

THE VT icf ABSOLUTE RETURN PORTFOLIO

Short Form Interim Report and Financial Statements
for the year ended 30 September 2015

THE VT ICF ABSOLUTE RETURN PORTFOLIO

Directory

Authorised Corporate Director & Registrar

Valu-Trac Investment Management Limited

Orton, Fochabers, Moray, IV32 7QE

Telephone: 01343 880344

Fax: 01343 880267

(Authorised and regulated by the Financial Conduct Authority)

Investment Advisers

icf management limited

40 Gracechurch Street, London, EC3V 0BT

(Authorised and regulated by the Financial Conduct Authority)

Fund Managers

Mark Lynam

Jeremy Suffield

Depositary

National Westminster Bank Plc

Younger Building, 1st Floor, 3 Redheughs Avenue, Edinburgh, EH12 9RH

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority)

Auditors

Johnston Carmichael LLP

Chartered Accountants

7-11 Melville Street, Edinburgh

EH3 7PE

Changes to the Company

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

THE VT ICF ABSOLUTE RETURN PORTFOLIO

Investment Objective

The objective of the Sub-Fund is to achieve a consistent absolute return over the long term irrespective of market conditions.

Investment Policy

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, transferrable securities, cash deposits and money market funds.

Investment Manager's Report

For the six months ended 30 September 2015

Financial markets spent the summer months fretting about when US interest rates might rise from their lowest level since, well since before the days that the goddesses Maia and Juno and the emperors Julius and Augustus Caesar gave the months their names. And even back then we are not convinced interest rates were measurable when transactions were on a 'I shall lend thee my ox but I shall keep thy wife as security' sort of way. Of course for most of those several centuries, if your neighbour's ox went lame or your house ended up worth a bit less than your mortgage the methods of default were also a problem for the private sector to sort out. Since the global financial crisis, when the size of the global debt pile became a problem, the quantum of debt has continued to grow. Not only that, because the defaults, bank write offs and caring for your neighbour's lame ox that one might associate with a return to more normal levels would be deflationary, policy has deemed that a significant portion of the debt be transferred from the consumer and corporate and onto the state balance sheets. So markets have, in a way, spent the summer fretting about sovereigns stopping doing something they have a big vested interest in continuing doing, namely keeping interest rates below the level of economic growth to effectively shrink their stock of debt over time. So equity markets fretted that rates were going to go up, then got upset when they didn't. The UK bellwether FTSE 100 fretted away nearly 9% of its value from 6773 to 5909. If you look beneath the numbers, the bond markets say slow deflationary growth and low interest rates is the new norm. And with debts at peak multiples of economic growth, with profit margins at elevated levels, with savings rates low, with valuations high maybe that is something for equity markets to fret about.

The absolute return sector did its own slightly more subdued fretting over the summer. Our universe, the UCITS alternative index gave up 1.6% and your fund moved down from 118.7 at the end of March To 115.7 at the end of September, a drop of 2.5%.



Citywire information is proprietary and confidential to Citywire Financial Publishers Ltd ("Citywire"), may not be copied and Citywire excludes any liability arising out its use. Rating shown is latest available and to end September 2015 and applies to Mark Lynam & Jeremy Suffield who are the fund managers for the VT icf Absolute Return Portfolio.



In July 2014 *icf management limited* was awarded the "Best Family Office Investor UK" award – a peer group award sponsored by Wealth & Finance magazine with a global audience of 80,000 across the UK, Europe and the USA.



Preservation

The Lipper Rating for Preservation is a fund that has demonstrated a superior ability to preserve capital in a variety of markets when compared with other funds in its asset class.

THE VT ICF ABSOLUTE RETURN PORTFOLIO

Fund Facts

Accounting and Distribution Dates

	Accounting	Distribution
Interim	30 September	30 November
Final	31 March	31 May

Net Asset Values

Share Class	Accumulation of Shares		
	Net asset value (£)	No. of shares in issue	Net asset value (pence per share)
Class F 2013 [^]	4,068,096	3,651,435	111.41
Class F 2014 [^]	4,810,070	4,195,106	114.66
Class F 2015 [^]	4,806,649	4,048,649	118.72
Class F 2015 ^{^^}	4,760,479	4,123,484	115.71

[^] As at 31 March. The Net Asset Valuation in this table is based on the quoted mid price.

^{^^} As at 30 September 2015

Price History

The table below shows the highest buying and lowest selling prices on a calendar year basis in pence per share since launch. Past performance is not necessarily a guide to the future performance.

Share Class	Accumulation of Shares	
	Highest (pence)	Lowest (pence)
Class F 2010 [^]	103.14	99.37
Class F 2011	104.85	99.89
Class F 2012	105.23	100.10
Class F 2013	114.64	104.59
Class F 2014	116.75	112.16
Class F 2015 ^{^^}	119.66	115.64

[^] Launched 6 August 2010

^{^^} To 30 September 2015

Distribution Record

Share Class	Accumulation of Shares
	Net revenue per share (pence)
Class F 2011	0.0000
Class F 2012	0.0000
Class F 2013	0.0000
Class F 2014	0.0000
Class F 2015 [^]	0.0000

[^] To 30 September 2015

Ongoing charges figure [^]

Share Class	30 September 2015 %	31 March 2015 %	31 March 2014 %
Class F	2.33	2.16	2.76

[^] The ongoing charges figure is annualised based on the fees suffered during the accounting period together with the underlying charges included within the fund portfolio holdings.

THE VT ICF ABSOLUTE RETURN PORTFOLIO

Fund Facts

continued

Major Holdings

The top ten holdings at the end of the year are shown below.

Holding	% of Fund as at 30.09.15
CF Odey UK Absolute Return Fund (31.03.2015 – 9.33%)	9.97
First Private Wealth Fund (31.03.2015 – 7.64%)	8.61
Jupiter Absolute Return Fund (31.03.2015 – 7.50%)	7.84
Premier Defensive Growth Fund (31.03.2015 – 7.78%)	7.83
Kames UK Equity Absolute Return Fund (31.03.2015 – 7.42%)	7.53
Exane Funds 1 – Archimedes Fund (31.03.2015 – 7.33%)	7.51
Personal Assets Trust Plc Ordinary (31.03.2015 – 6.21%)	6.01
Ruffer Investment Company Ltd (31.03.2015 – 5.75%)	5.47
Polar Capital-Insurance (2014 – 2.58%)	5.09
S & W Kennox Strategic Value Fund (2014 – 5.95%)	5.00

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.

Risk Warning

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

Reports and Accounts

Copies of the long form Annual Report and Financial Statements for the Company are available free of charge on request by contacting the ACD.