

# **VT RM FUNDS ICVC**

Annual Report and Financial Statements  
for the period ended 30 April 2019

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## COMPANY OVERVIEW

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### **Type of Company**

VT RM Funds ICVC (the 'Company') is an investment company with variable capital (company number IC001108) with variable capital incorporated in England and Wales under the OEIC Regulations.

The Company was incorporated and authorised by the Financial Conduct Authority on 29 March 2018 (PRN 800855).

The Company is a UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). Each sub-fund would be a UCITS scheme if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company.

### **Changes to the Company**

The following fund was launched during the period:

VT RM Alternative Income Fund	11 June 2018
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## STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S (ACD) 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 period which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenue and net capital gains for the period. In preparing these financial statements the Authorised Corporate Director is required to:

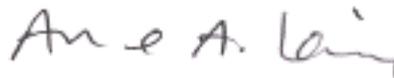
- comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required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

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

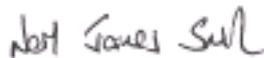
### Director's Statement

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

Anne A. Laing CA



Neil J. Smith MA BA CA



Valu-Trac Investment Management Limited  
Authorised Corporate Director

Date .....

28/08/19

## 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 Investment Funds 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 assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to the 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, cancellation and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited  
1 May 2019

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT RM FUND ICVC (SUB-FUND VT RM ALTERNATIVE INCOME FUND) (CONTINUED)

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## Opinion

We have audited the financial statements of VT RM Funds ICVC ("the Company") for the period ended 30 April 2019 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company at 30 April 2019 and of the net revenue and the net capital gains on the scheme property of the Company for the period 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.

## Opinion on Other Matters Prescribed by the COLL Regulations

In our opinion, based on the work undertaken in the course of the audit:

- Proper accounting records for the Company have been kept and the accounts are in agreement with those records;
- We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- The information given in the report of the ACD and in the report of the alternative investment fund manager for the period is consistent with the financial statements

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT RM FUND ICVC (SUB-FUND VT RM ALTERNATIVE INCOME FUND) (CONTINUED)

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## 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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Use of Our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Johnston Carmichael LLP  
Chartered Accountants  
Statutory Auditor  
Elgin

Date 29/8/19

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT RM Alternative Income Fund
<b>Size of Sub-fund</b>	£8,556,132
<b>Launch date</b>	11 June 2018
<b>Investment objective and policy</b>	<p>The investment objective of the Sub-fund is to provide income whilst preserving capital over the medium to longer term.</p> <p>The Sub-fund seeks to meet its objectives by investing primarily (70% +) in listed equities, whose primary activity or exposure is within the alternative income sector, which includes REITs and Investment Trusts which operate in areas such as Asset Lending, Direct Lending, Peer to Peer Lending, Infrastructure Debt and Equity, Property, Structured Credit Investments and Renewables.</p> <p>In addition to investing in listed equities the fund may also invest in other transferable securities, bonds, money market instruments, deposits, cash or near cash.</p> <p>The Sub-fund will have a preference for investments denominated in sterling with issuers which have activities and assets within the UK, Europe, USA, Singapore or another OECD country. Other than as noted above, the Sub-fund has no particular emphasis on any geographical area or economic sector.</p> <p>The Sub-fund may use derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.</p>
<b>Ex-distribution dates</b>	30 April, 31 July, 31 October and 31 January
<b>Distribution dates</b>	30 June, 30 September, 31 December and 31 March
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.
<b>Minimum investment</b>	
Lump sum subscription:	Retail Income and Accumulation shares (£,€ and \$) = £100 Institutional Income and Accumulation shares (£,€ and \$) = £10,000 Class F Income and Accumulation shares (£,€ and \$) = £10,000
Top-up:	Retail Income and Accumulation shares (£,€ and \$) = £25 Institutional Income and Accumulation shares (£,€ and \$) = £10,000 Class F Income and Accumulation shares (£,€ and \$) = £10,000
Holding:	Retail Income and Accumulation shares (£,€ and \$) = £1,000 Institutional Income and Accumulation shares (£,€ and \$) = £1,000,000 Class F Income and Accumulation shares (£,€ and \$) = £1,000,000
Redemption:	N/A (provided minimum holding is maintained) for all classes
Switching	N/A (provided minimum holding is maintained) for all classes
Initial charges	Nil

The ACD may waive or discount the minimum levels (and initial charge and redemption charge) at its discretion. Class F shares are only available to certain institutional investors at the discretion of the ACD.

## SUB-FUND OVERVIEW (Continued)

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### ACD charges

The ACD charges: Retail = 0.80% per annum  
Institutional = 0.70% per annum  
Class F = 0.45% per annum

The above percentages being percentages of the net asset value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

The Investment Manager aims to ensure that ongoing charges are maintained at a low level relative to the industry average.

In order to achieve such objective, the Investment Manager has, with the agreement of the ACD, undertaken that if the total OCF of the Sub-fund (as calculated at the end of the relevant accounting period) exceeds 0.85%, the Investment Manager shall reimburse the Sub-fund for an amount which, when deducted from the operating costs incurred by the Sub-fund during the relevant accounting period, would result in the Sub-fund having a total OCF equal to 0.85% in the relevant accounting period. For Class F shareholders, the cap will be 0.45%.

# INVESTMENT MANAGER'S REVIEW

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## Introduction

RM Capital Markets Limited (“RM” or the “Investment Manager”) is pleased with the performance of VT RM Alternative Income (“RMAI” or the “Fund”) over the period from inception on 11<sup>th</sup> June 2018 to year-end 30<sup>th</sup> April 2019 (the “period”).

The Fund seeks to provide income whilst preserving capital over the medium to long-term. The Fund seeks to meet its objectives by investing in listed equities and other transferable securities (including, REITs and Investment Trusts) whose primary activity or exposure is within the alternative/real income sectors, areas such as:

- Infrastructure,
- Alternative credit (asset lending, direct lending,) and
- Specialist real estate.

In addition to investing in equities the Fund may also invest in other transferable securities, including bonds, money market instruments, or cash. The Fund will have a preference for investments denominated in sterling, with issuers which have activities and assets within the U.K., Europe, Canada, USA, Singapore, Australasia or another OECD Country.

During the period the portfolio delivered a steady income and some modest capital growth. The total NAV % return for the period for the GBP institutional accumulation share class was 8.51%. The return for the institutional income class was split 4.1% capital growth and 4.22%/ 4.22p income per unit.

## Market environment

Over the period there has been significant volatility across global equity and rates assets. In particular Q4 2018 saw a global market sell-off. It was particularly pleasing that during this period where global stock markets were off between 10-15%, the defensive characteristics of the fund were illustrated as the maximum drawdown experienced by the Fund was 2.1%. As we moved into Q1 2019 markets experienced a “V” shaped reversal of this sentiment, as various Central Bankers’ previously hawkish tones turned into dovish notes on the back of global macro-economic data.

## Outlook

The Investment Manager remains cautious as its attention is drawn to numerous macro-economic data points, such as:

- the 3 month/10 year US yield curve, which inverted during the quarter to June 2019,
- no resolution and prospective escalation to global trade wars,
- Eurozone industrial production data,
- mixed UK economic activity, and
- the continuation of Brexit related uncertainty.

The Investment Manager remains acutely aware that Central Bank monetary policy and government policies remain broadly mis-aligned, with political risks filtering through more frequently into market sentiment. As we move through H1 into H2 2019, the Investment Manager expects increased volatility, sterling weakness, and a shift in general sentiment.

Specifically, with regards to the Fund and portfolio holdings, RM believe this is the appropriate investment strategy/fund for this part of the economic and business cycle. As volatility picks up and global growth becomes uncertain, the Fund and investment strategy focus on Infrastructure, Specialist Real Estate and Alternative Credit are excellent places to be to obtain a return that is largely uncorrelated to the wider equity, credit and rates markets. RM believe investments in infrastructure, particularly in the renewable energy and social subsectors delivering solid inflation linked returns, whilst Alternative Credit delivers secure asset backed and granular fixed returns. Capital growth principally will come via exposure to Specialist Real Estate as the assets owned by these companies see asset value growth over time.

The focus has been and will continue to be on developing a well-diversified portfolio with limited correlation to traditional equity markets and a low volatility profile. The Investment Manager continues to manage sufficiently larger investor flows and performs robust liquidity analysis daily. The fund will not invest in private securities or illiquid assets.

RM Capital Markets Limited  
Investment Manager to the Fund

## PERFORMANCE RECORD

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### Financial Highlights

<b>Retail Income GBP</b>	<b>Period from 31 July 2018 to 30 April 2019<sup>^</sup></b>
Changes in net assets per unit	GBP
Opening net asset value per unit	100.0000
Return before operating charges	9.1974
Operating charges (note 1)	(2.2841)
Return after operating charges*	6.9133
Distribution	(3.8849)
Closing net asset value per unit	103.0284
*after direct transaction costs of:	0.2538
Performance	
Return after charges	6.91%
Other information	
Closing net asset value	£1,551,798
Closing number of units	1,506,185
Operating charges (note 2)	2.25%
Direct transaction costs	0.25%
Prices	
Highest unit price	104.3589
Lowest unit price	97.7999

<sup>^</sup>Share class launched 31 July 2018

<b>Retail Accumulation GBP</b>	<b>Period from 11 June 2018 to 30 April 2019</b>
Changes in net assets per unit	GBP
Opening net asset value per unit	100.0000
Return before operating charges	10.7376
Operating charges (note 1)	(2.3444)
Return after operating charges*	8.3932
Closing net asset value per unit	108.3932
Retained distributions on accumulation shares	4.2822
*after direct transaction costs of:	0.2605
Performance	
Return after charges	8.39%
Other information	
Closing net asset value	£287,628
Closing number of units	265,356
Operating charges (note 2)	2.25%
Direct transaction costs	0.25%
Prices	
Highest unit price	108.5192
Lowest unit price	99.5836

## PERFORMANCE RECORD (Continued)

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### Financial Highlights (continued)

<b>Institutional Income GBP</b>		<b>Period from 11 June 2018 to 30 April 2019</b>
Changes in net assets per unit		GBP
	Opening net asset value per unit	100.0000
	Return before operating charges	10.5177
	Operating charges (note 1)	(2.1941)
	Return after operating charges*	8.3236
	Distribution	(4.2217)
	Closing net asset value per unit	104.1019
	*after direct transaction costs of:	0.2511
Performance	Return after charges	8.32%
Other information	Closing net asset value	£619,511
	Closing number of units	595,100
	Operating charges (note 2)	2.15%
	Direct transaction costs	0.25%
Prices	Highest unit price	105.4450
	Lowest unit price	98.7866

<b>Institutional Accumulation GBP</b>		<b>Period from 11 June 2018 to 30 April 2019</b>
Changes in net assets per unit		GBP
	Opening net asset value per unit	100.0000
	Return before operating charges	10.7482
	Operating charges (note 1)	(2.2414)
	Return after operating charges*	8.5068
	Closing net asset value per unit	108.5068
	Retained distributions on accumulation shares	4.2845
	*after direct transaction costs of:	0.2606
Performance	Return after charges	8.51%
Other information	Closing net asset value	£660,100
	Closing number of units	608,349
	Operating charges (note 2)	2.15%
	Direct transaction costs	0.25%
Prices	Highest unit price	108.6318
	Lowest unit price	99.5878

## PERFORMANCE RECORD (Continued)

### Financial Highlights (continued)

#### Class F Income GBP Period from 19 October 2018 to 30 April 2019<sup>^</sup>

Changes in net assets per unit		GBP
	Opening net asset value per unit	100.0000
	Return before operating charges	8.7007
	Operating charges (note 1)	(1.9399)
	Return after operating charges*	6.7608
	Distribution	(2.5569)
	Closing net asset value per unit	104.2039
	*after direct transaction costs of:	0.2553
Performance		
	Return after charges	6.76%
Other information		
	Closing net asset value	£3,908,838
	Closing number of units	3,751,144
	Operating charges (note 2)	1.90%
	Direct transaction costs	0.25%
Prices		
	Highest unit price	105.5445
	Lowest unit price	98.8020

<sup>^</sup>share class launched 19 October 2018

#### Class F Accumulation GBP Period from 26 October 2018 to 30 April 2019<sup>^^</sup>

Changes in net assets per unit		GBP
	Opening net asset value per unit	100.0000
	Return before operating charges	8.7974
	Operating charges (note 1)	(1.9649)
	Return after operating charges*	6.8325
	Closing net asset value per unit	106.8325
	Retained distributions on accumulation shares	2.4873
	*after direct transaction costs of:	0.2585
Performance		
	Return after charges	6.83%
Other information		
	Closing net asset value	£1,579,962
	Closing number of units	1,478,916
	Operating charges (note 2)	1.90%
	Direct transaction costs	0.25%
Prices		
	Highest unit price	106.9526
	Lowest unit price	98.9137

<sup>^^</sup>Share class launched 26 October 2018

## PERFORMANCE RECORD (Continued)

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- 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 the expenses incurred during the period annualised, as a proportion of the average net asset value of the fund.

### **Risk Profile**

Based on past data, the Sub-fund is ranked a '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 ranked 3 because simulated monthly historical performance data indicates that low to medium rises and falls in market prices would have occurred historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

## PORTFOLIO SUMMARY

As at 30 April 2019

Holding		Value £	% of net assets
<b>EQUITIES</b>			
37,892	3i Infrastructure Plc	108,845	1.27%
216,257	AEW UK REIT Plc	201,551	2.36%
115,293	Alcentra European Floating Rate Income Fund Ltd	113,679	1.33%
4,096	Atlantica Yield Plc	63,271	0.74%
18,658	BBGI SICAV SA	29,853	0.35%
68,544	Blackstone / GSO Loan Financing Ltd	49,771	0.58%
143,810	Bluefield Solar Income Fund Ltd	193,784	2.26%
144,000	Civitas Social Housing Plc	126,144	1.47%
280,870	Empiric Student Property Plc	263,175	3.08%
160,479	Fair Oaks Income 2017	102,389	1.20%
269,001	Foresight Solar Fund Ltd	328,854	3.84%
75,542	GCP Asset Backed Income Fund Ltd	82,341	0.96%
82,124	GCP Infrastructure Investments Ltd	106,433	1.24%
182,396	GCP Student Living Plc	292,381	3.42%
14,739	Greencoat UK Wind Plc	20,914	0.24%
420,000	Greencoat Renewables Plc	405,418	4.74%
140,082	HICL Infrastructure Company Ltd	232,676	2.72%
144,000	Hipgnosis Songs Fund Ltd	149,040	1.74%
215,519	Impact Healthcare REIT Plc	232,760	2.72%
108,322	International Public Partnerships Ltd	174,615	2.04%
300,907	John Laing Environmental Assets Group Ltd	340,777	3.98%
91,641	NB Global Floating Rate Income Fund Ltd	82,523	0.96%
43,118	NextEnergy Solar Fund Ltd	50,879	0.59%
139,016	Real Estate Credit Investments Ltd	242,235	2.83%
302,798	Renewables Infrastructure Group Ltd	373,955	4.37%
35,668	Residential Secure Income Plc	33,207	0.39%
264,141	RM Secured Direct Lending Plc	268,103	3.13%
128,812	Schroder European Real Estate Investment Trust Plc	143,303	1.67%
248,757	Starwood European Real Estate Finance Limited	266,170	3.11%
142,500	Supermarket Income REIT Plc	146,063	1.71%
115,861	Target Healthcare REIT Ltd	135,210	1.58%
5,720	TransAlta Renewables Inc	45,144	0.53%
170,674	Triple Point Social Housing REIT Plc	162,140	1.90%
200,051	Tritax EuroBox Plc	190,449	2.23%
179,815	Tritax Big Box REIT Plc	267,924	3.13%
215,082	TwentyFour Select Monthly Income Fund Ltd	198,091	2.32%
13,547	Urban Logistics REIT Plc	15,918	0.19%
250,000	US Solar Fund Plc	198,901	2.33%
9,678	Volta Finance Ltd	58,304	0.68%
143,716	Warehouse REIT Plc	150,543	1.76%
		<b>6,647,733</b>	<b>77.69%</b>
<b>BONDS</b>			
400,000	Amigo Luxembourg 7.625% 15-Jan-2024	399,228	4.67%
50,000	International Personal Finance 6.125% 20/05/2020	50,285	0.59%
125,000	IPFLN 5.750 07/04/21	106,439	1.25%
200,200	Newday Bondco Plc 01/02/2023	191,861	2.24%
200,000	NewDay Bondco Plc 7.375% 01/02/2024	193,396	2.26%
250,000	Voyage Care Bondco Plc - VOYLD 5.875 01-MAY-2023	242,684	2.84%
		<b>1,183,893</b>	<b>13.85%</b>
	Gain/Loss on Currency Hedge	(3,899)	(0.05)%
	<b>Portfolio of investments</b>	<b>7,827,727</b>	<b>91.49%</b>
	<b>Net other assets</b>	<b>771,484</b>	<b>9.02%</b>
	<b>Adjustment to revalue assets from mid to bid prices</b>	<b>(43,079)</b>	<b>(0.51%)</b>
		<b>8,556,132</b>	<b>100.00</b>

The Sub-fund was launched on 11 June 2018 therefore there are no comparative figures.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
<b>Total purchases for the period (note 14)</b>	<b>9,018,615</b>
3i Infrastructure Plc	90,285
AEW UK REIT Plc	202,580
Alcentra European Floating Rate Income Fund Ltd	114,807
Amigo Luxembourg 7.625% 15-Jan-2024	408,594
Assura Plc	16,734
Atlantica Yield Plc I	65,165
BBGI SICAV SA	26,553
Blackstone / GSO Loan Financing Ltd	51,445
Bluefield Solar Income Fund Ltd	177,381
Civitas Social Housing Plc	122,523
Convenience Retail REIT	9,590
Empiric Student Property Plc	260,066
Fair Oaks Income 2017	105,987
Foresight Solar Fund Ltd	303,418
Frasers Logistics & Industrial Trust	16,575
Funding Circle SME Income Fund Ltd	3,801
GCP Asset Backed Income Fund Ltd	253,598
GCP Asset Backed Income Fund Ltd - Class C	110,455
GCP Infrastructure Investments Ltd	101,883
GCP Student Living Plc	278,307
Greencoat Renewables Plc	457,027
Greencoat UK Wind Plc	18,719
HICL Infrastructure Company Ltd	233,206
Hipgnosis Songs Fund Ltd	149,911
ICG Longbow Senior Secured UK Property Debt Investments Ltd	55,932
Impact Healthcare REIT Plc	224,516
International Personal Finance 6.125% 20/05/2020	49,376
International Public Partnerships Ltd	178,456
IPFLN 5.750 07/04/21	120,516
John Laing Environmental Assets Group Ltd	324,168
John Laing Infrastructure Fund Ltd	10,457
LXi REIT Plc	9,985
Macquarie Infrastructure Corp	7,584
MedicX Fund Ltd	78,181
NB Global Floating Rate Income Fund Ltd	84,450
NewDay BondCo Plc 01/02/2023	192,791
NewDay BondCo Plc 7.375% 01/02/2024	186,392
NextEnergy Solar Fund Ltd	48,080
Primary Health Properties Plc	125,201
PRS REIT Plc	227,274
Real Estate Credit Investments Ltd	234,457
Renewables Infrastructure Group Ltd	513,869
Residential Secure Income Plc	33,710
RM Secured Direct Lending Plc	270,082
Schroder European Real Estate Investment Trust Plc	136,386
Sequoia Economic Infrastructure Income Fund Ltd	57,372
Starwood European Real Estate Finance Limited	261,966
Supermarket Income REIT Plc	143,925
Target Healthcare REIT Ltd	126,683
TransAlta Renewables Inc	39,569
Triple Point Social Housing REIT Plc	175,328
Tritax Big Box REIT Plc	304,821
Tritax EuroBox Plc	191,890
TwentyFour Select Monthly Income Fund Ltd	200,505
Urban Logistics Reit Plc	16,495
US Solar Fund Plc	190,840
Viva Energy REIT Ltd	19,061
Vodafone Group Plc 7% 04-APR-2079	153,878
Volta Finance Ltd	59,961
Voyage Care Bondco Plc - VOYLD 5.875 01-MAY-2023	242,395
Warehouse REIT Plc	143,453

## SUMMARY OF MATERIAL PORTFOLIO CHANGES (Continued)

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	£
<b>Total sales for the period (note 14)</b>	<b>1,321,927</b>
Assura Plc	17,112
Convenience Retail REIT	9,774
Frasers Logistics & Industrial Trust	17,614
Funding Circle SME Income Fund Ltd	3,089
GCP Asset Backed Income Fund Ltd	179,380
Greencoat Renewables Plc	73,362
HICL Infrastructure Company Ltd	11,664
ICG Longbow Senior Secured UK Property Debt Investments Ltd	54,007
International Public Partnerships Ltd	11,521
LXi REIT Plc	10,992
Macquarie Infrastructure Corp	6,457
MedicX Fund Ltd	93,551
Primary Health Properties Plc	141,447
PRS REIT Plc	226,066
Renewables Infrastructure Group Ltd	175,680
Sequoia Economic Infrastructure Income Fund Ltd	60,221
Tritax Big Box REIT Plc	50,785
Viva Energy REIT Ltd	20,101
Vodafone Group Plc 7% 04-APR-2079	159,104

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

## STATEMENT OF TOTAL RETURN

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For the period from 11 June 2018 to 30 April 2019

		From 11.06.18 to 30.04.2019	
	Notes	£	£
Income			
Net capital gains	2		233,406
Revenue	3	173,550	
Expenses	4	(43,600)	
Finance costs: bank interest	6	-	
Net revenue before taxation		<u>129,950</u>	
Taxation	5	<u>(10,286)</u>	
Net revenue after taxation			<u>119,664</u>
Total return before distributions			353,070
Finance costs: distributions	6		<u>(131,472)</u>
<b>Change in net assets attributable to shareholders from investment activities</b>			<u><u>221,598</u></u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period from 11 June 2018 to 30 April 2019

	From 11.06.18 to 30.04.2019 £
<b>Opening net assets attributable to shareholders</b>	-
Amounts receivable on creation of shares	8,506,877
Amounts payable on cancellation of shares	(225,529)
Accumulation dividends retained	53,186
Change in net assets attributable to shareholders from investment activities (see above)	221,598
<b>Closing net assets attributable to shareholders</b>	<u><u>8,556,132</u></u>

The Sub-fund was launched on 11 June 2018 therefore there are no comparative figures.

## BALANCE SHEET

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As at 30 April 2019

	Notes	30.04.19	
		£	£
<b>FIXED ASSETS</b>			
Investment assets			7,784,648
<b>CURRENT ASSETS</b>			
Debtors	7	803,311	
Cash and bank balances	8	<u>372,348</u>	
<b>Total current assets</b>			<u>1,175,659</u>
<b>Total assets</b>			8,960,307
<b>CURRENT LIABILITIES</b>			
Distribution payable on income shares		(71,349)	
Creditors	9	<u>(332,826)</u>	
<b>Total current liabilities</b>			<u>(404,175)</u>
<b>Net assets attributable to shareholders</b>			<u><u>8,556,132</u></u>

The Sub-fund was launched on 11 June 2018 therefore there are no comparative figures.

# NOTES TO THE FINANCIAL STATEMENTS

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For the period from 11 June 2018 to 30 April 2019

## 1 Accounting policies

- (a) The financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and FRS 102. The functional currency is Sterling.
- (b) Dividends on equities and collective investment schemes are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. Other revenue is accounted for on a receipts basis. Revenue on debt securities is accounted for on an effective yield basis.
- (c) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.
- (d) Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.
- (e) All expenses are accounted for on an accruals basis and are charged to the capital of the Sub-fund.
- (f) Quarterly distributions are allocated to all holders of shares in the Sub-fund.
- (g) The listed investments of the Sub-fund have been valued at bid market prices at the closing valuation point on 30 April 2019.
- (h) All transactions in foreign currencies are converted into Sterling at the rate of exchange ruling at the dates of such transactions. The resulting exchange differences are disclosed in note 2. Any foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate prevailing as at 30 April 2019.
- (i) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.  
  
Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (j) In certain circumstances the ACD may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-fund, is intended to cover certain charges not included in the bid market value of the Sub-fund, used in calculating the share price, which could have a diluting effect on the performance of the Sub-fund.
- (k) Equalisation will be applied to the Sub-fund. An allocation of income to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum (“income allocation”) 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 share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD’s best estimate of the amounts of income included in the price of shares in that class issued or sold in the annual or interim period in question and dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

		<b>From 11.06.18 to 30.04.19</b>
<b>2</b>	<b>Net capital gains</b>	<b>£</b>
	The net capital gains comprise:	
	Transaction fees	(1,461)
	Non-derivative securities gains	233,490
	Gain on foreign exchange	5,276
	Loss on hedge	(3,899)
		<hr/>
	Total net capital gains	<u>233,406</u>
		<hr/>
		<b>From 11.06.18 to 30.04.19</b>
<b>3</b>	<b>Revenue</b>	<b>£</b>
	UK franked dividends	73,362
	UK unfranked dividends	28,968
	Bond interest	41,121
	Overseas dividends	5,365
	AMC rebates	24,372
	Bank interest	362
		<hr/>
	Total revenue	<u>173,550</u>
		<hr/>
		<b>From 11.06.18 to 30.04.19</b>
<b>4</b>	<b>Expenses</b>	<b>£</b>
	<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>	
	ACD fee	16,751
		<hr/>
	<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>	
	Depositary fee	15,929
	Safe custody fee	2,569
		<hr/>
		18,498
	<b>Other expenses:</b>	
	Audit fee	8,100
	Investment association fee	160
	FCA fee	91
		<hr/>
		8,351
		<hr/>
	Total expenses	<u>43,600</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	<b>From 11.06.18 to 30.04.19 £</b>
<b>5 Taxation</b>	
<b>(a) Analysis of charge in the period</b>	
Irrecoverable income tax	41
UK corporation tax	10,245
Total current tax charge for the period (note 5b)	<u>10,286</u>
<b>(b) Factors affecting current tax charge for the period</b>	
The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20.00%). The differences are explained below:	
Net revenue before taxation	129,950
Corporation tax at 20.00%	25,990
<u>Effects of:</u>	
Revenue not subject to UK corporation tax	(15,745)
Irrecoverable income tax	41
Current tax charge for period (note 5a)	<u>10,286</u>
<b>(c) Provision for deferred taxation</b>	
At 30 April 2019 there is no potential deferred tax asset or liability.	
<b>6 Finance costs</b>	<b>From 11.06.18 to 30.04.19 £</b>
Interim dividend distributions	84,868
Final dividend distribution	100,833
	<u>185,701</u>
Add: Revenue deducted on cancellation of shares	1,529
Deduct: Revenue received on issue of shares	(55,758)
<b>Net distribution for the period</b>	<u>131,472</u>
Interest	-
<b>Total finance costs</b>	<u>131,472</u>
<b>Reconciliation of distributions</b>	
Net revenue after taxation	119,664
Expenses (net of AMC rebates) paid by capital	29,514
Revenue balance carried forward	(17,706)
<b>Net distribution for the period</b>	<u>131,472</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>30.04.19</b>
	<b>£</b>
UK dividends	12,885
Overseas dividends	426
Bond interest	14,930
AMC rebates	10,600
Outstanding subscriptions	764,308
Prepayments	<u>162</u>
Total debtors	<u><u>803,311</u></u>
<b>8 Cash and bank balances</b>	<b>30.04.19</b>
	<b>£</b>
Cash and bank balances	<u><u>372,348</u></u>
<b>9 Creditors</b>	<b>30.04.19</b>
	<b>£</b>
Outstanding trades	295,257
Redemptions payable	12,127
Corporation tax	10,245
Payable to the ACD	3,118
Other accrued expenses	<u>12,079</u>
Total creditors	<u><u>332,826</u></u>

### 10 Financial instruments

In pursuing its investment objective as stated on page 6, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from 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 period.

#### 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 attributed to ordinary shareholders and equity for the period from 11 June 2018 to 30 April 2019 would have increased/decreased by £778,465.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 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 and equities 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
	£	£	£
	30.04.19	30.04.19	30.04.19
Sterling	761,914	6,763,869	7,525,783
USD	-	360,428	360,428
CAD	250	45,046	45,296
EUR	9,150	615,305	624,455
AUD	170	-	170
Total	771,484	7,784,648	8,556,132

### Interest rate risk

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.

30.04.19				
Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	2019	2019	2019	2019
	£	£	£	£
Sterling	457,645	987,323	6,484,990	7,929,958
USD	-	-	360,428	360,428
CAD	-	-	45,296	45,296
EUR	106,255	-	518,200	624,455
AUD	-	-	170	170
Total	563,900	987,323	7,409,084	8,960,307
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Sterling	-	-	(404,175)	(404,175)
Total	-	-	(404,175)	(404,175)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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### **Maturity of financial liabilities**

The financial liabilities of the Sub-fund as at 30 April 2019 are payable either within one year or on demand.

### **Liquidity risk**

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

### **Credit risk**

Certain transactions in securities that the Sub-fund enters into expose it to the risk Sub-fund 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. Credit risk also arises on cash held within financial institutions and debt securities. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund

### **Fair value of financial assets and financial liabilities**

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 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.

<b>Valuation technique</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
A: Quoted prices for identical instruments in active markets	7,789	(4)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>11</b>	<b>Units held</b>	<b>Retail Accumulation GBP</b>
	<b>Opening units at 11 June 2018</b>	-
	Units issued during the period	265,356
	Units cancelled during the period	-
	<b>Closing units at 30 April 2019</b>	<b>265,356</b>
		<b>Retail Income GBP</b>
	<b>Opening units at 31 July 2018</b>	-
	Units issued during the period	1,522,800
	Units cancelled during the period	(16,615)
	<b>Closing units at 30 April 2019</b>	<b>1,506,185</b>
		<b>Institutional Accumulation GBP</b>
	<b>Opening units at 11 June 2018</b>	-
	Units issued during the period	675,399
	Units cancelled during the period	(67,050)
	<b>Closing units at 30 April 2019</b>	<b>608,349</b>
		<b>Institutional Income GBP</b>
	<b>Opening units at 11 June 2018</b>	-
	Units issued during the period	648,123
	Units cancelled during the period	(53,023)
	<b>Closing units at 30 April 2019</b>	<b>595,100</b>
		<b>Class F Accumulation GBP</b>
	<b>Opening units at 26 October 2018</b>	-
	Units issued during the period	1,534,026
	Units cancelled during the period	(55,110)
	<b>Closing units at 30 April 2019</b>	<b>1,478,916</b>
		<b>Class F Income GBP</b>
	<b>Opening units at 19 October 2018</b>	-
	Units issued during the period	3,792,207
	Units cancelled during the period	(41,063)
	<b>Closing units at 30 April 2019</b>	<b>3,751,144</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12 Contingent assets and liabilities

At 30 April 2019, the Sub-fund had no contingent liabilities or commitments.

### 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 30 April 2019. Since that date, the Fund's quoted mid price has moved as follows for each share class:

Share class	Price at 30 April 2019	Price at 22 August 2019
Retail Income GBP	103.0284p	103.6797p
Retail Accumulation GBP	108.3932p	110.3918p
Institutional Income GBP	104.1019p	104.7755p
Institutional Accumulation GBP	108.5068p	110.5101p
Class F Income GBP	104.2039p	104.9363p
Class F Accumulation GBP	106.8325p	108.8688p

### 14 Portfolio transaction costs

	£	% of purchases	30.04.19 £
<b>Analysis of total purchase costs</b>			
Purchases in the period before transaction costs			8,998,929
Commissions	7,105	0.08%	
Charges and misc. charges	<u>12,581</u>	0.14%	
Total purchase costs			<u>19,686</u>
Total purchases including transaction costs			<u><u>9,018,615</u></u>
<b>Analysis of total sale costs</b>			
		% of sales	
Sales in the period before transaction costs			1,323,339
Commissions	(1,379)	0.10%	
Misc. charges	<u>(33)</u>	0.00%	
Total sale costs			<u>(1,412)</u>
Total sales net of transaction costs			<u><u>1,321,927</u></u>
<b>Analysis of total transaction costs:</b>			
	£	% of average net assets	
Commissions	8,484	0.10	
Charges & misc. charges	12,614	0.15	
Total	<u>21,098</u>	0.25	

## DISTRIBUTION TABLES

### Final distribution in pence per share

Group 1 – Shares purchased prior to 30 April 2019

Group 2 – Shares purchased on or after 1 February 2019 and on or before 30 April 2019

<b>Retail Income GBP</b>	<b>Dividend payable 28.06.19</b>	<b>Equalisation</b>	<b>Distribution payable 28.06.19</b>
Group 1	1.2093p	-	1.2093p
Group 2	0.5859p	0.6234p	1.2093p

<b>Retail Accumulation GBP</b>	<b>Dividend payable 28.06.19</b>	<b>Equalisation</b>	<b>Distribution payable 28.06.19</b>
Group 1	1.2760p	-	1.2760p
Group 2	0.3500p	0.9260p	1.2760p

<b>Institutional Income GBP</b>	<b>Dividend payable 28.06.19</b>	<b>Equalisation</b>	<b>Distribution payable 28.06.19</b>
Group 1	1.2218p	-	1.2218p
Group 2	0.2267p	0.9951p	1.2218p

<b>Institutional Accumulation GBP</b>	<b>Dividend payable 28.06.19</b>	<b>Equalisation</b>	<b>Distribution payable 28.06.19</b>
Group 1	1.2778p	-	1.2778p
Group 2	0.4326p	0.8452p	1.2778p

<b>Class F Income GBP</b>	<b>Dividend payable 28.06.19</b>	<b>Equalisation</b>	<b>Distribution payable 28.06.19</b>
Group 1	1.2226p	-	1.2226p
Group 2	0.3153p	0.9073p	1.2226p

<b>Class F Accumulation GBP</b>	<b>Dividend payable 28.06.19</b>	<b>Equalisation</b>	<b>Distribution payable 28.06.19</b>
Group 1	1.2391p	-	1.2391p
Group 2	1.2391p	-	1.2391p

### 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) 45.36% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 54.64% 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.

## DISTRIBUTION TABLES (Continued)

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### First Interim distribution in pence per share

Group 1- Shares purchased prior to 11 June 2018

Group 2- Shares purchased on or after 11 June 2018 and on or before 31 July 2018

<b>Retail Income GBP</b>	<b>Dividend payable 30.09.18</b>	<b>Equalisation</b>	<b>Distribution payable 30.09.18</b>
Group 1	-	-	-
Group 2	-	-	-

<b>Retail Accumulation GBP</b>	<b>Dividend payable 30.09.18</b>	<b>Equalisation</b>	<b>Distribution payable 30.09.18</b>
Group 1	0.2976p	-	0.2976p
Group 2	0.2860p	0.0116p	0.2976p

<b>Institutional Income GBP</b>	<b>Dividend payable 30.09.18</b>	<b>Equalisation</b>	<b>Distribution payable 30.09.18</b>
Group 1	0.2977p	-	0.2977p
Group 2	0.0451p	0.2526p	0.2977p

<b>Institutional Accumulation GBP</b>	<b>Dividend payable 30.09.18</b>	<b>Equalisation</b>	<b>Distribution payable 30.09.18</b>
Group 1	0.2977p	-	0.2977p
Group 2	0.0234p	0.2743p	0.2977p

## DISTRIBUTION TABLES (Continued)

### Second Interim distribution in pence per share

Group 1- Shares purchased prior to 01 August 2018

Group 2- Shares purchased on or after 01 August 2018 and on or before 31 October 2018

<b>Retail Income GBP</b>	<b>Dividend payable 31.12.18</b>	<b>Equalisation</b>	<b>Distribution payable 31.12.18</b>
Group 1	1.4409p	-	1.4409p
Group 2	0.1399p	1.3010p	1.4409p

<b>Retail Accumulation GBP</b>	<b>Dividend Payable 31.12.18</b>	<b>Equalisation</b>	<b>Distribution payable 31.12.18</b>
Group 1	1.4586p	-	1.4586p
Group 2	0.7182p	0.7404p	1.4586p

<b>Institutional Income GBP</b>	<b>Dividend Payable 31.12.18</b>	<b>Equalisation</b>	<b>Distribution payable 31.12.18</b>
Group 1	1.4550p	-	1.4550p
Group 2	0.5597p	0.8953p	1.4550p

<b>Institutional Accumulation GBP</b>	<b>Dividend payable 31.12.18</b>	<b>Equalisation</b>	<b>Distribution payable 31.12.18</b>
Group 1	1.4590p	-	1.4590p
Group 2	0.9649p	0.4941p	1.4590p

<b>Class F Income GBP</b>	<b>Dividend payable 31.12.18</b>	<b>Equalisation</b>	<b>Distribution payable 31.12.18</b>
Group 1	0.0870p	-	0.0870p
Group 2	0.0055p	0.0815p	0.0870p

<b>Class F Accumulation GBP</b>	<b>Dividend payable 31.12.18</b>	<b>Equalisation</b>	<b>Distribution payable 31.12.18</b>
Group 1	-	-	-
Group 2	-	-	-

## DISTRIBUTION TABLES (Continued)

### Third Interim distribution in pence per share

Group 1- Shares purchased prior to 01 November 2018

Group 2- Shares purchased on or after 01 November 2018 and on or before 31 January 2019

<b>Retail Income GBP</b>	<b>Dividend payable 31.03.19</b>	<b>Equalisation</b>	<b>Distribution payable 31.03.19</b>
Group 1	1.2347p	-	1.2347p
Group 2	0.6402p	0.5945p	1.2347p

<b>Retail Accumulation GBP</b>	<b>Dividend payable 31.03.19</b>	<b>Equalisation</b>	<b>Distribution payable 31.03.19</b>
Group 1	1.2500p	-	1.2500p
Group 2	0.3509p	0.8991p	1.2500p

<b>Institutional Income GBP</b>	<b>Dividend payable 31.03.19</b>	<b>Equalisation</b>	<b>Distribution payable 31.03.19</b>
Group 1	1.2472p	-	1.2472p
Group 2	0.6192p	0.6280p	1.2472p

<b>Institutional Accumulation GBP</b>	<b>Dividend payable 31.03.19</b>	<b>Equalisation</b>	<b>Distribution payable 31.03.19</b>
Group 1	1.2500p	-	1.2500p
Group 2	0.3145p	0.9355p	1.2500p

<b>Class F Income GBP</b>	<b>Dividend payable 31.03.19</b>	<b>Equalisation</b>	<b>Distribution payable 31.03.19</b>
Group 1	1.2473p	-	1.2473p
Group 2	0.8886p	0.3587p	1.2473p

<b>Class F Accumulation GBP</b>	<b>Dividend payable 31.03.19</b>	<b>Equalisation</b>	<b>Distribution payable 31.03.19</b>
Group 1	1.2482p	-	1.2482p
Group 2	1.2482p	-	1.2482p

## INFORMATION FOR INVESTORS

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### **Taxation**

The Company will pay corporation tax on its profits for the period to 30 April 2019 but capital gains within the Company will not be taxed.

### **Individual shareholders**

Tax on distributions: From 6 April 2016 Dividend Tax Credits were abolished. Presently (2019/20), the first £2,000 of distribution income is free of tax.

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 20.00% 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.

### **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 the below email address or by sending an application form to the Registrar. Application forms are available from the Registrar. E-mail: [rmfunds@valu-trac.com](mailto:rmfunds@valu-trac.com).

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 6. 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>	<p>Valu-Trac Investment Management Limited Mains of Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 E-mail: rmfunds@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
<b>Investment Manager</b>	<p>RM Capital Markets Limited 7 Melville Crescent Edinburgh EH3 7JA</p>
<b>Depository</b>	<p>NatWest Trustee &amp; Depository Services Limited Drummond House, 2<sup>nd</sup> 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>
<b>Auditor</b>	<p>Johnston Carmichael LLP Commerce House South Street Elgin IV30 1JE</p>