

VT iFunds OEIC

(Sub-funds VT iFunds Absolute Return Orange Fund and VT
iFunds Absolute Return Green Fund)

**Annual Report and Financial Statements
for the year ended 31 January 2020**

CONTENTS

	Page
Company Overview	1
Statement of the Authorised Corporate Director's (ACD's) Responsibilities	2
Statement of the Depositary's Responsibilities and Report of the Depositary	3
Independent Auditor's Report to the Shareholders of VT iFunds OEIC (Sub-funds VT iFunds Absolute Return Orange Fund and VT iFunds Absolute Return Green Fund)	4
VT iFunds Absolute Return Orange Fund	
Sub-fund Overview	6
Investment Manager's Review	8
Performance Record	9
Portfolio Statement	13
Summary of Portfolio Changes	14
Statement of Total Return	15
Statement of Changes in Net Assets Attributable to Shareholders	15
Balance Sheet	16
Notes to the Financial Statements	17
Distribution Tables	24
VT iFunds Absolute Return Green Fund	
Sub-fund Overview	25
Investment Manager's Review	27
Performance Record	28
Portfolio Statement	32
Summary of Portfolio Changes	33
Statement of Total Return	34
Statement of Changes in Net Assets Attributable to Shareholders	34
Balance Sheet	35
Notes to the Financial Statements	36
Distribution Tables	43
Information for Investors	44
Corporate Directory	45

COMPANY OVERVIEW

Type of Company:

VT iFunds OEIC (the 'Company') is an investment company (company number IC000868) with variable capital under the Open Ended Investment Companies Regulations 2001 (SI2001/1228). The Company is a UCITS scheme and is an umbrella company and until 27 January 2020 had three individual sub-funds and each of the sub-funds is a UCITS scheme.

The Company was incorporated and authorised by the Financial Conduct Authority on 20 April 2011 under registration number IC000868. The Company and each of the sub-funds commenced trading on 27 May 2011.

At 31 January 2020 the Company comprised the following two sub-funds:

VT iFunds Absolute Return Orange Fund

VT iFunds Absolute Return Green Fund

The investment objectives, investment policies and investment activity reports for each sub-fund are included in the financial statements for that sub-fund.

Changes to the Company

On 04 September 2019, VT iFunds Absolute Return Indigo Fund was merged into VT iFunds Absolute Return Green Fund by means of a Scheme of Arrangement. It was terminated on 27 January 2020.

On 22 October 2019, Marlborough ETF Global Growth Fund was merged into VT iFunds Absolute Return Orange Fund by means of a Scheme of Arrangement.

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

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

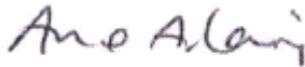
- > comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required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

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

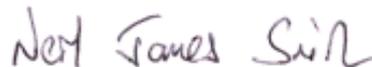
DIRECTOR'S STATEMENT

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

Anne A. Laing CA

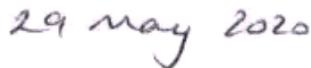


Neil J. Smith MA BA CA



Valu-Trac Investment Management Limited
Authorised Corporate Director

Date



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

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), and 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 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 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
01 February 2020

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS VT iFUNDS OEIC (SUB-FUNDS VT iFUNDS ABSOLUTE RETURN ORANGE FUND AND VT iFUNDS ABSOLUTE RETURN GREEN FUND)

Opinion

We have audited the financial statements of VT iFunds OEIC ("the Company") for the year ended 31 January 2020 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 31 January 2020 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended; and
- > have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are described further in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

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

- > the ACD's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- > the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 authorised fund manager for the year is consistent with the financial statements.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 2, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal controls as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS VT iFUNDS OEIC (SUB-FUNDS VT iFUNDS ABSOLUTE RETURN ORANGE FUND AND VT iFUNDS ABSOLUTE RETURN GREEN FUND) (Continued)

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 May 2020

SUB-FUND OVERVIEW

Name of Sub-fund	VT iFunds Absolute Return Orange Fund
Size of Sub-fund	£39,321,134
Launch date	27 May 2011
Investment objective and policy	<p>The Sub-fund aims to deliver a level of return over rolling three year periods equivalent to cash (as measured by LIBOR) plus six percent a year before fees and charges. There is no guarantee that a positive return will be achieved over this, or any period, and capital is at risk. The annualised volatility for the Sub-fund is expected to be nine percent per annum irrespective of general equity and bond market conditions.</p> <p>The Sub-fund will seek to achieve its investment objective primarily through investment in exchange traded funds, transferable securities, and other regulated collective investment schemes. This may include schemes or funds managed by the ACD and/or an associate.</p> <p>The Sub-fund may also invest directly in money market instruments, warrants, deposits, cash and near cash.</p> <p>There is no particular emphasis on geographical area or industry or economic sector.</p> <p>The Sub-fund is permitted to use derivatives but solely for the purposes of efficient portfolio management (including hedging).</p>
Share classes	<p>Class A Income and Accumulation Shares (available to all investors)</p> <p>Class B Income and Accumulation Shares (available to clients of iFunds Asset Management Limited and others at the discretion of the ACD)</p> <p>Class C Income and Accumulation Shares (available to institutional investors and others at the discretion of the ACD)</p>
Ex-distribution dates	31 January
Distribution dates	31 May
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Minimum investment	
Minimum Initial Investment:	Class A and Class B Shares = £5,000 Class C Shares = £10,000,000
Minimum Subsequent Purchase:	Class A and Class B Shares = £1,000 Class C Shares = £10,000
Minimum Holding:	Class A and Class B Shares = £1,000 Class C Shares = £100,000
Minimum Redemption:	Class C Shares only = £100,000

SUB-FUND OVERVIEW (Continued)

Charges	Preliminary and redemption charges = 0%
ACD charges	<p>The annual management charge is comprised of a fixed element which is retained by the ACD for its own account and a variable element which is paid by the ACD to the investment manager.</p> <p>The fixed element, which is equal to £30,000* per annum, is taken from class A, class B and class C shares pro-rata to their net asset value.</p> <p>The variable element in respect of the class A shares is equal to 0.58% per annum of the net asset value of the class A shares.</p> <p>The variable elements in respect of the class B shares is nil.</p> <p>The variable elements in respect of the class C shares is equal to 0.38% per annum of the net asset value of the class C shares.</p> <p>*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from 1 April 2017). In the event of negative inflation, the fixed element of the fee will remain unchanged. The variable element of the fee may be waived (in full or in part) at the discretion of the ACD.</p>
Changes to the Sub-fund	On 22 October 2019, Marlborough ETF Global Growth Fund was merged into VT iFunds Absolute Return Orange Fund by means of a Scheme of Arrangement.

INVESTMENT MANAGER'S REVIEW

Equity markets ended 2018 with sharp falls across all the major global markets as the trade dispute between the USA and China intensified and the often-expected seasonal Christmas rally was replaced by substantial equity falls. As a result, all equity trends turned negative and the iFunds investment process entered 2019 invested in a majority of bond assets.

However, the federal reserve completely reversed tack during early 2019 by both changing its rhetoric regarding monetary policy and signalling a significant move towards fiscal neutrality or even interest rate easing. As a result, both Bond and Equity markets rallied strongly, the Bond market rally helped the Fund achieve a positive return for the quarter.

In terms of trading, it was a quiet quarter for the Fund with the only notable trade being the closure of the funds inverse commodity position. The proceeds from this sale were used to open a position in an Asia property index. Latin American equities, which had been a long-standing holding, were sold in favour of index linked gilts although this holding was reduced towards the end of the quarter with the Fund's global GBP hedged bond position topped up.

The second quarter saw trade tensions between the US and China continue to dominate the economic landscape and create additional stock market volatility which resurfaced during May. Donald Trump also raised the prospect of trade tariffs being used against Mexico and Europe which in turn created additional volatility.

Domestically the Brexit issue came to a head with the resignation of Theresa May and the election of a new Tory party leader as the virtually non-existent parliamentary majority created deadlock within the government. Against this backdrop UK and European equities struggled to make progress.

Once again it was the US Federal Reserve that stepped in to support markets with a signal that it would be prepared to reduce interest rates later in the year if economic performance within the world's largest economy started to show signs of slowing.

The Fund return was again positive for the second quarter of 2019 as markets continued to recover from the falls suffered over the tail end of 2018.

The iFunds process added additional equities to the Fund over the quarter and the equity bond mix took on a more balanced look.

The third quarter of the year was again more challenging for global equities as the trade dispute between China and the US continued to attract investor attention, against this backdrop bonds continued to rally, and risk aversion was again centre stage. The drone attack in the middle east on the Saudi oil production facility also created an additional level of uncertainty.

Domestically Boris Johnson increased the stakes with the EU and Brexit by insisting he would not ask for an exit deadline date extension.

The Fund benefited from its additional exposure to bonds and the overseas equity content, although small, was assisted by a weak pound as the Brexit saga continued to impact the currency. Precious metals entered the Fund again a sign of heightened market risk.

Fourth quarter saw the equity markets rebound as Donald Trump signalled a likely first stage trade pact with the Chinese; a reduction in economic risk saw bond prices fall.

The UK general election victory for the Conservative party with an increased majority was seen as a breaking of the parliamentary impasse and the UK equity market improved as a result. This also had a significant impact on the value of Sterling.

The prospect of some degree of synchronised global growth helped most markets to rally and even the hard-pressed oil market rallied on the outlook for increased demand.

The Fund fell during the final quarter of 2019 as bonds weakened and sterling strengthened.

The iFunds investment process has moved towards Sterling based assets as the pound has strengthened and there is a clear bias towards mid and smaller company sectors.

The year has been dominated by Brexit and the trade war between the US and China making the investment backdrop a great deal more uncertain. It could be argued that Donald Trump has been playing to a domestic audience as we approach the commencement of his re-election year. Under normal circumstances one would expect the US economy and therefore the global economy to perform strongly in an election year.

The COVID-19 pandemic has impacted economic activity on a global scale and the pace of recovery will largely be dependant on the success of the scientific and pharmaceutical industries ability to tackle the virus both from a treatment and prevention point of view. Governments globally have committed to spending vast sums of money in an attempt to cushion the impact of the lock downs on businesses and jobs. The success of this strategy will only become clear over the coming months and markets are likely to remain volatile as each piece of economic and virus related news is digested. The Fund is at present defensively positioned, with only the US Technology sector remaining in a positive trend.

iFunds Asset Management Limited
Investment Manager to the Fund

PERFORMANCE RECORD

Financial Highlights

Class A Income

		Year to 31 January 2020	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	128.2254	145.8217	133.6653
	Return before operating charges	2.6294	(16.0358)	14.7451
	Operating charges (note 1)	(1.4122)	(1.2925)	(1.4676)
	Return after operating charges *	1.2172	(17.3283)	13.2775
	Distribution on income units	(0.1384)	(0.2680)	(1.1211)
	Closing net asset value per unit	129.3042	128.2254	145.8217
	*after direct transactions costs of:	0.4764	0.6303	0.3773
Performance	Return after charges	0.95%	(11.88%)	9.93%
Other information	Closing net asset value	£116,072	£209,457	£489,085
	Closing number of units	89,766	163,351	335,399
	Operating charges (note 2)	1.08%	0.95%	1.02%
	Direct transaction costs	0.37%	0.46%	0.27%
Prices	Highest unit price	137.26	146.41	151.76
	Lowest unit price	124.71	126.97	132.75

Class A Accumulation

		Year to 31 January 2020	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	131.2865	148.9496	135.4672
	Return before operating charges	2.6937	(16.3432)	14.9699
	Operating charges (note 1)	(1.4459)	(1.3199)	(1.4875)
	Return after operating charges *	1.2478	(17.6631)	13.4824
	Closing net asset value per unit	132.5343	131.2865	148.9496
	Retained distribution on accumulated units	0.1506	0.3140	1.1393
	*after direct transactions costs of:	0.4881	0.6445	0.3840
Performance	Return after charges	0.95%	(11.86%)	9.95%
Other information	Closing net asset value	£30,065,430	£31,919,656	£39,382,690
	Closing number of units	22,685,025	24,312,972	26,440,287
	Operating charges (note 2)	1.08%	0.95%	1.02%
	Direct transaction costs	0.37%	0.46%	0.27%
Prices	Highest unit price	140.54	149.56	153.84
	Lowest unit price	127.69	129.69	134.54

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class B Income		Year to 31 January 2020	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	134.4437	152.9130	140.1156
	Return before operating charges	2.7658	(16.7194)	15.3065
	Operating charges (note 1)	(0.6875)	(0.5284)	(0.6654)
	Return after operating charges *	2.0783	(17.2478)	14.6411
	Distribution on income units	(0.9524)	(1.2215)	(1.8437)
	Closing net asset value per unit	135.5696	134.4437	152.9130
	*after direct transactions costs of:	0.4995	0.6609	0.3956
Performance				
	Return after charges	1.55%	(11.28%)	10.45%
Other information				
	Closing net asset value	£5,734,241	£5,704,023	£4,656,448
	Closing number of units	4,229,738	4,242,687	3,045,161
	Operating charges (note 2)	0.50%	0.37%	0.44%
	Direct transaction costs	0.37%	0.46%	0.27%
Prices				
	Highest unit price	144.43	153.55	159.86
	Lowest unit price	130.98	133.32	139.16

Class B Accumulation		Year to 31 January 2020	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	138.1935	155.5968	140.8913
	Return before operating charges	2.8322	(16.8655)	15.3746
	Operating charges (note 1)	(0.7067)	(0.5378)	(0.6691)
	Return after operating charges *	2.1255	(17.4033)	14.7055
	Closing net asset value per unit	140.3190	138.1935	155.5968
	Retained distribution on accumulated units	0.9789	1.3742	1.8532
	*after direct transactions costs of:	0.5152	0.6757	0.4003
Performance				
	Return after charges	1.54%	(11.18%)	10.44%
Other information				
	Closing net asset value	£1,843,986	£2,087,028	£2,937,850
	Closing number of units	1,314,139	1,510,221	1,888,117
	Operating charges (note 2)	0.50%	0.37%	0.44%
	Direct transaction costs	0.37%	0.46%	0.27%
Prices				
	Highest unit price	148.44	156.24	160.72
	Lowest unit price	134.63	135.66	139.03

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class C Income		Year to 31 January 2020	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	132.6602	150.8720	138.2682
	Return before operating charges	2.7073	(16.4811)	15.2182
	Operating charges (note 1)	(1.1916)	(1.0560)	(1.2217)
	Return after operating charges *	1.5157	(17.5371)	13.9965
	Distribution on income units	(0.4097)	(0.6747)	(1.3927)
	Closing net asset value per unit	133.7662	132.6602	150.8720
	*after direct transactions costs of:	0.4929	0.6521	0.3903
Performance	Return after charges	1.14%	(11.62%)	10.12%
Other information	Closing net asset value	£707,546	£14,371,109	£22,297,536
	Closing number of units	528,942	10,833,020	14,779,107
	Operating charges (note 2)	0.88%	0.75%	0.82%
	Direct transaction costs	0.37%	0.46%	0.27%
Prices	Highest unit price	142.18	151.49	157.27
	Lowest unit price	129.10	131.42	137.32

Class C Accumulation		Year to 31 January 2020	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	136.0640	153.9971	139.8449
	Return before operating charges	2.7905	(16.8553)	15.3878
	Operating charges (note 1)	(1.2223)	(1.0778)	(1.2356)
	Return after operating charges *	1.5682	(17.9331)	14.1522
	Closing net asset value per unit	137.6322	136.0640	153.9971
	Retained distribution on accumulated units	0.4340	0.6586	1.3952
	*after direct transactions costs of:	0.5063	0.6671	0.3967
Performance	Return after charges	1.15%	(11.65%)	10.12%
Other information	Closing net asset value	£886,928	£1,082,732	£764,320
	Closing number of units	644,419	795,752	496,321
	Operating charges (note 2)	0.88%	0.75%	0.82%
	Direct transaction costs	0.37%	0.46%	0.27%
Prices	Highest unit price	145.83	154.63	159.06
	Lowest unit price	132.41	134.13	138.89

PERFORMANCE RECORD (Continued)

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund.

Risk Profile

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked '4' because monthly historical performance data indicates that it has experienced average rises and falls in market prices historically.

PORTFOLIO STATEMENT

As at 31 January 2020

Holding	Value £	% of net assets
EQUITIES 73.94% - (31.01.19: 10.77%)		
1,162,941 iShares Core MSCI World UCITS ETF GBP Hedged (Dist)	7,108,477	18.09
102,223 iShares EURO STOXX Small UCITS ETF	3,194,724	8.12
331,615 iShares FTSE 250 UCITS ETF (Dist)	6,705,255	17.05
10,135 SPDR MSCI EM Asia ETF	503,507	1.28
322,939 SPDR S&P Euro Dividend Aristocrats ETF	6,591,993	16.76
123,147 Xtrackers MSCI Europe Small Cap UCITS ETF 1C	4,969,597	12.64
	<u>29,073,553</u>	<u>73.94</u>
GOVERNMENT BONDS 0.00% - (31.01.19: 67.56%)		
COMMODITIES 0.00% - (31.01.19: 17.54%)		
PROPERTY 22.54% - (31.01.19: 0.00%)		
4,819 Amundi Luxembourg AM FTSE EPRA Europe Real Estate	1,743,635	4.43
271,996 Xtrackers FTSE Developed Europe Real Estate UCITS ETF 1C	7,118,815	18.11
	<u>8,862,450</u>	<u>22.54</u>
Portfolio of investments 96.48% - (31.01.19: 95.87%)	37,936,003	96.48
Net other assets 3.60% - (31.01.19: 4.22%)	1,418,200	3.60
Adjustment to revalue assets from mid to bid prices (0.08%) - (31.01.19: (0.09%))	(33,069)	(0.08)
	<u>39,321,134</u>	<u>100.00</u>

SUMMARY OF PORTFOLIO CHANGES

	£
Total sales for the year ended 31 January 2020 (note 14)	241,240,738
ETFS Short All Commodities	7,331,161
ETFS Short Crude Oil	1,873,016
Invesco Physical Markets Plc	9,682,851
iShares Asia Pacific Dividend UCITS ETF USD (Dist)	8,629,543
iShares Asia Property Yield UCITS ETF USD (Dist)	6,109,133
iShares Core Corp Bond UCITS ETF GBP (Dist)	21,862,295
iShares Core EURO STOXX 50 UCITS ETF EUR (Acc)	10,023,787
iShares Core FTSE 100 UCITS ETF GBP (Dist)	9,540,097
iShares Core MSCI Japan IMI UCITS ETF USD (Acc)	8,437,273
iShares Core MSCI World UCITS ETF GBP Hgd (Dist)	5,737,135
iShares Core S&P 500 UCITS ETF USD (Acc)	10,104,925
iShares Core UK Gilts UCITS ETF GBP (Dist)	13,427,726
iShares Global Aggregate BD UCITS ETF	10,966,013
iShares Index-Linked Gilts UCITS ETF GBP (Dist)	16,207,792
iShares MSCI EM Latin America UCITS ETF USD (Dist)	5,741,949
iShares MSCI Japan Small Cap UCITS ETF USD (Dist)	7,731,480
iShares Physical Gold ETC	9,430,161
iShares Physical Metals Plc	64,948
iShares UK Gilts 0-5yr UCITS ETF GBP (Dist)	10,310,064
iShares US Property Yield UCITS ETF USD (Dist)	12,625,029
PowerShares EQQQ Nasdaq-100 USD UCITS ETF	8,124,260
SPDR Barclays Capital 1-5 Year Gilt ETF	8,056,326
SPDR Barclays Capital 15+ Year Gilt ETF	19,485,628
SPDR Barclays Capital UK Gilt ETF	8,955,067
SPDR S&P Euro Dividend Aristocrats ETF	664,297
SPDR S&P US Dividend Aristocrats ETF	5,207,133
Vanguard Global Aggregate Bond ETF GBP Hedged Acc	4,911,649

	£
Total purchases for the year ended 31 January 2020 (note 14)	223,653,367
Amundi Luxembourg AM FTSE EPRA Europe Real Estate	1,697,089
Xtrackers FTSE Developed Europe Real Estate UCITS ETF 1C DR	6,920,124
ETFS Short All Commodities	2,520,802
ETFS Short Crude Oil	1,984,297
Invesco Physical Markets Plc	9,444,755
iShares Asia Pacific Dividend UCITS ETF USD (Dist)	8,975,823
iShares Asia Property Yield UCITS ETF USD (Dist)	8,756,513
iShares Core Corp Bond UCITS ETF GBP (Dist)	21,741,288
iShares Core EURO STOXX 50 UCITS ETF EUR (Acc)	9,563,850
iShares Core FTSE 100 UCITS ETF GBP (Dist)	9,571,247
iShares Core MSCI Japan IMI UCITS ETF USD (Acc)	8,293,350
iShares Core MSCI World UCITS ETF GBP Hgd (Dist)	13,172,740
iShares Core S&P 500 UCITS ETF USD (Acc)	9,536,526
iShares Core UK Gilts UCITS ETF GBP (Dist)	3,520,501
iShares EURO STOXX Small UCITS ETF EUR (Dist)	3,205,131
iShares FTSE 250 UCITS ETF GBP (Dist)	6,969,155
iShares Global Aggregate BD UCITS ETF	11,013,477
iShares Index-Linked Gilts UCITS ETF GBP (Dist)	16,336,991
iShares MSCI Japan Small Cap UCITS ETF USD (Dist)	7,933,046
iShares Physical Gold ETC	4,593,949
iShares Physical Metals Plc	647,735
iShares US Property Yield UCITS ETF USD (Dist)	9,996,599
PowerShares EQQQ Nasdaq-100 USD UCITS ETF	7,450,178
SPDR Barclays Capital 15+ Year Gilt ETF	16,739,579
SPDR MSCI EM Asia UCITS ETF	554,652
SPDR S&P Euro Dividend Aristocrats ETF	7,272,548
SPDR S&P US Dividend Aristocrats ETF	5,334,841
Vanguard Global Aggregate Bond ETF GBP Hedged Acc	5,006,323
Xtrackers MSCI Europe Small Cap UCITS ETF 1C	4,900,257

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

STATEMENT OF TOTAL RETURN

For the year ended 31 January 2020		31.01.20	31.01.19
	Notes	£	£
Income			
Net capital gains/(losses)	2	809,163	(8,184,558)
Revenue	3	450,436	655,911
Expenses	4	(306,060)	(395,153)
Interest payable and similar charges	6	-	-
Net revenue before taxation		144,376	260,758
Taxation	5	-	-
Net revenue after taxation		<u>144,376</u>	<u>260,758</u>
Total return before distributions		953,539	(7,923,800)
Finance costs: distributions	6	<u>(144,376)</u>	<u>(260,758)</u>
Changes in net assets attributable to shareholders from investment activities		<u>809,163</u>	<u>(8,184,558)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January 2020	31.01.20	31.01.19
	£	£
Opening net assets attributable to shareholders	55,323,504	70,483,813
Scheme of arrangement*	1,612,877	-
Amounts receivable on creation of shares	6,391,235	15,704,438
Amounts payable on cancellation of shares	(24,881,245)	(22,789,685)
Dilution levy	15,781	7,152
Retained distribution on accumulation shares	49,819	102,344
Changes in net assets attributable to shareholders from investment activities (see above)	<u>809,163</u>	<u>(8,184,558)</u>
Closing net assets attributable to shareholders	<u>39,321,134</u>	<u>55,323,504</u>

*On 22 October 2019, Marlborough ETF Global Growth Fund was merged into VT iFunds Absolute Return Orange Fund by means of a Scheme of Arrangement.

BALANCE SHEET

As at 31 January 2020		31.01.20		31.01.19	
	Notes	£	£	£	£
FIXED ASSETS					
Investment assets		37,902,934		52,986,383	
CURRENT ASSETS					
Debtors	7	30,327		2,302,745	
Cash and bank balances	8	<u>1,511,730</u>		<u>350,315</u>	
Total current assets		<u>1,542,057</u>		<u>2,653,060</u>	
Total assets		39,444,991		55,639,443	
CURRENT LIABILITIES					
Creditors	9	(81,283)		(190,580)	
Distribution payable on income shares		<u>(42,574)</u>		<u>(125,359)</u>	
Total current liabilities		<u>(123,857)</u>		<u>(315,939)</u>	
Net assets attributable to shareholders		<u>39,321,134</u>		<u>55,323,504</u>	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2020

1 Accounting policies

a. Basis of accounting

The financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014. The functional currency of the Sub-fund is Sterling.

b. Basis of valuation of investments

The listed investments of the Sub-fund have been valued at bid market prices at the closing valuation point on 31 January 2020.

c. Recognition of revenue

All income from collective investment schemes is credited to income when they are quoted ex dividend. All distributions from accumulation holdings in collective investment schemes are treated as revenue. Equalisation on distributions received from collective investment schemes is treated as capital. All revenue is recognised at a gross amount that includes any withholding taxes but excludes any other taxes such as tax credits. Rebate income is treated as revenue and recognised on an accruals basis. Gains and losses, including differences in valuation of investments held at the balance sheet date, including unrealised exchange differences, are treated as capital.

d. Expenses

All expenses of the Sub-fund are charged to income with exception of costs relating to the purchase and sale of investments which are charged to capital.

e. Current taxation

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on income liable to corporation tax less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

f. Deferred taxation

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.

g. Equalisation

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 equalisation") representing the ACD's best estimate of the amount of income included in the price of that share.

h. Distributions

The Sub-fund issues both accumulation and income shares. The Sub-fund goes ex dividend on 31 January and pays any income available to the shareholder annually four months in arrears, as a dividend. Should the expenses exceed the income then no distribution shall be made to the shareholder and the shortfall paid from capital.

i. Unclaimed distributions

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or if that no longer exists the ACD). Application to claim distributions that have not been paid should be made to the ACD before this six year period has elapsed.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 Net capital gains/(losses)	31.01.20	31.01.19
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	817,729	(7,896,250)
Transaction charges	(302)	(1,697)
Foreign exchange losses	(8,264)	(286,611)
Total net capital gains/(losses)	<u>809,163</u>	<u>(8,184,558)</u>
3 Revenue	31.01.20	31.01.19
	£	£
Non-taxable dividends	153,137	623,449
Interest distributions	290,117	30,210
Bank interest	7,182	2,252
Total revenue	<u>450,436</u>	<u>655,911</u>
4 Expenses	31.01.20	31.01.19
	£	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD fee	<u>259,421</u>	<u>319,964</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	23,804	29,886
Safe custody fee	7,063	4,679
	<u>30,867</u>	<u>34,565</u>
Other expenses:		
Audit fee	8,078	8,100
FCA fee	61	104
Other expenses	7,633	32,420
	<u>15,772</u>	<u>40,624</u>
Total expenses	<u>306,060</u>	<u>395,153</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	31.01.20	31.01.19
	£	£
(a) Analysis of charge in the year		
Irrecoverable income tax	-	-
Total tax charge for the year (note 5b)	-	-
(b) Factors affecting current tax charge for the year		
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% (2019: 20.00%) The differences are explained below:		
Net revenue before UK corporation tax	144,376	260,758
Corporation tax at 20.00% (2019: 20.00%)	28,875	52,151
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(30,627)	(124,690)
Current year expenses not utilised	1,752	72,539
Total tax charge for year (note 5a)	-	-

(c) Provision for deferred taxation

At 31 January 2020 there is a potential deferred tax asset of £262,213 (31 January 2019: £260,461) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs	31.01.20	31.01.19
	£	£
Final dividend distribution	92,393	227,703
	92,393	227,703
Add: Revenue deducted on cancellation of shares	57,924	44,321
Deduct: Revenue received on issue of shares	(5,941)	(11,266)
Net distribution for the year	144,376	260,758
Interest payable and similar charges	-	-
Total finance costs	144,376	260,758
Reconciliation of distributions		
Net revenue after taxation	144,376	260,758
Net distribution for the year	144,376	260,758

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.01.20	31.01.19
	£	£
Accrued revenue	18,861	-
Prepayments	-	295
Amounts receivable on trades	-	2,296,786
Amounts receivable for issue of shares	11,466	5,664
Total debtors	30,327	2,302,745
8 Cash and bank balances	31.01.20	31.01.19
	£	£
Cash and bank balances	1,511,730	350,315
9 Creditors	31.01.20	31.01.19
	£	£
Amounts payable for redemption of shares	25,631	137,624
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD's periodic charge	18,357	24,051
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary's fees	1,595	2,260
Transaction charges	15,305	11,765
Safe custody and other bank charges	10,252	3,216
	27,152	17,241
Accrued expenses	10,143	11,664
Total creditors	81,283	190,580
10 Units held		
Class A Income GBP		
Opening units at 01.02.19	163,351	
Units issued during the year	81	
Units cancelled during the year	(73,666)	
Units converted during the year	-	
Closing units as at 31.01.20	89,766	
Class A Accumulation GBP		
Opening units at 01.02.19	24,312,972	
Units issued during the year	2,226,807	
Units cancelled during the year	(3,854,754)	
Units converted during the year	-	
Closing units as at 31.01.20	22,685,025	
Class B Income GBP		
Opening units at 01.02.19	4,242,687	
Units issued during the year	878,330	
Units cancelled during the year	(891,279)	
Units converted during the year	-	
Closing units as at 31.01.20	4,229,738	
Class B Accumulation GBP		
Opening units at 01.02.19	1,510,221	
Units issued during the year	73,702	
Units cancelled during the year	(269,784)	
Units converted during the year	-	
Closing units as at 31.01.20	1,314,139	
Class C Income GBP		
Opening units at 01.02.19	10,833,020	
Units issued during the year	1,549,791	
Units cancelled during the year	(11,853,869)	
Units converted during the year	-	
Closing units as at 31.01.20	528,942	

10 Units held (continued)

Class C Accumulation GBP	
Opening units at 01.02.19	795,752
Units issued during the year	13,176
Units cancelled during the year	(164,509)
Units converted during the year	-
Closing units as at 31.01.20	644,419

11 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 comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31.01.20 would have increased/decreased by £3,790,293 (2019 - £5,298,638).

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt. A portion of the net assets of the Sub-fund is denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency monetary assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.01.20	31.01.19	31.01.20	31.01.19	31.01.20	31.01.19
Sterling	1,418,200	2,337,121	37,902,934	48,148,973	39,321,134	50,486,094
US Dollars	-	-	-	4,837,410	-	4,837,410
Total	1,418,200	2,337,121	37,902,934	52,986,383	39,321,134	55,323,504

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Financial instruments (continued)

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

31.01.20				
Currency	Floating rate financial assets	Investment in bond collectives	Financial assets not carrying interest	Total
	£	£	£	£
Sterling	1,511,730	-	37,933,261	39,444,991
Total	1,511,730	-	37,933,261	39,444,991
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Sterling	-	-	(123,857)	(123,857)
Total	-	-	(123,857)	(123,857)

31.01.19				
Currency	Floating rate financial assets	Investment in bond collectives	Financial assets not carrying interest	Total
	£	£	£	£
Sterling	350,315	37,373,627	13,066,995	50,790,937
US Dollar	-	-	4,848,506	4,848,506
Total	350,315	37,373,627	17,915,501	55,639,443
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Sterling	-	-	(315,939)	(315,939)
Total	-	-	(315,939)	(315,939)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 January 2020 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Financial instruments (continued)

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

- A Fair value based on a quoted price for an identical instrument in an active market.
- B Fair value based on the price of a recent transaction for an identical instrument.
- C1 Fair value based on a valuation technique using observable market data.
- C2 Fair value based on a valuation technique that relies significantly on non-observable market data.

Valuation Technique	Assets (£000's)	Liabilities (£000's)
A Quoted prices for identical instruments in active markets	37,903	-
Total	37,903	-

12 Contingent assets and liabilities

At 31 January 2020, the Sub-fund had no contingent liabilities or commitments (31 January 2019: £nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 January 2020. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 31 January 2020	Price at 22 May 2020
A Income GBP	129.3042p	106.8658p
A Accumulation GBP	132.5343p	109.5366p
B Income GBP	135.5696p	112.2450p
B Accumulation GBP	140.3190p	116.1777p
C Income GBP	133.7662p	110.6269p
C Accumulation GBP	137.6322p	113.8198p

14 Portfolio transactions costs

	31.01.20		31.01.19	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	223,580,306		333,447,487	
Commissions	73,060	0.03%	126,217	0.04%
	<u>73,060</u>		<u>126,217</u>	
Total purchase costs		0.03%	126,217	0.04%
Total purchases including transaction costs	<u>223,653,367</u>		<u>333,573,704</u>	
Analysis of total sale costs				
Sales in the year before transaction costs	241,313,857		339,755,678	
Commissions	(73,119)	0.03%	(128,104)	0.04%
	<u>(73,119)</u>		<u>(128,104)</u>	
Total sale costs		0.03%	(128,104)	0.04%
Total sales net of transaction costs	<u>241,240,738</u>		<u>339,627,574</u>	

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

	2020 % of average net £ asset value		2019 % of average net £ asset value	
Commissions	146,179	0.37%	254,321	0.46%
	<u>146,179</u>	<u>0.37%</u>	<u>254,321</u>	<u>0.46%</u>

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1: Shares purchased prior to 01 February 2019

Group 2 : Shares purchased on or after 01 February 2019 and on or before 31 January 2020

01 February 2019 to 31 January 2020

A Income GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	0.1384p	-	0.1384p	0.2680p
Group 2	0.0888p	0.0496p	0.1384p	0.2680p

A Accumulation GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	0.1506p	-	0.1506p	0.3140p
Group 2	0.0050p	0.1456p	0.1506p	0.3140p

B Income GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	0.9524p	-	0.9524p	1.2215p
Group 2	0.5281p	0.4243p	0.9524p	1.2215p

B Accumulation GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	0.9789p	-	0.9789p	1.3742p
Group 2	0.9643p	0.0146p	0.9789p	1.3742p

C Income GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	0.4097p	-	0.4097p	0.6747p
Group 2	0.1104p	0.2993p	0.4097p	0.6747p

C Accumulation GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	0.4340p	-	0.4340p	0.6586p
Group 2	0.3394p	0.0946p	0.4340p	0.6586p

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) 34.00% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 66.00% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Name of Sub-fund	VT iFunds Absolute Return Green Fund
Size of Sub-fund	£6,925,651
Launch date	27 May 2011
Investment objective and policy	<p>The Sub-fund aims to deliver a level of return over rolling three year periods equivalent to cash (as measured by LIBOR) plus five percent a year before fees and charges. There is no guarantee that a positive return will be achieved over this, or any period, and capital is at risk. The annualised volatility for the Sub-fund is expected to be seven percent per annum irrespective of general equity and bond market conditions.</p> <p>The Sub-fund will seek to achieve its investment objective primarily through investment in exchange traded funds, transferable securities, and other regulated collective investment schemes. This may include schemes or funds managed by the ACD and/or an associate.</p> <p>The Sub-fund may also invest directly in money market instruments, warrants, deposits, cash and near cash.</p> <p>There is no particular emphasis on geographical area or industry or economic sector.</p> <p>The Sub-fund is permitted to use derivatives but solely for the purposes of efficient portfolio management (including hedging).</p>
Share classes	<p>Class A Income and Accumulation Shares (available to all investors)</p> <p>Class B Income and Accumulation Shares (available to clients of iFunds Asset Management Limited and others at the discretion of the ACD)</p> <p>Class C Income and Accumulation Shares (available to institutional investors and others at the discretion of the ACD)</p>
Ex-distribution dates	31 January
Distribution dates	31 May
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Minimum investment	
Minimum Initial Investment:	Class A and Class B Shares = £5,000 Class C Shares = £10,000,000
Minimum Subsequent Purchase:	Class A and Class B Shares = £1,000 Class C Shares = £10,000
Minimum Holding:	Class A and Class B Shares = £1,000 Class C Shares = £100,000
Minimum Redemption:	Class C Shares only = £100,000

SUB-FUND OVERVIEW (Continued)

Charges

Preliminary and redemption charges = 0%

ACD charges

The annual management charge is comprised of a fixed element which is retained by the ACD for its own account and a variable element which is paid by the ACD to the investment manager.

The fixed element, which is equal to £30,000* per annum, is taken from class A, class B and class C shares pro-rata to their net asset value.

The variable element in respect of the class A shares is equal to 0.58% per annum of the net asset value of the class A shares.

The variable elements in respect of the class B shares is nil.

The variable elements in respect of the class C shares is equal to 0.38% per annum of the net asset value of the class C shares.

*The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 April each year (from 1 April 2017). In the event of negative inflation, the fixed element of the fee will remain unchanged. The variable element of the fee may be waived (in full or in part) at the discretion of the ACD.

Changes to the Sub-fund

On 04 September 2019, VT iFunds Absolute Return Indigo Fund was merged into VT iFunds Absolute Return Green Fund by means of a Scheme of Arrangement.

INVESTMENT MANAGER'S REVIEW

Equity markets ended 2018 with sharp falls across all the major global markets as the trade dispute between the USA and China intensified and the often-expected seasonal Christmas rally was replaced by substantial equity falls. As a result, all equity trends turned negative and the iFunds investment process entered 2019 invested in a majority of bond assets.

However, the federal reserve completely reversed tack during early 2019 by both changing its rhetoric with regarding monetary policy and signalling a significant move towards fiscal neutrality or even interest rate easing. As a result, both Bond and Equity markets rallied strongly, the Bond market rally helped the Fund achieve a positive return for the quarter.

In terms of trading, it was a quiet quarter for the Fund with the only notable trade being the closure of the funds inverse commodity position. The proceeds from this sale were used to open a position in an Asia property index. Latin American equities, which had been a long-standing holding, were sold in favour of index linked gilts although this holding was reduced towards the end of the quarter with the Fund's global GBP hedged bond position topped up.

The second quarter saw trade tensions between the US and China continue to dominate the economic landscape and create additional stock market volatility which resurfaced during May. Donald Trump also raised the prospect of trade tariffs being used against Mexico and Europe which in turn created additional volatility.

Domestically the Brexit issue came to a head with the resignation of Theresa May and the election of a new Tory party leader as the virtually non-existent parliamentary majority created deadlock within the government. Against this backdrop UK and European equities struggled to make progress.

Once again it was the US Federal Reserve that stepped in to support markets with a signal that it would be prepared to reduce interest rates later in the year if economic performance within the world's largest economy started to show signs of slowing.

The Fund return was again positive for the second quarter of 2019 as markets continued to recover from the falls suffered over the tail end of 2018.

The iFunds process added additional equities to the Fund over the quarter and the equity bond mix took on a more balanced look.

The third quarter of the year was again more challenging for global equities as the trade dispute between China and the US continued to attract investor attention, against this backdrop bonds continued to rally, and risk aversion was again centre stage. The drone attack in the middle east on the Saudi oil production facility also created an additional level of uncertainty.

Domestically Boris Johnson increased the stakes with the EU and Brexit by insisting he would not ask for an exit deadline date extension.

The Fund benefited from its additional exposure to bonds and the overseas equity content, although small, was assisted by a weak pound as the Brexit saga continued to impact the currency. Precious metals entered the Fund again a sign of heightened market risk.

Fourth quarter saw the equity markets rebound as Donald Trump signalled a likely first stage trade pact with the Chinese; a reduction in economic risk saw bond prices fall.

The UK general election victory for the Conservative party with an increased majority was seen as a breaking of the parliamentary impasse and the UK equity market improved as a result. This also had a significant impact on the value of Sterling.

The prospect of some degree of synchronised global growth helped most markets to rally and even the hard-pressed oil market rallied on the outlook for increased demand.

The Fund fell during the final quarter of 2019 as bonds weakened and sterling strengthened.

The iFunds investment process has moved towards Sterling based assets as the pound has strengthened and there is a clear bias towards mid and smaller company sectors.

The year has been dominated by Brexit and the trade war between the US and China making the investment backdrop a great deal more uncertain. It could be argued that Donald Trump has been playing to a domestic audience as we approach the commencement of his re-election year. Under normal circumstances one would expect the US economy and therefore the global economy to perform strongly in an election year.

The COVID-19 pandemic has impacted economic activity on a global scale and the pace of recovery will largely be dependant on the success of the scientific and pharmaceutical industries ability to tackle the virus both from a treatment and prevention point of view. Governments globally have committed to spending vast sums of money in an attempt to cushion the impact of the lock downs on businesses and jobs. The success of this strategy will only become clear over the coming months and markets are likely to remain volatile as each piece of economic and virus related news is digested. The Fund is at present defensively positioned, with only the US Technology sector remaining in a positive trend.

iFunds Asset Management Limited
Investment Manager to the Fund

PERFORMANCE RECORD

Financial Highlights

Class A Income

		Year to 31 January 2020	Year to 31 January 2019	Period from 01 December 2017 to 31 January 2018 [^]
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	88.0017	99.5046	100.0000
	Return before operating charges	4.0305	(9.9864)	0.8566
	Operating charges (note 1)	(1.4008)	(1.5165)	(1.3520)
	Return after operating charges *	2.6297	(11.5029)	(0.4954)
	Distribution on income units	-	-	-
	Closing net asset value per unit	90.6314	88.0017	99.5046
	*after direct transactions costs of:	0.2322	0.4875	0.2793
Performance	Return after charges	2.99%	(11.56%)	(0.50%)
Other information	Closing net asset value	£1,359	£1,320	£1,493
	Closing number of units	1,500	1,500	1,500
	Operating charges (note 2)	1.55%	1.65%	1.35%
	Direct transaction costs	0.26%	0.52%	0.28%
Prices	Highest unit price	94.45	99.50	102.98
	Lowest unit price	87.03	86.32	99.07

[^] Share class was relaunched on 01 December 2017

Class A Accumulation

		Year to 31 January 2020	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	122.2508	138.3010	132.0313
	Return before operating charges	5.5979	(13.9426)	8.1273
	Operating charges (note 1)	(1.9460)	(2.1076)	(1.8576)
	Return after operating charges *	3.6519	(16.0502)	6.2697
	Closing net asset value per unit	125.9027	122.2508	138.3010
	Retained distribution on accumulated units	-	-	-
	*after direct transactions costs of:	0.3226	0.6774	0.3785
Performance	Return after charges	2.99%	(11.61%)	4.75%
Other information	Closing net asset value	£2,065,176	£2,942,215	£3,914,846
	Closing number of units	1,640,295	2,406,705	2,830,671
	Operating charges (note 2)	1.55%	1.65%	1.35%
	Direct transaction costs	0.26%	0.52%	0.28%
Prices	Highest unit price	131.21	138.30	143.13
	Lowest unit price	120.90	119.98	131.41

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class B Income		Year to 31 January 2020	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	125.9584	143.2799	136.1867
	Return before operating charges	5.7767	(14.3404)	8.1889
	Operating charges (note 1)	(1.2584)	(1.4177)	(1.0957)
	Return after operating charges *	4.5183	(15.7581)	7.0932
	Distribution on income units	(0.1558)	(1.5634)	-
	Closing net asset value per unit	130.3209	125.9584	143.2799
	*after direct transactions costs of:	0.3332	0.7000	0.3913
Performance	Return after charges	3.59%	(11.00%)	5.21%
Other information	Closing net asset value	£1,857,167	£1,530,148	£1,552,098
	Closing number of units	1,425,072	1,214,804	1,083,263
	Operating charges (note 2)	0.97%	1.07%	0.77%
	Direct transaction costs	0.26%	0.52%	0.28%
Prices	Highest unit price	135.65	143.28	148.31
	Lowest unit price	124.63	124.40	135.55

Class B Accumulation		Year to 31 January 2020	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	127.5409	143.1781	136.0845
	Return before operating charges	5.8494	(14.2201)	8.1885
	Operating charges (note 1)	(1.2743)	(1.4171)	(1.0949)
	Return after operating charges *	4.5751	(15.6372)	7.0936
	Closing net asset value per unit	132.1160	127.5409	143.1781
	Retained distribution on accumulated units	0.1578	1.3006	-
	*after direct transactions costs of:	0.3376	0.7039	0.3910
Performance	Return after charges	3.59%	(10.92%)	5.21%
Other information	Closing net asset value	£2,969,185	£2,709,831	£4,228,645
	Closing number of units	2,247,407	2,124,676	2,953,416
	Operating charges (note 2)	0.97%	1.07%	0.77%
	Direct transaction costs	0.26%	0.52%	0.28%
Prices	Highest unit price	137.36	143.18	148.20
	Lowest unit price	126.19	124.38	135.45

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class C Income

		Period from 01 February 2019 to 24 July 2019 [^]	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	123.4775	139.3822	132.8628
	Return before operating charges	7.1234	(14.0372)	8.1132
	Operating charges (note 1)	(1.5114)	(1.8675)	(1.5938)
	Return after operating charges *	5.6120	(15.9047)	6.5194
	Distribution on income units	-	-	-
	Closing net asset value per unit	129.0895	123.4775	139.3822
	*after direct transactions costs of:	0.3283	0.6834	0.3811
Performance	Return after charges	4.54%	(11.41%)	4.91%
Other information	Closing net asset value	£12,909	£12,348	£21,395
	Closing number of units	10,000	10,000	15,350
	Operating charges (note 2)	1.35%	1.45%	1.15%
	Direct transaction costs	0.26%	0.52%	0.28%
Prices	Highest unit price	129.44	139.38	144.26
	Lowest unit price	100.00	120.99	132.24

[^] Share class was terminated on 24 July 2019

Class C Accumulation

		Year to 31 January 2020	Year to 31 January 2019	Year to 31 January 2018
Changes in net assets per unit		GBP	GBP	GBP
	Operating net asset value per unit	125.4437	141.5351	134.9198
	Return before operating charges	5.7467	(14.1950)	8.2338
	Operating charges (note 1)	(1.7409)	(1.8964)	(1.6185)
	Return after operating charges *	4.0058	(16.0914)	6.6153
	Closing net asset value per unit	129.4495	125.4437	141.5351
	Retained distribution on accumulated units	-	-	-
	*after direct transactions costs of:	0.3314	0.6941	0.3870
Performance	Return after charges	3.19%	(11.37%)	4.90%
Other information	Closing net asset value	£37,353	£77,101	£107,199
	Closing number of units	28,855	61,463	75,740
	Operating charges (note 2)	1.35%	1.45%	1.15%
	Direct transaction costs	0.26%	0.52%	0.28%
Prices	Highest unit price	134.80	141.54	146.49
	Lowest unit price	124.07	122.85	134.28

PERFORMANCE RECORD (Continued)

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund.

Risk Profile

Based on past data, the Sub-fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked '4' because monthly historical performance data indicates that it has experienced average 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 2020

Holding	Value £	% of net assets
EQUITIES - 44.11% (31.01.19: 6.20%)		
129,376 iShares Core MSCI World UCITS ETF GBP Hedged (Dist)	790,811	11.42
10,473 iShares EURO STOXX Small UCITS STF	327,307	4.73
34,338 iShares FTSE 250 UCITS ETF (Dist)	694,314	10.03
36,009 SPDR S&P Euro Dividend Aristocrats ETF	735,034	10.61
12,566 Xtrackers MSCI Europe Small Cap UCITS ETF 1C	507,101	7.32
	<u>3,054,567</u>	<u>44.11</u>
GOVERNMENT BONDS - 39.82% (31.01.19: 57.41%)		
3,956 iShares Core Corporate Bond UCITS ETF	615,158	8.88
83,274 iShares Core UK Gilts UCITS ETF GBP (Dist)	1,190,714	17.19
34,542 Vanguard U.K. Gilt UCITS ETF GBP Acc	951,978	13.75
	<u>2,757,850</u>	<u>39.82</u>
COMMODITIES - 0.00% (31.01.19: 22.97%)		
PROPERTY - 13.87% (31.01.19: 12.46%)		
36,700 Xtrackers FTSE Developed Europe Real Estate UCITS ETF 1C	960,531	13.87
	<u>960,531</u>	<u>13.87</u>
Portfolio of investments - 97.80% (31.01.19: 99.04%)	6,772,948	97.80
Net other assets - 2.27% (31.01.19: 1.05%)	157,292	2.27
Adjustment to revalue assets from mid to bid prices - (0.07%) (31.01.19:(0.09%))	(4,589)	(0.07)
	<u>6,925,651</u>	<u>100.00</u>

SUMMARY OF PORTFOLIO CHANGES

	£
Total sales for the year ended 31 January 2020 (note 14)	28,784,288
Xtrackers FTSE Developed Europe Real Estate UCITS ETF 1C	70,108
ETFS Short All Commodities	619,391
ETFS Short Crude Oil	138,807
Invesco Physical Markets Plc	518,747
iShares Asia Pacific Dividend UCITS ETF USD (Dist)	1,468,701
iShares Asia Property Yield UCITS ETF USD (Dist)	926,325
iShares Core Corp Bond UCITS ETF GBP (Dist)	1,895,380
iShares Core EURO STOXX 50 UCITS ETF EUR (Acc)	793,686
iShares Core FTSE 100 UCITS ETF GBP (Dist)	745,368
iShares Core MSCI Japan IMI UCITS ETF USD (Acc)	1,321,599
iShares Core MSCI World UCITS ETF GBP Hgd (Dist)	606,671
iShares Core S&P 500 UCITS ETF USD (Acc)	789,072
iShares Core UK Gilts UCITS ETF GBP (Dist)	2,578,575
iShares Global Aggregate BD UCITS ETF	1,554,254
iShares Index-Linked Gilts UCITS ETF GBP (Dist)	2,278,102
iShares MSCI EM Latin America UCITS ETF USD (Dist)	434,517
iShares MSCI Japan Small Cap UCITS ETF USD (Dist)	1,390,965
iShares Physical Gold ETC	1,279,127
iShares UK Gilts 0-5yr UCITS ETF GBP (Dist)	2,551,862
iShares Ultrashort Bond UCITS ETF GBP (Dist)	995,980
iShares US Property Yield UCITS ETF USD (Dist)	986,496
Lyxor Smart Cash - UCITS ETF C-GBP	240,650
PowerShares EQQQ Nasdaq-100 USD UCITS ETF	631,171
SPDR Barclays Capital 15+ Year Gilt ETF	2,163,030
SPDR S&P Euro Dividend Aristocrats ETF	1,193,554
SPDR S&P US Dividend Aristocrats ETF	612,150

	£
Total purchases for the year ended 31 January 2020 (note 14)	28,146,113
Xtrackers FTSE Developed Europe Real Estate UCITS ETF 1C	933,783
db x-trackers II Sterling Cash ETF	70,085
ETFS Short All Commodities	138,687
ETFS Short Crude Oil	148,264
iShares Asia Pacific Dividend UCITS ETF USD (Dist)	1,424,796
iShares Core Corp Bond UCITS ETF GBP (Dist)	2,470,225
iShares Core EURO STOXX 50 UCITS ETF EUR (Acc)	767,497
iShares Core FTSE 100 UCITS ETF GBP (Dist)	747,802
iShares Core MSCI Japan IMI UCITS ETF USD (Acc)	1,326,857
iShares Core MSCI World UCITS ETF GBP Hgd (Dist)	1,415,341
iShares Core S&P 500 UCITS ETF USD (Acc)	749,012
iShares Core UK Gilts UCITS ETF GBP (Dist)	2,413,902
ishares DJ Asia/Pacific Select Dividend 30	74,525
iShares EURO STOXX Small UCITS ETF EUR (Dist)	328,374
iShares FTSE 250 UCITS ETF GBP (Dist)	721,641
iShares Global Aggregate BD UCITS ETF	1,298,725
iShares Index-Linked Gilts UCITS ETF GBP (Dist)	870,449
iShares MSCI Japan Small Cap UCITS ETF USD (Dist)	1,403,124
iShares Physical Gold ETC	629,790
iShares UK Gilts 0-5yr UCITS ETF GBP (Dist)	1,246,065
iShares Ultrashort Bond UCITS ETF GBP (Dist)	1,000,248
iShares US Property Yield UCITS ETF USD (Dist)	996,413
Lyxor Smart Cash IE	240,469
PowerShares EQQQ Nasdaq-100 USD UCITS ETF	582,050
SPDR Barclays Capital 15+ Year Gilt ETF	2,171,847
SPDR S&P Euro Dividend Aristocrats ETF	1,918,990
SPDR S&P US Dividend Aristocrats ETF	627,895
Vanguard U.K. Gilt UCITS ETF GBP Acc	929,232
Xtrackers MSCI Europe Small Cap UCITS ETF 1C	500,025

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

STATEMENT OF TOTAL RETURN

For the year ended 31 January 2020

	Notes	31.01.20 £	£	31.01.19 £	£
Income					
Net capital gains/(losses)	2		214,200		(1,085,489)
Revenue	3	63,045		115,772	
Expenses	4	(64,827)		(87,529)	
Interest payable and similar charges	6	-		-	
Net (expenses)/revenue before taxation		(1,782)		28,243	
Taxation	5	-		-	
Net (expenses)/revenue after taxation			(1,782)		28,243
Total return before distributions			212,418		(1,057,246)
Finance costs: distributions	6		(7,010)		(52,178)
Changes in net assets attributable to shareholders from investment activities			205,408		(1,109,424)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January 2020

	31.01.20 £	31.01.19 £
Opening net assets attributable to shareholders	7,266,460	9,820,632
Scheme of arrangement*	1,339,665	-
Amounts receivable on creation of shares	981,437	1,177,794
Amounts payable on cancellation of shares	(2,871,418)	(2,650,175)
Dilution levy	553	-
Retained distribution on accumulation shares	3,546	27,633
Changes in net assets attributable to shareholders from investment activities (see above)	205,408	(1,109,424)
Closing net assets attributable to shareholders	6,925,651	7,266,460

On 04 September 2019, VT iFunds Absolute Return Indigo Fund was merged into VT iFunds Absolute Return Green Fund by means of a Scheme of Arrangement.

BALANCE SHEET

As at 31 January 2020		31.01.20		31.01.19	
	Notes	£	£	£	£
FIXED ASSETS					
Investment assets			6,768,359		7,190,503
CURRENT ASSETS					
Debtors	7	7,652		188,262	
Cash and bank balances	8	182,881		41,180	
Total current assets			<u>190,533</u>	<u>41,180</u>	<u>229,442</u>
Total assets			6,958,892		7,419,945
CURRENT LIABILITIES					
Creditors	9	(16,674)		(48,630)	
Distribution payable on income shares		(2,220)		(18,992)	
Bank overdrafts	8	(14,347)		(85,863)	
Total current liabilities			<u>(33,241)</u>	<u>(85,863)</u>	<u>(153,485)</u>
Net assets attributable to shareholders			<u>6,925,651</u>	<u>7,266,460</u>	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2020

1 Accounting policies

(a) Basis of Accounting

The financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014. The functional currency of the Sub-fund is Sterling.

(b) Basis of valuation of investments

The listed investments of the Sub-fund have been valued at bid market prices at the closing valuation point on 31 January 2020.

(c) Recognition of revenue

All income from collective investment schemes are credited to income when they are quoted ex dividend. All distributions from accumulation holdings in collective investment schemes are treated as revenue. Equalisation on distributions received from collective investment schemes is treated as capital. All revenue is recognised at a gross amount that includes withholding taxes but excludes any other taxes such as tax credits. Rebate income is treated as revenue and recognised on an accrual basis. Gains and losses, including differences in valuation of investments held at balance sheet date, including unrealised exchange differences, are treated as capital.

(d) Expenses

All expenses of the Sub-fund are charged to income with exception of costs relating to the purchase and sale of investments which are charged to capital.

(e) Current taxation

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on income liable to corporation tax less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be offset against the corporation tax payable, by way of double tax

(f) Deferred taxation

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.

(g) Equalisation

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 equalisation") representing the ACD's best estimate of the amount of income included in the price of that share.

(h) Distributions

The Sub-fund issues both accumulation and income shares. The Sub-fund goes ex dividend on 31 January and pays any income available to the shareholder annually four months in arrears, as a dividend. Should the expenses exceed the income then no distribution shall be made to the shareholder and the shortfall paid from capital.

(i) Unclaimed distributions

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or if that no longer exists the ACD). Application to claim distributions that have not been paid should be made to the ACD before this six year period has elapsed.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 Net capital gains/(losses)

	31.01.20	31.01.19
	£	£
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	216,031	(1,086,665)
Transaction charges	(422)	(1,386)
Foreign exchange (losses)/gains	(1,409)	2,562
Total net capital gains/(losses)	<u>214,200</u>	<u>(1,085,489)</u>

3 Revenue

	31.01.20	31.01.19
	£	£
Non-taxable dividends	26,649	110,459
Interest distributions	35,750	4,614
Bank interest	646	699
Total revenue	<u>63,045</u>	<u>115,772</u>

4 Expenses

	31.01.20	31.01.19
	£	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD fee	<u>45,872</u>	<u>51,728</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	17,996	18,000
Safe custody fee	(1,749)	3,264
	<u>16,247</u>	<u>21,264</u>
Other expenses:		
Audit fee	3,000	3,000
FCA fee	59	104
Other expenses	(351)	11,433
	<u>2,708</u>	<u>14,537</u>
Total expenses	<u>64,827</u>	<u>87,529</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation

	31.01.20	31.01.19
	£	£
(a) Analysis of charge in the year		
Irrecoverable income tax	-	-
Total tax charge for the year (note 5b)	-	-
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2019:20.00%) The differences are explained below:		
Net (expenses)/revenue before UK corporation tax	(1,782)	28,243
Corporation tax at 20.00% (2019:20.00%)	(356)	5,649
Effects of:		
Revenue not subject to UK corporation tax	(5,330)	(22,092)
Excess management expenses	5,686	16,443
Total tax charge for year (note 5a)	-	-

(c) Provision for deferred taxation

At 31 January 2020 there is a potential deferred tax asset of £78,952 (31 January 2019: £73,622) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profit in the future to utilise this amount and therefore no deferred tax asset has been

6 Finance costs

	31.01.20	31.01.19
	£	£
Final dividend distribution	5,766	46,625
	5,766	46,625
Add: Revenue deducted on cancellation of shares	2,388	12,721
Deduct: Revenue received on issue of shares	(1,143)	(7,168)
Net distribution for the year	7,010	52,178
Interest payable and similar charges	-	-
Total finance costs	7,010	52,178
Reconciliation of distributions		
Net (expenses)/revenue after taxation	(1,782)	28,243
Surplus taken from capital	8,792	23,935
Net distribution for the year	7,010	52,178

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.01.20 £	31.01.19 £
Accrued revenue	2,290	-
Prepayments	-	214
Amounts receivable on trades	-	182,365
Amounts receivable for issue of shares	5,362	5,683
Total debtors	7,652	188,262
8 Cash and bank balances	31.01.20 £	31.01.19 £
Cash and bank balances	182,881	41,180
Bank overdraft	(14,347)	(85,863)
9 Creditors	31.01.20 £	31.01.19 £
Amounts payable for redemption of shares	909	29,014
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD's periodic charge	3,745	4,215
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary's fees	1,525	1,529
Transaction charges	2,644	5,516
Safe custody and other bank charges	1,382	3,150
	5,551	10,195
Accrued expenses	6,469	5,206
Total creditors	16,674	48,630
10 Units held		
Class A Income GBP		
Opening units at 01.02.19	1,500	
Units issued during the year	-	
Units cancelled during the year	-	
Units converted during the year	-	
Closing units as at 31.01.20	1,500	
Class A Accumulation GBP		
Opening units at 01.02.19	2,406,705	
Units issued during the year	240,857	
Units cancelled during the year	(1,007,267)	
Units converted during the year	-	
Closing units as at 31.01.20	1,640,295	
Class B Income GBP		
Opening units at 01.02.19	1,214,804	
Units issued during the year	336,752	
Units cancelled during the year	(126,484)	
Units converted during the year	-	
Closing units as at 31.01.20	1,425,072	
Class B Accumulation GBP		
Opening units at 01.02.19	2,124,676	
Units issued during the year	1,168,507	
Units cancelled during the year	(1,045,776)	
Units converted during the year	-	
Closing units as at 31.01.20	2,247,407	
Class C Income GBP		
Opening units at 01.02.19	10,000	
Units issued during the year	-	
Units cancelled during the year	(10,000)	
Units converted during the year	-	
Closing units as at 24.07.19	-	
Class C Accumulation GBP		
Opening units at 01.02.19	61,463	
Units issued during the year	-	
Units cancelled during the year	(32,608)	
Units converted during the year	-	
Closing units as at 31.01.20	28,855	

11 Financial instruments

In pursuing its investment objective as stated on page 25, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2020 would have increased/decreased by £676,836 (2019 - £719,050).

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in funds that are registered overseas and collective investment schemes which invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM 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		Net monetary assets and liabilities		Total net assets	
	£		£		£	
	31.01.20	31.01.19	31.01.20	31.01.19	31.01.20	31.01.19
Sterling	157,292	75,957	6,768,359	6,716,217	6,925,651	6,792,174
US Dollars	-	-	-	474,286	-	474,286
Total	157,292	75,957	6,768,359	7,190,503	6,925,651	7,266,460

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Financial instruments (continued)

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

31.01.20				
Currency	Floating rate financial assets	Investment in bond collectives	Financial assets not carrying interest	Total
	£	£	£	£
Sterling	182,881	2,757,850	4,021,707	6,962,438
Total	182,881	2,757,850	4,021,707	6,962,438
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Sterling	(14,347)	-	(22,440)	(36,787)
Total	(14,347)	-	(22,440)	(36,787)

31.01.19				
Currency	Floating rate financial assets	Investment in bond collectives	Financial assets not carrying interest	Total
	£	£	£	£
Sterling	41,180	4,171,479	2,731,912	6,944,571
US Dollars	-	-	475,374	475,374
Total	41,180	4,171,479	3,207,286	7,419,945
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Sterling	(85,863)	-	(67,622)	(153,485)
Total	(85,863)	-	(67,622)	(153,485)

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 January 2020 are payable either within one year or on demand.

Liquidity risk

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

Credit risk

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in broker's financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Financial instruments (continued)

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

- A Fair value based on a quoted price for an identical instrument in an active market.
- B Fair value based on the price of a recent transaction for an identical instrument.
- C1 Fair value based on a valuation technique using observable market data.
- C2 Fair value based on a valuation technique that relies significantly on non-observable market data.

Valuation Technique	Assets (£000's)	Liabilities (£000's)
A Quoted prices for identical instruments in active markets	6,768	-
Total	6,768	-

12 Contingent assets and liabilities

At 31 January 2020, the Sub-fund had no contingent liabilities or commitments (31 January 2019: £nil).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 January 2019. Since that date, the Sub-fund's quoted price has moved as follows:

Share class	Price at 31 January 2020	Price at 22 May 2020
A Income GBP	90.6314p	81.6415p
A Accumulation GBP	125.9027p	113.4139p
B Income GBP	130.3209p	117.6035p
B Accumulation GBP	132.1160p	119.2230p
C Accumulation GBP	129.4495p	116.6730p

14 Portfolio transaction costs

	31.01.20		31.01.19	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	28,137,434		50,103,881	
Commissions	8,679	0.03%	17,255	0.03%
Total purchase costs	8,679	0.03%	17,255	0.03%
Total purchases including transaction costs	28,146,113		50,121,136	
Analysis of total sale costs				
Sales in the year before transaction costs	28,793,059		51,455,853	
Commissions	(8,771)	0.04%	(18,870)	0.04%
Total sale costs	(8,771)	0.04%	(18,870)	0.04%
Total sales net of transaction costs	28,784,288		51,436,983	

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

	2020 £	% of average net asset value	2019 £	% of average net asset value
Commissions	17,450	0.25%	36,125	0.50%
	17,450	0.25%	36,125	0.50%

DISTRIBUTION TABLES

Final distribution in pence per share

Group 1 - Shares purchased prior to 01 February 2019

Group 2 - Shares purchased on or after 01 February 2019 and on or before 31 January 2020

01 February 2019 to 31 January 2020

A Income GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	-	-	-	-
Group 2	-	-	-	-

A Accumulation GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	-	-	-	-
Group 2	-	-	-	-

B Income GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	0.1558p	-	0.1558p	1.5634p
Group 2	0.0008p	0.1550p	0.1558p	1.5634p

B Accumulation GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	0.1578p	-	0.1578p	1.3006p
Group 2	0.0001p	0.1577p	0.1578p	1.3006p

C Income GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	-	-	-	-
Group 2	-	-	-	-

C Accumulation GBP	Dividend payable 29.05.20	Equalisation	Distribution payable 29.05.20	Distribution paid 31.05.19
Group 1	-	-	-	-
Group 2	-	-	-	-

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) 42.27% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 57.73% 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

Taxation

The Company will pay no corporation tax on its profits for the year ended 31 January 2020 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 of £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 £12,300 (2020/21) 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.

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 9.00am to 5.00pm. Instructions may be given by email to the below addresses or by sending an application form to the Registrar. Application forms are available from the Registrar (Email: iFunds@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. In addition, the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

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 pages 6 and 25. 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

Authorised Corporate Director & Registrar	Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: iFunds@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Director	Valu-Trac Investment Management Limited as ACD
Investment Manager	iFunds Asset Management Limited The Technocentre Puma Way Coventry CV1 2TT
Depository	NatWest Trustee and Depository Services Limited Drummond House 2nd Floor, 1 Redheughs Avenue Edinburgh EH12 9RH Authorised and regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE