VT THISTLEDOWN ICVC
(Sub-Fund VT Thistledown Income Fund)

Annual Report and Financial Statements
for the year ended to 31 December 2018

This letter was first written in 2014. It remains relevant to anyone thinking of investing in the fund.

Dear Potential Investor,

Warren Buffett calls '**The Intelligent Investor**' by Benjamin Graham (1949) 'the best book on investing ever written'. It ends 'To achieve satisfactory investment results is easier than most people realise; to achieve superior results is harder than it looks'.

If you want a satisfactory return, then things have improved since 1949. How? One word: Vanguard.
Vanguard Group, founded by Jack Bogle, pioneered index funds. These deliver market returns at very low cost. Yes, you get the ups and downs. But, prepared for these by the excellent Vanguard website, you should stay the course and earn a satisfactory return.

Thistledown aims for a superior return? How? By dealing with Mr Market, the manic-depressive.
Mr Market is a mythical character from '**The Intelligent Investor**'. He is manic-depressive and as his mood swings so does the price he offers to buy and sell parts of businesses (shares). Happy he offers silly prices for our shares; sad, he'll sell at silly prices.

Who is Mr. Market and how can we avoid being like him?
He doesn't exist, but stands for 'groupthink' in the financial market. Think of the Dotcom mania of 1999/2000, or the financial boom and bust of 2008/09. One year the crowd believes good times will last forever, the next that the recession will never end. Thistledown does its best to stand apart, focussing on what a company is worth, its intrinsic value, not the market price which the crowd determines. We aim to buy below intrinsic value. We don't try to forecast in a conventional sense; '**forecasts tell you more about the forecaster than the future**' as Warren Buffett wrote. But broadly we believe that intrinsic value acts as a magnet, which pulls prices to it over time. A view supported by the work of the Nobel Economist Robert Shiller*.

The chef eats here.
We have over 90% of our equity investments in the fund. But, although this approach sounds easy, it isn't. Ignoring current opinion is hard, results aren't guaranteed and superior returns are not delivered consistently. Yet this approach is behind numerous successful investment partnerships. And it is supported by academic studies showing cheap companies and cheap markets provide better returns than expensive companies or markets.

Yours sincerely,
Dominic Fisher

Founder

Thistledown Investment Management Ltd

* Market Volatility. Robert J. Shiller MIT Press 1989

CONTENTS

Introduction.

In 2018 the fund lost 8%, and the UK equity market dropped 10%. This small 'outperformance' is due to the protection provided by holding cash and bonds. I had hoped for better, but the returns from the equity portfolio were disappointing.

2018 was the first year since the fund started that it lost money. 2018 was also a year when most asset classes lost money. The Federal Reserve increased US interest four times and began to unwind some of the extraordinary financial measures taken since 2008. The fact that both bonds and equities fell suggests that these measures, which other central banks have also used, have supported all asset prices which was their point. The next few years will show whether the Federal Reserve can unwind these measure without the authorities or investors panicking. The most recent comments from Mr Powell, the Chairman of the Federal Reserve, suggest that the authorities are extremely sensitive to market reaction. The fact that even after ten years of extraordinary policies interest rates and economies are not back to 'normal' is worrying me. I will return to this later.

Transactions

The fund bought and sold around £9 million of investments in 2018.

I wrote last year about the need to replace short-dated bonds as they mature. Bond transactions accounted for two-thirds of the overall transactions, with equities about a third. In the equity portfolio, three new investments were made, and four were sold entirely during last year. This level of turnover is in line with previous years and equates to a holding period of around five years.

I thought that a brief review of the reasons for selling might provide useful information to investors.

Phaunos Timber an investment trust held forestry investments and was bought at a discount to assets. Events became much more complicated, but a combination of buying more at a more significant discount and the strength of the US $ meant the position was sold at a profit. It was taken over by a company associated with a previous investment manager which suggests the acquiring company saw something the market ignored.

DIA, a Spanish supermarket company, was a low-priced company when bought but was sold at a loss. I had met the management several times in Spain and London, and their history with the company suggested that they could run the business effectively. It also had substantial operations in Latin America that I thought were underappreciated by investors. This view appeared to be endorsed by a large Russian company with industry experience paying a high price to buy a stake in the business. The reality was that competition in Spain from the privately-owned number one crushed already low margins, and the management was unable to react given stretched finances.

Persimmon was a low-priced company when bought and was sold for a good profit. The price fell in the aftermath of the Brexit vote. I wrote at the time that it discounted a recession before the recession had arrived (it still hasn't despite the predictions at the time) I sold the shares for a good profit because its current profitability appears unsustainable. Its current profitability is an example of unintended consequences. The government in its bid to support housing has handed supernormal profits to the housebuilding companies that build for the 'help to buy' scheme. These supernormal profits handed a 'supernormal' bonus to the Chief Executive; as I wrote in the quarterly ', I take the view that the size of this bonus shows how unexpectedly good the current trading environment has been for the housebuilders.'

Emperor Entertainment is a small Chinese gaming business. I will buy small positions in companies that look statistically cheap but are listed overseas. The idea is to get to know the business better with a view to increasing the investment over time. The fund held a small position that paid a good dividend. I was unclear about the company's competitive situation despite a long history of successful operations in Macau, given the expansion of gaming on Cotai, a new gaming district. A visit to the company, its competition on Cotai and discussions with people familiar with the area lead me to sell at a small loss.

Long term investment

Investors frequently talk about investing for the long term when markets are expensive. The inference being that over time the stock market will climb and they will make money. Warren Buffett reflects on 'The American tailwind' in his recent letter to Berkshire Hathaway's shareholders. He writes that investors would have made 11.8% per annum over the 77 years of his investing career by simply backing America and buying an index fund. (Incidentally, index funds did not exist in 1942) This return turns $1million into $5.3 billion. He goes on to point out that paying 1% per annum to 'helpers' would reduce the return to $2.6 billion. These are good reasons for holding for the long term and keeping costs low.

Why given this return is it worth investing as we do?

Because most of us don't have another 77 years to invest; our horizons are shorter. Over these shorter periods, markets can deviate from their 'long-run' return, sometimes for decades. Recently they have been expensive for long periods, while in the 1930s and 1940s they were cheap for long periods. In my investing career, the Japanese stock market provides the most extreme example of such a deviation. The Nikkei 225 reached 38000 in 1989, thirty years later it stands at 21000. Closer to home the FTSE 100, when adjusted for inflation, is still well below the level it reached in 2000 some 18 years ago. I can remember the pain in 1998 and 1999 of being 'wrong' for two years and losing clients as a result. The final few years of the Japanese bubble were even more difficult for anyone tasked with investing there. In both markets, long-run valuation measures indicated that future returns would be weak, but these measures were no help in working out when markets would turn down. These valuation methods are high in the US equity market today as are the valuations of most fixed income investments – they are priced to lose money for investors over anything but the very long term. I am trying to avoid a long period of low returns by investing widely and holding reserves. If I succeed, the gains should be higher than those available from an index fund invested in the UK equity market.

Risk management.

The approach that the fund takes to managing risk is not sophisticated, but it has worked. It holds around 30 investments, equities, cash, bonds and collective schemes that hold a spread of companies. The result of this combination of investments is annualised volatility of the fund of around 7% which is roughly half that of the UK equity market.

There are problems with this measure; critically, it does not address what happens in extreme circumstances. Research Affiliates an investment company based in California recently published a paper 'Alice's adventures in Factorland: Three blunders that plague factor investing'. Part of this reviews what investors lost during times of market stress and compares it to what they might have expected to lose assuming historical patterns of performance. The results were far worse than a study of past performance would have suggested. As the authors write:

'The worst month … for 9 of the factors should have occurred less than once during the span that biologically modern humans have roamed on earth, and 3 should have occurred less than once since the birth of our universe, about 13.8 billion years ago—yet many of us have lived through these extreme realizations over just the last 15 years.'

The fact that things can turn out far worse than anticipated is the reason that the fund is more cautious in its investment policy than might seem appropriate. This will reduce returns most of the time but I expect it to help during difficult periods that happen more than they should.

Outlook and debt build up.

Writing the outlook for this report reminds me of the film 'Groundhog Day' with Bill Murray. Every year I come to write this and hope to report that things are reverting to normal and every year I am disappointed. This year seemed different when I was planning this review. The Federal Reserve had raised interest rates and a 'real' return (a return that is above inflation) on savings was available, which has been the case rarely since the 2008 financial crisis. Since then an apparent change of heart in the US combined with developments in Europe and Japan mean that once again savers will lock-in a loss if they lend to the German, Japanese or Swiss governments for the next ten years. The policies that saved the financial system in 2008 were not meant to have continued for years after but they have. I realise that worrying about this has not been profitable, but I remain concerned. Understandably the chance to borrow at very low rates has encouraged borrowing, leading to a perverse outcome. Interest rates were suppressed to help over-indebted borrowers survive a crisis, but as rates remain lower for longer corporate and government borrowing has increased to levels well above those of the crisis while economic growth remains puny.

When the fund first started, I wrote that worrying about macroeconomic themes was not something that I thought would benefit the returns. I have changed my mind because the current policies have persisted for so long without the desired effect on economic activity. I am concerned that in the event of a downturn the increased levels of debt and already low-interest rates will lead to even more extreme monetary policies. Andy Haldane commented favourably on such policies in 2015.

'The third and final option ……. would be charging a negative interest rate on currency, most probably through a state-issued digital currency.' [1]

There are few safe investments for traditional investors today. In a crisis, there may be none. For this reason, and despite the devastating critique of investing in gold offered by Warren Buffett in his recent shareholder's letter, I expect to add exposure to gold while taking on more equity risk in the portfolio in the next year. It is more probable that the authorities are correct than not. In which case equities outside the US offer reasonable value. If they are wrong, then the 'safe' assets that have formed a large part of this portfolio will be threatened while genuine alternatives outside the control of the monetary authorities should prosper.

1. 'How low can you go?' Andy Haldane, Chief Economist of The Bank of England, to Portadown Chamber of Commerce 18th September, 2015

Type of Company

VT Thistledown Smartfund ICVC (the ‘Company’) is an investment company with variable capital under the Open Ended Investment Company Regulations 2001 ((SI2001/1228). The Company is an umbrella company with 1 sub-fund, which is a UCITS scheme. Shareholders are not liable for the debts of the Company.

The Company was incorporated and Authorised by the Financial Conduct Authority on 13 June 2014 under registered number IC001011, and commenced trading with six sub-funds on 14 July 2014, which included Smartfund Thistledown Income Fund (‘Thistledown’) sub-fund whose assets were taken into the Company on 14 July 2014. The Thistledown sub-fund itself had commenced trading on 3 December 2010. Other than Thistledown the assets of the other five sub-funds, comprising Smartfund Aggressive Growth, Smartfund Balanced, Smartfund Cautious, Smartfund Defensive and Smartfund Growth were transferred out during the year ended 31 December 2016 to FundLogic Alternatives plc and these five sub-funds were wound up on 11 December 2017.

Name of Sub-fund	VT Thistledown Income Fund
Size of Sub-fund	£13,826,083
Launch date	14 July 2014
Investment objective and policy	to provide income while investing to provide some capital growth over the medium to long term. The Fund will seek to achieve its investment objective by investing principally in equities. The Fund may also invest in exchange traded funds ("ETFs"), fixed income securities and other collective investment schemes. The ACD will apply a 'value' based policy when selecting equities for the Fund's portfolio. This means that an asset will be included in the portfolio when the Investment Adviser's analysis and expertise suggests it will provide a total return over the full investment cycle or longer that is higher than the total return that could be expected from UK equity investments over the same period (i.e. between 5 and 10 year horizons). Achieving these target returns for each equity investment or for the Fund's portfolio as a whole is highly uncertain as equities are volatile assets and are expected to be the principal portfolio investment. The ACD will hold ETFs, fixed income securities, collective investment schemes and cash and near cash when it cannot identify enough opportunities to achieve a suitable spread of equity investments with the appropriate 'value' characteristics. The ACD will also seek to reduce investment risk by diversifying the Fund's investments across industries and countries. It will not consider the size of company or market important to its investment decision provided the ACD and the Investment Adviser believe the relevant investment will diversify risk in the portfolio. Investments in assets denominated in foreign currencies may be hedged into sterling. The ACD must ensure that the Fund maintains sufficient cash for the purposes of maintaining liquidity. This portion of the sub-fund's assets must be represented by cash or similarly liquid assets (which may include money market instruments, deposits or units in collective investment schemes) at all times. The Fund's portfolio and mix of asset classes will be rebalanced from time to time at the absolute discretion of the ACD.
Annual accounting date **Interim accounting dates**	31 December 30 June
Annual income allocation date **Interim income allocation dates**	31 December 31 March, 30 June, 30 September
Individual Savings Account (ISA) **Minimum investment**	The Company is a qualifying investment for inclusion in an ISA.
Lump sum subscription:	Z Class Income/Accumulation = £3,000 F Class Income/Accumulation = £10,000,000 C Class Income/ Accumulation = £3,000
Top up:	Z Class Income/Accumulation= £500 (£100 for regular contributions) F Class Income/Accumulation = £1,000,000 C Class Income/Accumulation =£500 (£100 for regular contributions)
Holding:	Z Class Income/Accumulation = £3,000 F Class Income/Accumulation = £10,000,000 C Class Income/ Accumulation = £3,000

Redemption:	Z Class Income/Accumulation = £1,000 F Class Income/Accumulation = £1,000,000 C Class Income/ Accumulation = £1,000

N.B. C Class Shares are only available to registered charities and subject to their continuing to be so registered.

The ACD may at its discretion accept subscriptions lower than the minimum amount.

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 £20,500 per annum, is taken from Z Class, F Class Shares and C Class Shares pro-rata to their Net Asset Value.

The variable element in respect of the Z Class Shares is equal to 1.00% per annum of the Net Asset Value of the Z Class Shares.

The variable element in respect of the F Class Shares is equal to 0.60% per annum of the Net Asset Value of the F Class Shares.

The variable element in respect of the C Class Shares is equal to 0.60% per annum of the Net Asset Value of the C Class Shares.

Initial Charge	Z Class = Nil F Class = 5.0% C Class = Nil

As at 31 December 2018

Holding	Investment	Value £	% of net assets
	Europe excluding UK 7.93% (31 December 2017:9.01%)		
25,448	Fondul P (REGS)	210,636	1.52
4,350,000	OMV Petrom SA	250,857	1.81
150,000	Sprott Inc	219,508	1.59
27,971	Svenska Handelsbanken AB	241,578	1.75
1,561	Total Gabon	175,629	1.27
		1,098,208	7.94
	Global Emerging Markets 8.81% (31 December 2017:9.62%)		
12,408	iShares Emer Mrkts Local Govt Bd UCITS ETF	570,706	4.13
27,595	SPDR S&P Emerging Markets Dividend ETF	648,415	4.69
		1,219,121	8.82
	Asia ex Japan Equity 2.63% (31 December 2017:2.80%)		
1,025,000	Lion Rock Group Ltd	138,627	1.00
331	Samsung Electronics Sp. GDR Repr 1/2 Vtg Sh	225,605	1.63
		364,232	2.63
	Japan 6.67% (31 December 2017:11.20%)		
75,229	Morant Wright Fuji Yield GBP Inc Hedged	802,652	5.81
15,000	Pasona Group Inc	120,618	0.87
		923,269	6.68
	North America 4.83% (31 December 2017:6.84%)		
8,155	AT & T Inc	180,330	1.30
16,334	HP Inc	262,003	1.89
14,293	Kulicke and Soffa Industries	226,685	1.64
		669,018	4.84
	UK Equity 18.31% (31 December: 2017:25.97%)		
113,039	Alumasc Group	121,517	0.88
66,672	Ashmore Group PLC ORD GBP0.0001	243,353	1.76
52,534	Aviva ORD GBP0.25	197,291	1.43
55,147	BP ORD USD0.25	274,012	1.98
117,130	Brown (N) Group Ord 1/19p	108,843	0.79
138,300	Dixons Carphone PLC	166,029	1.20
18,650	GlaxoSmithKline PLC	278,538	2.01
21,618	Hargreaves Services PLC	60,963	0.44
470,000	Lloyds Banking Group PLC	243,507	1.76
6,976	Rio Tinto PLC	260,187	1.88
21,731	SSE PLC	234,912	1.70
85,000	Ti Fluid Systems PLC	142,333	1.03
132,498	Vodafone Group PLC	202,695	1.47
		2,534,180	18.33

	UK Gilts 28.32% (31 December 2017:19.68%)		
7,720	iShares III PLC - iShares UK Gilts 0-5yr UCITS ETF	1,024,560	7.41
16,703	SPDR Barclays 1-5 Year Gilt UCITS ETF	853,273	6.17
2,042,056	UK GILT 22/01/2021	2,042,056	14.77
		3,919,888	28.35
	Corporate Bonds 4.18% (31 December 2017:4.09%)		
7,400	ISHARES $ ULTRASHORT BOND UCITS ETF	578,458	4.18
	Investment assets 81.78% (31 December 2017:89.22%)	**11,306,375**	**81.78**
	Net other assets 18.32% (31 December 2017:16.24%)	**2,533,689**	**18.32**
	Adjustment to revalue assets from Mid to Bid prices 0.10% (31 December 2017:(0.21%)	**(13,981)**	**(0.10)**
		13,826,083	**100.00**

	£
Total purchases for the year ended 31 December 2018 (Note 14)	**5,100,012**
Brown (N) Group Ord 1/19p	70,664
GlaxoSmithKline PLC	262,206
Lion Rock Group Ltd	115,680
OMV Petrom SA	258,690
SSE PLC	47,742
Svenska Handelsbanken AB	48,950
Ti Fluid Systems PLC	216,082
UK GILT 22/07/2018	2,080,000
UK GILT 22/01/2021	2,000,000

	£
Total sales for the year ended 31 December 2018 (Note 14)	**4,329,467**
Ashmore Group PLC ORD GBP0.0001	97,250
Distribuidora Internacional De Alimentacion	174,358
Emperor Entertainment Hotel Ltd	41,594
Fondul P (REGS)	75,110
HP Inc	62,560
Kulicke and Soffa Industries	99,794
Lloyds Banking Group PLC	133,452
Morant Wright Fuji Yield GBP Inc Hedged	250,174
Persimmon ORD 10p	261,153
Phaunos Timber Fund LD ORD NPV	322,202
Sprott Inc	82,873
UK GILT 22/07/2018	1,978,947
UK Treasury Bill 02/01/2018	750,000

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

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 period which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenues and net capital losses 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 judgments and estimates that are reasonable and prudent.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

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

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 — Anne A. Laing

Neil J. Smith MA BA CA — Neil James Smith

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date 25 April 2019

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"), 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 the custodial assets and maintaining a record of all other assets of the Company in accordance with 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 the application of the Company's income in accordance with Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank Plc
1 January 2019

Opinion

In our opinion, VT Thistledown ICVC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 December 2018 and of the net revenue/(expenses) and the net capital gains/(losses) of the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investments Schemes sourcebook and the Instrument of Incorporation.

VT Thistledown ICVC (the "Company") is an Open Ended Investment Company ("OEIC") with 1 sub-fund. The financial statements of the Company comprise the financial statements of the sub-fund. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise the Balance Sheet as at 31 December 2018; the Statement of Total Return, and the Statement of Change in Net Assets Attributable to Shareholders for the year then ended 31 December 2018; the Distribution Statements, the Accounting Policies of VT Thistledown ICVC and its sub-fund and the Notes to the Financial Statements of the individual sub-fund.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' Responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which include the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's and each of the sub-funds' 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's and the sub-fund's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 10, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine 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 Authorised Corporate Director is responsible for assessing the company's and each of the sub-funds' 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 Authorised Corporate Director either intends to liquidate the company or individual sub-fund or to cease operation, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Opinions on matters required by the Collective Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Colin Gray

Colin Gray B.Com C.A. (senior statutory auditor)
for and on behalf of FKF Accounting Limited
Chartered Accountants and Statutory Auditors
Metropolitan House, 31-33 High Street
Inverness IV1 1HT
30 April 2019

For the year ended 31 December 2018

	Note	31.12.18 £	31.12.18 £	31.12.17 £	31.12.17 £
Income					
Net capital gains	**2**		(1,379,206)		1,059,380
Revenue	**3**	420,754		335,660	
Expenses	**4**	(152,118)		(146,410)	
Interest payable and similar charges		-		(147)	
Net revenue before taxation		268,636		189,103	
Taxation	**5**	(14,908)		(10,919)	
Net revenue after taxation			253,728		178,184
Total return before distributions			(1,125,478)		1,237,564
Finance costs: distributions	**6**		(251,042)		(172,098)
Change in net assets attributable to shareholders from investment activities			(1,376,520)		1,065,466

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December 2018

	31.12.18 £	31.12.17 £
Opening net assets attributable to shareholders	13,375,436	12,072,877
Amounts receivable on creation of shares	1,765,876	428,674
Amounts payable on cancellation of shares	(31,972)	(246,879)
Dilution Levy	773	-
Dividend reinvested	92,490	55,298
Change in net assets attributable to shareholders from investment activities (see above)	(1,376,520)	1,065,466
Closing net assets attributable to shareholders	13,826,083	13,375,436

As at 31 December 2018

	Note	31.12.18 £	31.12.18 £	31.12.17 £	31.12.17 £
ASSETS					
Investment assets			11,292,394		11,904,435
Current Assets					
Debtors	**7**	21,010		30,919	
Cash and bank balances	**8**	2,544,885		1,489,732	
Total other assets			2,565,895		1,520,651
Total assets			13,858,289		13,425,086
LIABILITIES					
Creditors					
Distribution payable	**6**	(14,556)		(20,011)	
Creditors	**9**	(17,650)		(29,639)	
Total liabilities			(32,206)		(49,650)
Net assets attributable to shareholders			13,826,083		13,375,436

For the year ended 31 December 2018

1 Accounting policies

(a) Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and FRS 102. There have been no changes to the comparatives following the adoption of this SORP. The functional currency of the Fund is sterling.

In respect of the AC share class for each sub-fund, the following aspects of the Statement of Recommended Practice relating to Authorised Funds have not been disclosed due to the Manager's view that this would require voluminous amounts of disclosures and would not assist the users of the financial statements:

- a comparative table with the information required to be disclosed in Chapter 4 of the CIS Sourcebook being:
- the net asset value of each notional unit in each AC class in issue at the beginning of the year:
- the high/low prices of each notional unit in each AC class in issue; and
- the net income distributed for each notional unit in each AC class in issue.

Instead, tables have been included which disclose this information for a single representative share within the AC share class. This is in accordance with the FCA's direction and modification of the applicable rule in Chapter 4 of the CIS Sourcebook as it applies to the VT Thistledown ICVC.

(b) Basis of Preparation

The Financial statements of the Company have been prepared on a going concern basis.

(c) Basis of valuation of investments

The investments of the Sub-Funds have been valued at bid market values at 4.30pm on the last business day of the accounting period. Market value is defined by the SORP as fair value which generally is bid value of each security, excluding any accrued interest in the case of fixed and floating rate securities. Any unquoted or suspended investments are valued at the Corporate Director's discretion with reference to the fair value pricing policy and are disclosed within the notes to the financial statements of the relevant Sub-Fund.

(d) 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 exchange differences in valuation of investments held at balance sheet date, including unrealised exchange differences, are treated as capital.

(e) Expenses

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

(f) Current Taxation

The charge for taxation is based at the current tax rate on taxable revenue for the period less allowable expenses. UK dividend income is disclosed net of any related tax credit.

(g) Deferred Taxation

Deferred tax is provided for on timing differences expected to reverse in the period.

(h) Distributions

The Sub-Fund has both income and accumulation units. Each Sub-Fund goes ex dividend daily and pays any income available to the shareholder on a quarterly basis, two weeks in arrears as a dividend. Should the expenses exceed the income then no distribution shall be made to the shareholder and the shortfall will be met by the capital account of the Sub-Fund.

(i) Allocation of income and expenses to multiple share classes

A proportion account is held for each unit class within each Sub-Fund. In order to calculate the unit price of each unit class the Manager shall determine a proportionate interest of that class in the assets and income of the Sub-Fund as its allocated share. The Authorised Corporate Director's periodic charge is a specific expense to each unit class.

(j) 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 Fund Manager). Application to claim distributions that have not been paid should be made to the Manager before this six year period has elapsed.

		31.12.18	31.12.17
2	**Net capital (loss)/gain**	**£**	**£**
	Non-derivative securities (loss)/gain	(1,385,414)	1,031,877
	Transaction charges	(1,489)	(1,141)
	Currency gains/(losses)	7,697	28,644
	Total net capital (loss)/gains	(1,379,206)	1,059,380

		31.12.18	31.12.17
3	**Revenue**	**£**	**£**
	UK franked dividends	217,266	202,123
	Unfranked income	27,415	-
	Overseas dividends	176,073	133,537
	Total revenue	420,754	335,660

		31.12.18	31.12.17
4	**Expenses**	**£**	**£**
	Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
	ACD fee	125,616	116,927
	Payable to the depositary, associates of the depositary, and agents of either of them:		
	Depositary fee	18,099	17,951
	Safe custody fee	1,446	1,849
		19,545	19,800
	Other expenses		
	Audit fee	2,413	3,013
	FCA fee	112	244
	Other expenses	4,432	6,426
		6,957	9,683
	Total expenses	152,118	146,410

		31.12.18	31.12.17
5	**Taxation**	**£**	**£**
(a)	**Analysis of charge in the year**		
	Irrecoverable income tax	14,908	10,919
	Total tax charge for the year (note 5b)	14,908	10,919

(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%). The differences are explained below:

	31.12.18 £	31.12.17 £
Net revenue before UK corporation taxation	253,728	178,184
Corporation tax at 20%	50,746	35,637
Effects of:		
Revenue not subject to taxation	(78,668)	(67,132)
Irrecoverable income tax	14,908	10,919
Movement in excess management expenses	27,922	31,495
Total tax charge for year (note 5a)	14,908	10,919

(c) Provision for deferred taxation

At 31 December 2018 there is a potential deferred tax asset of £92,393 (31 December 2017: £64,472) in relation to surplus management expenses. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

		31.12.18	31.12.17
6	**Finance costs**	**£**	**£**
	Interim distributions	230,921	143,467
	Final dividend distribution	22,191	29,196
		253,112	172,663
	Add: Revenue deducted on cancellation of shares	51	372
	Deduct: Revenue received on issue of shares	(2,121)	(937)
		251,042	172,098
	Interest payable and similar charges	-	147
	Total finance costs	251,042	172,245
	Reconciliation of distributions		
	Net revenue after taxation	253,728	178,184
	Allocations to Capital:		
	Expenses paid by capital	(2,686)	(6,086)
	Net distribution for the year	251,042	172,098

7	**Debtors**	**31.12.18**	**31.12.17**
		£	**£**
	Accrued revenue	21,010	30,919
	Income tax recoverable	-	-
	Total debtors	21,010	30,919

8	**Cash and bank balances**	**31.12.18**	**31.12.17**
		£	**£**
	Cash and bank balances	2,544,885	1,489,732

9	**Creditors**	**31.12.18**	**31.12.17**
		£	**£**
	Other accrued expenses	17,650	29,639
	Total creditors	17,650	29,639

10 Units held

Class Z Net Income GBP	
Opening units at 01.01.18	**4,135,233**
Units issued during the year	435,467
Units cancelled during the year	(8,860)
Units converted during the year	(23,030)
Closing units at 31.12.18	**4,538,810**

Class Z Net Accumulation GBP	
Opening units at 01.01.18	**3,503,958**
Units issued during the year	921,307
Units cancelled during the year	(15,663)
Units converted during the year	22,542
Closing units at 31.12.18	**4,432,144**

Class F Net Income GBP	
Opening units at 01.01.18	**2,429,660**
Units issued during the year	-
Units cancelled during the year	-
Units converted during the year	-
Closing units at 31.12.18	**2,429,660**

11. Financial instruments

In pursuing its investment objective as stated on page 4, the Company holds a number of financial instruments. The Company's financial instruments, other than derivatives, 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 Company'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 Company'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 company holds. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

The Company'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 31.12.18 would have increased/decreased by £1,129,239 (2017 – £1,190,444).

Foreign currency risk

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

The Company'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. Revenue received in other currencies is converted to sterling on or near the date of receipt.

A portion of the net assets of the Company 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:

	Monetary assets and liabilities		Non-monetary assets and liabilities		Total net assets	
	£		£		£	
	31.12.18	31.12.17	31.12.18	31.12.17	31.12.18	31.12.17
Sterling	2,531,942	1,464,581	8,411,413	9,184,609	10,943,355	10,649,190
US Dollars	1,747	6,420	1,743,543	1,492,568	1,745,290	1,498,988
Swedish Krona	-	-	241,504	231,935	241,504	231,935
Euro	-	-	175,279	405,006	175,279	405,006
Hong Kong Dollars	-	-	134,520	81,855	134,520	81,855
Canadian Dollars	-	-	213,039	283,205	213,039	283,205
Japanese Yen	-	-	120,349	225,257	120,349	225,257
Romanian Leu	-	-	252,747	-	252,747	-
Total	2,533,689	1,471,001	11,292,394	11,904,435	13,826,083	13,375,436

Interest rate risk
Interest rate risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in interest rates.

The Company does invest in fixed rate securities and so interest rate risk exposure is restricted to these and interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Maturity of financial liabilities
The financial liabilities of the company as at 31 December 2018 are payable either within one year or on demand.

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

Credit risk
Certain transactions in securities that the Company 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 Company has fulfilled its responsibilities.

The Company 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.

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)	Liabilities (£'000)
A Quoted prices for identical instruments in active markets	11,292	-
Total	11,292	-

12. Contingent assets and liabilities
At 31 December 2018, the fund had no contingent liabilities or commitments (31 December 2017 £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 December 2018. Since that date, the Fund's quoted mid-price has moved as follows for each share class:

Share class	**Price (GBp) at 31 December 2018**	**Price (GBp) at 23 April 2019**
Class Z Net Income	120.7686	127.5916
Class Z Net Accumulation	124.2288	131.8642
Class F Net Income	117.4075	124.0760

14. Portfolio transaction costs

		31.12.18			31.12.17	
Analysis of total purchase costs	**£**	**£**	**%**	**£**	**£**	**%**
Purchases in the year before transaction costs		5,095,498			2,973,980	
Commissions	1,417		0.03%	2,400		0.08%
Taxes	3,084		0.06%	3,104		0.10%
Levy	13		0.00%	4		0.00%
Total purchase costs		4,514	0.09%		5,508	0.18%
Total purchases including transaction costs		5,100,012			2,979,488	

Analysis of total sale costs

Sales in year before transaction costs		4,330,595			2,219,548	
Commissions	(667)		0.02%	(444)		0.02%
Taxes	(422)		0.01%	-		0.00%
Levy	(39)		0.00%	(8)		0.00%
Total sale costs		(1,128)	0.03%		(452)	0.02%
Total sales net of transaction costs		4,329,467			2,219,096	

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

	2018 £	% of average net asset value	2017 £	% of average net asset value
Commission	2,084	0.02%	2,844	0.02%
Taxes	3,506	0.03%	3,104	0.02%
Levy	52	0.00%	12	0.00%
	5,642	0.05%	5,960	0.04%

Class Z Net Income GBP		**Year ended 31 December 2018**	**Year ended 31 December 2017**	**Period ended 31 December 2016**
Changes in net assets per unit		GBp	GBp	GBp
	Opening net asset value per unit	133.5246	123.2763	99.6002
	Return before operating charges	(8.8275)	13.6605	26.8033
	Operating charges (note 1)	(1.6575)	(1.8134)	(1.5378)
	Return after operating charges*	(10.485)	11.8471	25.2655
	Distribution on income units	(2.271)	(1.5988)	(1.5894)
		120.7686	133.5246	123.2763
	*after direct transaction costs of:	0.0636	0.0642	0.1114
Performance				
	Return after charges	(7.85%)	9.61%	25.37%
Other information				
	Closing net asset value	£5,481,458	£5,521,555	£5,217,713
	Closing number of units	4,538,810	4,135,233	4,232,536
	Operating charges (note 2)	1.30%	1.40%	1.38%
	Direct transaction costs	0.05%	0.05%	0.10%
Prices				
	Highest unit price	135.59	130.04	124.04
	Lowest unit price	120.05	120.02	100.41

Class Z Net Accumulation GBP		**Year ended 31 December 2018**	**Year ended 31 December 2017**	**Period from 04 April 2016 to 31 December 2016^**
Changes in net assets per unit		GBp	GBp	GBp
	Opening net asset value per unit	134.9492	122.9237	100.0000
	Return before operating charges	(9.0311)	13.8436	24.4619
	Operating charges (note 1)	(1.6893)	(1.8181)	(1.5382)
	Return after operating charges*	(10.7204)	12.0255	22.9237
		124.2288	134.9492	122.9237
	Retained distributions on accumulated units	2.3098	1.6120	1.1732
	*after direct transaction costs of:	0.0648	0.0645	0.1115
Performance				
	Return after charges	(7.94%)	10.03%	22.92%
Other information				
	Closing net asset value	£5,506,002	£4,728,564	£4,014,101
	Closing number of units	4,432,144	3,503,958	3,265,523
	Operating charges (note 2)	1.30%	1.40%	1.38%
	Direct transaction costs	0.05%	0.05%	0.10%
Prices				
	Highest unit price	137.03	134.95	123.39
	Lowest unit price	123.32	123.10	98.77

^Share class launched 04 April 2016

Class F Net Income GBP		Year ended 31 December 2018	Year ended 31 December 2017	Period from 19 April 2016 to 31 December 2016^
Changes in net assets per unit		GBp	GBp	GBp
	Opening net asset value per unit	129.8152	119.8491	100.0000
	Return before operating charges	(8.5853)	13.2839	22.6945
	Operating charges (note 1)	(1.1170)	(1.2599)	(1.0772)
	Return after operating charges*	(9.7023)	12.024	21.6173
	Distribution on income units	(2.7054)	(2.0579)	(1.7682)
		117.4075	129.8152	119.8491
	*after direct transaction costs of:	0.0618	0.0624	0.1099
Performance				
	Return after charges	(7.47%)	9.78%	21.62%
Other information				
	Closing net asset value	£2,852,604	£3,154,069	£2,911,926
	Closing number of units	2,429,660	2,429,660	2,429,660
	Operating charges (note 2)	0.90%	1.00%	0.98%
	Direct transaction costs	0.05%	0.05%	0.10%
Prices				
	Highest unit price	131.84	133.62	120.70
	Lowest unit price	116.83	123.45	98.68

^Share class launched 19 April 2016

Financial Highlights

Class AC		Period from 04 November 2015 to 17 March 2016^
Changes in net assets per unit		GBp
	Opening net asset value per unit	4,192.2400
	Return before operating charges	128.0987
	Operating charges (note 1)	(58.2987)
	Return after operating charges*	69.8000
	Distribution on income units	(5.1900)
	Closing net asset value per unit	4,256.8500
	*after direct transaction costs of:	4.2245
Performance		
	Return after charges	1.66%
Other information		
	Closing net asset value	£1,890,763
	Closing number of units	39
	Operating charges (note 2)	1.38%
	Direct transaction costs	0.10%
Prices		
	Highest unit price	4,261.72
	Lowest unit price	4,023.76

^Share class terminated 17 March 2016 and transferred to Class Z.
+The values for the AC shares are based on a representative unit. Unlike other share classes AC shares in the SA Smartfund Advantage ICVC (of which the Thistledown Fund was a Sub-Fund are created and priced uniquely for each share holder.)

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 fund.

Risk Profile

Based on past data, the 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 Fund is ranked 4 because simulated monthly historical performance data indicates that it has experienced moderate rises and falls in market prices historically.

Interim distributions in pence per share
Group 1: Shares purchased prior to 01 January 2017
Group 2: Shares purchased 01 January 2017 to 31 March 2017.

Payment date	Unit type	Share class	Net revenue 2017	Equalisation 2017	Distribution paid / allocated 2017
13.04.17	Group 1	Z Net Income	0.0652	-	0.0652
13.04.17	Group 2	Z Net Income	0.0000	0.0652	0.0652
13.04.17	Group 1	F Net Income	0.1867	-	0.1867
13.04.17	Group 2	F Net Income	0.1867	-	0.1867
13.04.17	Group 1	Z Net Accumulation	0.0653	-	0.0653
13.04.17	Group 2	Z Net Accumulation	0.0000	0.0653	0.0653

Interim distributions in pence per share
Group 1: Shares purchased prior to 01 April 2017
Group 2: Shares purchased 01 April 2017 to 30 June 2017.

Payment date	Unit type	Share class	Net revenue 2017	Equalisation 2017	Distribution paid / allocated 2017
14.07.17	Group 1	Z Net Income	0.8210	-	0.8210
14.07.17	Group 2	Z Net Income	0.4873	0.3337	0.8210
14.07.17	Group 1	F Net Income	0.9245	-	0.9245
14.07.17	Group 2	F Net Income	0.9245	-	0.9245
14.07.17	Group 1	Z Net Accumulation	0.8198	-	0.8198
14.07.17	Group 2	Z Net Accumulation	0.4507	0.3691	0.8198

Interim distributions in pence per share
Group 1: Shares purchased prior to 01 July 2017
Group 2: Shares purchased 01 July 2017 to 29 September 2017.

Payment date	Unit type	Share class	Net revenue 2017	Equalisation 2017	Distribution paid / allocated 2017
18.10.17	Group 1	Z Net Income	0.4524	-	0.4524
18.10.17	Group 2	Z Net Income	0.0437	0.4087	0.4524
18.10.17	Group 1	F Net Income	0.5660	-	0.5660
18.10.17	Group 2	F Net Income	0.5660	-	0.5660
18.10.17	Group 1	Z Net Accumulation	0.4648	-	0.4648
18.10.17	Group 2	Z Net Accumulation	0.1099	0.3549	0.4648

Final distributions in pence per share
Group 1: Shares purchased prior to 01 October 2017
Group 2: Shares purchased 01 October 2017 to 29 December 2017.

Payment date	Unit type	Share class	Net revenue 2018	Equalisation 2018	Distribution paid / allocated 2018
12.01.18	Group 1	Z Net Income	0.2602	-	0.2602
12.01.18	Group 2	Z Net Income	0.2235	0.0367	0.2602
12.01.18	Group 1	F Net Income	0.3807	-	0.3807
12.01.18	Group 2	F Net Income	0.3807	-	0.3807
12.01.18	Group 1	Z Net Accumulation	0.2621	-	0.2621
12.01.18	Group 2	Z Net Accumulation	0.0704	0.1917	0.2621

Interim distributions in pence per share
Group 1: Shares purchased prior to 01 January 2018
Group 2: Shares purchased 01 January 2018 to 30 March 2018.

Payment date	Unit type	Share class	Net revenue 2018	Equalisation 2018	Distribution paid / allocated 2018
13.04.18	Group 1	Z Net Income	0.5302	-	0.5302
13.04.18	Group 2	Z Net Income	0.5281	0.0021	0.5302
13.04.18	Group 1	F Net Income	0.6408	-	0.6408
13.04.18	Group 2	F Net Income	0.1867	-	0.6408
13.04.18	Group 1	Z Net Accumulation	0.5358	-	0.5358
13.04.18	Group 2	Z Net Accumulation	0.5337	0.0021	0.5358

Interim distributions in pence per share
Group 1: Shares purchased prior to 01 April 2018
Group 2: Shares purchased 01 April 2018 to 29 June 2018.

Payment date	Unit type	Share class	Net revenue 2018	Equalisation 2018	Distribution paid / allocated 2018
13.07.18	Group 1	Z Net Income	0.8629	-	0.8629
13.07.18	Group 2	Z Net Income	0.8625	0.0004	0.8629
13.07.18	Group 1	F Net Income	0.9677	-	0.9677
13.07.18	Group 2	F Net Income	0.9677	-	0.9677
13.07.18	Group 1	Z Net Accumulation	0.8759	-	0.8759
13.07.18	Group 2	Z Net Accumulation	0.8737	0.0022	0.8759

Interim distributions in pence per share
Group 1: Shares purchased prior to 01 July 2018
Group 2: Shares purchased 01 July 2018 to 28 September 2018.

Payment date	Unit type	Share class	Net revenue 2018	Equalisation 2018	Distribution paid / allocated 2018
12.10.18	Group 1	Z Net Income	0.7106	-	0.7106
12.10.18	Group 2	Z Net Income	0.7074	0.0032	0.7106
12.10.18	Group 1	F Net Income	0.8103	-	0.8103
12.10.18	Group 2	F Net Income	0.8103	-	0.8103
12.10.18	Group 1	Z Net Accumulation	0.7259	-	0.7259
12.10.18	Group 2	Z Net Accumulation	0.7223	0.0036	0.7259

Final distributions in pence per share
Group 1: Shares purchased prior to 01 October 2018
Group 2: Shares purchased 01 October 2018 to 31 December 2018.

Payment date	Unit type	Share class	Net revenue 2019	Equalisation 2019	Distribution paid / allocated 2019
14.01.19	Group 1	Z Net Income	0.1673	-	0.1673
14.01.19	Group 2	Z Net Income	0.1669	0.0004	0.1673
14.01.19	Group 1	F Net Income	0.2866	-	0.2866
14.01.19	Group 2	F Net Income	0.2866	-	0.2866
14.01.19	Group 1	Z Net Accumulation	0.1722	-	0.1722
14.01.19	Group 2	Z Net Accumulation	0.1722	-	0.1722

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) 93.48% of the total dividend allocation together with the tax credit is received as franked investment income.

ii) 6.52% 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

General Information

Base Currency
The base currency of the Company is Pounds Sterling which is the functional currency.

Share Capital
The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

Structure of the Company
The VT Thistledown ICVC is structured as an umbrella company. Provision exists for an unlimited number of Sub-Funds, and at the date of this Report there is one sub-fund, VT Thistledown Income Fund, authorised.

Classes of Shares
The Company can issue different classes of share in respect to any Sub-Fund.

Valuation Point
The scheme property of the Company and each Sub-Fund will normally be valued at 16.30 on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

The ACD reserves the right to revalue the Company or any Sub-Fund at any time if it considers it desirable to do so, with the Depositary's approval.

Buying and Selling of Shares
The ACD will accept orders for the purchase and sale of shares on normal business days between 8:30am and 5:30pm. Instructions to buy or sell shares may either be in writing to:

Valu-Trac Investment Management Ltd
Orton, Fochabers, Moray, IV32 7QE
Or by email to:
thistledown@valu-trac.com for deals relating to the sub-fund.

A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Pricing Basis
There is a single price for buying, selling and switching shares in a Sub-Fund which represents the net asset value of the Sub-Fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on the Investment Association website at www.fundlistings.com. Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily by the same as the published price.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected free of charge at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application.

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
Thistledown Investment Management Limited
Otham Manor
Otham Street
Maidstone
Kent
ME18 8RW
(Authorised and regulated by the Financial Conduct Authority)

Depositary
NatWest Trustee and Depositary Services Limited
Drummond House
2nd Floor
1 Redheughs Avenue
Edinburgh, EH12 9RH
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority)

Auditor
FKF Accounting Limited
33 High Street
Inverness
IV1 1HT