

Investment Objective

The Fund aims to deliver a level of return over rolling three year periods equivalent to cash (as measured by 6 month LIBOR) plus 3% per annum, 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 Fund is expected to be 5% per annum irrespective of general equity and bond market conditions.

Investment Policy

The 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. The Fund may also invest directly in money market instruments, warrants, deposits, cash and near cash. There is no particular emphasis on any geographical area or industry or economic sector. The Fund is permitted to use derivatives but solely for the purposes of Efficient Portfolio Management (including hedging).

Fund Information

VT iFunds Absolute Return Indigo Fund	
Bloomberg Code (Acc Share Class)	THINDAA LN
Launch Date	27 May 2011
ISA Eligible	Yes
UCITS Scheme	Yes
IA Sector	Absolute Return
Benchmark	6 month LIBOR + 3%
Initial Charge	0.0%
Ongoing Fund Charges (OCF)*	1.80%
Minimum Investment	£5,000
Fund Size	£1.5m
Investment Adviser	iFunds
ACD	Valu-Trac (VT)

* The OCF of the fund is inclusive of the charges of the underlying holdings.

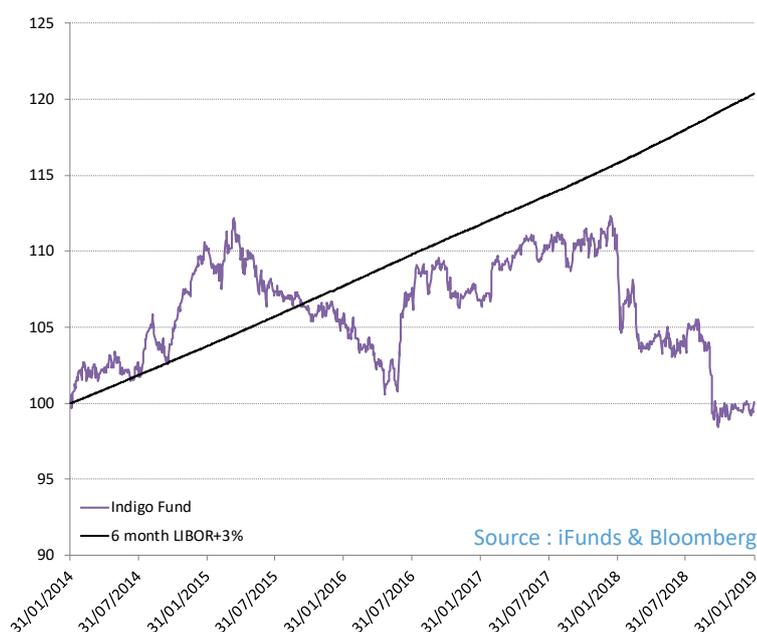
Performance Summary

Past performance is not a guide to future performance. On 10/11/2016 the Fund switched from a Non-UCITS Retail Scheme (NURS) to a UCITS scheme. Prior to 10/11/2016 the only additional investment power used under NURS was to allow up to 35% of the fund value to be invested in a single instrument. Under UCITS rules the maximum investment is 20%. As the fund invests solely in index tracking ETFs & ETCs, this new restriction would not have impacted materially on past performance as the fund would simply have invested in two separate index tracking funds had the new limit applied.

Performance Table

Performance to 31/01/19	1 month to 31/01/19	6 months to 31/01/19	1 year to 31/01/19	3 years to 31/01/19	5 years to 31/01/19
VT iFunds Absolute Return Indigo Fund (net)	0.7%	-3.7%	-8.7%	-1.8% p.a.	0.0% p.a.
Benchmark (6 month LIBOR + 3%) (gross)	0.3%	2.0%	3.9%	3.7% p.a.	3.7% p.a.
Year on Year Performance	Year to 31/01/19	Year to 31/01/18	Year to 31/01/17	Year to 31/01/16	Year to 31/01/15
VT iFunds Absolute Return Indigo Fund (net)	-8.7%	2.7%	1.0%	-4.2%	10.3%
Benchmark (6 month LIBOR + 3%) (gross)	3.9%	3.5%	3.6%	3.7%	3.7%
Risk	1 year volatility	3 year volatility	5 year volatility	Max 30 day loss	Maximum drawdown
VT iFunds Absolute Return Indigo Fund (net)	5.2%	4.9% p.a.	4.7% p.a.	-6.9%	-12.4%

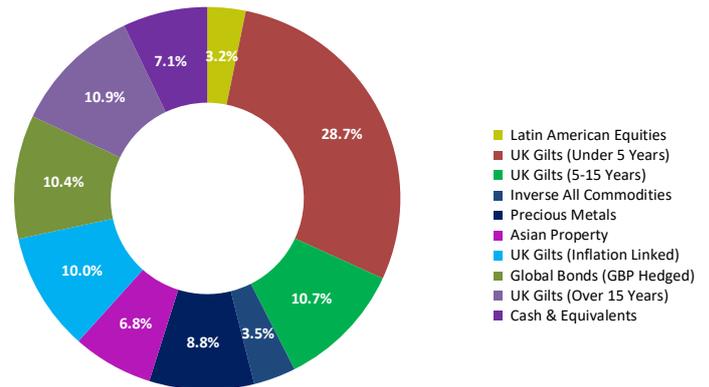
Fund performance is net of all fees and charges. Volatility has been calculated using the standard deviation of monthly returns. Max 30 day loss is the biggest loss over any rolling 30 day period since fund launch. Max drawdown is the biggest loss from peak to trough since fund launch. Data has been provided by iFunds Asset Management and other third party data providers. For full disclosures please see the bottom of page two.

Five Years Cumulative Net Performance to 31st January 2019

Top 5 Holdings

ETF / Fund	Weighting
SPDR Barclays Capital 1-5 Year Gilt ETF	18%
SPDR Barclays 15+ Year Gilt UCITS ETF	11%
iShares Core UK Gilts UCITS ETF	11%
iShares UK Gilts 0-5yr UCITS ETF	11%
iShares Global Aggregate Bond UCITS ETF	10%

Fund Asset Allocation (as at 31/01/2019)



Commentary

The fund returned 0.7% in January compared to its cash plus benchmark of 0.3%, whilst UK equities and UK government bonds returned 4.2% and 1.1% respectively.

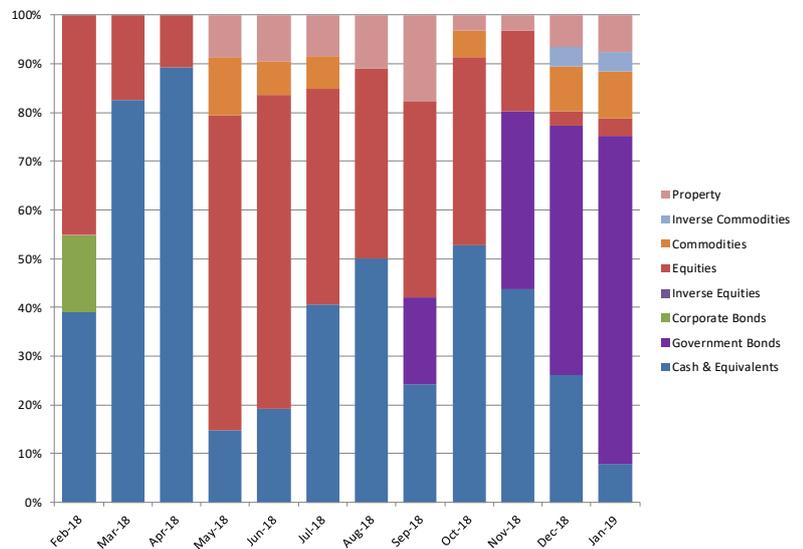
After a difficult 2018 for markets we saw a positive start to 2019 with equities, bonds and commodities all providing positive returns in January. US equities, which were amongst the hardest hit in December, returned just shy of 5% in sterling terms, whilst UK equities were up over 4%. Despite this recent positive performance, almost all equity indices that we monitor still remain in a negative trend overall due to the severity of the falls witnessed in December. As a consequence, the fund remains defensively positioned with a small position in Latin American equities the only equity allocation within the fund.

In terms of performance, it was our small position to Latin American equities that provided the majority of the funds return as they finished the month up over 11%. UK government bond allocations, both short dated and medium dated were also positive, as were precious metals and Asia property. The only asset to fall was inverse commodities which declined on the back of a surge in the price of oil. Despite this fall, commodities, with the exception of precious metals, remain in a negative trend overall and as a result, the inverse commodities index we monitor remains highly ranked.

Looking ahead, a number of equity markets have seen their trends move closer to turning positive and could make their way into the fund in the coming weeks should their recent positive performance continue. That said, there remains a number of global, mainly political issues to be resolved, and should we see another ramp up in equity volatility, the fund should be well placed to dampen down its effects.

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Monthly Asset Allocation Changes



Benefits of iFunds Absolute Return Funds

Our Absolute Return range of multi-asset funds aim to provide investors with positive returns above cash over rolling three year periods. Each fund seeks to maximise the level of return for a given level of risk whilst reducing drawdown. Overall our goal is to provide a more predictable and smoother outcome for all investors.

- Potential for positive returns regardless of market conditions.
- Consistent volatility profile.
- Risk based asset allocation.
- Truly flexible and dynamic asset allocation.
- Repeatable and proven investment process.

The ACD of the fund is Valu-Trac Investment Management Limited. Valu-Trac Investment Management Limited is authorised and regulated by the Financial Conduct Authority (FCA), registration number 145168. This status can be checked with the FCA on 0845 730 0104, or on the FCA website. Registered in England No. 2428648.

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