Bancorp of North Carolina	260,917	1.34%
14,373	Park Sterling Corporation	66,005	0.34%
6,500	Preferred Bank	136,029	0.70%
2,000	Pulaski Financial	22,528	0.11%
7,345	Select Bancorp	41,124	0.21%
700	Signature Bank New York	67,201	0.35%
5,000	Silver Bay Realty Trust	50,331	0.26%
5,000	Southern First Bancshares	86,362	0.44%
37,463	Southern National Bancorp of Virginia	316,125	1.62%
5,318	Superior Uniform Group	67,026	0.34%
7,163	United Bankshares	183,967	0.94%
1,500	Wells Fargo & Co	50,666	0.26%
6,700	West Bancorporation	86,259	0.44%
39,602	Westwood Holdings	1,618,913	8.32%
20,000	Wilshire Bancorp	143,080	0.73%
59,095	Yadkin Valley Financial	977,430	5.02%
		<b>9,482,000</b>	<b>48.65%</b>

PORTFOLIO STATEMENT (Continued)

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
<b>Consumer Staples 2.29% (2015 – 8.83%)</b>			
6,851	Calavo Growers	271,695	1.39%
1,000	J & J Snack Foods	75,126	0.39%
4,056	Rocky Mountain Chocolate Factory	28,834	0.15%
4,173	Village Super Market Class 'A'	70,672	0.36%
		<b>446,327</b>	<b>2.29%</b>
<b>Materials 7.96% (2015 – 8.64%)</b>			
2,500	Balchem	106,824	0.55%
54,511	Handy & Harman	1,025,546	5.26%
5,500	Stepan Co	214,070	1.10%
13,629	UFP Technologies	205,649	1.05%
		<b>1,552,089</b>	<b>7.96%</b>
<b>Consumer Discretionary 16.56% (2015 – 16.95%)</b>			
1,500	Blue Buffalo Pet Products	26,341	0.13%
41,152	Carriage Services	609,516	3.13%
2,000	Drew Industries	89,423	0.46%
48,283	Crown Crafts	314,244	1.61%
20,299	Jewett-Cameron Trading	158,114	0.81%
23,474	Johnson Outdoors - Class A	361,941	1.86%
115,027	Marine Products	604,502	3.10%
1,000	Norwegian Cruise Line Holdings	37,624	0.19%
74,000	Rite Aid Corp	416,890	2.14%
4,600	Rocky Brands Inc	41,227	0.21%
1,000	Royal Caribbean Cruises Ltd	55,785	0.29%
6,500	Service Corp International	109,856	0.56%
21,880	Shiloh Industries	83,164	0.43%
5,459	Strattec Security Corp	222,423	1.14%
77,921	Summer Infant	94,666	0.49%
66,823	U-Swirl Inc	1,865	0.01%
		<b>3,227,581</b>	<b>16.56%</b>

PORTFOLIO STATEMENT (Continued)

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
	<b>Industrials 11.63% (2015 – 11.73%)</b>		
4,034	Alamo Group	159,293	0.82%
1,500	Allied Motion Technologies	17,698	0.09%
3,867	Compass Minerals International	192,310	0.98%
8,437	DXP Enterprises	106,835	0.55%
6,000	Encore Wire	163,178	0.84%
1,200	Espey Manufacturing and Electronics	20,494	0.10%
5,591	Gencor Industries	56,785	0.29%
740	Gorman-Rupp Co	13,095	0.07%
15,120	Hardinge	131,524	0.67%
15,600	Horizon Global	133,858	0.69%
2,224	Hyster-Yale Materials	103,569	0.53%
41,893	Manitex International	158,068	0.81%
1,000	Northrop Grunman	137,950	0.71%
26,000	Orion Marine Group	94,491	0.48%
9,006	SL Industries	210,199	1.08%
2,760	SP Plus Corporation	46,081	0.24%
1,000	Thor Industries	44,236	0.23%
1,000	Toro	60,179	0.31%
21,764	Vectrus	339,579	1.74%
5,000	Winnebago Industries	77,875	0.40%
		<b>2,267,297</b>	<b>11.63%</b>
	<b>Information Technology 4.33% (2015 – 4.99%)</b>		
4,900	Clearone Inc	39,494	0.20%
72,313	Computer Task Group	257,032	1.33%
2,000	First Solar Inc	95,776	0.49%
14,700	Gerber Scientific	0	0.00%
1,500	Microsoft Corporation	57,331	0.29%
3,842	Mocon	37,141	0.19%
22,250	Moduslink Global Solutions	23,093	0.12%
25,618	Wayside Technology Group	308,565	1.58%
30,600	Westell Technologies Inc	24,961	0.13%
		<b>843,393</b>	<b>4.33%</b>
	<b>Energy 1.23% (2015 – 2.25%)</b>		
4,500	World Fuel Services	151,828	0.78%
2,000	Valero Energy Corp	88,840	0.45%
		<b>240,668</b>	<b>1.23%</b>
	<b>Health 6.60% (2015 - 4.84%)</b>		
100	Alphabet Inc	53,350	0.27%
3,000	Amersourcebergen Corp	181,318	0.93%
28,673	Caretrust Com	251,109	1.29%
1,500	CVS Corp	108,362	0.55%
11,500	Ensign Group	182,106	0.94%
42,000	Female Health	58,024	0.30%
4,000	Kforce	53,969	0.28%
2,061	National Research Class A	22,242	0.11%
5,001	National Research Class B	119,743	0.62%
19,381	Span-America Medical Systems	255,709	1.31%
		<b>1,285,932</b>	<b>6.60%</b>

PORTFOLIO STATEMENT (Continued)

---

	Value (Note 1g) £	% of Total Net Assets %
Investment assets (2015 - 97.98%)	19,345,287	99.25%
Net other assets (2015 - 2.27%)	198,294	1.02%
Adjustment to revalue assets from Mid to Bid prices (2015 – (0.25%))	(52,280)	(0.27)%
Net assets	<u>19,491,301</u>	<u>100.00%</u>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

---

	£
<b>Total sales for the year (note 14)</b>	<b>7,884,576</b>
Yadkin Financial	827,101
Hyster – Yale Materials	614,965
Village Supermarket	431,038
India Offer Fund	418,923
Encore Wire	315,044
Rocky Mountain Chocolate Factory	299,268
J&J Snack Foods	270,585
New Germany Fund	234,808
Morgan Stanley	211,917
Silver Wheaton	206,938

	£
<b>Total purchases for the year (note 14)</b>	<b>7,159,796</b>
Newbridge Bancorp	800,493
Americana Bancorp	299,796
FS Bancorp	266,662
Hyster-Yale Materials	197,213
Valero Energy	194,289
Compass Minerals	190,449
Horizon Group	183,538
Westwood Holdings	179,307
Monarch Financial Holdings	174,177
Encore Wire	173,763

The above transactions represent the major sales and purchases during the year.

## STATEMENT OF TOTAL RETURN

For the year ended 31 March 2016

	Notes	£	31.03.16 £	31.03.15 £
Income				
Net capital (losses)/gains	2		(217,792)	3,845,680
Revenue	3	380,398		333,638
Expenses	4	(226,768)		(224,124)
Interest payable and similar charges	6	(234)		(160)
Net revenue before taxation		<u>153,396</u>		<u>109,354</u>
Taxation	5	<u>(56,198)</u>		<u>(55,319)</u>
Net revenue after taxation			<u>97,198</u>	<u>54,035</u>
Total return before distributions			(120,594)	3,899,715
Finance costs: distributions	6		<u>(97,198)</u>	<u>(9,532)</u>
<b>Change in net assets attributable to shareholders from investment activities</b>			<u>(217,792)</u>	<u>3,890,183</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2016

	31.03.16 £	31.03.15 £
<b>Opening net assets attributable to shareholders</b>	20,315,848	17,373,208
Amounts receivable on creation of shares	552,282	703,287
Amounts payable on cancellation of shares	(1,258,774)	(1,664,423)
Distribution accumulated	96,857	9,532
Dilution Levy	2,880	4,061
Change in net assets attributable to shareholders from investment activities (see above)	<u>(217,792)</u>	<u>3,890,183</u>
<b>Closing net assets attributable to shareholders</b>	<u>19,491,301</u>	<u>20,315,848</u>



## BALANCE SHEET

---

As at 31 March 2016

	Notes	31.03.16		31.03.15	
		£	£	£	£
<b>ASSETS</b>					
Investment assets			19,293,007		19,854,059
<b>Current Assets</b>					
Debtors	7	39,789		289,886	
Cash and bank balances	8	<u>315,502</u>		<u>401,824</u>	
<b>Total other assets</b>			<u>355,291</u>		<u>691,710</u>
<b>Total assets</b>			19,648,298		20,545,769
<b>LIABILITIES</b>					
<b>Creditors</b>					
Creditors	9	(126,965)		(229,921)	
Bank overdrafts	8	<u>(30,032)</u>		<u>-</u>	
<b>Total liabilities</b>			<u>(156,997)</u>		<u>(229,921)</u>
<b>Net assets attributable to shareholders</b>			<u>19,491,301</u>		<u>20,315,848</u>

# NOTES TO THE FINANCIAL STATEMENTS

---

For the year ended 31 March 2016

## 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 for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and there have been no change to the comparatives following the adoption of this SORP. The functional currency of the Fund 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 accrual 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 that 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 mid prices, excluding any accrued interest in the case of fixed interest securities. On the last business day of the accounting year a mid to bid adjustment is made in the portfolio statement to revalue the portfolio to bid priced.

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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

---

**(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 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 Fund. An allocation of income to be made in respect of each share is 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 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</b>	<b>Net capital gains</b>	<b>31.03.16</b>	<b>31.03.15</b>
	The net capital (losses) comprise:	£	£
	Non-derivative securities gains –unrealised	745,865	1,627,070
	realised (losses)	(936,124)	120,152
	Transaction charges	(7,711)	(4,140)
	Currency (losses)/gains	(19,822)	2,222,750
	Total net capital (losses)/gains	<u>(217,792)</u>	<u>3,845,680</u>
<b>3</b>	<b>Revenue</b>	<b>31.03.16</b>	<b>31.03.15</b>
		£	£
	Overseas dividends	<u>380,398</u>	<u>333,638</u>
	Total revenue	<u>380,398</u>	<u>333,638</u>
<b>4</b>	<b>Expenses</b>	<b>31.03.16</b>	<b>31.03.15</b>
		£	£
	<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
	ACD fee	12,526	12,500
	Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
	Investment Manager's fee	<u>185,741</u>	<u>182,520</u>
	<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
	Depositary fee	18,037	18,000
	Safe Custody fee	<u>3,009</u>	<u>3,903</u>
		<u>21,046</u>	<u>21,903</u>
	<b>Other expenses</b>		
	Audit fee	6,900	6,900
	FCA fee	315	301
	Investment association fee	<u>240</u>	<u>-</u>
		<u>7,455</u>	<u>7,201</u>
	<b>Total expenses</b>	<u>226,768</u>	<u>224,124</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>5. Taxation</b>	<b>31.03.16</b>	<b>31.03.15</b>
	£	£
<b>(a) Analysis of charge in the year</b>		
Irrecoverable income tax	56,198	55,319
Total tax charge for the year (note 5b)	<u>56,198</u>	<u>55,319</u>
<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%). The differences are explained below:		
Net revenue before taxation	<u>153,396</u>	<u>109,354</u>
Corporation tax at 20%	30,680	21,871
<u>Effects of:</u>		
Overseas dividends	(76,080)	(66,728)
Current year expenses not utilised	45,400	44,857
Overseas tax expenses	56,198	55,319
Total tax charge for year (note 5a)	<u>56,198</u>	<u>55,319</u>
<b>(c) Provision for deferred taxation</b>		
At 31 March 2016 there is a potential deferred tax asset of £214,582 (31 March 2015: £169,182) in relation to surplus management expenses. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
<b>6. Finance costs</b>	<b>31.03.16</b>	<b>31.03.15</b>
	£	£
Interim distribution	28,347	-
Final dividend distribution	<u>68,510</u>	<u>9,532</u>
	96,857	9,532
Add: Revenue deducted on cancellation of shares	606	-
Deduct: Revenue received on issue of shares	<u>(265)</u>	<u>-</u>
	97,198	9,532
Interest payable and similar charges	<u>234</u>	<u>160</u>
<b>Total finance costs</b>	<u>97,432</u>	<u>9,692</u>
<b>Reconciliation of distributions</b>		
Net revenue after taxation	97,198	54,035
Revenue deficit carried forward from earlier periods	-	(44,503)
<b>Net distribution for the year</b>	<u>97,198</u>	<u>9,532</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>31.03.16</b>	<b>31.03.15</b>
	£	£
Overseas dividends	39,609	24,189
Outstanding subscriptions	-	3,929
Outstanding trade settlements	-	261,587
Prepayments	<u>180</u>	<u>181</u>
Total debtors	<u><u>39,789</u></u>	<u><u>289,886</u></u>
<b>8 Cash and bank balances</b>	<b>31.03.16</b>	<b>31.03.15</b>
	£	£
Cash and bank balances	<u>315,502</u>	<u>401,824</u>
Bank overdrafts	<u>(30,032)</u>	<u>-</u>
<b>9 Creditors</b>	<b>31.03.16</b>	<b>31.03.15</b>
	£	£
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	<u>1,059</u>	<u>1,096</u>
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	<u>16,567</u>	<u>17,871</u>
Amounts payable to the Depository, associates of the Depository and agents of either of them:		
Depository's fees	-	1,578
Safe custody and other bank charges	<u>4,167</u>	<u>2,161</u>
	4,167	3,739
Other expenses:		
Audit fee	6,900	6,900
FCA fee	<u>315</u>	<u>315</u>
	<u>7,215</u>	<u>7,215</u>
Outstanding settlements	97,957	-
Outstanding redemptions	-	200,000
Total creditors	<u><u>126,965</u></u>	<u><u>229,921</u></u>

**10. Units held**

**Units Held – Class B Net Accumulation GBP**

<b>Opening units at 01.04.15</b>	<b>3,932,428</b>
<b>Units issued during the year</b>	<b>137,638</b>
<b>Units cancelled during the year</b>	<b>(306,812)</b>
<b>Units converted during the year</b>	<b>-</b>
<b>Closing units at 31.03.16</b>	<b>3,763,254</b>

**Units Held – Class B Net Accumulation USD**

<b>Opening units at 01.04.15</b>	<b>7,138,063</b>
<b>Units issued during the year</b>	<b>326,530</b>
<b>Units cancelled during the year</b>	<b>(563,730)</b>
<b>Units converted during the year</b>	<b>-</b>
<b>Closing units at 31.03.16</b>	<b>6,900,863</b>

**11. Financial instruments**

In pursuing its investment objective as stated on page 22, 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.

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 31.03.16 would have increased/decreased by £1,929,301 (2015 – £1,985,406).

**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. Revenue received in other currencies is converted to sterling on or near the date of receipt.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 31.03.16 would have increased/decreased by £1,952,119 (2015 – £2,032,398).

Net currency monetary assets and liabilities consist of:

	Monetary assets and liabilities		Non-monetary assets and liabilities		Total net assets	
	£		£		£	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
Sterling	(29,893)	217,675	-	(225,811)	(29,893)	(8,136)
US Dollar	228,187	244,114	19,293,007	20,079,870	19,521,194	20,323,984
Total	198,294	461,789	19,293,007	19,854,059	19,491,301	20,315,848

### Interest rate risk

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

<b>31.03.16</b>			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	28,967	180	29,147
US Dollar	286,535	19,332,616	19,619,151
Total	315,502	19,332,796	19,648,298
Currency	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	(30,032)	(29,008)	(59,040)
US Dollar	-	(97,957)	(97,957)
Total	(30,032)	(126,965)	(156,997)

<b>31.03.15</b>			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	217,675	4,109	221,784
US Dollar	184,149	20,139,836	20,323,985
Total	401,824	20,143,945	20,545,769
Currency	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	-	(229,921)	(229,921)
US Dollar	-	-	-
Total	-	(229,921)	(229,921)

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.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **Maturity of financial liabilities**

The financial liabilities of the company as at 31 March 2016 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 Sub-fund 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 Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

### **Fair Value Disclosure**

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

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

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

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

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

Valuation Technique	Assets (£'000)	Liabilities (£'000)
A Quoted prices for identical instruments in active markets	19,293	-
Total	19,293	-

### **12. Contingent assets and liabilities**

At 31 March 2016, the fund had no contingent liabilities or commitments (31 March 2015 £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 2016. Since that date, the Fund's quoted mid price has moved as follows for each share class:

Share Class	Price at 31 March 2016	Price at 08 June 2016
Class B Net Accumulation GBP	237.3597p	244.2586p
Class B Net Accumulation USD	221.4912c	230.5713c

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Portfolio transaction costs

Analysis of total sale costs	£	% of total sales	£	% of total sales
Sales in year before transaction costs	7,896,227		6,835,644	
Commissions	<u>(11,651)</u>	0.15%	<u>(6,959)</u>	0.10%
Total sale costs	<u>(11,651)</u>	0.15%	<u>(6,959)</u>	0.10%
Total sales net of transaction costs	<u><u>7,884,576</u></u>		<u><u>6,828,685</u></u>	

31.03.16

31.03.15

Analysis of total purchase costs	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	7,148,973		5,765,010	
Commissions	<u>10,823</u>	0.15%	<u>8,658</u>	0.15%
Total purchase costs	<u>10,823</u>	0.15%	<u>8,658</u>	0.15%
Total purchases including transaction costs	<u><u>7,159,796</u></u>		<u><u>5,773,668</u></u>	

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

	2016 £	% of average net asset value	2015 £	% of average net asset value
Commission	<u>22,474</u>	0.11%	<u>15,617</u>	0.08%
	<u><u>22,474</u></u>	0.11%	<u><u>15,617</u></u>	0.08%

## DISTRIBUTION TABLES

---

### Final distribution in pence per share

Group 1 – Shares purchased prior to 01 October 2015

Group 2 – Shares purchased on or after 01 October 2015 and on or before 31 March 2016.

01 October 2015 to 31 March 2016

Class B Net Accumulation GBP	Dividend accumulated 31.05.2016	Equalisation	Distribution accumulated 31.05.2016	Distribution accumulated 29.05.2015
Group 1	0.0083	-	0.0083	0.0011
Group 2	0.0083	-	0.0083	0.0011

Class B Net Accumulation USD	Dividend accumulated 31.05.2016	Equalisation	Distribution accumulated 31.05.2016	Distribution accumulated 29.05.2015
Group 1	0.0054	-	0.0054	0.0007
Group 2	0.0054	-	0.0054	0.0007

### Interim distribution in pence per share

Group 1 – Shares purchased prior to 01 April 2015

Group 2 – Shares purchased on or after 01 April 2015 and on or before 30 September 2015.

01 April 2015 to 30 September 2015

Class B Net Accumulation GBP	Dividend accumulated 30.09.2015	Equalisation	Distribution accumulated 30.09.2015	Distribution accumulated 30.09.2014
Group 1	0.0034	-	0.0034	-
Group 2	0.0034	-	0.0034	-

Class B Net Accumulation USD	Dividend accumulated 30.09.2015	Equalisation	Distribution accumulated 30.09.2015	Distribution accumulated 30.09.2014
Group 1	0.0022	-	0.0022	-
Group 2	0.0022	-	0.0022	-

### 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

---

### **Authorised Status**

The Mulben Investment Funds (the “Company”) is incorporated in England and Wales as an ICVC under registration number IC00816. 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 with each Fund being a UCITS Scheme. 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 Ltd, 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 icf Absolute Return Portfolio 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.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each accounting period.

### **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 4:30pm. Instructions to buy or sell shares may either be in writing to:

Valu-Trac Investment Management Ltd

Orton, Fochabers, Moray, IV32 7QE

Or by email to:

[icf@valu-trac.com](mailto:icf@valu-trac.com) for deals relating to The VT ICF Absolute Return Portfolio

[delisle@valu-trac.com](mailto:delisle@valu-trac.com) for deals relating to The VT 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 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 which is also the Head Office of the Company and copies may be obtained upon application.

## CORPORATE DIRECTORY

---

<b>Authorised Corporate Director, &amp;Registrar</b>	<p>Valu-Trac Investment Management Limited Orton Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 E-mail: <a href="mailto:icf@valu-trac.com">icf@valu-trac.com</a> <a href="mailto:delisle@valu-trac.com">delisle@valu-trac.com</a></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 VT icf Absolute Return Portfolio icf Management Limited 40 Gracechurch Street London EC 3V 0BT</p> <p>For VT De Lisle America Fund: De Lisle Partners LLP Cliff House 8A Westminster Road Poole BH13 6JW</p> <p>Both authorised and regulated by the Financial Conduct Authority</p>
<b>Fund Managers</b>	<p>The VT icf Absolute Return Portfolio Mark Lynam Jeremy Suffield</p> <p>The VT De Lisle America Fund Richard de Lisle</p>
<b>Depository</b>	<p>National Westminster Bank Plc Younger Building, 1<sup>st</sup> Floor 3 Redheughs Avenue EDINBURGH EH12 9RH</p> <p>Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority</p>
<b>Auditors</b>	<p>Johnston Carmichael LLP Chartered Accountants 7-11 Melville Street Edinburgh EH3 7PE</p>