

VT Maven Smart Dividend Fund
(Formerly The Munro Dividend Fund)

Short Form Annual Report and Financial Statements
for the year ended 31 January 2014

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Authorised Corporate Director's report

The Authorised Corporate Director ("the ACD") presents herewith the Annual Report and Financial Statements ("the Report") for VT Maven Smart Dividend Fund for the year ended 31 January 2014.

VT Maven Smart Dividend Fund ("the Company") is an authorised open-ended investment company with variable capital ("ICVC") further to a Financial Services Authority ("FSA") authorisation 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").

The Company has been set up as an umbrella company. The Company has currently one sub-fund available for investment, VT Maven Smart Dividend UK Fund ("the Fund").

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.

The shareholders are not liable for the debts of the Company.

The Instrument of Incorporation can be inspected at the office of the ACD.

The Company has no Directors other than the ACD.

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.

Investment objective and policy

The objective of the Fund is to maximize the overall return through investment mainly in UK securities listed on the London Stock Exchange.

The Fund will seek to deliver a consistent return over the long term by holding mainly large and medium sized securities, excluding Investment Trusts, listed on the London Stock Exchange. The Fund will be constructed on the basis of the underlying fundamental financial attributes of the companies listed on the London Stock Exchange rather than on their market capitalisation. The weight of each company in the Fund will be determined by the proportion that its forecast total dividend will be expected to make of the total income of all the companies held in the Fund. The data will be sourced from consensus forecasts as compiled by information providers such as Bloomberg and Reuters. Allowance will be made for securities forecast to be bought back. Such a rigorous process can be closely defined and will be insensitive to the personal preferences of the Investment Adviser.

The Fund may also invest in bonds, collective investment schemes, warrants, money markets instruments, cash, deposits and other permitted investments.

It is the ACD's intention that derivatives be used for hedging purposes using efficient portfolio management style techniques.

The ACD does not intend to have an interest in any immovable property or tangible movable property.

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.

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Authorised Corporate Director's report (continued)

Distributions and reporting dates

Where net income is available it will be paid on 31 March (final) and 30 June, 30 September and 31 December (interim). In the event of a distribution, shareholders will receive a tax voucher.

Reporting dates:	31 January	annual
	31 July	interim

Shareholders will receive a report of the accounts within four months of the annual reporting date (audited) and within two months of the interim reporting date.

Buying and selling shares

The property of the Fund is valued at 12 noon on each business day and prices of shares are calculated as at that time. Share dealing is on a forward basis, i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

Prices of shares and the estimated yield of the Fund are published on the following website: www.investmentfunds.org.uk or may be obtained by calling +44 (0)1343 880344.

Management charges

There are net income shares and net accumulation shares in each of the following classes: A class, B class, and X class.

	A class	B class	X class
Annual management charge	1.50%	1.25%	0.50%

The annual management charge includes the ACD's periodic charge and the Investment Adviser's fee.

Investment Minima*

	A class	B class	X class
Minimum initial investment	£1,000	£100,000	£250
Minimum subsequent investment	£1,000	£1,000	£100
Minimum holding	£1,000	£100,000	£250

*The ACD may waive the minimum levels at its discretion

Risk Profile

Based on past data, the fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Fund is in a higher category because the price of its investments has risen or fallen frequently and more dramatically than some other types of investment. The higher the rank, the greater the potential reward but the greater the risk of losing money.

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Authorised Corporate Director's report (continued)

Changes affecting the Company in the year

- On 17 October 2013 the following changes were introduced:
Amendments to the instrument of incorporation and prospectus of the Company to reflect:
 - i. The change in name from The Munro Dividend Fund to VT Maven Smart Dividend Fund;
 - ii. A change in name of the Sub-fund from Munro UK Dividend Fund, to VT Maven Smart Dividend UK Fund; and
 - iii. Some minor alterations to the investment objective and policy. There will be no change in the way in which the Company is actually managed and operated as a result of these alterations to the investment policy.
- Maven Capital Partners (holding company of Fundamental Tracker Investment Management Limited) has proposed and shall reimburse certain operating charges of the Company (including the depositary fee, audit fee and custody fees) for the period from 1 August 2013 to 31 January 2014. This has now been extended until 31 July 2014.

Statement of the Authorised Corporate Director's Responsibilities

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

- comply with the Prospectus, the Statement or Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.
- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

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

Anne Laing

Martin Henderson

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date 29 May 2014

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Investment Adviser's report

Investment Objectives

Following the acquisition of Fundamental Tracker Investment Management Limited (FTIM) during the year by Maven Capital Partners UK LLP the Fund uses a proprietary process that allocates weights to shares in proportion to their contribution to the total cash dividend forecast for the 300 largest companies (excluding Investment Trusts) listed on the London Stock Exchange.

The investment return and income profile achieved during the reporting period are a result of investment in large and medium sized UK equities, with no stock lending, nor investments in derivatives or made outside of the designated asset class, the combination of which has been to reduce the risk to investor's capital.

Investment Activities

The Fund was managed during the year in accordance with its stated investment objective, in line with each stock's contribution to the total forecasted dividend payout for the group as a whole. This methodology is designed to minimize trading by exploiting volatility and, rather than investing new money across all securities the fundamental process allows the Fund to use specific opportunities in oversold stocks to add to positions.

Purchases by the Fund during the year were £1.68 million with sales of £0.20 million, whilst subscriptions were £2.35m and exceeded redemptions of £0.8m. This low level of activity kept turnover down, thereby minimizing costs charged to the Fund, and as a result the Portfolio Turnover Ratio decreased to -34% last year which the manager believes is one of the lowest in the industry.

A combination of these net inflows and a modest rise in the market increased the size of the Fund from £3.1 million to £4.7 million, allowing additional stocks to be purchased, which increased the efficiency of the process and reduced the tracking error. Other than new listings, as detailed below, these additional stocks are in the mid cap category as the increased size of the Fund allowed it to migrate down the capital distribution curve and purchase economic units of the smaller companies. The Manager makes every effort to keep dealing costs to a minimum; the largest single cost is stamp duty, which cannot be avoided and is incurred as new money is invested.

Over the year Royal Mail and Coca-Cola HB listed on the London Stock Exchange and were added to the portfolio. In addition, other stocks were added when dividend forecasts and Fund size permitted. These were; Ashtead Group, AZ Electronics, BBA Aviation, Beazley, Bellway, Britvic, N Brown, DCC, Derwent London, Elementis, Essar Energy, Esure, Essentra, Galliford Try, Halma, Go-Ahead Group, Homeserve, Howden Joinery, Huntings, Jupiter Fund Managers, Laird, London Metric, Marston's, Michael Page, Micro Focus, Mitie Group, Moneysupermarket, PZ Cussons, Randgold Resources, Regus, Renishaw, Rotork, W H Smith, Tullet Prebon, Victrex and W S Atkins.

Three stocks left the Fund during the year under review; of these, Invensys and ENRC were taken over and Glencore finally merged with Xstrata. The Fund is now invested in 201 individual holdings as compared to 165 as at 31 January 2013.

Investment Performance

Over the year, the investment return was an increase of 5.04% in the X Accumulation units, which compared to a 5.96% rise in the FTSE 350 Index and an 9.71% rise in the FTSE 350 Total Return Index. Although the Fund has an Annual Management Charge of only 0.5%, the Total Cost of Offering (TCO) was 0.92%, a reduction from the 1.28% in the prior year, due to its larger size and a subsidy from the Investment Adviser for certain charges which has been paid with effect from 1 August 2013.

The Fund has made quarterly distributions since October 2012, and it is therefore pleasing to report that the third and fourth quarter dividends of the reported period were 10.44% and 14.1% higher than dividends in respective quarters in the previous year. In early February 2014 the Fund had paid dividends that represented a yield of 4.1% which is 15% higher than the gross 3.55% yield of the

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market. This performance means the fund is the second highest yielding fund in the UK All Companies Sector.

Outlook

The beta for the VT Maven Smart Dividend UK Fund is 0.96. That means that, for every 1% short-term change in the market, the fund will only react by 0.96%. Smaller and more volatile shares tend to have a beta of more than 1 and typically have a higher valuation than the average, and can be subject to sharp share price movements if the companies fail to meet market expectations. Conversely, large companies usually have lower betas because of their relative stability. The Fund is biased towards stocks in this segment given their larger dividend payments, which makes it less vulnerable to downturns in the market. The effectiveness of this approach can be demonstrated by the low volatility experienced by the Fund and lower maximum drawdown ratio as published in magazines and certain websites.

It is now over five years since the financial crisis and the Government's monetary policies and quantitative easing measures implemented. Investors were encouraged to allocate more capital in riskier assets such as emerging markets and smaller companies. However, the Manager believes that the returns from large, dividend paying equities will continue to give investors steady returns over the longer term.

Fundamental Tracker Investment Management Limited Investment Adviser

Date: 29 May 2014

Note: Investments carry risks. Past performance is not a guide to future performance. Investors may not get back the amount invested.

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Comparative table

Number of shares in issue	31.01.14	31.01.13	31.01.12
A class net income	68,524	67,736	82,039
B class net income	7,434	53,560	53,560
X class net income	1,303,611	1,201,919	1,095,931
A class net accumulation	238,961	170,620	233,381
B class net accumulation	2,396	2,396	3,402
X class net accumulation	2,940,945	1,662,327	1,430,731

Net Asset Value (based on bid value)	£	£	£
Total NAV of Fund	4,724,482	3,100,241	2,524,420
A class net income	58,335	57,567	63,779
B class net income	8,411	60,191	54,954
X class net income	1,168,486	1,067,020	883,381
A class net accumulation	248,818	170,358	205,564
B class net accumulation	3,242	3,103	3,704
X class net accumulation	3,237,190	1,742,002	1,313,038

Net Asset Value per share (based on bid value)	p	p	p
A class net income	85.13	84.99	77.74
B class net income	113.14	112.38	102.60
X class net income	89.63	88.78	80.61
A class net accumulation	104.13	99.85	88.08
B class net accumulation	135.34	129.53	108.90
X class net accumulation	110.07	104.79	91.77

Quoted prices (based on mid value)	p	p	p
A class net income	85.16	85.02	79.01
B class net income	113.18	112.42	104.30
X class net income	89.66	88.80	81.84
A class net accumulation	104.16	99.88	88.19
B class net accumulation	135.38	129.57	109.00
X class net accumulation	110.11	104.83	91.79

Performance record

Calendar year		Distribution per share p	Highest price p	Lowest price p
2009	A class net income	2.093	78.09	50.06
2009	X class net income	2.160	80.58	51.55
2009	A class net accumulation	2.158	82.50	51.81
2009	B class net accumulation	2.593	99.05	62.17
2009	X class net accumulation	2.238	85.54	53.68
2010	A class net income	2.085	82.91	68.46
2010	X class net income	2.138	85.56	70.61
2010	A class net accumulation	2.209	90.06	73.14
2010	B class net accumulation	2.673	108.10	87.80
2010	X class net accumulation	2.297	93.67	75.80

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Comparative table (continued)

Performance record (continued)

Calendar year		Distribution per share p	Highest price p	Lowest price p
2011	A class net income	2.306	84.21	69.23
2011*	B class net income	1.882	110.80	91.27
2011	X class net income	2.365	86.87	71.48
2011	A class net accumulation	2.512	92.30	77.27
2011	B class net accumulation	3.089	113.90	95.35
2011	X class net accumulation	2.615	95.66	80.16
2012	A class net income	3.471	81.64	73.03
2012	B class net income	4.580	107.92	96.45
2012	X class net income	3.598	85.16	75.91
2012	A class net accumulation	3.938	100.75	82.81
2012	B class net accumulation	4.926	121.48	105.40
2012	X class net accumulation	4.105	105.74	86.48
2013	A class net income	3.484	90.69	80.90
2013	B class net income	4.616	120.36	107.41
2013	X class net income	3.646	95.29	84.83
2013	A class net accumulation	4.129	109.01	95.96
2013	B class net accumulation	5.348	141.65	122.27
2013	X class net accumulation	4.342	115.14	100.62
2014**	A class net income	0.548	90.15	85.16
2014**	B class net income	0.728	119.79	113.18
2014**	X class net income	0.577	94.89	89.66
2014**	A class net accumulation	0.666	109.55	104.16
2014**	B class net accumulation	0.865	142.38	135.38
2014**	X class net accumulation	0.704	115.78	110.11

* From launch on 4 February 2011 to 31 December 2011.

** To 31 January 2014 and payable in respect of income shares and allocated in respect of accumulation shares on 28 March 2014.

Ongoing Charges Figure (OCF)

The ongoing charges figure provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The ongoing charges consist principally of the ACD's periodic charge and the Investment Adviser's fee, which are included in the annual management charge, but also includes the costs for other services paid. From 1 August 2013 the Investment Adviser reimbursed the fund for depositary, custodian, auditor and FCA charges. This was initially to 31 January 2014 but has been extended for a further 6 months up to 31 July 2014.

A class net income	2014	2013
Annual management charge	1.50%	1.50%
Other expenses	0.42%	0.74%
Total ongoing charges figure	1.92%	2.24%

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Comparative table (continued)

Ongoing Charges Figure (OCF) (continued)

B class net income

	2014	2013
Annual management charge	1.25%	1.25%
Other expenses	0.38%	0.74%
Total ongoing charges figure	1.63%	1.99%

X class net income

	2014	2013
Annual management charge	0.50%	0.50%
Other expenses	0.40%	0.77%
Total ongoing charges figure	0.90%	1.27%

A class net accumulation

	2014	2013
Annual management charge	1.50%	1.50%
Other expenses	0.42%	0.72%
Total ongoing charges figure	1.92%	2.22%

B class net accumulation

	2014	2013
Annual management charge	1.25%	1.25%
Other expenses	0.40%	0.73%
Total ongoing charges figure	1.65%	1.98%

X class net accumulation

	2013	2013
Annual management charge	0.50%	0.50%
Other expenses	0.42%	0.78%
Total ongoing charges figure	0.92%	1.28%

Note: Charges are calculated after the reimbursement made by Maven Capital Partners of certain operating charges.

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Portfolio Information

The tables below show the percentage of the Fund's assets and liabilities by investment and geographical classification at the end of the current and previous year, and the major ten holdings in the Fund at the end of the current year and previous year.

Investment and geographical classification

Investment Type	Percentage of the total net assets as at 31.01.14	Percentage of the total net assets as at 31.01.13
Equities - incorporated in the United Kingdom	86.55%	87.26%
Equities - incorporated outwith the United Kingdom	10.43%	11.39%
	96.98%	98.65%
Net other assets	3.02%	1.35%
Total net assets	100.00%	100.00%

Major holdings (top ten) as at 31 January 2014

Holding	Percentage of the total net assets as at 31.01.14
HSBC Holdings	7.61%
Vodafone Group	6.13%
Royal Dutch Shell A	5.54%
BP	5.48%
BHP Billiton	5.33%
GlaxoSmithKline	4.95%
Royal Dutch Shell 'B'	3.43%
British American Tobacco	3.39%
AstraZeneca	2.82%
Rio Tinto	2.69%

Major holdings (top ten) as at 31 January 2013

Holding	Percentage of the total net assets as at 31.01.13
Vodafone Group	8.03%
HSBC Holdings	7.64%
BP	5.70%
BHP Billiton	5.56%
Royal Dutch Shell 'A'	5.54%
GlaxoSmithKline	4.95%
Royal Dutch Shell 'B'	3.84%
British American Tobacco	3.71%
AstraZeneca	2.88%
Rio Tinto	2.81%

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Directory

Authorised Corporate Director & Registered office

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Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DA
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Fax: 01343 880267
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Administrator & Registrar

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Mains of Orton, Fochabers, Moray, IV32 7QE
Telephone: 01343 880344
Fax: 01343 880267
(Authorised and regulated by the Financial Conduct Authority)

Investment Adviser

Fundamental Tracker Investment Management Limited
Kintyre House, 205 West George Street, Glasgow, G2 2LW
(Authorised and regulated by the Financial Conduct Authority)

Depository

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

Auditors

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