

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 2018

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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 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.

National Westminster Bank Plc
01 April 2018

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)

We have audited the financial statements of The Mulben Investment Funds ("the Company") for the year ended 31 March 2018 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company at 31 March 2018 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)

Opinions 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

SUB-FUND OVERVIEW

Name of Sub-Fund	The VT icf Absolute Return Portfolio
Size of Sub-Fund	£4,573,859
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 = £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 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 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%

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

INVESTMENT MANAGER'S REVIEW

When Teresa May gazed out at the UK political landscape at the start of our financial year we suspect she was wearing the same rose tinted glasses prescribed for many investors gazing out on the investment landscape. It all looked good. Labour was struggling in the polls. A strong leader to negotiate the best deal with our European neighbours was just what the electorate wanted. For any (delusional) politician, believing your electorate really wants and needs you is as good as it gets. Of course electorates, like markets, are fickle. And as good as it gets means (by definition) if it doesn't get better, it gets worse. The electorate slashed Teresa's majority rather than build on it. The FTSE went into retreat, surrendering more than 250 points over the year. The Gilt market went from yielding a 'good as it gets' 1.2% to having to pay nearer 1.6%. In theory the absolute return space should never really encounter as good as it gets. The managers are expected to keep a sense of gloom while the sun shines, and to keep a bit of powder in the bottom of the keg for when it doesn't. But it is a fickle world. There were still enough slippages to see our NAV fall from 121.5 pence to 120.2 pence.

And all the while the Brexit squabbling goes on. To be fair the squabbling is more on these shores than where we are supposed to be squabbling. This may leave our fellow squablees suitably bemused as we and they try and work out a mutually agreeable divorce, but hopefully doesn't get in the way of our mutual self interests. And at least there are fewer rose tinted glasses perched on noses as we entered this financial year. That, of course, means there is room for things to get better. Not exactly as good as it gets, but definitely not as bad as it could be.

icf management limited

Investment Manager to the Fund

PERFORMANCE RECORD

Financial Highlights

Class F Net Accumulation GBP	Year to 31 March 2018	Year to 31 March 2017	Year to 31 March 2016
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	<u>121.5220</u>	<u>117.8422</u>	<u>118.7223</u>
Return before operating charges	1.3168	6.3487	1.7595
Operating charges (note 1)	<u>(2.6041)</u>	<u>(2.6689)</u>	<u>(2.6396)</u>
Return after operating charges*	(1.2873)	3.6798	(0.8801)
Closing net asset value per unit	<u>120.2347</u>	<u>121.5220</u>	<u>117.8422</u>
Retained distribution on accumulated units	-	-	-
*after direct transaction costs of:	0.0242	-	0.0118
Performance			
Return after charges	(1.06%)	3.12%	(0.74%)
Other information			
Closing net asset value (note 3)	£4,582,358	£4,746,530	£4,679,423
Closing number of units	3,811,178	3,905,901	3,970,923
Operating charges (note 2)	2.13%	2.23%	2.25%
Direct transaction costs	0.02%	0.00%	0.01%
Prices			
Highest unit price	123.76	122.14	119.66
Lowest unit price	119.99	116.58	115.40

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 2018

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
Investment Companies 95.34% (2017 – 96.20%)			
62,000	Dexion Absolute Limited	-	-
850	Personal Assets Trust Plc	333,413	7.29
125,000	Ruffer Investment Company Limited	285,000	6.23
125,000	LF Odey Absolute Return GBP Inst Acc	357,150	7.81
140,000	Old Mutual Global Equity Absolute Return	247,226	5.40
48,000	Polar Capital Global Insurance Fund F GBP Acc	287,011	6.27
370,000	Premier Defensive Growth Fund	454,471	9.94
6,200	First Private Wealth Fund Class A	413,294	9.04
700,000	Jupiter Absolute Return Fund	389,830	8.52
70	ING (L) Invest Absolute Return Bond Class I	360,464	7.88
400,000	F & C Global Equity Market Neutral Fund	239,040	5.23
169,995	MI Metropolis Valuefund S Acc	343,394	7.51
31,000	Pyrford Global Total Return (Sterling) C Acc	338,514	7.40
150,000	Brooks Macdonald Defensive Capital Fund	312,150	6.82
		<u>4,360,957</u>	<u>95.34</u>
Liquidity Funds 4.81% (2017 – 1.69%)			
180,000	Short-term Investments Company (Global Series) Plc- £ Liquidity Portfolio Institutional Class	180,000	3.94
40,000	Deutsche Global Liquidity Series Plc- Deutsche Managed Sterling Fund Advisory	40,000	0.87
		<u>220,000</u>	<u>4.81</u>
Derivatives - Forward Currency Contract 0.21% (2017 – 0.02%)			
	Sold EUR £792,526 Bought £783,052 (06.06.18)	9,474	0.21
		<u>9,474</u>	<u>0.21</u>
	Investment assets (2017-97.91%)	4,590,431	100.36%
	Net other assets (2017-2.28%)	(8,073)	(0.18%)
	Adjustment to revalue assets from mid to bid prices (2017-(0.19%))	(8,499)	(0.18%)
	Net assets	<u>4,573,859</u>	<u>100.00%</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Total sales for the year (note 14)	£ 1,394,994
BH Macro Limited	125,824
Dexion Absolute Ltd	19,678
Exane Funds 1 Exane Archimedes Fund A Eur	409,450
F & C Global Equity Market Neutral Fund	144,078
First Private Wealth Fund Class A	54,956
Kames UK Equity Absolute Return B Acc	342,008
Kennox Strategic Value Fund	129,000
Short-term Investments Company (Global Series) Plc- £ Liquidity Portfolio Institutional Class	170,000

Total purchases for the year (note 14)	£ 1,312,900
Brooks Macdonald Defensive Capital Fund	316,300
ING (L) Invest Absolute Return Bond Class 1	104,839
Polar Capital Global Insurance Fund F GBP Acc	48,029
Pyrford Global Total Return (Sterling) C Acc	344,480
MI Metropolis Valuefund S Acc	189,252
Short-term Investments Company (Global Series) Plc- £ Liquidity Portfolio Institutional Class	310,000

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

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2018

	Notes	31.03.18		31.03.17	
		£	£	£	£
Income					
Net capital gains	2		3,861		202,023
Revenue	3		10,784		11,750
Expenses	4		(62,741)		(64,342)
Interest payable and similar charges	6		-		(2)
Net expenses before taxation			<u>(51,957)</u>		<u>(52,594)</u>
Taxation	5		<u>-</u>		<u>-</u>
Net expenses after taxation			<u>(51,957)</u>		<u>(52,594)</u>
Total return before distributions			(48,096)		149,429
Finance costs: distributions	6		<u>-</u>		<u>-</u>
Change in net assets attributable to shareholders from investment activities			<u><u>(48,096)</u></u>		<u><u>149,429</u></u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2018

	31.03.18	31.03.17
	£	£
Opening net assets attributable to shareholders	4,737,546	4,668,475
Amounts receivable on creation of shares	627,068	119,523
Amounts payable on cancellation of shares	(742,659)	(199,881)
Change in net assets attributable to shareholders from investment activities (see above)	<u>(48,096)</u>	<u>149,429</u>
Closing net assets attributable to shareholders	<u><u>4,573,859</u></u>	<u><u>4,737,546</u></u>

BALANCE SHEET

As at 31 March 2018

		31.03.18		31.03.17	
	Notes	£	£	£	£
ASSETS					
Investment assets			4,581,932		4,629,465
Current assets					
Debtors	7	6,190		1,565	
Cash and bank balances	8	<u>249,984</u>		<u>381,967</u>	
Total current assets			<u>256,174</u>		<u>383,532</u>
Total assets			4,838,106		5,012,997
LIABILITIES					
Current liabilities					
Creditors	9	(18,706)		(12,369)	
Bank overdrafts	8	<u>(245,541)</u>		<u>(263,082)</u>	
Total current liabilities			<u>(264,247)</u>		<u>(275,451)</u>
Net assets attributable to shareholders			<u>4,573,859</u>		<u>4,737,546</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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	31.03.18	31.03.17
The net capital gains comprise:	£	£
Non-derivative securities gains	25,087	283,178
Derivative securities gains/(losses)	9,474	(81,037)
Transaction charges	(1,037)	(118)
Currency (losses)	(29,663)	-
Total net capital gains	<u>3,861</u>	<u>202,023</u>
3 Revenue	31.03.18	31.03.17
	£	£
Franked investment income	10,650	11,286
Overseas income	74	-
Bank interest	60	-
Bond interest	-	464
Total revenue	<u>10,784</u>	<u>11,750</u>
4 Expenses	31.03.18	31.03.17
	£	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD fee	35,894	36,307
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	17,901	17,963
Safe custody fee	1,220	1,729
	<u>19,121</u>	<u>19,692</u>
Other expenses		
Audit fee	6,862	6,881
FCA fee	115	64
Investment Association fees	495	498
Legal fees	-	900
LEI fees	254	-
	<u>7,726</u>	<u>8,343</u>
Total expenses	<u>62,741</u>	<u>64,342</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation	31.03.18	31.03.17
	£	£
(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% (2017: 20.00%.) The differences are explained below:		
Net expenses before taxation	<u>(51,957)</u>	<u>(52,594)</u>
Corporation tax at 20.00% (2017:20.00%)	(10,391)	(10,519)
<u>Effects of:</u>		
Revenue not subject to UK corporation taxation	(2,145)	(2,257)
Current year expenses not utilised	12,536	12,776
Total tax charge for year (note 5a)	<u>-</u>	<u>-</u>
(c) Provision for deferred taxation		
At 31 March 2018 there is a potential deferred tax asset of £94,653 (31 March 2017: £82,117) in relation to surplus management expenses. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
6. Finance costs	31.03.18	31.03.17
	£	£
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>2</u>
Total finance costs	<u>-</u>	<u>2</u>
Reconciliation of distributions		
Net expenses after taxation	(51,957)	(52,594)
Allocations to capital:		
Net deficit paid by capital	51,957	52,594
Net distribution for the year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.03.18	31.03.17
	£	£
Amounts receivable for issue of shares	5,000	-
Accrued revenue	1,190	1,190
Prepayments	-	375
Total debtors	<u>6,190</u>	<u>1,565</u>
8 Cash and bank balances	31.03.18	31.03.17
	£	£
Cash and bank balances	<u>249,984</u>	<u>381,967</u>
Bank overdrafts	<u>(245,541)</u>	<u>(263,082)</u>
9 Creditors	31.03.18	31.03.17
	£	£
Amounts payable for redemption of shares	6,958	-
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,814	3,078
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	1,430	1,529
Safe custody and other bank charges	<u>246</u>	<u>709</u>
	1,676	2,238
Other accrued expenses	7,258	7,053
Total creditors	<u>18,706</u>	<u>12,369</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Units held

Units Held – Class F Net Accumulation

Opening units at 01.04.17	3,905,901
Units issued during the year	509,329
Units cancelled during the year	(604,052)
Units converted during the year	-
Closing units at 31.03.18	3,811,178

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 31.03.18 would have increased/decreased by £458,193 (2017 – £462,946).

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	
	£		£		£	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Sterling	(8,147)	108,016	3,814,786	3,523,384	3,806,639	3,631,400
Euro	74	65	767,146	1,106,081	767,220	1,106,146
Total	(8,073)	108,081	4,581,932	4,629,465	4,573,859	4,737,546

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Interest rate risk

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

31.03.18			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	249,910	3,820,976	4,070,886
Euros	74	767,146	767,220
Total	249,984	4,588,122	4,838,106
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	(245,541)	(18,706)	(264,247)
Total	(245,541)	(18,706)	(264,247)

31.03.17			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	381,902	3,524,949	3,906,851
Euros	65	1,106,081	1,106,146
Total	381,967	4,631,030	5,012,997
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	(263,082)	(12,369)	(275,471)
Total	(263,082)	(12,369)	(275,471)

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 2018 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	4,573	-
C1 Fair value based on a valuation technique using observable market data.	9	-
Total	4,582	-

12. Contingent assets and liabilities

At 31 March 2018, the fund had no contingent liabilities or commitments (31 March 2017: £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 2018. Since that date, the Fund's quoted price has moved as follows for the following share class:

Share Class	Price at 29 March 2018	Price at 18 July 2018
Class F Net Accumulation	120.2347	122.4563

14. Portfolio transaction costs

Analysis of total purchase costs	31.03.18		31.03.17	
	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	1,312,900		246,160	
Commissions	-	0.00%	-	0.00%
Taxes	-	0.00%	-	0.00%
Levies	-	0.00%	-	0.00%
Total purchase costs	-	0.00%	-	0.00%
Total purchases including transaction costs	<u>1,312,900</u>		<u>246,140</u>	

Analysis of total sale costs	31.03.18		31.03.17	
	£	% of total sales	£	% of total sales
Sales in year before transaction costs	1,394,994		695,573	
Commissions	-	0.00%	-	0.00%
Taxes	-	0.00%	-	0.00%
Levies	-	0.00%	-	0.00%
Total sale costs	-	0.00%	-	0.00%
Total sales net of transaction costs	<u>1,394,994</u>		<u>695,573</u>	

SUB-FUND OVERVIEW

Name of Sub-Fund	The VT De Lisle America Fund
Size of Sub-Fund	£33,601,278
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 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 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 (£).

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

INVESTMENT MANAGER'S REVIEW

Annual Report 2018

VT De Lisle America Fund Investment Manager's Report

For the period 1st April 2017 to 31st March 2018

Investment Objectives and Policy

The VT De Lisle America Fund seeks to achieve capital appreciation by principally investing in US smaller companies. We have 104 holdings: 27 are over \$1 billion in market capitalization. Of these, 18 are typically between \$1 and \$2 billion and have grown to that level while we have been on board. Our largest holding, Towne Bank, exemplifies this. Towne is 8.38% of the Fund and has a \$2 billion market cap. We originally bought Monarch Bank when it had a \$100 million market cap and the current position is the result of acquisition by Towne, market appreciation, and us adding to the holding as the news flow continued positively over time. Nine holdings are mega-caps in technology, held as our lamentably small 3% weighting in the soaraway tech sector. This represents our small attempt to keep in touch with the only game in town since the start of 2017.

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 shifted 3% of the Fund into large cap. Although it would have been better if we'd been more pragmatic and aligned with the prevailing wind, we were unable to muster enough enthusiasm because of the high valuation of the large caps. We want to make money and are aware that, for the last decade, momentum has been the single best predictor of future performance yet we were not sufficiently moved to go beyond 3%.

The Fund's policy is to also retain a focus on liquidity as we grow. This is why we have 100 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 rose by 11.50% (+29.43% in 2017) for the US Dollar class and fell by 1.23% (+49.52% in 2017) for the Sterling class. The Sterling class fall occurred because the Pound rose from \$1.25 to \$1.40 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 main indices performed similarly. Here are a few we may be compared with: S&P 500 +11.77%; S&P 600 (small cap) +11.35%; S&P 400 (mid cap) +9.38%; and the Russell 2000 +10.35%. These are mainly interesting for their homogeneity. The value component of the S&P 600, which we feel is the index closest to our structure, was +8.79%, so no clues to performance there as growth remained in the ascendant throughout the market. We are, however, still quite far from this sub-index as most of our stocks are below its market capitalisation requirements.

The portfolio has remained little changed, although trades do come and go. The character of the market was bullish and skewed towards large-cap growth, often with a fair degree of optimism thrown in. This has proved justified as extraordinary earnings growth has allowed many companies to grow their earnings into their valuations. This has occurred through the fulfillment of promise in the tech sector and a pick-up in economic growth elsewhere. Going forward, political changes have become more important as trade restrictions have moved small stocks to the fore since March 2018. These are not particularly our small stocks as, again, there is a search for fast growth in a rapidly changing world. P/E multiples in this domestic growth sector are high and again preclude us from avid participation although we have a few moments as some of our stocks are participating.

Our hopes remain little changed. For a few years we have found small banks to be the best area for investment because they offer growth at a reasonable price which is the rare feature we desire. This growth usually involves growing population in attractive yet relatively undiscovered places to live. For instance, we have found these communities in northern states, often bordering with Canada. A dominant community bank may have a dozen banks in a county where population may be growing at 20% a decade. Its embodiment in the community may well have its normalised earnings growth at 15%. It may well be around 15x this year's earnings and 1.5x book value. This is good enough for us and sometimes the position becomes quite high as we hold for years and buy more if earnings surprise to the upside. By the end of the period, March 2018, these small banks were breaking out to new highs having consolidated for a year or so. This is in contrast to the larger bank indices which have been falling on considerations of a flattening yield curve. As usual, demographics is key. As much as we try to find wonderful bankers, banks run for the community, and banks run for shareholders (which is often the same thing), it is the growth of the communities in isolated places which is often the significant correlating variable with successful community bank investing.

INVESTMENT MANAGER'S REVIEW (Continued)

Elsewhere, we have our growth stock moments even though we tend to prefer value and our sector weightings remain towards domestic value stocks. Consumer stocks became too expensive, we missed technology and commodity stocks are of little interest except for the occasional small trade. Three of our long-term core holdings moved up more than 50% in the period: Johnson Outdoors, Manitex, and Calavo Growers and at period-end comprise 7% of the portfolio. These companies make canoes, cranes and grow avocados, so the consistent theme is growth, even though we thought we bought them for value. This line often becomes blurred as companies are defined as value primarily by sales per share and yet in a decent economic environment this feature can easily be transformed into growing earnings.

One top ten position that needs explaining is our Steel Partners Preferred at 3.6% of the Fund at period-end. We were doing very nicely in its predecessor, Handy and Harman, but it got taken over and we were given this Preferred stock. It has a tantalizing structure whereby 20% can be put back to the issuer at a 22% premium to its current price in February 2020. The residual can then be put in succeeding years. Additionally, the withholding tax on Preferreds has been cut to 21% with the recent tax changes and altogether this gives us a total return of over 8%, if we hold and put over the next few years until it goes. It is tantalizing because this return is just sufficient to keep us in and not exit the whole position now. Our long-term dollar returns are in the order of 10% and yet the added safety and low volatility of the Preferred just swings it.

Outlook

The outlook for the Fund is based on our ability to judge what will grow as the demographically powerful cohort becomes the millennials, and which qualities of stocks will lead to outperformance. This will probably continue to keep us out of the most dynamic companies because of their high valuations but we hope features of quality and demographics will keep us in the game in some of the paths less travelled. In the period, the Fund grew from \$39 million to \$49 million, a size where we retain flexibility to invest in small companies which are often undiscovered because of their size and obscurity.

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 2018	Year to 31 March 2017	Year to 31 March 2016
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	354.8939	237.3597	238.0148
Return before operating charges	(0.1844)	121.0285	2.0288
Operating charges (note 1)	(4.1786)	(3.4943)	(2.6839)
Return after operating charges*	(4.3630)	117.5342	(0.6551)
Closing net asset value per unit	350.5309	354.8939	237.3597
Retained distributions on accumulated units	0.4250p	1.1580p	1.1700p
*after direct transaction costs of:	0.4938	0.4146	0.3565
Performance			
Return after charges	(1.23%)	49.52%	(0.28%)
Other information			
Closing net asset value	£18,591,423	£16,699,369	£8,932,448
Closing number of units	5,303,790	4,705,454	3,763,254
Operating charges (note 2)	1.15%	1.18%	1.22%
Direct transaction costs	0.14%	0.14%	0.15%
Prices			
Highest unit price	388.82	370.46	241.20
Lowest unit price	338.41	233.55	199.86

Class B USD Net Accumulation

	Year to 31 March 2018	Year to 31 March 2017	Year to 31 March 2016
Changes in net assets per unit	USDc	USDc	USDc
Opening net asset value per unit	286.6746	221.4912	228.2065
Return before operating charges	36.5727	68.1816	(4.0951)
Operating charges (note 1)	(3.5971)	(2.9982)	(2.6202)
Return after operating charges*	32.9756	65.1834	(6.7153)
Closing net asset value per unit	319.6502	286.6746	221.4912
Retained distributions on accumulated units	0.2782	0.7841	0.7600
*after direct transaction costs of:	0.4244	0.3557	0.3373
Performance			
Return after charges	11.50%	29.43%	(2.94%)
Other information			
Closing net asset value	\$21,214,819	\$19,222,100	\$15,284,807
Closing number of units	6,636,887	6,705,198	6,900,863
Operating charges (note 2)	1.15%	1.18%	1.22%
Direct transaction costs	0.14%	0.14%	0.15%
Prices			
Highest unit price	339.26	295.21	230.00
Lowest unit price	279.64	217.35	193.58

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.

PORTFOLIO STATEMENT

As at 31 March 2018

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
	Financials 53.53% (2017 – 59.71%)		
35,154	Access National Corporation Common	722,781	2.15
5,850	American National Bankshares	159,033	0.47
28,247	BCB Bancorp	314,894	0.94
35,445	Bank of South Carolina	508,572	1.51
31,132	Bar Harbor Bankshares Common Stock	635,437	1.89
42,173	Caretrust	403,854	1.20
8,501	Central Pacific Financial	172,698	0.51
17,961	Columbia B Com	536,748	1.60
6,609	Community West Bancshare	53,113	0.16
7,553	DNB Financial	192,303	0.57
19,412	Farmers Capital Bank	551,877	1.64
14,498	First Bancorp	370,570	1.10
3,500	First Busey Corporation	73,990	0.22
26,551	First Interstate Bancsystem	745,396	2.22
9,600	First Merchants	286,375	0.85
10,429	First Priority	79,436	0.24
68,325	FS Bancorp	2,587,516	7.70
16,959	German American Bancorp	405,612	1.21
6,650	Hanmi Financial Corp	145,074	0.43
4,708	Home Bancorp	144,679	0.43
3,000	Hope Bancorp	38,628	0.11
15,331	Landmark Bancorp	318,374	0.95
37,200	Medallion Financial	123,021	0.37
24,319	Merchantile Bank Corp	588,647	1.75
21,201	Mid Penn Bancorp	474,576	1.41
4,399	MVC Capital Inc	31,191	0.09
31,198	People's Bancorp of North Carolina	654,978	1.95
8,800	Pinnacle Financial	399,445	1.19
20,332	Plumas Bancorp	354,266	1.06
2,800	Preferred Bank	127,564	0.38
4,085	Select Bancorp	38,755	0.12
1,592	South State Corporation	96,917	0.29
7,475	Southern First Bancshares	236,568	0.70
51,464	Southern National Bancorp of Virginia	580,667	1.73
2,598	Timberland Bancorp	56,132	0.17
138,100	TowneBank	2,816,313	8.38
3,003	United Bankshares	74,803	0.22
9,301	Waddell & Reed Financial	130,608	0.39
9,556	West Bancorporation	175,340	0.52
39,911	Westwood Holdings	1,582,276	4.71
		17,989,027	53.53

PORTFOLIO STATEMENT (Continued)

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
	Consumer Staples 1.98% (2017 – 1.45%)		
9,551	Calavo Growers	619,480	1.85
2,856	Rocky Mountain Chocolate Factory	24,587	0.07
16,432	Veru	20,568	0.06
		664,635	1.98
	Materials 6.95% (2017 – 6.78%)		
10,000	AK Steel Holdings Corporation	30,474	0.09
3,685	Compass Minerals	154,295	0.46
10,000	Rayonier Advanced Materials Inc	151,910	0.45
2,000	Steel Dynamics	60,728	0.18
82,378	Steel Partners	1,202,774	3.59
6,859	Stepan Co	404,169	1.20
15,976	UFP Technologies	329,780	0.98
		2,334,130	6.95
	Consumer Discretionary 14.96% (2017 – 14.62%)		
36,152	Carriage Services	710,776	2.12
64,928	Crown Crafts	270,129	0.80
65,100	Horizon Global Corp	380,803	1.13
22,886	Johnson Outdoors - Class A	1,016,206	3.03
3,849	LCI Industries	277,774	0.83
69,971	Marine Products	693,440	2.06
65,209	Shiloh Industries	392,339	1.17
5,291	Strattec Security Corp	136,029	0.40
72,921	Summer Infant	59,899	0.18
26,818	Superior Uniform Group	500,942	1.49
4,000	Thor Industries	319,807	0.95
10,000	Winnebago Industries	268,651	0.80
		5,026,795	14.96

PORTFOLIO STATEMENT (Continued)

Holding	Security	Value (Note 1g) £	% of Total Net Assets %
	Industrials 17.69% (2017 – 12.85%)		
5,434	Alamo Group	426,844	1.27
2,500	Allied Motion Technologies	67,874	0.20
4,653	ASV Holdings	24,240	0.07
11,500	Blue Bird Corporation	191,585	0.57
19,500	Builders FirstSource	272,024	0.81
4,500	EMCOR Group	243,178	0.72
2,110	Espey Manufacturing and Electronics	40,006	0.12
5,000	DXP Enterprises	137,935	0.41
10,000	Fortive Corporation Common Stock	545,160	1.62
17,571	Gencor Industries	200,565	0.60
2,300	Granite Construction Incorporated	87,307	0.26
16,280	Hardinge	211,648	0.63
5,424	Hyster-Yale Materials	271,161	0.81
800	Jacobs Engineering Group	32,353	0.10
36,048	Jewett-Cameron Trading	376,221	1.12
8,000	Layne Christensen	81,957	0.24
103,568	Manitex International	872,826	2.59
5,300	NN Inc	89,144	0.27
27,095	Orion Marine Group	121,302	0.36
7,205	Patrick Industries	315,901	0.94
19,000	Primoris Services Corporation	332,476	0.99
2,000	Toro	85,968	0.26
2,000	Tutor Perini Corp	30,190	0.09
22,014	Vectrus	575,282	1.71
2,000	Verisk Analytics	144,734	0.43
32,831	Virco Manufacturing Corporation	96,315	0.29
1,000	XPO Logistics	69,853	0.21
		5,944,049	17.69
	Information Technology 3.48% (2017 – 2.81%)		
3,000	Altaba	154,971	0.46
1,000	Apple	118,427	0.35
3,000	Cisco Systems	88,873	0.26
1,900	Clearone Inc	10,067	0.03
71,001	Computer Task Group	409,514	1.23
14,700	Gerber Scientific	-	-
22,250	Steel Connect	33,468	0.10
1,200	Take-Two Interactive Software	83,158	0.25
18,929	Wayside Technology Group	174,670	0.52
6,018	Westell Technologies Inc	14,102	0.04
10,000	Xcerra Corporation	81,466	0.24
		1,168,717	3.48
	Energy 0.13% (2017 – 0.56%)		
10,000	McDermott International	42,351	0.13
		42,351	0.13
	Health 1.14% (2017 – 2.12%)		
1,000	Illumina	167,100	0.50
1,007	Kewaunee Scientific	23,992	0.07
5,548	Span-America Medical Systems	192,154	0.57
		383,246	1.14

PORTFOLIO STATEMENT (Continued)

	Value (Note 1g) £	% of Total Net Assets %
Investment assets (2017 – 100.90%)	33,552,950	99.86
Net other assets (2017 – (0.63%))	126,175	0.37
Adjustment to revalue assets from mid to bid prices (2017 – (0.27%))	(77,847)	(0.23)
Net assets	<u>33,601,278</u>	<u>100.00%</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the year (note 14)	15,707,455
Access National Corporation Common	35,690
Allied Motion Technologies	62,801
Alphabet	78,221
Amazon	387,492
American National Bankshares	35,946
Ameris Bancorp	152,310
AZZ	259,681
Bank of South Carolina	64,384
Bar Harbor Bankshares	18,292
Blue Buffalo Pet Products	57,621
Carriage Services	75,120
Cascade Bancorp	390,012
Central Pacific Financial	177,677
Cliffs Natural Resources	53,267
Cognex Corporation	152,895
Compass Diversified Holdings	479,445
Compass Minerals International	77,524
Digirad Corporation	47,092
DNB Financial Corporation	97,520
East West Bancorp	97,472
Eastern Virginia Bankshares	10
EMCOR Group	154,858
Encore Wire Corporation	312,867
First Busey Corporation	57,994
FNB Corporation	1,115,684
First Merchants Corporation	42,637
Fortive Corporation	49,992
FS Bancorp	61,039
Gorman-Rupp Co	102,600
Granite Construction Incorporated	194,471
Handy & Harman	6
Hanmi Financial	68,138
Hardinge	53,312
Home Bancorp	65,338
J & J Snack Foods Corporation	49,841
Jacobs Engineering Group	133,706
Johnson Outdoors	131,104
Landmark Bancorp	227,406
Gerber Scientific	719
MarineMax	115,998
McDermott International	152,660
Microsoft Corporation	85,588
Mid Penn Bancorp	48,522
Middleburg Financial Corp	18
Mocon	245,114
Murphy Oil Corporation	90,477
MVC Capital	172,403
National Research	42,688
Netflix	146,603
NN Inc	14,182
NVIDIA Corporation	228,285
Pacific Continental	18
Paragon Commercial Corp	669,841
Park Sterling Corporation	15
People's Bancorp of North Carolina Inc NPV	45,550
Plumas Bancorp	48,299
Preferred Bank	46,430
PSD Photomedics	243
Rocky Mountain Chocolate Factory	11,169
Select Bancorp	125,077
Service Corporation International	81,602
SM Energy Company	46,618
Southern First Bancshares	317,683
Span-America Medical Systems	640,538

SUMMARY OF MATERIAL PORTFOLIO CHANGES

SP Plus Corporation	76,810
Stepan Co	144,603
Strattec Security Corp	32,745
Summer Infant	6,874
The Goldman Sachs Group	183,697
The Manitowoc Company	53,463
Toro Co	154,431
Townebank	3,563,304
Tutor Perini	213,850
U-Swirl	757
UFP Technologies	23,654
United Bankshares	421,123
Verisk Analytics	949,334
Wayside Technology Group	14,846
West Bancorporation	40,591
West Marine	829,566
Yadkin Valley Financial Corp	2

	£
Total purchases for the year (note 14)	17,584,205

Access National Corporation Common	81,999
Allied Motion Technologies	19,112
Alphabet	79,912
Altaba	170,199
Amazon	340,124
American National Bankshares	96,938
Apple	130,161
ASV Holdings	16,930
Bank of South Carolina	167,846
Bar Harbor Bankshares	417,078
BCB Bancorp	181,991
Blue Bird Corporation	52,593
Blue Buffalo Pet Products	27,836
Builders FirstSource	252,496
Calavo Growers	53,455
Caretrust	181,301
Cascade Bancorp	177,746
Central Pacific Financial	258,956
Cisco Systems	83,847
Cognex Corporation	166,953
Community West Bancshares	53,062
Compass Minerals International	236,070
Computer Task Group	25,844
Darlington Portfolio Nominees Limited	39,408
Digirad Corporation	83,699
DNB Financial Corporation	76,952
DXP Enterprises	130,886
Eastern Virginia Bankshares	4,696
EMCOR Group	384,871
Encore Wire Corporation	314,643
Farmers Capital Bank	181,473
First Bancorp	201,333
First Busey Corporation	101,085
First Interstate Bancsystem Inc	29,391
First Merchants Corporation	216,542
First Priority Financial Corporation	81,815
Fortive Corporation	49,132
FS Bancorp	86,228
Gencor Industries	21,864
Gorman-Rupp Co	38,459
Granite Construction Incorporated	95,480
Handy & Harman	23,320
Hanmi Financial	68,406
Home Bancorp	125,943
Hope Bancorp	38,870

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Horizon Global Corp	252,101
Hyster-Yale Materials	142,100
Illumina	134,115
J & J Snack Foods Corporation	50,099
Jacobs Engineering Group	99,946
Jewett-Cameron Trading Ltd	94,147
Johnson Outdoors	45,198
Kewaunee Scientific Corporation	19,729
Landmark Bancorp	44,385
Layne Christensen Company	89,704
LCI Industries	132,755
Manitex International	196,704
MarineMax	139,231
McDermott International	99,758
Medallion Financial Corp	41,899
Merchantile Bank Corp	61,151
Mid Penn Bancorp	81,342
MVC Capital	203,571
National Research	21,874
Netflix	145,475
NN Inc	21,662
NVIDIA Corporation	214,200
Orion Marine Group	19,100
Pacific Continental	84,136
Paragon Commercial Corp	3,714,297
Patrick Industries	325,207
People's Bancorp of North Carolina Inc NPV	43,976
Pinnacle Financial	50,491
Plumas Bancorp	382,524
Preferred Bank	45,995
Primoris Services Corporation	80,518
Select Bancorp	14,129
Service Corporation International	80,530
Shiloh Industries	76,188
Southern First Bancshares	134,801
SP Plus Corporation	89,925
Stepan Co	224,896
Superior Uniform Group	418,837
Take-Two Interactive Software	101,099
Thor Industries	42,736
Timberland Bancorp	51,354
Toro Co	138,984
Townebank	801,689
Tutor Perini	48,159
Verisk Analytics	1,053,517
Virco Manufacturing Corporation	128,139
Waddell & Reed Financial	126,395
Wayside Technology Group	3,597
West Bancorporation	62,214
West Marine	828,871
Westell Technologies	2,707
Westwood Holdings Group	333,769
Xcerra Corporation	77,334

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

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2018

	Notes	£	31.03.18 £	31.03.17 £
Income				
Net capital (losses)/gains	2		(587,811)	9,627,403
Revenue	3	449,171		482,793
Expenses	4	(388,765)		(312,105)
Interest payable and similar charges	6	(8)		(566)
Net revenue before taxation		<u>60,398</u>		<u>170,122</u>
Taxation	5	<u>(19,303)</u>		<u>(67,230)</u>
Net revenue after taxation			<u>41,095</u>	<u>102,892</u>
Total return before distributions			(546,716)	9,730,295
Finance costs: distributions	6		<u>(41,095)</u>	<u>(102,892)</u>
Change in net assets attributable to shareholders from investment activities			<u><u>(587,811)</u></u>	<u><u>9,627,403</u></u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2018

	31.03.18 £	31.03.17 £
Opening net assets attributable to shareholders	32,046,795	19,491,301
Amounts receivable on creation of shares	9,588,852	10,578,176
Amounts payable on cancellation of shares	(7,525,379)	(7,789,785)
Distribution accumulated	41,003	104,091
Dilution levy	37,818	35,609
Change in net assets attributable to shareholders from investment activities (see above)	<u>(587,811)</u>	<u>9,627,403</u>
Closing net assets attributable to shareholders	<u><u>33,601,278</u></u>	<u><u>32,046,795</u></u>

BALANCE SHEET

As at 31 March 2018

		31.03.18		31.03.17	
	Notes	£	£	£	£
FIXED ASSETS					
Investment assets			33,475,103		32,249,719
CURRENT ASSETS					
Debtors	7	104,624		183,991	
Cash and bank balances	8	<u>83,463</u>		<u>190,878</u>	
Total current assets			<u>188,087</u>		<u>374,869</u>
Total assets			33,663,190		32,624,588
CURRENT LIABILITIES					
Creditors					
Creditors	9	<u>(61,912)</u>		<u>(577,793)</u>	
Total current liabilities			<u>(61,912)</u>		<u>(577,793)</u>
Net assets attributable to shareholders			<u><u>33,601,278</u></u>		<u><u>32,046,795</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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.

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)

2	Net capital (losses)/gains	31.03.18	31.03.17
	The net capital (losses)/gains comprise:	£	£
	Non-derivative securities (losses)/gains	(665,353)	9,427,234
	Transaction charges	(7,637)	(8,351)
	Currency gains	85,179	208,520
	Total net capital (losses)/gains	<u>(587,811)</u>	<u>9,627,403</u>
3	Revenue	31.03.18	31.03.17
		£	£
	Overseas dividends	449,171	482,793
	Total revenue	<u>449,171</u>	<u>482,793</u>
4	Expenses	31.03.18	31.03.17
		£	£
	Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
	ACD fee	12,432	12,474
	Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
	Investment manager's fee	<u>337,101</u>	<u>264,327</u>
	Payable to the depositary, associates of the depositary, and agents of either of them:		
	Depositary fee	17,901	18,370
	Safe custody fee	13,858	8,948
		<u>31,759</u>	<u>27,318</u>
	Other expenses		
	Audit fee	6,862	6,900
	FCA fee	116	63
	Investment association fee	495	123
	Legal fees	-	900
		<u>7,473</u>	<u>7,986</u>
	Total expenses	<u>388,765</u>	<u>312,105</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation	31.03.18	31.03.17
	£	£
(a) Analysis of charge in the year		
Irrecoverable income tax	19,303	67,230
Total tax charge for the year (note 5b)	<u>19,303</u>	<u>67,230</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% (2017: 20.00%.) The differences are explained below:		
Net revenue before taxation	<u>60,398</u>	<u>170,122</u>
Corporation tax at 20.00% (2017:20.00%)	12,080	34,024
<u>Effects of:</u>		
Overseas dividends	(89,834)	(96,559)
Current year expenses not utilised	77,754	62,535
Overseas tax expenses	19,303	67,230
Total tax charge for year (note 5a)	<u>19,303</u>	<u>67,230</u>
(c) Provision for deferred taxation		
At 31 March 2018 there is a potential deferred tax asset of £354,871 (31 March 2017: £277,117) in relation to surplus management expenses. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
6. Finance costs	31.03.18	31.03.17
	£	£
Interim distribution	-	46,163
Final dividend distribution	<u>41,003</u>	<u>57,928</u>
	41,003	104,091
Add: Revenue deducted on cancellation of shares	545	7,605
Deduct: Revenue received on issue of shares	<u>(453)</u>	<u>(8,804)</u>
	41,095	102,892
Interest payable and similar charges	<u>8</u>	<u>566</u>
Total finance costs	<u>41,103</u>	<u>103,458</u>
Reconciliation of distributions		
Net revenue after taxation	41,095	102,892
Net distribution for the year	<u>41,095</u>	<u>102,892</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.03.18	31.03.17
	£	£
Overseas dividends	47,802	45,009
Outstanding trade settlements	2,611	61,184
Income tax recoverable	4,792	24,191
Outstanding subscriptions	<u>49,419</u>	<u>53,607</u>
Total debtors	<u><u>104,624</u></u>	<u><u>183,991</u></u>
8 Cash and bank balances	31.03.18	31.03.17
	£	£
Cash and bank balances	<u>83,463</u>	<u>190,878</u>
9 Creditors	31.03.18	31.03.17
	£	£
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	<u>993</u>	<u>1,062</u>
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them		
Investment manager's fee	<u>26,780</u>	<u>27,315</u>
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	1,430	1,529
Safe custody and other bank charges	<u>3,102</u>	<u>7,852</u>
	4,532	9,381
Other expenses:		
Audit fee	6,862	6,900
FCA fee	<u>174</u>	<u>172</u>
	<u>7,036</u>	<u>7,072</u>
Outstanding redemptions	22,571	532,963
Total creditors	<u><u>61,912</u></u>	<u><u>577,793</u></u>

10. Units held

Units Held – Class B Net Accumulation GBP

Opening units at 01.04.17	4,705,454
Units issued during the year	3,680,231
Units cancelled during the year	(3,081,895)
Units converted during the year	-
Closing units at 31.03.18	5,303,790

Units Held – Class B Net Accumulation USD

Opening units at 01.04.17	6,705,198
Units issued during the year	285,378
Units cancelled during the year	(353,689)
Units converted during the year	-
Closing units at 31.03.18	6,636,887

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 31.03.18 would have increased/decreased by £3,347,510 (2017 – £3,224,972).

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 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 31.03.18 would have increased/decreased by £3,347,510 (2017 – £3,224,971).

Net currency monetary assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Sterling	66,108	(210,956)	-	-	66,108	(210,956)
US Dollar	60,067	8,032	33,475,103	32,249,719	33,535,170	32,257,751
Total	126,175	(202,924)	33,475,103	32,249,719	33,601,278	32,046,795

Interest rate risk

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

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)
US Dollar	-	-	-
Total	-	(61,912)	(61,912)

31.03.17			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	182,845	-	182,845
US Dollar	8,033	32,433,710	32,441,743
Total	190,878	32,433,710	32,624,588
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	-	(577,793)	(577,793)
US Dollar	-	-	-
Total	-	(577,793)	(577,793)

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 2018 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	33,475	-
Total	33,475	-

12. Contingent assets and liabilities

At 31 March 2018, the fund had no contingent liabilities or commitments (31 March 2017: £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 2018. Since that date, the Fund's quoted mid price has moved as follows for each share class:

Share Class	Price at 29 March 2018	Price at 18 July 2018
Class B Net Accumulation GBP	350.5309p	404.5345p
Class B Net Accumulation USD	319.6502c	342.2542c

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Portfolio transaction costs

Analysis of total sale costs	31.03.18		31.03.17	
	£	% of total sales	£	% of total sales
Sales in year before transaction costs	15,724,172		10,784,276	
Commissions	(16,413)	0.10%	(13,618)	0.13%
Taxes & levies	(304)	0.00%	(7)	0.00%
Total sale costs	<u>(16,717)</u>	<u>0.10%</u>	<u>(13,625)</u>	<u>0.13%</u>
Total sales net of transaction costs	<u>15,707,455</u>		<u>10,770,651</u>	

Analysis of total purchase costs	31.03.18		31.03.17	
	£	% of total purchases	£	% of total purchases
Purchases in the year before transaction costs	17,562,000		14,517,443	
Commissions	22,205	0.13%	20,888	0.14%
Taxes & levies	-	0.00%	1	0.00%
Total purchase costs	<u>22,205</u>	<u>0.13%</u>	<u>20,889</u>	<u>0.14%</u>
Total purchases including transaction costs	<u>17,584,205</u>		<u>14,538,332</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:

	2018 £	% of average net asset value	2017 £	% of average net asset value
Commissions	38,618	0.11%	34,506	0.13%
Taxes & levies	304	0.00%	8	0.00%
	<u>38,922</u>	<u>0.11%</u>	<u>34,514</u>	<u>0.13%</u>

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1 – Shares purchased prior to 01 October 2017

Group 2 – Shares purchased on or after 01 October 2017 and on or before 31 March 2018

01 October 2017 to 31 March 2018

Class B Net Accumulation GBP	Distribution accumulated 31.05.2018	Equalisation	Distribution accumulated 31.05.2018	Distribution accumulated 31.05.2017
Group 1	0.4250	-	0.4250	0.6368
Group 2	0.3921	0.0329	0.4250	0.6368

Class B Net Accumulation USD	Distribution accumulated 31.05.2018	Equalisation	Distribution accumulated 31.05.2018	Distribution accumulated 31.05.2016
Group 1	0.2782	-	0.2782	0.4171
Group 2	0.2444	0.0338	0.2782	0.4171

Interim distribution in pence per share

Group 1 – Shares purchased prior to 01 April 2017

Group 2 – Shares purchased on or after 01 April 2017 and on or before 30 September 2017

01 April 2017 to 30 September 2017

Class B Net Accumulation GBP	Distribution accumulated 30.09.2017	Equalisation	Distribution accumulated 30.09.2017	Distribution accumulated 30.09.2016
Group 1	-	-	-	0.5212
Group 2	-	-	-	0.5212

Class B Net Accumulation USD	Distribution accumulated 30.09.2017	Equalisation	Distribution accumulated 30.09.2017	Distribution accumulated 30.09.2016
Group 1	-	-	-	0.3670
Group 2	-	-	-	0.3670

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 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>National Westminster Bank Plc 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>