

**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.

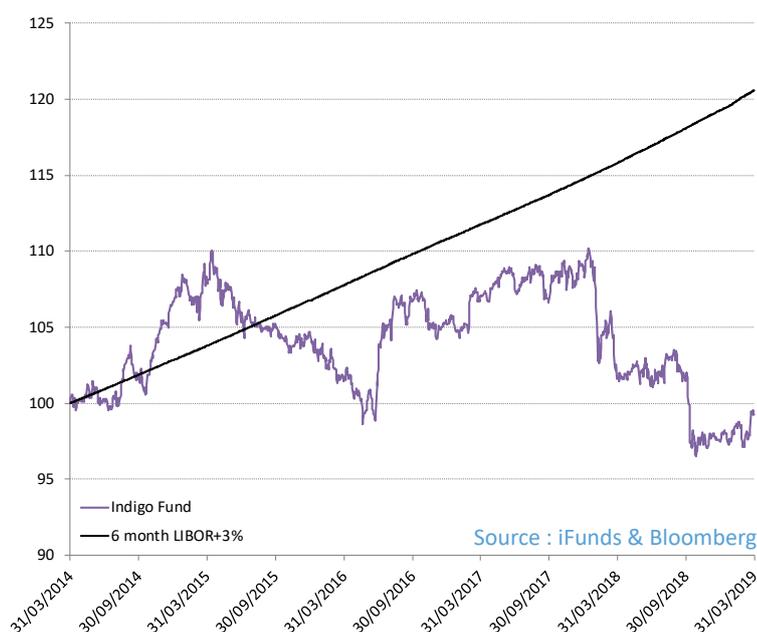
**Investment Policy**

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	£1.4m
Investment Adviser	iFunds
ACD	Valu-Trac (VT)

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

**Five Years Cumulative Net Performance to 31st March 2019****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**

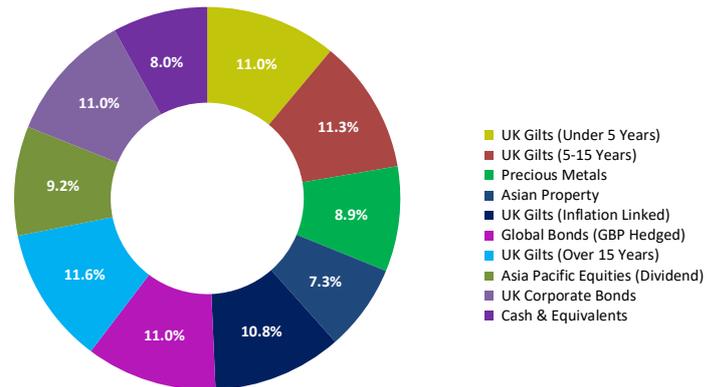
Performance to 31/03/19	1 month to 31/03/19	6 months to 31/03/19	1 year to 31/03/19	3 years to 31/03/19	5 years to 31/03/19
VT iFunds Absolute Return Indigo Fund (net)	2.2%	-2.4%	-2.4%	-0.8% p.a.	-0.1% p.a.
Benchmark (6 month LIBOR + 3%) (gross)	0.3%	2.0%	3.9%	3.7% p.a.	3.7% p.a.
Year on Year Performance	Year to 31/03/19	Year to 31/03/18	Year to 31/03/17	Year to 31/03/16	Year to 31/03/15
VT iFunds Absolute Return Indigo Fund (net)	-2.4%	-4.9%	5.4%	-5.8%	7.8%
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)	4.8%	5.1% 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.

## Top 5 Holdings

ETF / Fund	Weighting
SPDR Barclays 15+ Year Gilt UCITS ETF	12%
iShares Core UK Gilts UCITS ETF	11%
iShares UK Gilts 0-5yr UCITS ETF	11%
iShares Global Aggregate Bond UCITS ETF	11%
iShares Core Corporate Bond UCITS ETF	11%

## Fund Asset Allocation (as at 31/03/2019)



## Commentary

The fund returned 2.2% for March compared to its cash benchmark of 0.3%. The majority of the funds' positive performance came from its UK government bond exposure, particularly inflation linked bonds which enjoyed a very strong month.

Despite a continued recovery in the equity market, the fund remains defensively positioned with minimal equity exposure and significant bond exposure. During March we saw the yield on short dated US government bonds rise above that of the yield on longer dated bonds. In the past this has usually been a precursor to a recession, however, in the short term at least, investors appear to be shrugging these concerns off.

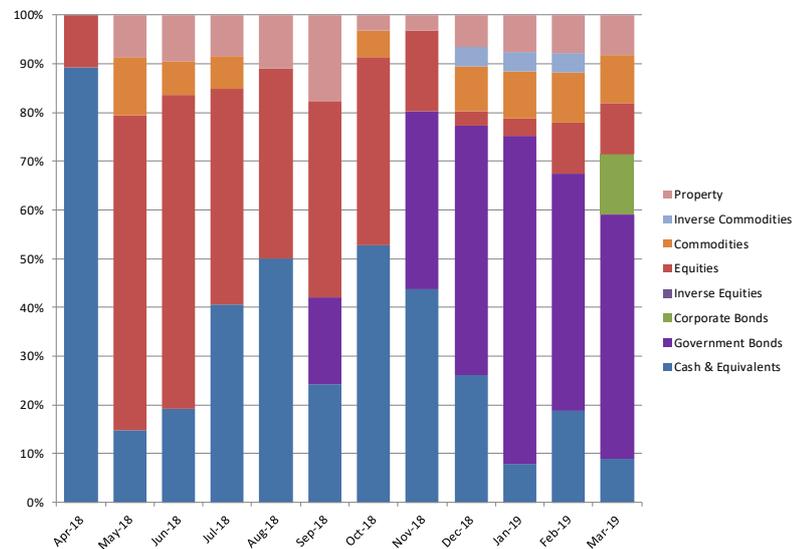
In the UK, Theresa May once again failed to get her Brexit deal through Parliament. This, coupled with Parliament's failure to agree on an alternative, has seen the odds of a no deal Brexit increase. With no deal now more likely than ever, the pound weakened once more, finishing the month down nearly 2% against the US dollar on the month. While a weaker pound tends to hurt domestic companies more, it helps the majority of the UK's larger overseas companies and acts as a boost to our overseas holdings in Asia dividend equities and Asia property.

In terms of trading, the inverse commodity position was closed as the price of oil continues to climb. The proceeds from this sale, plus some of the funds cash holding, were used to open a new position in UK corporate bonds which continue to trend strongly.

Overall the fund continues to favour bonds over equities on a risk adjusted basis, however, the strong recovery in equities has not gone undetected by our process and the majority of equity indices we monitor have now returned to a positive overall trend and are moving towards the top 10 of our relative strength league table. Of the assets the fund holds, precious metals is the closest to being liquidated as its trend looks to have peaked and is now stalling.

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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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