

THE VT DE LISLE AMERICA FUND

Short Form Annual Report and Financial Statements
For the year ended 31 March 2014

THE VT DE LISLE AMERICA FUND

Directory

Authorised Corporate Director & Registrar

Valu-Trac Investment Management Limited

Orton, Fochabers, Moray, IV32 7QE

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(Authorised and regulated by the Financial Conduct Authority)

Investment Advisers

De Lisle Partners LLP

Cliff House, 8A Westminster Road, Poole, BH13 6JW

(Authorised and regulated by the Financial Conduct Authority)

Fund Manager

Richard de Lisle

Depositary

National Westminster Bank Plc

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

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

Auditors

Johnston Carmichael LLP

Chartered Accountants

7-11 Melville Street, Edinburgh

EH3 7PE

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Investment Manager's Report

for the year ended 31 March 2014

Investment Objectives and Policy

The Sub-Fund seeks to achieve capital appreciation by investing in US smaller companies. Typically, 85% of the portfolio is in US companies of market capitalization less than \$500 million and the rest is in larger US companies. The portfolio will consist of equity securities quoted on the US stock markets.

Manager's Review

The share classes within the Sub-Fund rose by 9.49% for the Class B GBP and 20.51% for the Class B USD in the year ending 31st March 2014, while the S&P500 Index rose by 19.32%. The reason for the difference in performance between the GBP and USD classes is due to foreign exchange weakening of the dollar and strengthening of the pound. We gave up some relative performance in the second half as small caps hit the wall, but still finished with a decent year during which we won the Lipper US Equities Three Year award and the Money Observer US Smaller Companies Three Year award.

Our philosophy is to remain with small caps oriented towards value as they are the outperforming class and so staying with them is our default position. In the short term this is a mistake as the general fear of tapering has seen risk being taken off the table wherever possible. This year the winners have been large caps with few previous profits and decent yields, and, in keeping with this rush for the safe ground, utilities have been the best group. Small stocks are deemed unsafe from liquidity considerations and also because they have good profits from the last five years. My view is this is the pause that refreshes, as we build to a small cap peak three or four years hence, in the longer cycle of stock valuations. We are currently in an unwanted backwater of the market but valuations inhibit us from rotating into the fashion.

Our biggest holdings remain MWI Vets, Westwood group and Monarch: a growth stock, a fund manager and a community bank, all of which have underperformed recently even though their fundamentals remain intact. In the last year, we have added Murphy USA and Rite Aid in retail, First Interstate and MDU Resources in Dakota's fracking boom, and yet we are generally tinkering as turnover, at 20%, remains low.

It may well be that we underperform the S&P500 in 2014, as we did in 2000 and 2008. The current market is not momentum-driven, nor particularly themed, which makes wangling a result quite hard. However, just because our stocks are quiet does not mean we are losing money and we are comfortable with the overall valuations of our 110 stocks. We feel we won't be out of favour forever.

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Fund Facts

Accounting and Distribution Dates

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

Net Asset Values

Share Class	Accumulation of Shares		
	Net asset value	No. of shares in issue	Net asset value
Class B 2012 [^]	£4,280,224	3,164,864	135.24p
Class B 2013 [^]	£6,333,780	3,584,539	176.70p
Class B 2014 [^]	£8,354,754	4,318,600	193.46p
Class B USD\$ 2012 [^]	\$9,294,388	6,635,954	140.06c
Class B USD\$ 2013 [^]	\$12,014,113	6,948,610	172.90c
Class B USD\$ 2014 [^]	\$15,091,561	7,242,806	208.37c

[^] As at 31 March

Price History

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

Share Class	Accumulation of Shares	
	Highest (pence)	Lowest (pence)
Class B 2010 [^]	120.99p	97.18p
2011	139.93p	105.92p
2012	145.53p	119.75p
2013	202.03p	142.43p
2014 ^{^^}	201.28p	187.81p
Class B USD\$ 2010 [^]	118.92c	92.78c
2011	142.53c	106.08c
2012	150.63c	120.93c
2013	215.40c	150.15c
2014 ^{^^}	214.67c	198.56c

[^] Launched 11 August 2010

^{^^}To 31 March 2014

Distribution Record

Share Class	Accumulation of Shares
	Net revenue per share
Class B 2011 [^]	0.0000p
2012 [^]	0.0000p
2013 [^]	0.5600p
2014 [^]	0.0000p
Class B US\$ 2011 [^]	0.0000c
2012 [^]	0.0000c
2013 [^]	0.5600c
2014 [^]	0.0000c

[^] To 31 March

Ongoing Charges Figure [^]

Share Class	31 March 2014 %	31 March 2013 %
Class B	1.29	1.33
Class B US\$	1.29	1.33

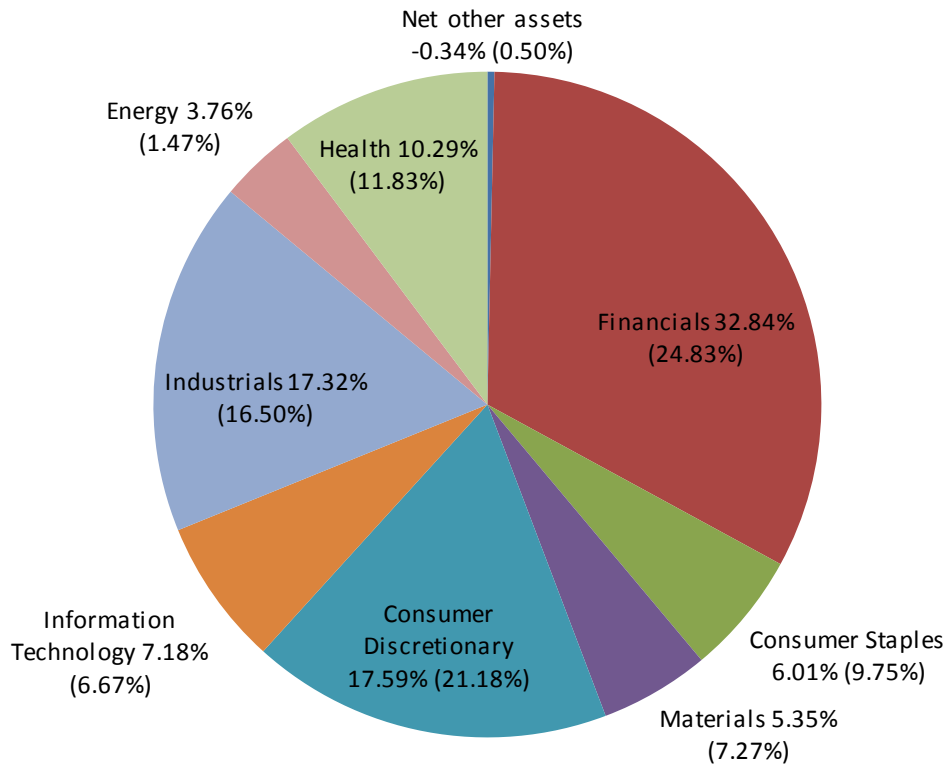
[^] The ongoing charges figure is annualised based on the fees incurred during the accounting period.

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Fund Facts

continued

Sector Spread of Investments



The figures in brackets show allocations at 31 March 2013.

Major Holdings

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

Holding	% of Fund as at 31.03.14
MWI Veterinary Supply	6.98
Westwood Holdings	5.21
Monarch Financial Holdings	4.52
Handy & Harman	3.91
Barry (R.G.)	3.43
Hyster-Yale Materials	3.43
DXP Enterprises	2.94
TriMas Corporation	2.92
Vantagesouth Bancshares	2.87
Marine Products	2.65

Fund Facts

continued

Risk Profile

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

Risk Warning

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

Reports and Accounts

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