

# THE VT DE LISLE AMERICA FUND

Short Form Interim Report and Financial Statements  
(unaudited)  
For the six months ended 30 September 2014

# THE VT DE LISLE AMERICA FUND

## **Directory**

### **Authorised Corporate Director & Registrar**

Valu-Trac Investment Management Limited

Orton, Fochabers, Moray, IV32 7QE

Telephone: 01343 880344

Fax: 01343 880267

(Authorised and regulated by the Financial Conduct Authority)

### **Investment Manager**

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

### **Depository**

National Westminster Bank Plc

Younger Building, 1<sup>st</sup> Floor, 3 Redheughs Avenue, Edinburgh, EH12 9RH

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

### **Auditor**

Johnston Carmichael LLP

Chartered Accountants

7 – 11 Melville Street

Edinburgh

EH3 7PE

# THE VT DE LISLE AMERICA FUND

## **Investment Manager's Report**

for the 6 months ended 30 September 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.

## **Investment Manager's Report**

The share classes within the Sub-Fund fell 3.21% for the class B USD and 0.45% for the class B GBP, in the six months to September 30th 2014 against a rise of 5.34% for the S&P500. This was a steady and nasty underperformance and is mitigated only by the small cap indices being even worse. The Russell 2000, for example, was down 6.08% over the same period. There has been a private bear market for small caps, but even so, we have finished the half year just 6.80% below our all-time high, so no one has actually lost much money, it's just that we have been in a backwater of the market.

Over the period, the Fund reduced from \$29.0 million to \$28.1 million. We have 104 stocks, down from 108 a year ago, and the largest holdings - MWI Vets, Westwood Group, Monarch Financial and Handy & Harman - remain unchanged. RG Barry was taken over and Yadkin Financial, another community bank, moves up to fifth place.

Our turnover has now reduced to less than 20% on an annualised basis because nothing is working. The earnings of our large holdings have come in on target, yet most are down year to date.

We are not changing strategy as the outperforming classes of 2014 have no long-term appeal. Decisive deflationary moves are afoot, with energy, commodities and inflation falling and the dollar rising. This has always been stock market bullish in the past via the wealth effects on consumers. When this feeds through, it will come to us because small cap consumer stocks is where we reside.

# THE VT DE LISLE AMERICA FUND

## Fund Facts

### Accounting and Distribution Dates

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

### Net Asset Values

Share Class	Accumulation Shares		
	Net asset value	No. of shares in issue	Net asset value
Class B 2012 <sup>^</sup>	£4,280,224	3,164,864	135.24p
Class B 2013 <sup>^</sup>	£6,333,780	3,584,539	176.70p
Class B 2014 <sup>^</sup>	£8,354,754	4,318,600	193.46p
Class B 2014 <sup>^^</sup>	£8,502,103	4,414,518	192.59p
Class B USD\$ 2012 <sup>^</sup>	\$9,294,388	6,635,954	140.06c
Class B USD\$ 2013 <sup>^</sup>	\$12,014,113	6,948,610	172.90c
Class B USD\$ 2014 <sup>^</sup>	\$15,091,561	7,242,806	208.37c
Class B USD\$ 2014 <sup>^^</sup>	\$14,331,529	7,106,003	201.68c

<sup>^</sup> As at 31 March

<sup>^^</sup> As at 30 September 2014

### 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 Shares	
	Highest (pence)	Lowest (pence)
Class B 2010 <sup>^</sup>	120.99p	97.18p
2011	139.93p	105.92p
2012	145.53p	119.75p
2013	202.03p	142.43p
2014 <sup>^^</sup>	201.28p	181.27p
Class B USD\$ 2010 <sup>^</sup>	118.92c	92.78c
2011	142.53c	106.08c
2012	150.63c	120.93c
2013	215.40c	150.15c
2014 <sup>^^</sup>	214.76c	198.06c

<sup>^</sup> Launched 11 August 2010

<sup>^^</sup> To 30 September 2014

# THE VT DE LISLE AMERICA FUND

## Fund Facts

continued

### Distribution Record

Share Class	Accumulation 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 30 September

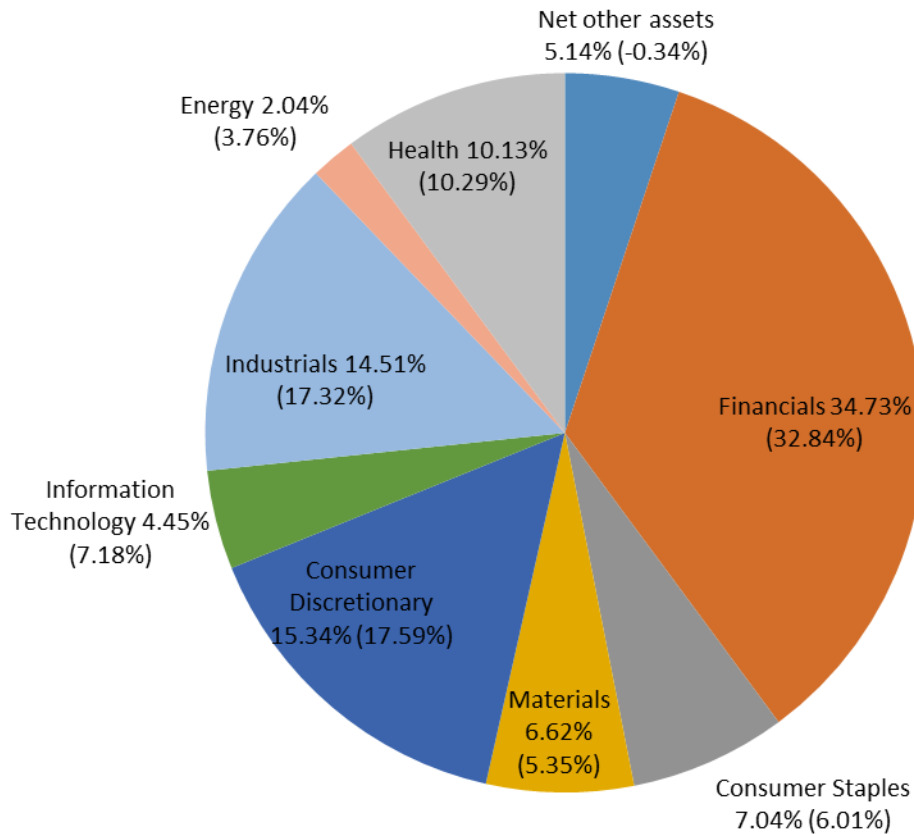
### Ongoing Charges ^

Share Class	30 September 2014 %	31 March 2014 %	31 March 2013 %
Class B	1.24	1.29	1.33
Class B US\$	1.24	1.29	1.33

^ The Ongoing Charges are annualised based on the fees incurred during the accounting period.

# THE VT DE LISLE AMERICA FUND

## Sector Spread of Investments



The figures in brackets show allocations at 31 March 2014.

## Major Holdings

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

Holding	% of Fund as at 30.09.14
MWI Veterinary Supply	7.12
Westwood Holdings	5.81
Monarch Financial Holdings	4.73
Handy & Harman	4.67
Yadkin Valley Financial	3.84
Marine Products	2.99
Hyster-Yale Materials	2.75
DXP Enterprises	2.45
Rocky Mountain Chocolate Factory	2.41
Village Super Market Class 'A'	2.34

# THE VT DE LISLE AMERICA FUND

## **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**

An 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 Interim Report and Financial Statements for the Company are available free of charge on request by contacting the ACD.