

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

Annual Report and Financial Statements
for the year ended 31 March 2019

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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 IC000816. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes Sourcebook (“COLL”) issued by the FCA.

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

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 revenue/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 judgements and estimates that are reasonable and prudent.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

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

DIRECTOR'S STATEMENT

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

Anne A. Laing CA

Neil J. Smith MA BA CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date

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

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the "OEIC Regulations"), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and 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 April 2019

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

Opinion

We have audited the financial statements of The Mulben Investment Funds ("the Company") for the year ended 31 March 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 31 March 2019 and of the net revenue/expenses and the net capital gains/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.

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

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.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 2 the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal controls as the 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.

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

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

SUB-FUND OVERVIEW

Name of Sub-Fund	The VT icf Absolute Return Portfolio
Size of Sub-Fund	£4,356,910
Launch date	6 August 2010
Sub - Fund objective and policy	<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>
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 March, 30 September
Distribution dates	31 May, 30 November
Individual Savings Account (ISA)	The Sub-Fund is a qualifying investment for inclusion in an ISA.
Minimum investment	
Lump sum subscription:	A Class Net Accumulation = £1,000 B Class Net Accumulation = £100,000 F Class Net Accumulation = £1,000,000
Top-up:	All share classes = £500
Holding:	A Class Net Accumulation = £1,000 B Class Net Accumulation = £100,000 F Class Net Accumulation = £1,000,000
Redemption:	All share classes = £500

The ACD may waive the minimum levels at its discretion.

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 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 Net Accumulation = 5.0%
	B Class Net Accumulation = 2.0%
	F Class Net Accumulation = 0.0%

The ACD may waive in full or part the initial charge at its discretion.

INVESTMENT MANAGER'S REVIEW

Many many weeks ago Harold Wilson (British Prime minister from 1964 to 1970 and 1974 to 1976 if there are any of our younger readers reading this) said a week is a long time in politics. We suspect his meaning was that a short period was all it needs for the back stabber to find a suitable back to stab, that everything happens at a furious rate, that the time window is short and the politics fast. Unfortunately when we look back over the last financial year the political machinations have been so drawn out that it is hard to get away from the thought that a year is a long time in politics. That the backstabber has lost his skills is not in doubt but now the time window is long and the politics slow. It all left investors wandering in a space time vacuum. The equity markets probably had the furious end of it. As domestic politicians squabbled the real world tried to adjust, tried to second guess and it all became unpleasant. Our UK ready reckoner the FTSE100 started at 7,500ish, added around 250 points over the summer (I think they call that the summer recess because the politicians are on the beach), lost about 15% through to Christmas before rallying to end around 100 points short of where it started. I would hazard a guess that some of those weeks felt a great deal longer than others.

The absolute return sector was somewhat calmer but still proved difficult. We have a ready reckoner to try to monitor what the sector is doing. This year because our old comparator, the UCITS alternative fund of fund index adjusted for Sterling, was withdrawn at the end of January 2019 we have had to bolt on a new ready reckoner - The Absolute Hedge Global UCITS index - to let us reckon to the end of March 2019. This amalgamating allowed us to reckon it was a tough year, with the combined series finishing 2.8% shy of its March 2018 level.

Meanwhile closer to home the NAV of your fund started the year at 120.2 pence, spent the summer around 1% higher and then the 'post Westminster summer recess' period drifting lower. It ended the year at 119.6 pence, around 0.5% below its start level. It all felt rather laborious. So yes Mr Wilson, I concede a week was a long time in politics, but a year of investing in the presence of politicians is so very much longer.

icf management limited

Investment Manager to the Fund

PERFORMANCE RECORD

Financial Highlights

Class F Net Accumulation GBP	Year to 31 March 2019	Year to 31 March 2018	Year to 31 March 2017
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	120.2347	121.5220	117.8422
Return before operating charges	1.9275	1.3168	6.3487
Operating charges (note 1)	(2.5189)	(2.6041)	(2.6689)
Return after operating charges*	(0.5914)	(1.2873)	3.6798
Closing net asset value per unit	119.6433	120.2347	121.5220
Retained distribution on accumulated units	-	-	-
*after direct transaction costs of:	0.0600	0.0242	-
Performance			
Return after charges	(0.49%)	(1.06%)	3.12%
Other information			
Closing net asset value (note 3)	£4,362,094	£4,582,358	£4,746,530
Closing number of units	3,645,915	3,811,178	3,905,901
Operating charges (note 2)	2.07%	2.13%	2.23%
Direct transaction costs	0.05%	0.02%	0.00%
Prices			
Highest unit price	123.88	123.76	122.14
Lowest unit price	118.90	119.99	116.58

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on expenses incurred during the period annualised, as a proportion of the average net asset value of the fund together with the ongoing charges included within the underlying Open ended Investment Companies held within the fund's holdings.

Risk Profile

Based on past data, the Sub-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 Sub-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 2019

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
Investment Companies 94.16% (2018 – 95.34%)			
62,000	Dexion Absolute Limited**	-	-
5,000	BH Macro Limited	115,500	2.65
850	Personal Assets Trust Plc	344,038	7.90
155,000	Ruffer Investment Company Limited	328,600	7.54
125,000	LF Odey Absolute Return GBP Inst Acc	372,850	8.56
125,000	Old Mutual Global Equity Absolute Return	202,612	4.65
35,000	Polar Capital Global Insurance Fund F GBP Acc	236,138	5.42
150,000	Premier Defensive Growth Fund	182,280	4.18
6,200	First Private Wealth Fund Class A	398,622	9.15
510,000	Jupiter Absolute Return Fund	273,003	6.27
200,000	F & C Global Equity Market Neutral Fund	108,180	2.48
169,995	SF Metropolis Valuefund S Acc	348,932	8.01
31,000	Pyrford Global Total Return (Sterling) C Acc	351,587	8.07
175,000	Brooks Macdonald Defensive Capital Fund	374,325	8.59
2,500	Vontobel Fund - TwentyFour Absolute Return Credit Fund	280,175	6.43
125,000	JPM Global Macro Opportunities C Net Acc	185,625	4.26
		4,102,467	94.16
Liquidity Funds 2.18% (2018 – 4.81%)			
55,000	Short-term Investments Company (Global Series) Plc- £ Liquidity Portfolio Institutional Class	55,000	1.26
40,014	Deutsche Global Liquidity Series Plc- Deutsche Managed Sterling Fund Advisory	40,014	0.92
		95,014	2.18
Derivatives - Forward Currency Contract 0.04% (2018 – 0.21%)			
	Sold EUR £ 400,214 Bought £ 398,578 (06.06.19)	1,636	0.04
		4,199,117	96.38%
	Investment assets (2018-100.36%)		
	Net other assets (2018-(0.18%))	162,978	3.74%
	Adjustment to revalue assets from mid to bid prices (2018-(0.18%))	(5,185)	(0.12%)
	Net assets	4,356,910	100.00%

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Total sales for the year (note 14)	£ 1,548,628
BH Macro Limited	122,627
F & C Global Equity Market Neutral Fund	203,467
ING (L) Invest Absolute Return Bond Class 1	340,616
Jupiter Absolute Return Fund	104,500
Old Mutual Global Equity Absolute Return	146,507
Polar Capital Global Insurance Fund F GBP Acc	87,523
Premier Defensive Growth Fund	268,388
Short-term Investments Company (Global Series) Plc- £ Liquidity Portfolio Institutional Class	275,000

Total purchases for the year (note 14)	£ 1,160,533
BH Macro Limited	196,894
Brooks Macdonald Defensive Capital Fund	52,575
F & C Global Equity Market Neutral Fund	106,440
JPM Global Marco Opportunities C Net Acc	184,811
Old Mutual Global Equity Absolute Return	130,055
Ruffer Investment Company Limited	63,817
Short-term Investments Company (Global Series) Plc- £ Liquidity Portfolio Institutional Class	150,000
Vontobel Fund - TwentyFour Absolute Return Credit Fund	275,941

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

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2019

	Notes	31.03.19		31.03.18	
		£	£	£	£
Income					
Net capital gains	2		30,009		3,861
Revenue	3	16,427		10,784	
Expenses	4	(62,909)		(62,741)	
Interest payable and similar charges	6	-		-	
Net expenses before taxation		<u>(46,482)</u>		<u>(51,957)</u>	
Taxation	5	<u>-</u>		<u>-</u>	
Net expenses after taxation			<u>(46,482)</u>		<u>(51,957)</u>
Total return before distributions			(16,473)		(48,096)
Finance costs: distributions	6		<u>-</u>		<u>-</u>
Change in net assets attributable to shareholders from investment activities			<u><u>(16,473)</u></u>		<u><u>(48,096)</u></u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2019

	31.03.19	31.03.18
	£	£
Opening net assets attributable to shareholders	4,573,859	4,737,546
Amounts receivable on creation of shares	39,659	627,068
Amounts payable on cancellation of shares	(240,135)	(742,659)
Change in net assets attributable to shareholders from investment activities (see above)	(16,473)	(48,096)
Closing net assets attributable to shareholders	<u><u>4,356,910</u></u>	<u><u>4,573,859</u></u>

BALANCE SHEET

As at 31 March 2019

		31.03.19		31.03.18	
	Notes	£	£	£	£
ASSETS					
Investment assets			4,193,932		4,581,932
Current assets					
Debtors	7	1,565		6,190	
Cash and bank balances	8	<u>493,514</u>		<u>249,984</u>	
Total current assets			<u>495,079</u>		<u>256,174</u>
Total assets			4,689,011		4,838,106
LIABILITIES					
Current liabilities					
Creditors	9	(32,694)		(18,706)	
Bank overdrafts	8	<u>(299,407)</u>		<u>(245,541)</u>	
Total current liabilities			<u>(332,101)</u>		<u>(264,247)</u>
Net assets attributable to shareholders			<u>4,356,910</u>		<u>4,573,859</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 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 for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014. 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 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 bid prices, excluding any accrued interest in the case of fixed interest securities.

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

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

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)

2 Net capital gains	31.03.19	31.03.18
The net capital gains comprise:	£	£
Non-derivative securities gains	25	25,087
Derivative securities gains	14,047	9,474
Transaction charges	(321)	(1,037)
Currency gains/(losses)	<u>16,258</u>	<u>(29,663)</u>
Total net capital gains	<u><u>30,009</u></u>	<u><u>3,861</u></u>
3 Revenue	31.03.19	31.03.18
	£	£
Franked investment income	15,477	10,650
Interest distributions	463	-
Overseas income	-	74
Bank interest	<u>487</u>	<u>60</u>
Total revenue	<u><u>16,427</u></u>	<u><u>10,784</u></u>
4 Expenses	31.03.19	31.03.18
	£	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD fee	35,748	35,894
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	17,518	17,901
Safe custody fee	<u>1,826</u>	<u>1,220</u>
	<u><u>19,344</u></u>	<u><u>19,121</u></u>
Other expenses		
Audit fee	6,900	6,862
FCA fee	102	115
Investment Association fees	239	495
Legal fees	450	-
LEI fees	<u>126</u>	<u>254</u>
	<u><u>7,817</u></u>	<u><u>7,726</u></u>
Total expenses	<u><u>62,909</u></u>	<u><u>62,741</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	31.03.19	31.03.18
	£	£
(a) Analysis of charge in the year		
Irrecoverable income tax	-	-
Total tax charge for the year (note 5b)	<u>-</u>	<u>-</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company of 20.00% (2018:20.00%). The differences are explained below:		
Net expenses before taxation	<u>(46,482)</u>	<u>(51,957)</u>
Corporation tax at 20.00% (2018:20.00%)	(9,296)	(10,391)
<u>Effects of:</u>		
Revenue not subject to UK corporation taxation	(3,095)	(2,145)
Excess management expenses	12,391	12,536
Total tax charge for year (note 5a)	<u>-</u>	<u>-</u>
(c) Provision for deferred taxation		
At 31 March 2019 there is a potential deferred tax asset of £107,044 (31 March 2018: £94,653) in relation to surplus management expenses. It is unlikely the Sub-Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
6 Finance costs	31.03.19	31.03.18
	£	£
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>-</u>
Total finance costs	<u>-</u>	<u>-</u>
Reconciliation of distributions		
Net expenses after taxation	(46,482)	(51,957)
Allocations to capital:		
Net deficit paid by capital	46,482	51,957
Net distribution for the year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.03.19	31.03.18
	£	£
Amounts receivable on trades	375	-
Amounts receivable for issue of shares	-	5,000
Accrued revenue	<u>1,190</u>	<u>1,190</u>
Total debtors	<u><u>1,565</u></u>	<u><u>6,190</u></u>
8 Cash and bank balances	31.03.19	31.03.18
	£	£
Cash and bank balances	<u>493,514</u>	<u>249,984</u>
Bank overdrafts	<u>(299,407)</u>	<u>(245,541)</u>
9 Creditors	31.03.19	31.03.18
	£	£
Amounts payable for redemption of shares	20,482	6,958
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,727	2,814
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	1,430	1,430
Safe custody and other bank charges	<u>227</u>	<u>246</u>
	1,657	1,676
Other accrued expenses	7,828	7,258
Total creditors	<u><u>32,694</u></u>	<u><u>18,706</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Units held

Units Held – Class F Net Accumulation GBP

Opening units at 01.04.18	3,811,178
Units issued during the year	32,719
Units cancelled during the year	(197,982)
Units converted during the year	-
Closing units at 31.03.19	3,645,915

11 Financial instruments

In pursuing its investment objective as stated on page 7, the Sub-Fund holds a number of financial instruments. The Sub-Fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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

Market price risk

Market price risk is the risk that the value of the Sub-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 31.03.19 would have increased/decreased by £419,393 (2018 – £458,193).

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:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Sterling	162,978	(8,147)	3,798,232	3,814,786	3,961,210	3,806,639
Euro	-	74	395,700	767,146	395,700	767,220
Total	162,978	(8,073)	4,193,932	4,581,932	4,356,910	4,573,859

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Interest rate risk

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

31.03.19				
Currency	Floating rate financial assets	Investment in liquidity funds	Financial assets not carrying interest	Total
	£		£	£
Sterling	493,514	95,014	3,704,783	4,293,311
Euros	-	-	395,700	395,700
Total	493,514	95,014	4,100,483	4,689,011
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£		£	£
Sterling	(299,407)	-	(32,694)	(332,101)
Total	(299,407)	-	(32,694)	(332,101)

31.03.18				
Currency	Floating rate financial assets	Investment in liquidity funds	Financial assets not carrying interest	Total
	£		£	£
Sterling	249,910	220,000	3,600,976	4,070,886
Euros	74	-	767,146	767,220
Total	249,984	220,000	4,368,122	4,838,106
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£		£	£
Sterling	(245,541)	-	(18,706)	(264,247)
Total	(245,541)	-	(18,706)	(264,247)

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

Maturity of financial liabilities

The financial liabilities of the Sub-Fund as at 31 March 2019 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	4,192	-
C1 Fair value based on a valuation technique using observable market data.	2	-
Total	4,194	-

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

12 Contingent assets and liabilities

At 31 March 2019, the Sub-Fund had no contingent liabilities or commitments (31 March 2018: £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 29 March 2019. Since that date, the Sub-Fund's quoted price has moved as follows for the following share class:

Share Class	Price at 29 March 2019	Price at 12 July 2019
Class F Net Accumulation GBP	119.6433	122.3913

14 Portfolio transaction costs

Analysis of total purchase costs	31.03.19		31.03.18	
	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	1,159,014		1,312,900	
Commissions	520	0.04%	-	0.00%
Taxes	999	0.09%	-	0.00%
Levies	-	0.00%	-	0.00%
Total purchase costs	<u>1,519</u>	<u>0.13%</u>	<u>-</u>	<u>0.00%</u>
Total purchases including transaction costs	<u>1,160,533</u>		<u>1,312,900</u>	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Analysis of total sale costs	£	% of total sales	£	% of total sales
Sales in the year before transaction costs	1,548,876		1,394,994	
Commissions	(246)	0.02%	-	0.00%
Taxes	-	0.00%	-	0.00%
Levies	(2)	0.00%	-	0.00%
Total sale costs	<u>(248)</u>	<u>0.02%</u>	<u>-</u>	<u>0.00%</u>
Total sales net of transaction costs	<u>1,548,628</u>		<u>1,394,994</u>	

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

	2019 £	% of average net asset value	2018 £	% of average net asset value
Commissions	766	0.02%	-	0.00%
Taxes	999	0.02%	-	0.00%
Levies	2	0.00%	-	0.00%
	<u>1,767</u>	<u>0.04%</u>	<u>-</u>	<u>0.00%</u>

SUB-FUND OVERVIEW

Name of Sub-Fund	The VT De Lisle America Fund
Size of Sub-Fund	£29,649,146
Launch date	6 August 2010
Sub-Fund objective and policy	<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. The Sub-Fund will not use derivatives.</p>

Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 March, 30 September
Distribution dates	31 May, 30 November
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.

Minimum investment

Lump sum subscription:	All net accumulation share classes £1,000 (or \$1,000)
Top-up:	All net accumulation share classes £500 (or \$500)
Holding:	All net accumulation share classes £1,000 (or \$1,000)
Redemption:	All net accumulation share classes £500 (or \$500)

The ACD may waive the minimum levels at its discretion.

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 and B Class shares pro-rata to their net asset value.

The variable element in respect of the A Class shares (£) is equal to 1.50% per annum of the net asset value of the A Class shares (£). However this share class is currently unavailable.

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

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

Initial charge	Class A Net Accumulation GBP = 5.0%
	Class B Net Accumulation GBP = 2.0%
	Class B Net Accumulation USD = 2.0%

The initial charge is currently waived.

INVESTMENT MANAGER'S REVIEW

Investment Objectives and Policy

The VT De Lisle America Fund seeks to achieve capital appreciation by principally investing in US smaller companies. We have 86 holdings: 27 are over \$1 billion in market capitalisation. Of these, 15 are typically between \$1 and \$3 billion and have grown to that level while we have been on board. Our largest holding is F.S.Bancorp which ended the year over 9% of the Fund and has a \$230 million market capitalization. We originally bought it in 2015 and its price has doubled while we have persistently added as the news improves.

The Fund's objective is to increase the price of its units and it is not constrained by any thematic type of investment. However, various considerations of long-term performance mean we will likely always be the smallest cap fund around. Even in the large cap market of this period we only had 9.8% of the Fund in very large stocks. These comprise of 12 holdings which include some large technology stocks. This weighting is our attempt to keep up with the high cap growth theme which has been the dominating market feature since the start of 2017.

The Fund's policy is to also retain a focus on liquidity as we grow. This is why we have 86 holdings. If the market cap is very small or their trading volume is low, we limit our position size. Fortunately, most of our holdings are low-beta which is an outperforming asset class. This means that there is a defined value and even when trading activity has been low, volume can be bought or sold very near to the current price. This type of situation arises with our smallest community banks. In practice buying or selling what we want has never been an issue and as a separate consequence the Fund is less volatile than the market.

Manager's Review

The share classes within the VT De Lisle America Fund fell by 9.78% (+11.50% in 2018) for the US Dollar class and fell by 3.18% (-1.23% in 2018) for the Sterling class. The Sterling class fall was mitigated because the Pound fell from \$1.40 to \$1.31 in the period and the Fund does not hedge its 100% US Dollar exposure. The two classes have the same value if measured in a single currency. In the period, the Fund fell from \$49 million to \$39 million, half from market action, and half from withdrawals.

In the year, we were in the worst place. The S&P500, dominated by the large technology holdings, was up 7.33%. The performance was less in the smaller indices which were roughly unchanged, going down to the Russell Microcap Index which was down 3.43%. It is only when we look at sub-indices which are value-based that we see bigger falls and the worst of these was the Community Bank Index which was down 12.70%. Our weighting in this group, even by year-end, was 44.47%, and this is what dragged us down. As we get into the smaller indices, the weighting of community banks goes over 20% as they make up so much of the fabric of rural America, but our double weighting in this low-beta, value group was perfectly wrong in the year. We gave up the outperformance they gave us on Trump's election in late 2016 and more.

Our thesis has been that they are the true millennial play. They are small growth stocks benefiting from the demographic shift into the regions. However, the stock market has been focused on the ever-deteriorating yield curve, in particular between two and ten years, which had gone flat by December 2018 and remains so. Our argument has been that the consequent downrating of these stocks has left them as cheap as they've been since the early 1990s. Yet, the interest rate differential between their lendings and borrowings has been unaffected. Their earnings continue to progress as usual. This argument is little helped by the general analysis that value has now reached a 30 year low relative to growth and so these banks' ratings are not unique. What carries more weight is that in our low rate environment the hunt for yield has bid utilities to their highest levels and their yields to the lowest levels. Indeed, the yield on American utilities is now no more than can be found in a portfolio of community banks and that has never happened before.

Can we justify this? We have to presume the little banks are vulnerable to the recession foretold by the yield curve and their earnings and yields will be cut. However, they remain in robust good shape with strong financial ratios following increased regulation post-2009. We are now in the third year of the Election cycle, a year not famous for slowdowns as incumbents try to get re-elected. This time, the great fun with tariffs has kept the yield curve negative principally via the ten year yield falling from 3.2% last autumn to 2.2% by the end of our period in March 2019.

Elsewhere, we have preferred value which has again proven the wrong place to be. Although we have some growth stock successes, they were not enough to offset much stock. For instance, recognizing from the UK perspective that cashless is coming quicker than the Americans appreciate, we have 2% in WorldPay and another 1% in PayPal and Visa combined, all of which did well. These are large cap tech and are at ratings I would not historically have been comfortable with, but their investment proposition in this climate is compelling. We also tried to gather some growth at less than tech's soaraway multiples in other areas. We recently added an education provider, Grand Canyon Education, and the home care provider LHC Group.

INVESTMENT MANAGER'S REVIEW (Continued)

Our holdings in RV makers had a bad year as tariffs and the yield curve caused a downrating and the sales cycle has turned down but we still like the long-term case. Our traditional fund manager, Westwood Holdings, suffered disappointing asset withdrawals despite decent fund performance. The switch to ETFs has hurt them and this holding was reduced to 2.2% at year-end and is 1.4% currently in mid-June. Finally, our large holding of preferred stock comes up for its first call provision of 20% of the outstanding in February 2020 and it will also be called in subsequent years.

Outlook

The outlook for the Fund is based on the prospects for small cap value which has fallen to its lowest relative rating for 30 years. While this is encouraging, the very low interest rate environment will continue to justify growth stocks trading at high multiples. We are isolated in lacking these high growth names. The weighting of large cap tech alone is 21% in the S&P500 so our 9.8% in all large growth is but a minor hedge. We are also aware that these large disruptors harm the inevitability of mean reversion in the value sectors. For instance, we don't have any retail, however cheap it has become, because past glories are not coming back.

We are also aware the rate of change and disruption forever increases as discussed and predicted by Ray Kurzweil and others. Consequently, we continue to seek growth but without paying too much but also feel that the 30 year relative low and outperforming history of value has us reasonably positioned going forward.

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

PERFORMANCE RECORD

Financial Highlights

Class B GBP Net Accumulation

	Year to 31 March 2019	Year to 31 March 2018	Year to 31 March 2017
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	350.5309	354.8939	237.3597
Return before operating charges	(7.0217)	(0.1844)	121.0285
Operating charges (note 1)	(4.1339)	(4.1786)	(3.4943)
Return after operating charges*	(11.1556)	(4.3630)	117.5342
Closing net asset value per unit	339.3753	350.5309	354.8939
Retained distributions on accumulated units	2.1643p	0.4250p	1.1580p
*after direct transaction costs of:	0.4829	0.4938	0.4146
Performance			
Return after charges	(3.18%)	(1.23%)	49.52%
Other information			
Closing net asset value	£14,801,445	£18,591,423	£16,699,369
Closing number of units	4,361,379	5,303,790	4,705,454
Operating charges (note 2)	1.12%	1.15%	1.18%
Direct transaction costs	0.14%	0.14%	0.14%
Prices			
Highest unit price	419.40	388.82	370.46
Lowest unit price	309.34	338.41	233.55

Class B USD Net Accumulation

	Year to 31 March 2019	Year to 31 March 2018	Year to 31 March 2017
Changes in net assets per unit	USDc	USDc	USDc
Opening net asset value per unit	319.6502	286.6746	221.4912
Return before operating charges	(27.7442)	36.5727	68.1816
Operating charges (note 1)	(3.5237)	(3.5971)	(2.9982)
Return after operating charges*	(31.2679)	32.9756	65.1834
Closing net asset value per unit	288.3823	319.6502	286.6746
Retained distributions on accumulated units	1.4167	0.2782	0.7841
*after direct transaction costs of:	0.4256	0.4244	0.3557
Performance			
Return after charges	(9.78%)	11.50%	29.43%
Other information			
Closing net asset value	\$19,581,249	\$21,214,819	\$19,222,100
Closing number of units	6,790,030	6,636,887	6,705,198
Operating charges (note 2)	1.12%	1.15%	1.18%
Direct transaction costs	0.14%	0.14%	0.14%
Prices			
Highest unit price	350.10	339.26	295.21
Lowest unit price	253.50	279.64	217.35

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

PORTFOLIO STATEMENT

As at 31 March 2019

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
	Financials 52.53% (2018 – 53.53%)		
1,200	Ameris Bancorp	31,756	0.11
27,668	BCB Bancorp	282,380	0.95
38,989	Bank of South Carolina	543,109	1.83
27,362	Bar Harbor Bankshares Common Stock	535,548	1.81
31,173	Caretrust	557,213	1.88
6,200	Coresite Realty Corporation	506,952	1.71
2,564	Evans Bancorp	70,923	0.24
18,498	First Bancorp	490,222	1.65
18,753	First Interstate Bancsystem	572,106	1.93
4,700	First Merchants	133,612	0.45
5,930	First United Corp	78,757	0.27
74,533	FS Bancorp	2,804,158	9.45
15,509	German American Bancorp	349,825	1.18
6,858	Home Bancorp	181,851	0.61
17,120	Hometown Bankshares Corporation	188,901	0.64
13,297	Landmark Bancorp	233,420	0.79
21,753	M B T Financial Corp	168,812	0.57
65,300	Medallion Financial	334,099	1.13
24,370	Merchantile Bank Corp	610,784	2.06
30,308	Mid Penn Bancorp	564,878	1.91
14,900	Oregon Bancorp Inc	226,257	0.76
23,641	People's Bancorp of North Carolina	483,103	1.63
3,300	Pinnacle Financial	139,151	0.47
38,133	Plumas Bancorp	659,362	2.22
4,500	Preferred Bank	154,161	0.52
2,520	PSB Holdings Inc	43,747	0.15
8,291	Select Bancorp	71,332	0.24
9,802	Southern First Bancshares	250,940	0.85
72,184	Southern National Bancorp of Virginia	815,754	2.75
20,000	Sterling Bancorp Inc	153,377	0.52
1,500	SVB Financial Group	254,788	0.86
7,282	Timberland Bancorp	155,864	0.53
96,744	TowneBank	1,832,636	6.18
10,732	Union Bankshares	267,870	0.90
10,631	West Bancorporation	167,030	0.56
24,511	Westwood Holdings	659,020	2.22
		15,573,698	52.53

PORTFOLIO STATEMENT (Continued)

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
	Consumer Staples 2.08% (2018 – 1.98%)		
9,551	Calavo Growers	617,080	2.08
		617,080	2.08
	Materials 8.16% (2018 – 6.95%)		
10,000	Cleveland-Cliffs Inc Common Shares	74,132	0.25
8,000	Compass Minerals	325,036	1.10
10,000	Rayonier Advanced Materials Inc	102,633	0.35
81,798	Steel Partners	1,338,541	4.51
20,976	UFP Technologies	577,500	1.95
		2,417,842	8.16
	Consumer Discretionary 13.59% (2018 – 14.96%)		
78,230	Crown Crafts	308,622	1.04
3,849	LCI Industries	227,151	0.77
22,886	Johnson Outdoors Inc	1,227,863	4.14
6,000	Marinemax Inc	87,196	0.29
69,167	Marine Products	716,476	2.42
2,200	Packaging Corporation of America	167,019	0.56
64,209	Shiloh Industries	268,742	0.91
7,291	Strattec Security Corp	168,213	0.57
28,360	Summer Infant	15,148	0.05
28,636	Superior Uniform Group	367,209	1.24
4,000	Thor Industries	190,416	0.64
12,000	Winnebago Industries	283,403	0.96
		4,027,458	13.59

PORTFOLIO STATEMENT (Continued)

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
	Industrials 15.28% (2018 – 17.69%)		
3,519	Alamo Group	265,422	0.90
2,568	Altra Industrial Motion Corp	59,414	0.20
6,653	ASV Holdings	16,220	0.05
4,000	BG Staffing Inc	65,624	0.22
13,156	Blue Bird Corporation	169,708	0.57
19,500	Builders FirstSource	196,190	0.65
3,400	DXP Enterprises, Inc	102,428	0.35
2,110	Espey Manufacturing and Electronics Corp	39,906	0.13
4,839	Fortive Corporation Common Stock	306,218	1.03
47,001	Gencor Industries Inc	455,664	1.54
72,096	Jewett-Cameron Trading Ltd	475,872	1.61
14,405	L.B. Foster Company	203,187	0.69
103,973	Manitex International	606,939	2.05
2,221	Morningstar, Inc	211,177	0.71
15,000	NN Inc Common	88,192	0.30
49,203	Orion Marine Group	120,332	0.41
9,205	Patrick Industries	312,991	1.06
12,500	Primoris Services Corporation	198,493	0.67
26,214	Vectrus	527,981	1.78
32,831	Virco Manufacturing Corporation	105,345	0.36
		4,527,303	15.28
	Information Technology 5.30% (2018 – 3.48%)		
400	Adobe Systems Inc	80,443	0.27
1,000	ASML Holding	140,523	0.47
77,236	Computer Task Group Inc	254,015	0.85
2,000	PayPal Holdings	158,497	0.53
21,084	Steel Connect Inc	33,786	0.11
1,000	Visa Inc	118,005	0.40
22,574	Wayside Technology Group Inc	194,648	0.66
7,000	Worldpay Inc	595,093	2.01
		1,575,010	5.30
	Energy 0.00% (2018 – 0.13%)		
	Health 3.33% (2018 – 1.14%)		
1,000	Illumina	232,816	0.79
5,000	LHC Group	410,664	1.36
11,111	Kewaunee Scientific Corporation	183,558	0.62
5,548	National Research Corp	164,556	0.56
		991,594	3.33

PORTFOLIO STATEMENT (Continued)

	Value (Note 1g) £	% of Total Net Assets %
Investment assets (2018 – 99.86%)	29,729,985	100.27
Net other assets (2018 – 0.37%)	13,276	0.04
Adjustment to revalue assets from mid to bid prices (2018 – (0.23%))	(94,115)	(0.31)
Net assets	<u>29,649,146</u>	<u>100.00%</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the year (note 14)	14,344,190
Access National Corporation Common	352,634
AK Steel Holding Corporation	34,539
Alamo Group	336,428
Alibaba Group Holding Ltd	37,208
Allied Motion Technologies	76,983
Altaba Inc	116,667
Amazon	629,896
American National Bankshares	195,611
Anchor Bancorp	129,301
Apple Inc	130,126
Bank of South Carolina	7
Bar Harbor Bankshares	108,303
BCB Bancorp	14,757
Blue Bird Corporation	81,562
Builders FirstSource	13,074
Caretrust	244,430
Carriage Services	634,591
Central Pacific Financial	183,416
Cisco Systems	90,131
Clearone Inc	7,735
Cohu Inc	53,046
Colony	40,763
Columbia B	531,720
Community West Bancshares	59,529
Compass Minerals International	177,452
DNB Financial Corporation	203,280
DXP Enterprises	155,862
EMCOR Group	264,543
Encore Wire Corporation	19
FS Bancorp	246,418
Farmers Capital Bank	98,111
First Busey Corporation	190,271
First Interstate Bancsystem Inc	1,165,826
First Merchants Corporation	158,507
First United Corp	12,230
Fortive Corporation	214,216
Gencor Industries	69,937
Gerber Scientific Inc	992
German American Bancorp	36,283
Granite Construction Incorporated	193,618
Hanmi Financial	145,231
Hardinge	226,639
Hope Bancorp	39,665
Horizon Global Corp	163,015
Hyster-Yale Materials	255,882
Jacobs Engineering Group	38,139
Johnson Outdoors	106,366
Landmark Bancorp	279,662
Marine Products	13,478
MarineMax	117,828
McDermott International	56,268
Merchantile Bank Corp	192,631
Middlefield Banc Corp	3,064
MVC Capital	30,871
National Research	145,895
NN Inc	140,635
NVIDIA Corporation	107,212
Oregon Bancorp Inc	33,936
Orion Marine Group	2,422
Patrick Industries	73,162
People's Bancorp of North Carolina Inc NPV	160,852
Pinnacle Financial	206,895
Preferred Bank	144,641
Primoris Services Corporation	171,892

SUMMARY OF MATERIAL PORTFOLIO CHANGES (Continued)

Rayonier Advanced Materials Inc	53,975
Rocky Mountain Chocolate Factory	23,679
Select Bancorp	29,149
Shiloh Industries	4,832
South State Corporation	101,369
Southern National Bancorp of Virginia Inc	23,995
Steel Dynamics Inc	65,551
Steel Partners	10,515
Stepan Co	458,587
Sterling Bancorp Inc	6,559
Summer Infant	38,667
Take-Two Interactive Software	83,658
The Manitowoc Company	40,800
Toro Co	91,481
Timberland Bancorp	35,564
Townebank	1,018,623
Trupanion	109,782
Tutor Perini	31,897
United Bankshares	163,824
Verisk Analytics	328,668
VERU	24,283
Waddell & Reed Financial Inc	134,094
Wesbanco	626,852
West Bancorporation	57,228
Westell Technologies Inc	12,279
Westwood Holdings Group Inc	394,778
Xcerra Corporation	104,305
XPO Logistics Inc	122,893

	£
Total purchases for the year (note 14)	11,747,991

Adobe Systems	73,818
Alamo Group	219,842
Altaba	2,066
Amazon	637,844
American National Bankshares	30,802
Ameris Bancorp	32,480
Anchor Bancorp	295,648
Apple	158,739
ASV Holdings	9,914
Bar Harbor Bankshares	18,879
BCB Bancorp	11,248
BG Staffing Inc	74,192
Blue Bird Corporation	103,626
Builders FirstSource	10,656
Caretrust	72,170
Cliffs Natural Resources	76,442
Colony	38,888
Compass Minerals International	340,784
Computer Task Group	20,873
Coresite Realty Corporation	498,287
Crown Crafts	59,851
DXP Enterprises	95,788
Evans Bancorp	69,526
Farmers Capital Bank	22,588
First Bancorp	113,157
First Busey Corporation	108,119
First Interstate Bancsystem Inc	39,446
First Priority Financial Corporation	37,656
First United Corp	101,416
FS Bancorp	296,703
Gencor Industries	355,600
Home Bancorp	65,826
Home Town Bankshares	196,568
Horizon Global Corp	56,140
Johnson Outdoors	106,906

SUMMARY OF MATERIAL PORTFOLIO CHANGES (Continued)

Kewaunee Scientific Corporation	225,286
L.B. Foster Company	197,928
Landmark Bancorp	205,479
LCI Industries	426,852
M B T Financial Corp	188,072
Manitex International	3,117
Marine Products	2,064
MarineMax	186,993
McDermott International	16
Medallion Financial Corp	132,365
Merchantile Bank Corp	189,193
Mid Penn Bancorp	70,586
Middlefield Banc Corp	3,028
Morningstar	236,216
National Research	68,280
NN Inc	181,997
Northwest Bancorporation	817,809
NVIDIA Corporation	191,738
Oregon Bancorp Inc	215,211
Orion Marine Group	105,980
Packaging Corporation of America Common Stock	156,634
Patrick Industries	146,350
PayPal Holdings	120,435
Plumas Bancorp	347,957
Preferred Bank	159,152
Primoris Services Corporation	46,912
PSB Holdings Inc	44,479
Rayonier Advanced Materials Inc	49,663
Select Bancorp	69,227
Southern First Bancshares	67,830
Southern National Bancorp of Virginia Inc	284,607
Stepan Co	37,394
Sterling Bancorp	137,855
Strattec Security	52,818
Superior Uniform Group	29,952
SVB Financial Group	272,824
The Manitowoc Company, Inc	40,843
Timberland Bancorp	129,651
Townebank	84,237
Trupanion	93,719
UFP Technologies	122,482
Vectrus Inc	92,828
Verisk Analytics	175,604
VERU	105,841
Wayside Technology Group	38,367
West Bancorporation	71,595
Winnebago Industries	59,281
Worldpay Inc	520,455
Xcerra Corporation	53,385
XPO Logistics Inc	34,916

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

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2019

	Notes	£	31.03.19 £	£	31.03.18 £
Income					
Net capital (losses)	2		(1,220,922)		(587,811)
Revenue	3	698,377		449,171	
Expenses	4	(390,572)		(388,765)	
Interest payable and similar charges	6	-		(8)	
Net revenue before taxation			<u>307,805</u>		<u>60,398</u>
Taxation	5	(109,983)		(19,303)	
Net revenue after taxation			<u>197,822</u>		<u>41,095</u>
Total return before distributions			(1,023,100)		(546,716)
Finance costs: distributions	6		<u>(197,822)</u>		<u>(41,095)</u>
Change in net assets attributable to shareholders from investment activities			<u><u>(1,220,922)</u></u>		<u><u>(587,811)</u></u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2019

	31.03.19 £	31.03.18 £
Opening net assets attributable to shareholders	33,601,278	32,046,795
Amounts receivable on creation of shares	4,018,699	9,588,852
Amounts payable on cancellation of shares	(6,953,952)	(7,525,379)
Distribution accumulated	195,603	41,003
Dilution levy	8,440	37,818
Change in net assets attributable to shareholders from investment activities (see above)	<u>(1,220,922)</u>	<u>(587,811)</u>
Closing net assets attributable to shareholders	<u><u>29,649,146</u></u>	<u><u>33,601,278</u></u>

BALANCE SHEET

As at 31 March 2019

		31.03.19		31.03.18	
	Notes	£	£	£	£
FIXED ASSETS					
Investment assets			29,635,870		33,475,103
CURRENT ASSETS					
Debtors	7	50,337		104,624	
Cash and bank balances	8	<u>299,663</u>		<u>83,463</u>	
Total current assets			<u>350,000</u>		<u>188,087</u>
Total assets			29,985,870		33,663,190
CURRENT LIABILITIES					
Creditors					
Creditors	9	(311,721)		(61,912)	
Bank overdraft	8	<u>(25,003)</u>		<u>-</u>	
Total current liabilities			<u>(336,724)</u>		<u>(61,912)</u>
Net assets attributable to shareholders			<u>29,649,146</u>		<u>33,601,278</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 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 for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014. 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 bid prices, excluding any accrued interest in the case of fixed interest securities.

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 Sub-Fund. An allocation of income to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocations is made may include a capital sum ("income equalisation") representing the ACD's best estimate of the amount of income included in the price of that share.

The amount of income equalisation in respect of any shares may be the actual amount of income included in the issue price of the shares in question or it may be an amount arrived 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)

2	Net capital (losses)	31.03.19	31.03.18
	The net capital (losses) comprise:	£	£
	Non-derivative securities (losses)	(1,239,189)	(665,353)
	Transaction charges	(4,335)	(7,637)
	Currency gains	22,602	85,179
	Total net capital (losses)	<u>(1,220,922)</u>	<u>(587,811)</u>
3	Revenue	31.03.19	31.03.18
		£	£
	Overseas dividends	693,843	449,171
	Income tax refund	2,360	-
	Bank interest	2,174	-
	Total revenue	<u>698,377</u>	<u>449,171</u>
4	Expenses	31.03.19	31.03.18
		£	£
	Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
	ACD fee	12,500	12,432
	Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
	Investment manager's fee	<u>342,369</u>	<u>337,101</u>
	Payable to the depositary, associates of the depositary, and agents of either of them:		
	Depository fee	18,022	17,901
	Safe custody and transaction fees	<u>10,156</u>	<u>13,858</u>
		<u>28,178</u>	<u>31,759</u>
	Other expenses		
	Audit fee	6,900	6,862
	FCA fee	249	116
	Investment Association fee	(74)	495
	Legal fees	<u>450</u>	<u>-</u>
		<u>7,525</u>	<u>7,473</u>
	Total expenses	<u>390,572</u>	<u>388,765</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	31.03.19	31.03.18
	£	£
(a) Analysis of charge in the year		
Irrecoverable income tax	109,983	19,303
Total tax charge for the year (note 5b)	<u>109,983</u>	<u>19,303</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company of 20.00% (2018: 20.00%). The differences are explained below:		
Net revenue before taxation	<u>307,805</u>	<u>60,398</u>
Corporation tax at 20.00% (2018: 20.00%)	61,561	12,080
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(138,769)	(89,834)
Current year expenses not utilised	77,208	77,754
Overseas tax expenses	109,983	19,303
Total tax charge for year (note 5a)	<u>109,983</u>	<u>19,303</u>
(c) Provision for deferred taxation		
At 31 March 2019 there is a potential deferred tax asset of £432,079 (31 March 2018: £354,871) in relation to surplus management expenses. It is unlikely the Sub-Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
6 Finance costs	31.03.19	31.03.18
	£	£
Interim dividend distribution	56,051	-
Final dividend distribution	<u>139,552</u>	<u>41,003</u>
	195,603	41,003
Add: Revenue deducted on cancellation of shares	3,339	545
Deduct: Revenue received on issue of shares	<u>(1,120)</u>	<u>(453)</u>
	197,822	41,095
Interest payable and similar charges	<u>-</u>	<u>8</u>
Total finance costs	<u>197,822</u>	<u>41,103</u>
Reconciliation of distributions		
Net revenue after taxation	197,822	41,095
Net distribution for the year	<u>197,822</u>	<u>41,095</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.03.19	31.03.18
	£	£
Overseas dividends	45,166	47,802
Outstanding trade settlements	-	2,611
Income tax recoverable	5,141	4,792
Outstanding subscriptions	<u>30</u>	<u>49,419</u>
Total debtors	<u><u>50,337</u></u>	<u><u>104,624</u></u>
8 Cash and bank balances	31.03.19	31.03.18
	£	£
Cash and bank balances	<u>299,663</u>	<u>83,463</u>
Bank overdraft	<u>(25,003)</u>	<u>-</u>
9 Creditors	31.03.19	31.03.18
	£	£
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	<u>993</u>	<u>993</u>
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them		
Investment manager's fee	<u>23,650</u>	<u>26,780</u>
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	1,430	1,430
Safe custody and other bank charges	<u>7,626</u>	<u>3,102</u>
	9,056	4,532
Other expenses:		
Audit fee	6,862	6,862
FCA fee	<u>138</u>	<u>174</u>
	<u>7,000</u>	<u>7,036</u>
Outstanding redemptions	27,624	22,571
Outstanding trade settlements	243,398	-
Total creditors	<u><u>311,721</u></u>	<u><u>61,912</u></u>

10 Units held

Units Held – Class B Net Accumulation GBP

Opening units at 01.04.18	5,303,790
Units issued during the year	930,315
Units cancelled during the year	(1,872,726)
Units converted during the year	-
Closing units at 31.03.19	4,361,379

Units Held – Class B Net Accumulation USD

Opening units at 01.04.18	6,636,887
Units issued during the year	356,659
Units cancelled during the year	(203,516)
Units converted during the year	-
Closing units at 31.03.19	6,790,030

11 Financial instruments

In pursuing its investment objective as stated on page 23, the Sub-Fund holds a number of financial instruments. The Sub-Fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

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 31.03.19 would have increased/decreased by £2,963,587 (2018 – £3,347,510).

Foreign currency risk

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

The Sub-Fund's investment portfolio is invested in overseas equities and the balance sheet can be affected by movements in foreign exchange rates. 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 31.03.19 would have increased/decreased by £2,968,147 (2018 – £3,353,517).

Net currency monetary assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Sterling	(59,953)	66,108	-	-	(59,953)	66,108
US Dollar	73,229	60,067	29,635,870	33,475,103	29,709,099	33,535,170
Total	13,276	126,175	29,635,870	33,475,103	29,649,146	33,601,278

Interest rate risk

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

31.03.19			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	33,373	-	33,373
US Dollar	266,290	29,686,207	29,952,497
Total	299,663	29,686,207	29,985,870
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	(25,003)	(68,323)	(93,326)
US Dollars	-	(243,398)	(243,398)
Total	(25,003)	(311,721)	(336,724)

31.03.18			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	23,396	-	23,396
US Dollar	60,067	33,579,727	33,639,794
Total	83,463	33,579,727	33,663,190
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	-	(61,912)	(61,912)
Total	-	(61,912)	(61,912)

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 Sub-Fund as at 31 March 2019 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	29,636	-
Total	29,636	-

12 Contingent assets and liabilities

At 31 March 2019, the Sub-Fund had no contingent liabilities or commitments (31 March 2018: £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 29 March 2019. Since that date, the Sub-Fund's quoted mid price has moved as follows for each share class:

Share Class	Price at 29 March 2019	Price at 12 July 2019
Class B Net Accumulation GBP	339.3753p	372.2339p
Class B Net Accumulation USD	288.3823c	302.7341c

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Portfolio transaction costs

Analysis of total purchase costs	31.03.19		31.03.18	
	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	11,731,643		17,562,000	
Commissions	16,348	0.14%	22,205	0.13%
Taxes & levies	-	0.00%	-	0.00%
Total purchase costs	16,348	0.14%	-	0.13%
Total purchases including transaction costs	<u>11,747,991</u>		<u>17,584,205</u>	

Analysis of total sale costs	31.03.19		31.03.18	
	£	% of total sales	£	% of total sales
Sales in the year before transaction costs	14,364,089		15,724,172	
Commissions	(19,710)	0.14%	(16,413)	0.10%
Taxes & levies	(189)	0.00%	(304)	0.00%
Total sale costs	(19,899)	0.14%	(16,717)	0.10%
Total sales net of transaction costs	<u>14,344,190</u>		<u>15,707,455</u>	

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

	2019	% of average net asset value	2018	% of average net asset value
	£		£	
Commissions	36,058	0.12%	38,618	0.11%
Taxes & levies	189	0.00%	304	0.00%
	<u>36,247</u>	<u>0.12%</u>	<u>38,922</u>	<u>0.11%</u>

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1 – Shares purchased prior to 01 October 2018

Group 2 – Shares purchased on or after 01 October 2018 and on or before 31 March 2019

01 October 2018 to 31 March 2019

Class B Net Accumulation GBP	Distribution accumulated 31.05.2019	Equalisation	Distribution accumulated 31.05.2019	Distribution accumulated 31.05.2018
Group 1	1.5846	-	1.5846	0.4250
Group 2	1.1639	0.4207	1.5846	0.4250

Class B Net Accumulation USD	Distribution accumulated 31.05.2019	Equalisation	Distribution accumulated 31.05.2019	Distribution accumulated 31.05.2018
Group 1	1.0374	-	1.0374	0.2782
Group 2	1.0354	0.0020	1.0374	0.2782

Interim distribution in pence per share

Group 1 – Shares purchased prior to 01 April 2018

Group 2 – Shares purchased on or after 01 April 2018 and on or before 30 September 2018

01 April 2017 to 30 September 2018

Class B Net Accumulation GBP	Distribution accumulated 30.09.2018	Equalisation	Distribution accumulated 30.09.2018	Distribution accumulated 30.09.2017
Group 1	0.5797	-	0.5797	-
Group 2	0.4938	0.0859	0.5797	-

Class B Net Accumulation USD	Distribution accumulated 30.09.2018	Equalisation	Distribution accumulated 30.09.2018	Distribution accumulated 30.09.2017
Group 1	0.3793	-	0.3793	-
Group 2	0.3751	0.0042	0.3793	-

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

The Company is authorised by the FCA as a UCITS Scheme under the COLL Sourcebook and is an umbrella company for the purposes of the OEIC Regulations 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 Limited, Level 13, Broadgate Tower, 20 Primrose Street, London, EC2A 2EW.

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

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

Structure of the Company

The Mulben Investment Funds is structured as an umbrella company. Provision exists for an unlimited number of sub-funds, and at the date of this report two sub-funds, The VT 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 5:30pm. Instructions to buy or sell shares may either be in writing to:

Valu-Trac Investment Management Limited

Orton, Fochabers, Moray, IV32 7QE

Or by email to:

icf@valu-trac.com for deals relating to The VT icf Absolute Return Portfolio

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

The prices of shares are published daily on the Investment Association website at www.fundlistings.com. 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

Authorised Corporate Director, Administrator & Registrar	<p>Valu-Trac Investment Management Limited Orton Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 E-mail: icf@valu-trac.com delisle@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
Director	Valu-Trac Investment Management Limited as ACD
Investment Managers	<p>For The VT icf Absolute Return Portfolio: icf management limited Unit 18, Gibbs Reed Farm Pashley Road Ticehurst Wadhurst East Sussex TN5 7HE</p> <p>For The 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>
Fund Managers	<p>The VT icf Absolute Return Portfolio Mark Lynam Jeremy Suffield</p> <p>The VT De Lisle America Fund Richard de Lisle</p>
Depository	<p>NatWest Trustee and Depositary Services Limited Drummond House 2nd Floor, 1 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>
Auditor	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>