

**VT MUNRO SMART-BETA FUND**  
**(Sub-fund VT Munro Smart-Beta UK Fund)**

**Annual Report and Financial Statements**  
**for the year ended 31 January 2019**

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## COMPANY OVERVIEW

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<b>Size of Company</b>	£5,885,368
<b>Launch date</b>	22 July 2007
<b>Company objective and policy</b>	<p>The objective of the VT Munro Smart-Beta UK Fund (the “Sub-fund”) is to maximize the overall return by seeking to replicate the performance of the Freedom Smart-Beta UK Dividend Index.</p> <p>The Sub-fund will invest mainly in UK securities listed on the London Stock exchange. The Sub-fund will be constructed on the basis of the underlying fundamental financial attributes of the companies listed on the London Stock Exchange rather on their market capitalisation. The weight of each company in the Sub-fund will be determined by the proportion that is forecast total dividend will be expected to make of the total income of all companies held in the Sub-fund.</p> <p>The Sub-fund may also invest in other transferable securities, bonds, collective investment schemes, warrants, money market instruments, cash and deposits.</p> <p>It is in the ACD’S intention that derivatives be used for hedging purposes using efficient portfolio management style techniques.</p> <p>The ACD does not intend to have an interest in any immovable property or tangible movable property.</p> <p>The Company will be managed in a manner that maintains eligibility for the stocks and shares component of a personal equity plan or individual savings account.</p>
<b>Type of Company</b>	<p>VT Munro Smart-Beta Fund (“the Company”) is an authorized open-ended investment company with variable capital (“ICVC”) further to a Financial Services Authority (“FSA”) (predecessor of the FCA) authorization order dated 18 July 2007. The Company is incorporated under registration number IC000551. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook (“COLL”) issued by the Financial Conduct Authority (“FCA”).</p> <p>The Company has been set up as an umbrella company. The Company has currently one Sub-fund available for investment, VT Munro Smart-Beta UK Fund (“the Fund”).</p> <p>The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Company consist predominantly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, have been used in the preparation of these accounts and applicable accounting standards have been followed.</p> <p>The shareholders are not liable for the debts of the Company.</p> <p>The Instrument of Incorporation can be inspected at the office of the ACD.</p> <p>The Company has no directors other than the ACD.</p>

## COMPANY OVERVIEW (Continued)

	The base currency of the Company is UK sterling.
	Copies of the Prospectus and Key Investor Information Document are available free of charge from the ACD.
<b>Authorised Corporate Director (ACD)</b>	Valu-Trac Investment Management Limited
<b>Annual accounting date</b>	31 January
<b>Interim accounting dates</b>	Last day of each month
<b>Annual income allocation date</b>	31 March
<b>Interim income allocation dates</b>	Last day of each month
<b>Individual Savings Account (ISA)</b>	The Company is a qualifying investment for inclusion in an ISA.
<b>Minimum investment</b>	
	Lump sum subscription:
	A Class Shares = £1,000
	B Class Shares = £100,000
	X Class Shares = £250
	Top-up:
	A Class Shares = £1,000
	B Class Shares = £1,000
	X Class Shares = £100
	Holding:
	A Class Shares = £1,000
	B Class Shares = £100,000
	X Class Shares = £250
	Redemption:
	A Class Shares = Nil
	B Class Shares = Nil
	X Class Shares = Nil
	The ACD may at its discretion accept subscriptions lower than the minimum amount.
<b>ACD charges</b>	
	The management charge in respect of the A Class Shares is 1.50% per annum of the Net Asset Value of the A Class Shares.
	The management charge in respect of the B Class Shares is 1.25% per annum of the Net Asset Value of the B Class Shares.
	The management charge in respect of the X Class Shares is 0.5% per annum of the Net Asset Value of the X Class Shares.

1. *The Freedom Smart-Beta UK Dividend index is a Sterling based total return index, comprising approximately 300 of the largest dividend paying stocks (excluding Investment Trusts) that are quoted on the London Stock Exchange.*

*While the full universe is initially determined by market capitalisation, the investible universe is reweighted based on expected dividend payout. The Sub-fund aims to replicate the performance of the Freedom Smart-Beta UK Dividend index but will not necessarily be invested in all the constituents*

# INVESTMENT MANAGER'S REVIEW

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## THE VALU-TRAC MUNRO SMART-BETA UK FUND

### Investment Adviser's Report For the year ended 31<sup>st</sup> January 2019

#### Investment Activities

The fund was managed to follow the Freedom Smart-Beta UK Dividend Index as closely as possible, having regard for costs, during the year under review. At the end of the financial year it was invested in companies which account for 99.3% of the forecast dividend income of the Index. The fund continues to follow the same process of investing in large and medium sized companies listed on the London Stock Exchange, excluding investment trusts, in line with each stock's contribution to the total forecasted dividend payout for the group as a whole. This process was encapsulated by the Freedom Smart-Beta UK Dividend Index which was launched on the 30<sup>th</sup> April 2014.

This process is designed to minimize trading and exploit volatility. New money is allocated to securities which are underweight relative to their position in the index. The process can therefore use market volatility to its advantage.

Redemptions to the fund of £1,248,320 exceeded subscriptions of £965,109 to give a net outflow of £283,211. That, together with a decline in the market caused the fund to decrease in size from £6.7m to £5.9m. Throughout this period the cash position was kept close to 1%.

Due to these redemptions the fund sold shares in HSBC, AstraZeneca, Carnival, Royal Dutch Shell B, GSK, BP and Diageo.

CME Group, Shire, Booker, Esure, Old Mutual, Randgold Resources, Acacia Mining, Shire and Sky were all taken over. The fund took up rights in the Capita and Gailford Try fund raisings. Debenhams, Marstons and Mitie were sold because they dropped out of the index whilst Nedbank was sold as it was not part of the index but were acquired as a result of acquisitions. The total value of sales was £645,242.

Purchases totaling £429,070 were made into HSBC, Royal Dutch Shell B, RELX, Standard Life Aberdeen, British American Tobacco, BHP, BP, GVC Holdings, Phoenix Holdings, Imperial Brands, EVRAZ, Persimmon, Centrica, Smurfit Kappa, Land Securities and St James's Place.

Trading was therefore confined to investing new funds as per the index and accepting takeover offers and raising cash to meet redemptions. Using the UCITS method of calculating portfolio turnover, which adds purchases and sales less the sum of subscriptions and redemptions divided by average net asset value, gives a figure of 0.27% for the year. An alternative calculation which nets off sales against purchases and creations against redemptions, which is what happens in practice, gives a figure of 4.54%. Both figures are exceptionally low by comparison to active funds and are a key aspect of keeping fund management costs low.

#### Investment Performance

Over the period under review the fund decreased in value by 4.48%. This compared to a fall of 3.3% in the Freedom Smart-Beta UK Dividend Index to which it is benchmarked. The underperformance of 1.3% is a result of several factors. One of these is the difference between the fund being priced at midday while the index is priced at 4:30 pm at the close of business. The fund started the period 0.54% higher than the index and ended 0.34% higher than the index which accounts for 0.2% of the tracking error. The cost of running the fund of 0.92% reduced its return relative to the index by that amount which leaves 0.18% of unattributable negative tracking error.

However, it is worth noting that the fund had a positive unattributable tracking error of 7 basis points last year and 1 basis point the year before.

Because the fund does not charge a dilution levy to cover the cost of stamp duty it is important to note that the cost of running the fund includes this tax which is important when comparing costs between passive funds.

The current dividend yield of the fund of 5.1% is higher than all its competitors in the UK All Companies Sector, according to Money Management magazine, and demonstrates that the fund has a bias towards value.

The UK All Company Sector decreased by 5.3% over the 12 months reviewed in this period so the fund outperformed the average fund in its sector over that period by 0.7%.

More meaningfully over the previous three years the fund delivered a total return of 33.9% compared to the average fund in this sector which rose by 25.4%. That meant the fund outperformed by 8.3% and consequently beat 86% of its competitors including all the other passive funds.

Over the previous five years the fund gained 27% which was the same as the average fund in the UK All Companies sector.

## INVESTMENT MANAGER'S REVIEW (Continued)

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### **Investment Strategy**

There was no change in the investment strategy of the fund which is now formalized as the Freedom Smart-Beta UK Dividend Index. This allocates weights to shares in proportion to their contribution to the total cash dividend forecast for this index.

The fundamental dividend tracking process captures this effect by focusing solely on forecast dividend flows and ignoring capital values. As far as we know this makes it unique.

As a rules-based fund it does not have the option of selling stocks where the management strategy has proved detrimental to the interests of its shareholders. For that reason the fund takes the responsibilities of ownership seriously through corporate governance. In general terms it usually votes in line with resolutions proposed by the Board at the AGM. However, it does not agree that executives should be rewarded for carrying out their appointed duties by being awarded share options based on measures determined by the Board. These awards are commonly based on measures such as adjusted EPS or returns on capital employed which can be gamed by the Board through devices such as changes in gearing, corporate actions (like share buybacks), mergers and acquisitions as well as judicious asset write-downs. Some boards also use measures such as Total Shareholder Return. This can be hugely influenced by macro-economic factors, such as quantitative easing, moves in interest and exchange rates or changes in government policy, such as Help to Buy, and can have a major impact on shareholder returns. Despite these factors being totally outside the control of the board executives may nevertheless find themselves amply rewarded for the actions of others.

An additional point to consider is that short term incentives, such as reducing research costs, may result in actions that inhibit long term growth potential. It is better for the owners to have executives focused solely on their designated tasks rather than for these managers to be distracted by short term measures that may enrich them in the near term but hurt the business in the long term. A rules-based fund is the ultimate long-term investor.

For these reasons the fund typically votes against remuneration packages that award bonuses to executives for results they are not responsible for. The overriding principle is to protect the economic interests of investors from being diluted by agents, the executives, appointed on their behalf to manage the assets that they own jointly with others. While some may argue that being diluted by a few percent in a year is a worthwhile price to pay to secure good managers the cumulative effect of that dilution over years and decades is extremely detrimental to the joint owners.

Consequently, the fund normally votes against proposals that dilute ownership such as issuing shares for the remuneration scheme and the share buy-back schemes that normally accompany them to maintain the share price.

A passive fund is simple and cheap to run. A great deal of the costs are fixed and this makes it very well placed to take advantage of economies of scale as the fund grows. The manager is keen to pass those benefits through to the investor and intends to reduce the AMC by 0.01% for every additional £10m of assets under management until it reaches a level of 0.1%.

## PERFORMANCE RECORD

### Financial Highlights

<b>Class A Net Income GBP</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	<u>91.7108</u>	<u>87.4672</u>	<u>72.7507</u>
Return before operating charges	(3.4082)	10.1080	20.1541
Operating charges (note 1)	<u>(1.6724)</u>	<u>(1.8951)</u>	<u>(1.6583)</u>
Return after operating charges*	(5.0806)	8.2129	18.4958
Distributions on income units	<u>(4.1308)</u>	<u>(3.9693)</u>	<u>(3.7793)</u>
Closing net asset value per unit	<u>82.4994</u>	<u>91.7108</u>	<u>87.4672</u>
*after direct transaction costs of:	0.0697	0.0538	0.0320
Performance			
Return after charges	(5.54%)	9.39%	25.42%
Other information			
Closing net asset value	£26,598	£29,567	£28,179
Closing number of units	32,240	32,240	32,216
Operating charges (note 2)	1.92%	2.11%	2.07%
Direct transaction costs	0.08%	0.06%	0.04%
Prices			
Highest unit price	95.02	94.47	89.53
Lowest unit price	78.08	85.99	67.32

<b>Class X Net Income GBP</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	<u>99.5546</u>	<u>94.0328</u>	<u>77.6366</u>
Return before operating charges	(3.5842)	10.8801	21.2289
Operating charges (note 1)	<u>(0.8738)</u>	<u>(1.0770)</u>	<u>(0.9185)</u>
Return after operating charges*	(4.4580)	9.8031	20.3104
Distributions on income units	<u>(4.6985)</u>	<u>(4.2813)</u>	<u>(3.9142)</u>
Closing net asset value per unit	<u>90.3981</u>	<u>99.5546</u>	<u>94.0328</u>
*after direct transaction costs of:	0.0760	0.0581	0.0343
Performance			
Return after charges	(4.48%)	10.43%	26.33%
Other information			
Closing net asset value	£3,598,909	£4,116,993	£3,862,494
Closing number of units	3,981,175	4,135,412	4,107,601
Operating charges (note 2)	0.92%	1.11%	1.07%
Direct transaction costs	0.08%	0.06%	0.04%
Prices			
Highest unit price	103.46	102.50	96.19
Lowest unit price	85.48	92.65	71.85

## PERFORMANCE RECORD (Continued)

### Financial Highlights (Continued)

Class A Net Accumulation GBP		2019	2018	2017
Changes in net assets per unit		GBP	GBP	GBP
	Opening net asset value per unit	134.5121	122.7917	97.4607
	Return before operating charges	(4.9327)	14.4492	27.6106
	Operating charges (note 1)	(2.5112)	(2.7288)	(2.2796)
	Return after operating charges*	(7.4439)	11.7204	25.3310
	Closing net asset value per unit	127.0682	134.5121	122.7917
	Retained distributions on accumulated units	6.4610	5.6715	4.8657
	*after direct transaction costs of:	0.1046	0.0772	0.0441
Performance				
	Return after charges	(5.53%)	9.54%	25.99%
Other information				
	Closing net asset value	£122,123	£185,455	£232,004
	Closing number of units	96,109	137,872	188,941
	Operating charges (note 2)	1.92%	2.11%	2.07%
	Direct transaction costs	0.08%	0.06%	0.04%
Prices				
	Highest unit price	141.54	138.49	125.62
	Lowest unit price	119.65	122.05	90.20
Class B Net Accumulation GBP				2017
Changes in net assets per unit				GBP
	Opening net asset value per unit			127.1504
	Return before operating charges			6.4053
	Operating charges (note 1)			(1.4649)
	Return after operating charges*			4.9404
	Final closing net asset value per unit (07.04.17)^			132.0908
	Retained distributions on accumulated units			0.9602
	*after direct transaction costs of:			0.0519
Performance				
	Return after charges			3.89%
Other information				
	Closing net asset value (07.04.17)^			£6,880
	Closing number of units (07.04.17)^			5,209
	Operating charges (note 2)			1.32%
	Direct transaction costs			0.04%
Prices				
	Highest unit price			134.91
	Lowest unit price			117.67

^ Class B Net Accumulation Shares were transferred to Class X Net Accumulation shares on 07 April 2017, hence at 31 January 2019 this share class had no units and no net asset value.



## PERFORMANCE RECORD (Continued)

### Financial Highlights (Continued)

Class X Net Accumulation GBP		2019	2018	2017
Changes in net assets per unit		GBP	GBP	GBP
	Opening net asset value per unit	146.6612	132.5497	104.4633
	Return before operating charges	(5.4574)	15.6691	29.3544
	Operating charges (note 1)	(1.3181)	(1.5576)	(1.2680)
	Return after operating charges*	(6.7755)	14.1115	28.0864
	Closing net asset value per unit	139.8857	146.6612	132.5497
	Retained distributions on accumulated units	6.7530	6.1447	5.3775
	*after direct transaction costs of:	0.1146	0.0838	0.0474
Performance				
	Return after charges	(4.62%)	10.65%	26.89%
Other information				
	Closing net asset value	£2,139,190	£2,319,478	£2,149,882
	Closing number of units	1,529,242	1,581,522	1,621,945
	Operating charges (note 2)	0.92%	1.11%	1.07%
	Direct transaction costs	0.08%	0.06%	0.04%
Prices				
	Highest unit price	154.80	150.93	135.55
	Lowest unit price	131.59	131.75	96.68

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 the expenses incurred during the year, 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 Document. The Fund is ranked 5 because weekly historical performance data indicates that it has experienced relatively high rises and falls in market prices historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

# PORTFOLIO STATEMENT

As at 31 January 2019

Investment	Nominal value or holding	Market value £	% of total net assets
<b>Equities 99.30% (2018:99.14%)</b>			
<b>Equities - Incorporated in the United Kingdom 88.29% (2018:86.51%)</b>			
<b>Basic Materials 12.50% (2018:9.00%)</b>			
Anglo American	5,459	106,019	1.80
Antofagasta	1,425	12,211	0.21
Barrick Gold Corp	226	2,247	0.04
BHP Billiton	17,760	301,938	5.13
Croda International	107	5,217	0.09
Elementis	1,092	2,009	0.03
Essentra	295	1,094	0.02
Evraz	7,352	36,352	0.62
Johnson Matthey	208	6,430	0.11
Kaz Minerals	810	4,793	0.08
Mondi	616	11,522	0.20
Rio Tinto	5,770	242,225	4.12
Victrex	127	2,884	0.05
		<b>734,941</b>	<b>12.50</b>
<b>Consumer Goods 6.91% (2018:6.38%)</b>			
Barratt Developments	6,375	34,642	0.59
Bellway	152	4,378	0.07
Burberry Group	406	7,332	0.12
Carnival	1,250	54,106	0.92
Compass Group	2,642	43,117	0.73
Dunelm	230	1,670	0.03
Greene King	336	2,049	0.03
Howden Joinery Group	839	4,245	0.07
Intercontinental Hotels Group	209	9,143	0.16
ITV	9,823	12,880	0.22
Kingfisher	5,496	12,415	0.21
Marks & Spencer Group	5,276	15,395	0.26
Next	481	23,213	0.39
Pearson	2,280	20,867	0.35
Persimmon	2,102	50,637	0.86
Reed Elsevier	3,091	52,060	0.89
Smurfit Kappa Group Plc	510	11,577	0.20
TUI Travel	2,729	32,270	0.56
WH Smith	283	5,572	0.09
Whitbread	141	6,950	0.12
William Hill	1,340	2,402	0.04
		<b>406,920</b>	<b>6.91</b>

## PORTFOLIO STATEMENT (Continued)

As at 31 January 2019

Investment	Nominal value or holding	Market value £	% of total net assets
<b>Consumer Services 14.07% (2018: 14.21%)</b>			
Associated British Foods	604	14,445	0.25
British American Tobacco	9,660	252,609	4.29
Britvic	423	3,729	0.06
Diageo	3,394	98,248	1.67
GVC Holdings Plc	233	1,582	0.03
Imperial Brands	4,741	117,316	1.99
J Sainsbury	7,712	22,234	0.38
Merlin Entertainments	2,667	9,046	0.15
Millennium & Copthorn Hotels Plc	379	1,851	0.03
PZ Cussons	572	1,026	0.02
Reckitt Benckiser Group	1,325	77,658	1.32
Tate & Lyle	704	4,882	0.08
Tesco	21,112	46,985	0.80
Travis Perkins	214	2,672	0.05
Unilever	3,174	125,103	2.13
WM Morrison Supermarkets	6,787	16,061	0.27
WPP Plc	3,680	32,093	0.55
		<u>827,540</u>	<u>14.07</u>
<b>Financials 22.63 % (2018:24.22%)</b>			
3i Group	1,052	8,906	0.15
Admiral Group	907	19,097	0.32
Ashmore Group	1,552	6,323	0.11
Aviva	16,673	69,676	1.18
Barclays	56,039	88,996	1.51
Beazley	897	4,476	0.08
Capital & Counties Properties	253	642	0.01
Close Brothers Group	233	3,509	0.06
Derwent London	88	2,878	0.05
Direct Line	6,908	23,618	0.40
Hargreaves Lansdown	550	9,061	0.15
HSBC Holdings	69,655	446,698	7.60
IG Group Holdings	449	2,825	0.05
Intermediate Capital Group	577	5,859	0.10
Investec	1,223	6,149	0.10
Jardine Lloyd	261	4,967	0.08
Jupiter Fund Management	676	2,220	0.04
Legal & General Group	29,417	77,131	1.31
Lloyds Banking Group	329,816	191,211	3.26
London Stock Exchange Group	357	16,329	0.28
Londonmetric Property	1,825	3,448	0.06
Man Strategic Holdings	7,520	10,787	0.18
Melrose Industries Plc	2,856	4,837	0.08
Old Mutual	8,400	11,234	0.19
Provident Financial	644	3,430	0.06
Prudential	5,726	85,618	1.45
Quilter Plc	2,800	3,452	0.06
Royal Bank of Scotland Group	31,187	75,628	1.29
RSA Insurance Group	2,646	13,844	0.24
Schroders	255	6,695	0.11
Standard Chartered	10,758	67,361	1.14
Standard Life	13,268	33,611	0.57
St James's Place	1,754	16,644	0.28
TP ICAP	1,510	4,794	0.08
		<u>1,331,954</u>	<u>22.63</u>

## PORTFOLIO STATEMENT (Continued)

As at 31 January 2019

<b>Investment</b>	<b>Nominal value or Holding</b>	<b>Market value £</b>	<b>% of total net assets</b>
<b>Healthcare 6.83% (2018:7.39%)</b>			
AstraZeneca	3,100	171,353	2.91
GlaxoSmithKline	14,510	213,732	3.63
Indivior	1,325	1,507	0.03
Smith & Nephew	1,045	15,119	0.26
		<u>401,711</u>	<u>6.83</u>
<b>Industrials 3.56% (2018:3.53%)</b>			
Aggreko	218	1,547	0.03
Ashtead Group	288	5,610	0.10
Babcock International Group	510	2,770	0.05
BAE Systems	10,709	55,205	0.94
BBA Aviation	1,557	3,727	0.06
Balfour Beatty	1,460	4,033	0.07
Bunzl	311	7,543	0.13
Capita	2,055	2,352	0.04
Cobham	3,533	3,833	0.07
Easyjet	384	4,889	0.08
Electrocomponents	826	4,547	0.08
Firstgroup	3,315	3,143	0.05
G4S	2,772	5,495	0.09
Galliford Try	294	2,130	0.04
Go Ahead Group	142	2,611	0.04
Hays	1,875	2,868	0.05
Homeserve	655	6,249	0.11
IMI	261	2,540	0.04
Inchcape	580	3,406	0.06
Intertek Group	94	4,644	0.08
Meggitt	630	3,248	0.06
National Express	977	3,851	0.07
Pagegroup Plc	543	2,421	0.04
Rentokil Initial	1,339	4,498	0.08
Rolls-Royce	3,119	27,934	0.47
Rolls Royce Holdings 0.1p	0	143	0.00
Rotork	730	2,024	0.03
Royal Mail	2,243	6,073	0.10
Serco Group	718	795	0.01
Smith (DS)	1,909	6,624	0.11
Smiths Group	555	8,106	0.14
Spectris	101	2,633	0.04
Spirax-Sarco Engineering	81	5,279	0.09
Stagecoach	648	1,027	0.02
Vesuvius	418	2,355	0.04
Weir Group	212	3,228	0.05
		<u>209,371</u>	<u>3.56</u>

## PORTFOLIO STATEMENT (Continued)

As at 31 January 2019

Investment	Nominal value or Holding	Market value £	% of total net assets
<b>Oil &amp; Gas 10.56% (2018:10.29%)</b>			
BP	65,665	342,147	5.81
Hunting	274	1,536	0.03
John Wood Group	1,108	5,991	0.10
Royal Dutch Shell 'B'	11,405	270,897	4.60
Tullow Oil	496	1,021	0.02
		<u>621,592</u>	<u>10.56</u>
<b>Real Estate 2.24% (2018:2.04%)</b>			
Berkeley Group Holdings	575	21,856	0.37
British Land	3,380	19,746	0.34
Hammerson	1,093	4,136	0.07
Intu Properties	2,687	3,193	0.05
Land Securitites Group	2,378	20,865	0.35
Segro	2,146	14,119	0.24
Taylor Wimpey	28,702	47,983	0.82
		<u>131,898</u>	<u>2.24</u>
<b>Technology 0.43% (2018:0.42%)</b>			
Halma	398	5,578	0.09
Moneysupermarket.com	1,094	3,304	0.06
Renishaw	126	5,790	0.10
Sage Group	1,724	10,842	0.18
		<u>25,514</u>	<u>0.43</u>
<b>Telecommunications 4.62% (2018:5.73%)</b>			
BT Group	38,010	89,960	1.53
Inmarsat	904	3,392	0.06
Micro Focus International	830	12,253	0.21
TalkTalk Telecom Group	2,428	2,821	0.05
Vodafone Group	115,823	163,218	2.77
		<u>271,644</u>	<u>4.62</u>
<b>Utilities 3.94% (2018:3.30%)</b>			
Centrica	25,823	35,849	0.61
Drax Group	568	2,296	0.04
National Grid	11,995	99,367	1.69
Pennon Group	687	5,249	0.09
Severn Trent	515	10,277	0.17
SSE	4,590	53,818	0.91
United Utilities Group	3,047	25,458	0.43
		<u>232,314</u>	<u>3.94</u>
Total Equities - incorporated in the United Kingdom		<u><u>5,195,399</u></u>	<u><u>88.29</u></u>

## PORTFOLIO STATEMENT (Continued)

As at 31 January 2019

Investment	Nominal value or holding	Market value £	% of total net assets
<b>Equities - incorporated outwith the United Kingdom 11.01% (2018:12.63%)</b>			
<b>Basic Materials 3.07% (2018:3.52%)</b>			
CRH	1,300	28,685	0.49
Fresnillo	1,131	11,284	0.19
Glencore Xstrata	43,007	132,526	2.25
Polymetal International	976	8,478	0.14
		<u>180,973</u>	<u>3.07</u>
<b>Consumer Services 0.44% (2018:1.15%)</b>			
Coca-Cola HBC	309	7,915	0.13
Informa	1,246	8,506	0.14
Paddy Power Betfair Ord	160	10,008	0.17
		<u>26,429</u>	<u>0.44</u>
<b>Financials 0.67% (2018:0.47%)</b>			
Hiscox	778	11,129	0.19
IWG	1,302	2,939	0.05
Lancashire Holdings	1,674	9,517	0.16
Nedbank Group Ltd	269	4,435	0.08
Phoenix Group Holdings	1,765	11,300	0.19
		<u>39,320</u>	<u>0.67</u>
<b>Healthcare 0.00% (2018:0.25%)</b>			
<b>Industrials 2.19% (2018:1.91%)</b>			
DCC	108	6,842	0.12
Experian	1,986	38,370	0.65
Ferguson	551	28,509	0.48
International Consolidated Airlines Group	8,582	55,285	0.94
		<u>129,006</u>	<u>2.19</u>
<b>Oil &amp; Gas 4.61% (2018:5.28%)</b>			
Petrofac	550	3,051	0.05
Royal Dutch Shell 'A'	11,345	268,082	4.56
		<u>271,133</u>	<u>4.61</u>
<b>Technology 0.03% (2018:0.05%)</b>			
Playtech	448	1,748	0.03
		<u>1,748</u>	<u>0.03</u>
Total Equities - incorporated outwith the United Kingdom		<u>648,609</u>	<u>11.01</u>
<b>Portfolio of investments</b>		5,844,008	99.30
<b>Other net assets</b>		42,813	0.73
<b>Adjustment from mid to bid</b>		(1,453)	(0.03)
<b>Total net assets</b>		<u>5,885,368</u>	<u>100.00%</u>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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<b>Total sales for the year (note 14)</b>	<b>£ 645,242</b>
Acacia Mining plc	694
AstraZeneca	58,966
Booker	4,497
BP	90,106
Carnival	34,112
CME Group	6,564
Debenhams	280
Diageo	60,072
Esure	3,032
GlaxoSmithKline	75,874
HSBC Holdings	53,985
Intercontinental Hotels Group	41
Ladbroke's	340
Martsons	1,363
Mitie Group plc	1,239
Nedbank Group Ltd	5,265
Old Mutual	36,337
Rangold Resources	87
Royal Dutch Shell A	100,777
Rolls Royce Holdings	221
Shire	22,695
Sky	77,120
Standard Life	2,567
Vedanta Resources	3,134
Melrose Industries	1,369
UBM	4,505

<b>Total purchases for the year (note 14)</b>	<b>£ 429,070</b>
BHP Billiton	65,448
BP	25,123
British American Tobacco	111,205
Capita rights	863
Centrica	11,238
Elementis	331
Evraz	25,393
Galliford Rights	415
HSBC Holdings	39,667
Imperial Brands	25,710
Land Securities	10,524
Persimmon	19,659
Phoenix Group Holdings	2,906
Relx	19,632
Smith (DS)	1,432
Smurfit Kappa Group	11,336
St James' Place	11,047
Standard Life	18,695
Provident Financial	841
Royal Dutch Shell 'B'	27,605

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

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

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The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenues and net capital losses for the year. In preparing these financial statements the Authorised Corporate Director is required to:

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

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

### DIRECTOR'S STATEMENT

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

Anne A. Laing CA

Neil J. Smith MA BA CA

Valu-Trac Investment Management Limited  
Authorised Corporate Director

Date



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

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

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

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that the 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 February 2019

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT MUNRO SMART-BETA FUND (THE COMPANY)

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## Opinion

In our opinion, VT Munro Smart-Beta Fund's financial statements:

- give a true and fair view of the financial position of the Company as at 31 January 2019 and of the net revenue and the net capital losses of the scheme property of the Company and each of the sub-funds for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investments Schemes sourcebook and the Instrument of Incorporation.

VT Munro Smart-Beta Fund (the "Company") is an authorized Open Ended Investment Company ("ICVC") with 1 sub-fund. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise the Balance Sheet as at 31 January 2018; the Statement of Total Return, and the Statement of Change in Net Assets Attributable to Shareholders for the year then ended; the Distribution Tables, the Accounting Policies of VT Munro Smart-Beta Fund and its sub-fund and the Notes to the Financial Statements of the individual sub-funds.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' Responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which include the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions related to going concern

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

the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's and each of the sub-funds' 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.
- however, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's and each of the sub-funds' ability to continue as a going concern.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT MUNRO SMART-BETA FUND (THE COMPANY) (continued)

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## Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 15, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine 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 Authorised Corporate Director is responsible for assessing the company's and each of the sub-funds' 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 Authorised Corporate Director either intends to liquidate the company or individual sub-fund or to cease operation, or has no realistic alternative but to do so.

## Auditors' 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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Opinions on matters required by the Collective Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

## Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

## Colin Gray B.Com C.A. (senior statutory auditor)

for and on behalf of FKF Accounting Limited  
Chartered Accountants and Statutory Auditors  
Metropolitan House, 31-33 High Street  
Inverness IV1 1HT

## STATEMENT OF TOTAL RETURN

For the year ended 31 January 2019

		31.01.19		31.01.18	
	Notes	£	£	£	£
Income					
Net capital (losses)/gains	2		(535,484)		436,641
Revenue	3	305,475		295,181	
Expenses	4	(62,215)		(66,788)	
Interest payable and similar charges		-		-	
Net revenue before taxation		243,260		228,393	
Taxation	5	-		(897)	
Net revenue after taxation			243,260		227,496
Total return before distributions			(292,224)		664,137
Finance costs: distributions	6		(305,475)		(294,284)
<b>Change in net assets attributable to shareholders from investment activities</b>			<u>(597,699)</u>		<u>369,853</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January 2019

	31.01.19	31.01.18
	£	£
<b>Opening net assets attributable to shareholders</b>	6,650,345	6,271,334
Amounts receivable on creation of shares	965,109	531,302
Amounts payable on cancellation of shares	(1,248,320)	(635,546)
Retained Accumulation Distributions	115,933	113,402
Change in net assets attributable to shareholders from investment activities (see above)	<u>(597,699)</u>	<u>369,853</u>
<b>Closing net assets attributable to shareholders</b>	<u>5,885,368</u>	<u>6,650,345</u>

# BALANCE SHEET

As at 31 January 2019

		31.01.19		31.01.18	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Investment assets			5,842,555		6,591,843
<b>Current Assets</b>					
Debtors	7	17,283		21,471	
Cash and bank balances	8	71,254		61,212	
<b>Total other assets</b>			<u>88,537</u>		<u>82,683</u>
<b>Total assets</b>			5,931,092		6,674,526
<b>LIABILITIES</b>					
<b>Creditors</b>					
Other creditors	9	(11,355)		(7,396)	
Distribution payable on income shares		(34,369)		(6,137)	
Bank overdrafts	8	-		(10,648)	
<b>Total liabilities</b>			<u>(45,724)</u>		<u>(24,181)</u>
<b>Net assets attributable to shareholders</b>			<u>5,885,368</u>		<u>6,650,345</u>

# NOTES TO THE FINANCIAL STATEMENTS

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**For the year ended 31 January 2019**

## **1. Accounting policies**

- (a) 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.

(b) **Valuation of investments**

The purchase and sale of investments are included up to the valuation point on 31 January 2019.

The purchase and sale of investments are recognized when a legally binding and unconditional right to obtain, or an obligation to deliver an asset, arises.

Investments are stated at their fair value at balance sheet date. In determining fair value, the valuation point is 12 noon on 31 January 2019, with reference to quoted bid prices from reliable external sources.

Where an observable market price is unreliable or does not exist, investments are valued at the Fund's best estimate of the amount that would be received from an immediate transfer at arm's length.

(c) **Foreign exchange**

The base currency of the Fund is Sterling, which is taken to be the Fund's functional currency.

All transactions in foreign currencies are converted into Sterling at the rates of the exchange ruling at the dates of such transactions.

Any foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate prevailing at the balance sheet date.

(d) **Revenue**

Revenue is recognized in the Statement of total return on the following basis:

Dividends from quoted equity instruments and non-equity shares are recognized as revenue, net of attributable tax credits on the date when the securities are quoted ex-dividend.

Overseas dividends are recognized as revenue gross of any withholding tax and the tax consequences are recognized within the tax expense.

(e) **Expenses**

The annual management charge is charged to the relevant share class against revenue and then reallocated to capital net of any tax effect.

For comparative purposes, up to 3 December 2012 all charges, other than those relating to the purchase and sale of investments are allocated to income. From 3 December 2012 all charges are allocated to capital per the terms of Prospectus.

(f) **Allocation of income and expenses to multiple share classes**

All income and expenses which are directly attributable to a particular share class are allocated to that share class. All income and expenses which are attributable to the Fund are allocated to the Fund and are normally allocated across the share classes pro rata to the net asset value of each share class on a daily basis.

(g) **Taxation**

Tax payable on profits is recognized as an expense in the period in which profits arise. The tax effects of tax losses available to carry forward are recognized as an asset when it is probable that future taxable profits will be available, against which these losses can be utilized.

UK corporation tax is provided as amounts to be paid/recovered using the tax rates and laws that have been enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at 31 January 2017 to pay more or less tax, at a future date, at rates expected to apply when they crystallize based on current contract rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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Provision for deferred tax assets are only made to the extent the timing differences are expected to be of future benefit.

**(h) Efficient portfolio management**

Where appropriate, certain permitted instruments such as derivatives or forward currency contracts may be used for efficient portfolio management purposes. Where such instruments are used to protect or enhance revenue, the revenue or expenses derived therefrom are included in the Statement of total return as income related items and form part of the distribution. Where such instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in the Statement of total return as capital related items.

**(i) Dilution Levy**

The need to charge a dilution levy will depend on the volume of sales or redemptions. The Authorised Corporate Director may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all shareholders and potential shareholders. Please refer to the Prospectus for further information.

### **Distribution policies**

**(j) Basis of distribution**

The distribution policy of the Fund is to distribute all available revenue. Distributions attributable to income shares are paid to shareholders. Distribution attributable to accumulation shares are re-invested in the Fund on behalf of the shareholders.

**(k) Revenue**

All revenue is included in the final distribution with reference to the Accounting policies for revenue disclosed in note 1.

**(l) Expenses**

In respect of expenses payable from revenue please refer to the accounting policies in note 1.

In respect of expenses transferred to capital net of any tax effect, please refer to the accounting policies in note 1 and note 6.

**(m) Equalisation**

Group 2 shares are shares which are purchased on or after the previous XD date and before the current XD date. Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax in the hands of the shareholders but must be deducted from the cost of shares for capital gains tax purposes. Equalisation per share is disclosed in the Distribution table.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>2</b>	<b>Net capital (losses)/gains</b>	<b>31.01.19</b>	<b>31.01.18</b>
	The net capital (losses)/gains comprise:	£	£
	Non-derivative securities (losses)/gains	(535,196)	439,634
	Transaction charges	(2,376)	(1,690)
	FX gains/(losses)	2,088	(1,303)
	Total net capital gains	<u>(535,484)</u>	<u>436,641</u>
<b>3</b>	<b>Revenue</b>	<b>31.01.19</b>	<b>31.01.18</b>
		£	£
	Franked revenue	290,079	286,148
	Overseas revenue	15,300	9,033
	Bank interest	96	-
	Total revenue	<u>305,475</u>	<u>295,181</u>
<b>4</b>	<b>Expenses</b>	<b>31.01.19</b>	<b>31.01.18</b>
		£	£
	<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
	ACD fee	32,877	35,127
	<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
	Depositary fee	18,000	18,000
	Safe Custody fee	427	544
		<u>18,427</u>	<u>18,544</u>
	<b>Other expenses</b>		
	Audit fee	2,148	2,059
	FCA fee	107	116
	Transaction charges	8,158	9,222
	Legal Fees	-	1,200
	Investment Manager Association Fee	498	520
		<u>10,911</u>	<u>13,117</u>
	Total expenses	<u>62,215</u>	<u>66,788</u>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>5. Taxation</b>	<b>31.01.19</b>	<b>31.01.18</b>
	<b>£</b>	<b>£</b>
<b>(a) Analysis of charge in the year</b>		
Overseas tax withheld	-	897
Total tax charge for the year (note 5b)	-	897
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2018: 20.00%). The differences are explained below:		
Net revenue before taxation	243,260	227,496
Corporation tax at 20.00% (2018: 20.00%)	48,652	45,499
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(61,136)	(59,037)
Current year expenses not utilized	12,484	14,435
Total tax charge for year (note 5a)	-	897
<b>(c) Provision for deferred taxation</b>		
At 31 January 2019 there is a potential deferred tax asset of £85,902 (31 January 2018: £73,418) in relation to surplus management expenses. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
<b>6. Finance costs</b>	<b>31.01.19</b>	<b>31.01.18</b>
	<b>£</b>	<b>£</b>
Interim income distributions	188,390	165,498
Interim accumulation distributions	98,636	97,318
Final income distribution	10,686	19,493
Final accumulation distribution	6,646	12,247
	304,358	294,556
Add: Revenue deducted on cancellation of shares	1,957	488
Deduct: Revenue received on issue of shares	(840)	(760)
	305,475	294,284
Interest payable and similar charges	-	-
<b>Total finance costs</b>	<b>305,475</b>	<b>294,284</b>
<b>Reconciliation of distributions</b>		
Balance brought forward	-	-
Net revenue after taxation	243,260	227,496
Allocations to Capital:		
Expenses paid by capital	62,215	66,788
Balance carried forward		
<b>Net distribution for the year</b>	<b>305,475</b>	<b>294,284</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>31.01.19</b>	<b>31.01.18</b>
	£	£
Amounts receivable for issue of shares	11	4,207
Dividends receivable	17,080	14,814
Outstanding trade settlements	-	2,350
Prepaid costs	192	100
	<u>17,283</u>	<u>21,471</u>
Total debtors	<u>17,283</u>	<u>21,471</u>
<b>8 Cash and bank balances</b>	<b>31.01.19</b>	<b>31.01.18</b>
	£	£
Cash and bank balances	<u>71,254</u>	<u>61,212</u>
Bank overdrafts	<u>-</u>	<u>(10,648)</u>
	<u>-</u>	<u>(10,648)</u>
<b>9 Creditors</b>	<b>31.01.19</b>	<b>31.01.18</b>
	£	£
Amounts payable on cancellation of shares	-	-
Other accrued expenses	11,355	7,396
	<u>11,355</u>	<u>7,396</u>
Total creditors	<u>11,355</u>	<u>7,396</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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### 10. Units held

#### Class A Net Income

<b>Opening units at 01.02.18</b>	<b>32,240</b>
Units issued during the year	-
Units cancelled during the year	-
Units converted during the year	-
<b>Closing units at 31.01.19</b>	<b>32,240</b>

#### Class A Net Accumulation

<b>Opening units at 01.02.18</b>	<b>137,872</b>
Units issued during the year	-
Units cancelled during the year	-
Units converted during the year	-
<b>Closing units at 31.01.19</b>	<b>96,109</b>

#### Class B Net Accumulation

<b>Opening units at 01.02.18</b>	<b>-</b>
Units issued during the year	-
Units cancelled during the year	-
Units converted during the year	-
<b>Closing units at 31.01.19</b>	<b>-</b>

#### Class X Net Income

<b>Opening units at 01.02.18</b>	<b>4,135,412</b>
Units issued during the year	619,486
Units cancelled during the year	(773,723)
Units converted during the year	-
<b>Closing units at 31.01.19</b>	<b>3,981,175</b>

#### Class X Net Accumulation

<b>Opening units at 01.02.18</b>	<b>1,581,522</b>
Units issued during the year	274,791
Units cancelled during the year	(327,071)
Units converted during the year	-
<b>Closing units at 31.01.19</b>	<b>1,529,242</b>

### 11. Financial instruments

In pursuing its investment objective as stated on page 1, the Company holds a number of financial instruments. The Company'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 the Company'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 Company'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 Company might suffer through holding market positions in the face of price movements.

The Company'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 31.01.19 would have increased/decreased by £584,256 (2018 – £659,184)

#### Foreign currency risk

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

The Fund had no significant exposure to foreign currency during the year

#### Interest rate risk

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

The Company does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

The Fund had no exposure to interest bearing securities in the year.

#### Maturity of financial liabilities

The financial liabilities of the company as at 31 January 2019 are payable either within one year or on demand.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### Liquidity risk

The Company's assets comprise mainly of readily realisable securities. The main liability of the Company is the redemption of any shares that the investors wish to sell. Assets of the Company may need to be sold if insufficient cash is available to finance such redemptions.

### Credit risk

Certain transactions in securities that the Company 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 Company has fulfilled its responsibilities. The Company 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 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	5,843	-
Total	5,843	-

### 12. Contingent assets and liabilities

At 31 January 2019, the fund had no contingent liabilities or commitments (31 January 2018 £nil).

### 13. Post balance sheet events

Subsequent to the year end, the net asset value for each class has moved as follows as at 02.04.19:

Share Class	Value per share (p) 31.01.19	Value per share (p) 30.05.19
A Class Net Income	82.4994	83.3822
X Class Net Income	90.3981	91.6361
A Class Net Accumulation	127.0682	130.9783
X Class Net Accumulation	139.8857	144.6186

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 14. Portfolio transaction costs

	31.01.19		31.01.18	
	£		£	
Analysis of total purchase costs				
Purchases in the year before transaction costs	426,617		401,563	
Commissions	275	0.06%	238	0.06%
Taxes	2,178	0.51%	1,906	0.47%
Levy	-	0.00%	16	0.00%
Total purchase costs	2,453	0.57%	2,160	0.53%
Total purchases including transaction costs	429,070		403,723	
Analysis of total sale costs				
Sales in year before transaction costs	645,408		488,823	
Commissions	(159)	0.03%	(224)	0.05%
Taxes	(7)	0.00%	-	.00%
Total sale costs	(166)	0.03%	(224)	0.05%
Total sales net of transaction costs	645,242		488,599	

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

	2019	% of average net	2018	% of average
	£	asset value	£	net asset value
Commission	434	0.01%	462	0.01%
Taxes	2,178	0.04%	1,906	0.03%
Levy	7	0.00%	16	0.00%
	2,619	0.05%	2,384	0.04%

## DISTRIBUTION TABLES

### Month 1 distributions in pence per share – distribution number 41

Group 1: Shares purchased prior to 31 January 2018

Group 2: Shares purchased 31 January 2018 to 28 February 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid/ allocated
			2018	2018	2018	2017
30.04.18	group 1	A Net Income	0.5806	-	0.5806	0.7334
30.04.18	group 2	A Net Income	0.5806	-	0.5806	0.7334
30.04.18	group 1	B Net Income	-	-	-	-
30.04.18	group 2	B Net Income	-	-	-	-
30.04.18	group 1	X Net Income	0.6306	-	0.6306	0.7889
30.04.18	group 2	X Net Income	0.3026	0.3280	0.6306	0.7889
30.04.18	group 1	A Net Accumulation	0.8516	-	0.8516	1.0296
30.04.18	group 2	A Net Accumulation	1.0296	-	0.8516	1.0296
30.04.18	group 1	B Net Accumulation	-	-	-	-
30.04.18	group 2	B Net Accumulation	-	-	-	-
30.04.18	group 1	X Net Accumulation	0.9290	-	0.9290	1.1120
30.04.18	group 2	X Net Accumulation	0.9212	0.0078	0.9290	1.1120

### Month 2 distributions in pence per share – distribution number 42

Group 1: Shares purchased prior to 28 February 2018

Group 2: Shares purchased 28 February 2018 to 31 March 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid/ allocated
			2018	2018	2018	2017
31.05.18	group 1	A Net Income	0.3662	-	0.3662	0.2886
31.05.18	group 2	A Net Income	0.3662	-	0.3662	0.2886
31.05.18	group 1	B Net Income	-	-	-	-
31.05.18	group 2	B Net Income	-	-	-	-
31.05.18	group 1	X Net Income	0.3979	-	0.3979	0.3106
31.05.18	group 2	X Net Income	0.1081	0.2898	0.3979	0.3106
31.05.18	group 1	A Net Accumulation	0.5406	-	0.5406	0.4085
31.05.18	group 2	A Net Accumulation	0.5406	-	0.5406	0.4085
31.05.18	group 1	B Net Accumulation	-	-	-	-
31.05.18	group 2	B Net Accumulation	-	-	-	-
31.05.18	group 1	X Net Accumulation	0.5900	-	0.5900	0.4415
31.05.18	group 2	X Net Accumulation	0.3471	0.2429	0.5900	0.4415

## DISTRIBUTION TABLES (Continued)

### Month 3 distributions in pence per share – distribution number 43

Group 1: Shares purchased prior to 31 March 2018

Group 2: Shares purchased 31 March 2018 to 30 April 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid/ allocated
			2018	2018	2018	2017
29.06.18	group 1	A Net Income	0.4253	-	0.4253	0.3146
29.06.18	group 2	A Net Income	0.4253	-	0.4253	0.3146
29.06.18	group 1	B Net Income	-	-	-	-
29.06.18	group 2	B Net Income	-	-	-	-
29.06.18	group 1	X Net Income	0.4626	-	0.4626	0.3388
29.06.18	group 2	X Net Income	0.0835	0.3791	0.4626	0.3388
29.06.18	group 1	A Net Accumulation	0.6306	-	0.6306	0.4466
29.06.18	group 2	A Net Accumulation	0.6306	-	0.6306	0.4466
29.06.18	group 1	B Net Accumulation	-	-	-	-
29.06.18	group 2	B Net Accumulation	-	-	-	-
29.06.18	group 1	X Net Accumulation	0.6890	-	0.6890	0.4831
29.06.18	group 2	X Net Accumulation	0.3712	0.3178	0.6890	0.4831

### Month 4 distributions in pence per share – distribution number 44

Group 1: Shares purchased prior to 30 April 2018

Group 2: Shares purchased 30 April 2018 to 31 May 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid/ allocated
			2018	2018	2018	2017
31.07.18	group 1	A Net Income	0.5440	-	0.5440	0.5698
31.07.18	group 2	A Net Income	0.5440	-	0.5440	0.5698
31.07.18	group 1	B Net Income	-	-	-	-
31.07.18	group 2	B Net Income	-	-	-	-
31.07.18	group 1	X Net Income	0.5923	-	0.5923	0.6143
31.07.18	group 2	X Net Income	0.5413	0.0510	0.5923	0.6143
31.07.18	group 1	A Net Accumulation	0.8104	-	0.8104	0.8119
31.07.18	group 2	A Net Accumulation	0.8104	-	0.8104	0.8119
31.07.18	group 1	B Net Accumulation	-	-	-	-
31.07.18	group 2	B Net Accumulation	-	-	-	-
31.07.18	group 1	X Net Accumulation	0.8862	-	0.8862	0.8791
31.07.18	group 2	X Net Accumulation	0.2923	0.5939	0.8862	0.8791



## DISTRIBUTION TABLES (Continued)

### Month 5 distributions in pence per share – distribution number 45

Group 1: Shares purchased prior to 31 May 2018

Group 2: Shares purchased 31 May 2018 to 29 June 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid/ allocated
			2018	2018	2018	2017
31.08.18	group 1	A Net Income	0.3091	-	0.3091	0.3301
31.08.18	group 2	A Net Income	0.3091	-	0.3091	0.3301
31.08.18	group 1	B Net Income	-	-	-	-
31.08.18	group 2	B Net Income	-	-	-	-
31.08.18	group 1	X Net Income	0.3366	-	0.3366	0.3561
31.08.18	group 2	X Net Income	0.1523	0.1843	0.3366	0.3561
31.08.18	group 1	A Net Accumulation	0.4632	-	0.4632	0.4733
31.08.18	group 2	A Net Accumulation	0.4632	-	0.4632	0.4733
31.08.18	group 1	B Net Accumulation	-	-	-	-
31.08.18	group 2	B Net Accumulation	-	-	-	-
31.08.18	group 1	X Net Accumulation	0.5066	-	0.5066	0.5128
31.08.18	group 2	X Net Accumulation	0.3747	0.1319	0.5066	0.5128

### Month 6 distributions in pence per share – distribution number 46

Group 1: Shares purchased prior to 29 June 2018

Group 2: Shares purchased 29 June 2018 to 31 July 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid/ allocated
			2018	2018	2018	2017
30.09.18	group 1	A Net Income	0.0314	-	0.0314	0.0610
30.09.18	group 2	A Net Income	0.0314	-	0.0314	0.0610
30.09.18	group 1	B Net Income	-	-	-	-
30.09.18	group 2	B Net Income	-	-	-	-
30.09.18	group 1	X Net Income	0.0343	-	0.0343	0.0658
30.09.18	group 2	X Net Income	0.0343	-	0.0343	0.0658
30.09.18	group 1	A Net Accumulation	0.0472	-	0.0472	0.0878
30.09.18	group 2	A Net Accumulation	0.0472	-	0.0472	0.0878
30.09.18	group 1	B Net Accumulation	-	-	-	-
30.09.18	group 2	B Net Accumulation	-	-	-	-
30.09.18	group 1	X Net Accumulation	0.0516	-	0.0516	0.0952
30.09.18	group 2	X Net Accumulation	0.0504	0.0012	0.0516	0.0952

## DISTRIBUTION TABLES (Continued)

### Month 7 distributions in pence per share – distribution number 47

Group 1: Shares purchased prior to 31 July 2018

Group 2: Shares purchased 31 July 2018 to 31 August 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid /allocated
			2018	2018	2018	2017
31.10.18	group 1	A Net Income	0.8378	-	0.8378	0.7680
31.10.18	group 2	A Net Income	0.8378	-	0.8378	0.7680
31.10.18	group 1	B Net Income	-	-	-	-
31.10.18	group 2	B Net Income	-	-	-	-
31.10.18	group 1	X Net Income	0.9136	-	0.9136	0.8297
31.10.18	group 2	X Net Income	0.5153	0.3983	0.9136	0.8297
31.10.18	group 1	A Net Accumulation	1.2598	-	1.2598	1.1060
31.10.18	group 2	A Net Accumulation	1.2598	-	1.2598	1.1060
31.10.18	group 1	B Net Accumulation	-	-	-	-
31.10.18	group 2	B Net Accumulation	-	-	-	-
31.10.18	group 1	X Net Accumulation	1.3802	-	1.3802	1.2002
31.10.18	group 2	X Net Accumulation	0.1992	1.1810	1.3802	1.2002

### Month 8 distributions in pence per share – distribution number 48

Group 1: Shares purchased prior to 31 August 2018

Group 2: Shares purchased 31 August 2018 to 28 September 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid /allocated
			2018	2018	2018	2017
30.11.18	group 1	A Net Income	0.1963	-	0.1963	0.1426
30.11.18	group 2	A Net Income	0.1963	-	0.1963	0.1426
30.11.18	group 1	B Net Income	-	-	-	-
30.11.18	group 2	B Net Income	-	-	-	-
30.11.18	group 1	X Net Income	0.2142	-	0.2142	0.1542
30.11.18	group 2	X Net Income	0.0246	0.1896	0.2142	0.1542
30.11.18	group 1	A Net Accumulation	0.2979	-	0.2979	0.2071
30.11.18	group 2	A Net Accumulation	0.2979	-	0.2979	0.2071
30.11.18	group 1	B Net Accumulation	-	-	-	-
30.11.18	group 2	B Net Accumulation	-	-	-	-
30.11.18	group 1	X Net Accumulation	0.3252	-	0.3252	0.2249
30.11.18	group 2	X Net Accumulation	0.0350	0.2902	0.3252	0.2249

## DISTRIBUTION TABLES (Continued)

### Month 9 distributions in pence per share – distribution number 49

Group 1: Shares purchased prior to 28 September 2018

Group 2: Shares purchased 28 September 2018 to 31 October 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid /allocated
			2018	2018	2018	2017
31.12.18	group 1	A Net Income	0.2429	-	0.2429	0.1903
31.12.18	group 2	A Net Income	0.2429	-	0.2429	0.1903
31.12.18	group 1	B Net Income	-	-	-	-
31.12.18	group 2	B Net Income	-	-	-	-
31.12.18	group 1	X Net Income	0.2658	-	0.2658	0.2060
31.12.18	group 2	X Net Income	0.0172	0.2486	0.2658	0.2060
31.12.18	group 1	A Net Accumulation	0.3703	-	0.3703	0.2769
31.12.18	group 2	A Net Accumulation	0.3703	-	0.3703	0.2769
31.12.18	group 1	B Net Accumulation	-	-	-	-
31.12.18	group 2	B Net Accumulation	-	-	-	-
31.12.18	group 1	X Net Accumulation	0.4055	-	0.4055	0.3010
31.12.18	group 2	X Net Accumulation	0.0503	0.3552	0.4055	0.3010

### Month 10 distributions in pence per share – distribution number 50

Group 1: Shares purchased prior to 31 October 2018

Group 2: Shares purchased 31 October 2018 to 30 November 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid /allocated
			2018	2018	2018	2017
31.01.19	group 1	A Net Income	0.3611	-	0.3611	0.4349
31.01.19	group 2	A Net Income	0.3611	-	0.3611	0.4349
31.01.19	group 1	B Net Income	-	-	-	-
31.01.19	group 2	B Net Income	-	-	-	-
31.01.19	group 1	X Net Income	0.3949	-	0.3949	0.4694
31.01.19	group 2	X Net Income	0.1586	0.2363	0.3949	0.3011
31.01.19	group 1	A Net Accumulation	0.5510	-	0.5510	0.6246
31.01.19	group 2	A Net Accumulation	0.5510	-	0.5510	0.6246
31.01.19	group 1	B Net Accumulation	-	-	-	-
31.01.19	group 2	B Net Accumulation	-	-	-	-
31.01.19	group 1	X Net Accumulation	0.6052	-	0.6052	0.6778
31.01.19	group 2	X Net Accumulation	0.5643	0.0409	0.6052	0.4009

## DISTRIBUTION TABLES (Continued)

### Month 11 distributions in pence per share – distribution number 51

Group 1: Shares purchased prior to 30 November 2018

Group 2: Shares purchased 30 November 2018 to 31 December 2018

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid /allocated
			2018	2018	2018	2017
28.02.19	group 1	A Net Income	0.1728	-	0.1728	0.0897
28.02.19	group 2	A Net Income	0.1728	-	0.1728	0.0897
28.02.19	group 1	B Net Income	-	-	-	-
28.02.19	group 2	B Net Income	-	-	-	-
28.02.19	group 1	X Net Income	0.1892	-	0.1892	0.0972
28.02.19	group 2	X Net Income	0.1891	0.0001	0.1892	0.0745
28.02.19	group 1	A Net Accumulation	0.2648	-	0.2648	0.1313
28.02.19	group 2	A Net Accumulation	0.2648	-	0.2648	0.1313
28.02.19	group 1	B Net Accumulation	-	-	-	-
28.02.19	group 2	B Net Accumulation	-	-	-	-
28.02.19	group 1	X Net Accumulation	0.2912	-	0.2912	0.1431
28.02.19	group 2	X Net Accumulation	0.2651	0.0261	0.2912	0.1144

### Month 12 distributions in pence per share – distribution number 52

Group 1: Shares purchased prior to 31 December 2018

Group 2: Shares purchased 31 December 2018 to 31 January 2019

Payment date	Unit type	Share class	Net revenue	Equalisation	Distribution Paid /allocated	Distribution Paid/ allocated
			2019	2019	2019	2018
29.03.19	group 1	A Net Income	0.2433	-	0.2433	0.0463
29.03.19	group 2	A Net Income	0.2433	-	0.2433	0.0463
29.03.19	group 1	B Net Income	-	-	-	-
29.03.19	group 2	B Net Income	-	-	-	-
29.03.19	group 1	X Net Income	0.2665	-	0.2665	0.0503
29.03.19	group 2	X Net Income	0.1101	0.1564	0.2665	0.0059
29.03.19	group 1	A Net Accumulation	0.3736	-	0.3736	0.0679
29.03.19	group 2	A Net Accumulation	0.3736	-	0.3736	0.0679
29.03.19	group 1	B Net Accumulation	-	-	-	-
29.03.19	group 2	B Net Accumulation	-	-	-	-
29.03.19	group 1	X Net Accumulation	0.4111	-	0.4111	0.0740
29.03.19	group 2	X Net Accumulation	0.1291	0.2820	0.4111	0.0602

## DISTRIBUTION TABLES (Continued)

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### **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 purpose.

### **Information for corporate shareholders**

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 99.97% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 0.03% 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

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### **Distribution**

Distributions of the revenue of the Company will be made to shareholders on or before 31 March each year (final) and interim allocations of revenue at the end of each calendar month.

### **Taxation**

The Company will pay no corporation tax on its profits for the year to 31 January 2019 and capital gains within the Company will not be taxed.

### **Individual shareholders**

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

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

### **Corporate shareholders**

Companies resident for tax purposes in the UK which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at a rate of 20% and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

The above information on taxation is only a general summary, and shareholders should consult their own tax advisors in relation to their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

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

Unit holders of the ICVC are not liable for the debts of the ICVC.

## INFORMATION FOR INVESTORS (Continued)

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

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

The price of shares will be determined by reference to a valuation of the Company's net assets at 12.00 noon on each dealing day.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

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

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined.

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

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the ACD of a request for redemption. The minimum value of shares that a shareholder can hold is detailed on page 2. The ACD may at its discretion accept subscriptions lower than the minimum amount.

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

## CORPORATE DIRECTORY

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<b>Authorised Corporate Director &amp; Registrar</b>	Valu-Trac Investment Management Limited Orton Moray IV32 7QE  Telephone: 01343 880344 Fax: 01343 880267 E-mail: (smartbeta@valu-trac.com)  Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
<b>Director</b>	Valu-Trac Investment Management Limited
<b>Depository</b>	NatWest Trustee and Depositary Services Limited Drummond House, 2 <sup>nd</sup> Floor , 1 Redheughs Avenue Edinburgh EH12 9RH Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority
<b>Auditors</b>	FKF Accounting Limited 4 <sup>th</sup> Floor Metropolitan House 31-33 High Street Inverness IV1 1HT