

The VT De Lisle America Fund

**Short Form Interim Report and Financial Statements
(unaudited)
for the six months ended 30 September 2016**

THE VT DE LISLE AMERICA FUND

Fund objective and policy

The Sub-Fund will aim to achieve a long term return.

The Sub-Fund will invest primarily in equities and other investments in America (and may also invest in Canada). The Sub-Fund will invest in, predominantly, listed securities, typically common stock and American Depositary Receipts listed on US exchanges, including exchange traded funds. The Sub-Fund may invest in collective schemes, transferable securities, cash deposits and money market funds permitted by the FCA Rules.

Investment Manager's Report

For the period from 1st April 2016 to 30th September 2016.

The Sub-Fund, The VT De Lisle America Fund, rose 8.57% for Class B US Dollar Net Accumulation shares and 20.58% for Class B GB Pounds Net Accumulation shares against a rise of 5.27% for the S&P500. This outperformance was mitigated by the small capitalisation indices being better, and once again our performance is in the middle. This time the biggest gains run out to the smallest capitalisation indices. Our stocks remain very small with capitalisations typically below \$300 million. We are again in the middle, because we are damped down by the low volatilities of our stocks, which form an anchor in uncertain times.

Over the period the Fund increased from \$28.1 million to \$30.2 million. We have 105 stocks, from 106 a year ago, and the largest holdings remain unchanged. There is more concentration in the top ten as these holdings are doing relatively well. The largest holding, Towne Bank, is the result of a merger earlier in the year and we are sticking with the combined company as the successful Monarch Financial team retain key positions. F.S. Bancorp, discussed in the 2015 Annual Report, performed, and is now a 4% holding. Our turnover remained low.

There is one prediction in which we have confidence: community banks will continue to gain market share from large banks, due to changing capital requirements post 2008. Consequently, we are drawn to an ever greater weighting here, lured on by success.

We have feeling about the way the world is going, and try to monetise them. Sometimes these feelings are just extrapolations of a trend, rather than futurology. Here are four of our best efforts.

1. Demographics will keep interest rates low.
2. Experiences trump materialism.
3. Infrastructure spending will ramp up to save sinking Middle America.
4. There's going to be less sex after this gender-polarised election.

Of the myriad pathways created, we have ended up with 5% of the Fund in Recreational Vehicles (RVs). Millennials love RVs.

A more serious conundrum going beyond feelings is whether the rules for the last 100 years remain intact: value, small, low beta, and momentum are the winning strategies? They are all we have ever wanted. But in a low growth, disinflationary and disruptive environment, should the rules change? Less sex, which is trend extrapolation, more than prediction, presumably means more Amazon and Netflix, which are low value, large and high beta. A rule changer? We don't think so but we're on the case.

Richard de Lisle
De Lisle Partners LLP
Investment Managers to the Fund

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Financial Highlights

Class B GBP Net Accumulation

	Period to 30 September 2016	Year to 31 March 2016	Year to 31 March 2015
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	237.3597	238.0148	193.4598
Return before operating charges	52.0101	2.0288	47.0503
Operating charges (note 1)	(3.1577)	(2.6839)	(2.4953)
Return after operating charges*	48.8524	(0.6551)	44.5550
Closing net asset value per unit	286.2121	237.3597	238.0148
Retained distributions on accumulated units	0.0056	0.0137	0.0011
*after direct transaction costs of:	0.0785	0.3565	0.2157
Performance			
Return after charges	20.58%	(0.28%)	23.03%
Other information			
Closing net asset value	£10,595,984	£8,932,448	£9,359,7622
Closing number of units	3,702,145	3,763,254	3,932,428
Operating charges (note 2)	1.21%	1.22%	1.23%
Direct transaction costs	0.03%	0.15%	0.10%
Prices			
Highest unit price	286.69	241.20	238.01
Lowest unit price	233.55	199.86	181.27

Class B USD Net Accumulation

	Period to 30 September 2016	Year to 31 March 2016	Year to 31 March 2015
Changes in net assets per unit	USDc	USDc	USDc
Opening net asset value per unit	221.4912	228.2065	208.3662
Return before operating charges	21.7910	(4.0951)	22.4366
Operating charges (note 1)	(2.8011)	(2.6202)	(2.5963)
Return after operating charges*	18.9899	(6.7153)	19.8403
Closing net asset value per unit	240.4811	221.4912	228.2065
Retained distributions on accumulated units	0.0037	0.0076	0.0007
*after direct transaction costs of:	0.0693	0.3373	0.2183
Performance			
Return after charges	8.57%	(2.94%)	9.52%
Other information			
Closing net asset value	\$16,450,965	\$15,284,807	\$16,289,522
Closing number of units	6,840,856	6,900,863	7,138,063
Operating charges (note 2)	1.21%	1.22%	1.23%
Direct transaction costs	0.03%	0.15%	0.10%
Prices			
Highest unit price	242.73	230.00	228.91
Lowest unit price	217.35	193.58	196.44

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

Risk Profile

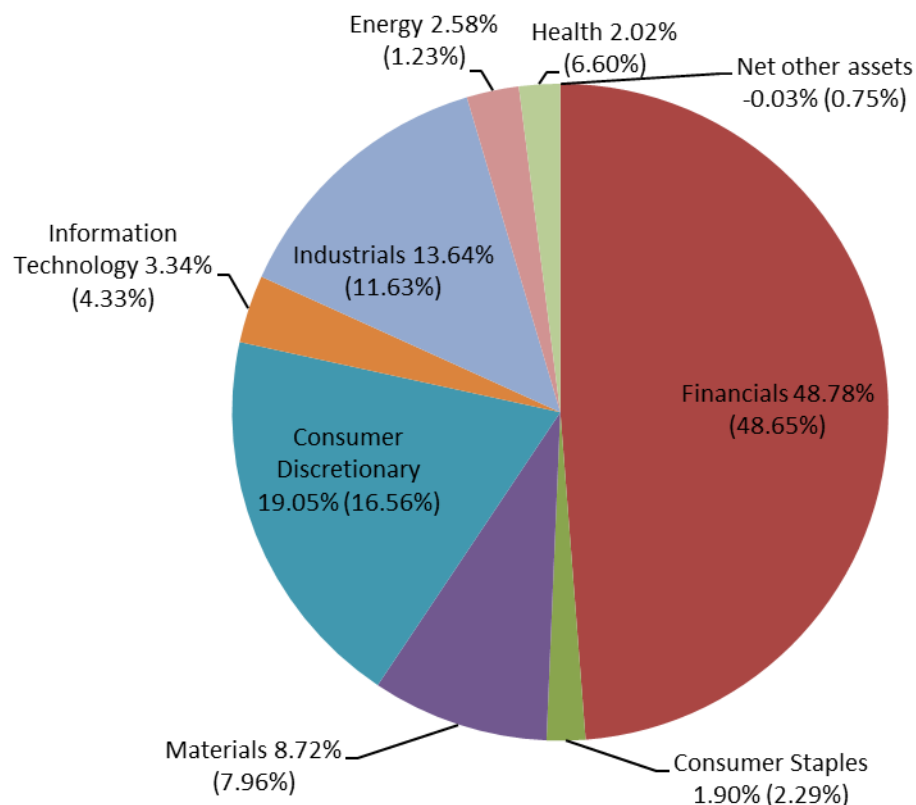
Based on past data, the fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Fund is ranked 5 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:

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.

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Sector Spread of Investments



The figure in brackets show allocations at 31 March 2016

Major Holdings

The top ten holdings at 30 September 2016 and 31 March 2016 as a Percentage of total assets are shown in the table below:

Holding at 30 September 2016	%	Holding at 31 March 2016	%
Towne Bank	9.23	Westwood Holdings	8.32
Westwood Holdings	5.21	Monarch Financial Holdings	7.78
Yadkin Valley Financial	5.11	Handy & Harman	5.26
Handy & Harman	3.94	Yadkin Valley Financial	5.02
FS Bancorp	3.62	Carriage Services	3.13
Marine Products	3.49	Marine Products	3.10
Carriage Services	3.15	FS Bancorp	2.51
Johnson Outdoors-Class A	2.98	Vectrus	1.74
Horizon Global Group	2.42	Crown Crafts	1.61
Mercantile Bank Corp	2.13	Wayside Technology Group	1.58

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Fund Manager	Richard de Lisle
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