

# Annual Report & Financial Statements

FP Miton Income Fund

For the year ended 31 March 2018

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\* Collectively these comprise the AFM's Report.

### Authorised Fund Manager's ("AFM") Report

We are pleased to present the Annual Report and audited Financial Statements for FP Miton Income Fund for the year ended 31 March 2018.

### Authorised Status

FP Miton Income Fund ("the Trust") is a Unit Trust authorised by the Financial Conduct Authority ("FCA") with effect from 13 March 2007.

Unitholders are not liable for the debts of the Trust.

Head Office: The Head Office of the Trust is at 8-9 Lovat Lane, London EC3R 8DW.

The Head Office is the address of the place in the UK for service on the Trust of notices or other documents required or authorised to be served on it.

### Structure of the Trust

The Trust is a UCITS scheme.

Investment of the assets of the Fund must comply with the FCA's Collective Investment Schemes Sourcebook ("COLL") and the investment objective and policy of the Fund.

Under the requirements of UCITS V and the UCITS Remuneration Code, Fund Partners, as UCITS Manager, must establish and apply remuneration policies and practices for its staff that have a material impact on the risk profile of Fund Partners or the Fund.

These practices must be consistent with and promote sound and effective risk management, not encourage risk taking which is inconsistent with the risk profile of the Fund as detailed in the instrument of the Fund or the prospectus and does not impair Fund Partners' compliance with its duty to act in the best interest of the Fund it manages.

Under the UCITS Remuneration Code, Fund Partners are required to disclose how those individuals whose actions have a material impact on the Fund are remunerated (see page 35).

### Important Events During the Year

On 27 September 2017, following regulatory approval of the Financial Conduct Authority ("FCA") and the Commission de Surveillance du Secteur Financier ("CSSF"), Fund Partners Limited, became a sister Company to FundRock Management Company S.A. Luxembourg with both entities ultimately owned by FundRock Holding.

### Base Currency:

The base currency of the Trust is Pounds Sterling.

### Minimum Investment:

The minimum initial lump sum investment is £1,000 for A income and accumulation Units and B income and accumulation Units. The subsequent minimum investment is £1,000.

**Certification of Financial Statements by Directors of the AFM  
For the year ended 31 March 2018**

**Directors' Certification**

This report has been prepared in accordance with the requirements of COLL, as issued and amended by the FCA. We hereby certify the report on behalf of the Directors of Fund Partners Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the assets of the Trust consist predominantly of securities that are readily realisable and, accordingly, the Trust has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

C. Spencer

R. Wood

**Fund Partners Limited**

1 June 2018

### Statement of Authorised Fund Manager's Responsibilities For the year ended 31 March 2018

The Authorised Fund Manager ("AFM") of FP Miton Income Fund ("the Trust") is responsible for preparing the Annual Report and the audited Financial Statements in accordance with the FCA's Collective Investment Schemes Sourcebook ("COLL") and the Trust's Trust Deed.

COLL require the AFM to prepare Financial Statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and
- give a true and fair view of the financial position of the Trust as at the end of that year and the net revenue and the net capital gains or losses on the property of the Trust for that year.

In preparing the Financial Statements, the AFM is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The AFM is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the Financial Statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The AFM is also responsible for the system of internal controls, for safeguarding the assets of the Trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the audited Financial Statements were approved by the board of directors of the AFM of the Trust and authorised for issue on 1 June 2018.

### **Statement of the Trustee's Responsibilities For the year ended 31 March 2018**

The Trustee of FP Miton Income Fund must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") which is the UCITS management company, are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Scheme documents and the Regulations of the Trust in relation to the investment and borrowing powers applicable to the Trust.

### **Report of the Trustee to the Unitholders of the Trust For the year ended 31 March 2018**

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Trust, acting through the AFM:

(i) has carried out the issue, sale, redemption, cancellation and calculation of the price of the Trust's units and the application of the Trust's revenue, in accordance with the Regulations and the Scheme documents of the Trust; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

**State Street Trustees Limited**  
**Trustee**  
1 June 2018

### Independent Auditor's Report to the Unitholders of FP Miton Income Fund For the year ended 31 March 2018

#### Report on the audit of the financial statements

##### Opinion

In our opinion the financial statements:

- give a true and fair view of the financial position of FP Miton Income Fund ("the Trust") as at 31 March 2018 and of the net revenue and the net capital gains on the property of the Trust for the year ended 31 March 2018; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Trust Deed.

We have audited the financial statements of FP Miton Income Fund (the "Trust") which comprise for the Trust:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the related notes 1 to 17; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Trust Deed.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Authorised Fund Manager's (AFM's) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the AFM has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's 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.

We have nothing to report in respect of these matters.

##### Other information

The AFM is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

### Independent Auditor's Report to the Unitholders of FP Miton Income Fund For the year ended 31 March 2018

#### Responsibilities of Trustee and AFM

As explained more fully in the Trustee's responsibilities statement and the AFM's responsibilities statement, the Trustee is responsible for the safeguarding the property of the Trust and the AFM is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the AFM determines 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 AFM is responsible for assessing the Trust's 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 AFM either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

#### Auditor's 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 auditor's 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 the 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Trust's Unitholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Trust's Unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### Report on other legal and regulatory requirements

##### Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Trust have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 31 March 2018 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

#### Deloitte LLP

Statutory Auditor

Glasgow, United Kingdom

1 June 2018

### Investment Manager's Report For the year ended 31 March 2018

#### Investment Objective and Policy

To achieve a reasonable and rising income together with long term capital growth. The Fund intends to invest primarily in UK companies but may invest internationally. The Fund may also invest in other investments to the extent permitted by the FCA Rules as applicable from time to time and as explained in this Prospectus.

#### Investment Review

The Fund grew its dividend payment by 5.5% (on the income unit class), the fifth consecutive year that it has grown its payment to unit holders by 5%-6%. When combined with the high dividend yield of 4.7%, this progress in the dividend is fulfilling the Fund's objective of achieving a "reasonable and rising income". Although markets have been tough over the last 12 months, this income delivery will ultimately support the related objective of "long term capital growth".

(Source: Miton and Bloomberg 31/03/2018)

Over the 12 months to 31 March, the value of the B accumulation units fell 0.65%. This compares to a total return of 1.3% for the FTSE All Share Index. The mean return in the IA UK Equity Income category was 0.3%.

(Source: FE 31/03/2018)

Over the year, the Fund benefited from its holdings in Financial Services, especially Man Group, an alternative asset manager (up 22%) and Charter Court Financial Service, a challenger bank specialising in mortgages (up 23%). FDM Group, a fast growing company that trains and deploys people in the IT sector, also contributed to performance. The long standing overweight position in Pharmaceuticals was the principal negative contributor to performance. Shares in GlaxoSmithKline, Sanofi, Merck & Co and Roche were all down by double digit percentages. This reflected waning enthusiasm for progress on new product developments and concerns over drug pricing in the USA.

Changes have been relatively minor, but in aggregate have made the Fund a little more economically sensitive. The large weighting in Pharmaceuticals has come down from 14.4% to 11.7%, partly through falling share prices, but also the sale of AstraZeneca and Shire. The holdings in Utilities have also reduced from 4.4% to 1.4% of the Fund as regulatory risks have risen. By contrast, the weighting in Banks, where dividend prospects are finally improving, has increased from 5.1% to 8.4%, helped by an increase in the holding in Barclays and a new holding in AIB Group. Weightings in the Mining sector rose from 7.2% to 9.4%, through the addition of Anglo American, which now has returned to paying a dividend. And the allocation to Oil & Gas Producers rose from 9.4% to 13.6% over the year. The oil price increased steadily during the period, which, when combined with much improved capital discipline at the Oil Majors, means that the dividend prospects in this area are much improved.

(Source: Miton and Bloomberg 31/03/2018)

#### Market Overview

The period of emergency monetary policy is slowly drawing to a close. Central Banks are stepping back from Quantitative Easing (QE) (printing electronic money to buy bonds to lower interest cost across all maturities) and are also slowly starting to raise base rates from extraordinarily low levels. Given that the prior emergency measures have been supportive to all asset prices, markets are now concerned that their absence will be a headwind. This need not be the case. The more positive view would be that the move to a more 'normal' monetary regime is actually a sign of a healthier world economy. But given the absence of precedents and the extent of the QE programmes, the transition should be expected to be bumpy. This change of monetary regime has impacted performance within the UK equity market. Those sectors that did well under the old monetary regime, of lower for longer interest rates, such as Food Producers, Tobacco and Utilities have performed poorly. Instead leadership in the market came from more growth sensitive areas, such as Mining and Industrials. What is intriguing is that this shift in leadership to more pro-cyclical areas has not delivered an overall upward move in market levels.

### **Investment Manager's Report For the year ended 31 March 2018**

#### **Outlook**

The Fund's strategy is based on the justified belief that a good yield and a growing income stream are the surest building blocks of total returns for equities. The investment process continues to focus on those areas where there is evidence of structural growth, linked to a stock selection process designed to identify those companies most able to deliver a good and growing dividend stream. The focus on structural growth drivers, such as population growth, changes in technology, consumption changes or proliferating regulation means that the Fund's prospects are a little less reliant on the day-to-day volatility of economic data series and an increasingly noisy political debate. But it does not make the Fund immune from them. The Brexit window seems set to morph into an extended transition period, which is likely to be dampening to UK aggregate demand and to inward investment. The Fund's response to this is to favour large multinational corporations and have relatively little in the more domestic sectors. Although this is a UK equity fund, on a look through basis, less than a third of the revenues of the Fund's holdings are generated in the UK. Also diversifying, and perhaps reassuring, is that about 45% of the dividends that the Fund will collect are declared in currencies other than Sterling.

Equity markets have been unrewarding over the last year, and reasons for nervousness are legion and varied. Taking a balanced approach to risk will remain vital. But the case for the upside should not be overlooked. Global growth is positive and widespread. Within that there are certainly areas of structural growth, where well positioned companies can make excellent investments for shareholders. The overall valuation backdrop is also reasonable. It is hard to argue that UK quoted equities are expensive as an asset class. The dividend yield for the overall market is 3.85%, towards the top of its historic range. The FP Miton Income Fund typically yields 20% more again. The outlook for dividend growth also looks respectable, especially as large sectors such as Mining and Banks are increasing their pay-outs to shareholders. A high income stream should support current share prices and ultimately a growing income stream should propel share prices higher.

**Investment Manager**  
Miton Trust Managers Limited  
20 April 2018

## FP Miton Income Fund

### Performance Record As at 31 March 2018

	A Income			A Accumulation		
	31/03/18	31/03/17	31/03/16	31/03/18	31/03/17	31/03/16
<b>Change in net assets per Unit</b>	<b>(p)</b>	<b>(p)</b>	<b>(p)</b>	<b>(p)</b>	<b>(p)</b>	<b>(p)</b>
Opening net asset value per Unit	93.71	86.20	88.16	147.52	129.92	126.65
Return before operating charges*	0.35	13.11	3.47	0.42	19.90	5.47
Operating charges	(1.55)	(1.51)	(1.52)	(2.47)	(2.30)	(2.20)
Return after operating charges	(1.20)	11.60	1.95	(2.05)	17.60	3.27
Distributions	(4.28)	(4.09)	(3.91)	(6.81)	(6.19)	(5.67)
Retained distributions on accumulation Units	-	-	-	6.81	6.19	5.67
Closing net asset value per Unit	88.23	93.71	86.20	145.47	147.52	129.92
* after direct transaction costs of:	0.21	0.27	0.08	0.33	0.41	0.12
<b>Performance</b>						
Return after operating charges	(1.28%)	13.46%	2.21%	(1.39%)	13.55%	2.58%
<b>Other information</b>						
Closing net asset value	£17,263,142	£22,148,754	£23,210,737	£49,284,557	£56,807,070	£55,390,585
Closing number of Units	19,565,005	23,635,903	26,925,295	33,879,564	38,507,645	42,632,934
Operating charges	1.64%	1.67%	1.70%	1.64%	1.67%	1.70%
Direct transaction costs	0.22%	0.30%	0.09%	0.22%	0.30%	0.09%
<b>Prices</b>						
Highest Unit price	98.12	98.38*	94.37	158.63	150.57*	135.92
Lowest Unit price	88.57	82.31*	80.76	143.45	124.17*	118.39

	B Income			B Accumulation		
	31/03/18	31/03/17	31/03/16	31/03/18	31/03/17	31/03/16
<b>Change in net assets per Unit</b>	<b>(p)</b>	<b>(p)</b>	<b>(p)</b>	<b>(p)</b>	<b>(p)</b>	<b>(p)</b>
Opening net asset value per Unit	101.93	93.06	94.20	158.33	138.40	133.87
Return before operating charges*	0.37	14.21	3.98	0.41	21.29	5.83
Operating charges	(0.92)	(0.91)	(0.91)	(1.44)	(1.36)	(1.30)
Return after operating charges	(0.55)	13.30	3.07	(1.03)	19.93	4.53
Distributions	(4.67)	(4.43)	(4.21)	(7.33)	(6.62)	(6.02)
Retained distributions on accumulation Units	-	-	-	7.33	6.62	6.02
Closing net asset value per Unit	96.71	101.93	93.06	157.30	158.33	138.40
* after direct transaction costs of:	0.23	0.29	0.09	0.36	0.44	0.12
<b>Performance</b>						
Return after operating charges	(0.54%)	14.29%	3.26%	(0.65%)	14.40%	3.38%
<b>Other information</b>						
Closing net asset value	£43,137,258	£51,286,346	£50,257,984	£56,035,384	£66,400,808	£52,441,724
Closing number of Units	44,603,680	50,314,264	54,006,213	35,622,561	41,938,556	37,870,708
Operating charges	0.89%	0.92%	0.95%	0.89%	0.92%	0.95%
Direct transaction costs	0.22%	0.30%	0.09%	0.22%	0.30%	0.09%
<b>Prices</b>						
Highest Unit price	107.36	106.95*	101.22	171.26	161.54*	143.87*
Lowest Unit price	97.08	89.03*	87.09	155.10	132.50	125.98

\* Prior comparative has been restated.

## FP Miton Income Fund

### Performance Information As at 31 March 2018

#### Operating Charges

Date	AMC* (%)	Other expenses (%)	Transaction costs (%)	Research (%)	Total Operating Charges (%)
31/03/18					
Unit Class A	1.50	0.13	0.00	0.01	1.64
Unit Class B	0.75	0.13	0.00	0.01	0.89
31/03/17					
Unit Class A	1.50	0.17	0.00	0.00	1.67
Unit Class B	0.75	0.17	0.00	0.00	0.92

\* Annual Management Charge

The Operating Charge is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

Research costs are defined in note 1(e) on page 19 and for the period of 3 January 2018 to the year ended 31 March 2018, the research cost was £26,730.

Prior to 3 January 2018 research cost incurred by a Trust were included within the overall transaction costs figure. Effective from 3 January 2018, there is a regulatory requirement that research charges paid out of a Trust must be a specific charge; and that the total costs the Trust has incurred for third-party research in the most recent annual accounting period must be disclosed in the annual long report of the Trust.

#### Risk and Reward Profile As at 31 March 2018

	Typically lower rewards ← → Typically higher rewards						
	Lower risk			Higher risk			
Unit Class A	1	2	3	4	5	6	7
Unit Class B	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- This Unit Classes are ranked at "5" because they have experienced medium to high rises and falls in value in the past.

#### Risk Warning

An investment in a Unit Trust should be regarded as a medium to long term investment. Investors should be aware that the price of Units and the income from them may 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 of a Trust are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

## FP Miton Income Fund

Portfolio Statement  
As at 31 March 2018

Holdings or Nominal Value	Investments	Market Value £	% of Total Net Assets
<b>BASIC MATERIALS</b>			
<b>Chemicals 1.42% [0.59%]</b>			
77,200	Johnson Matthey	2,346,880	1.42
		<b>2,346,880</b>	<b>1.42</b>
<b>Forestry &amp; Paper 1.04% [0.00%]</b>			
90,000	Mondi	1,723,500	1.04
		<b>1,723,500</b>	<b>1.04</b>
<b>Mining 9.40% [7.24%]</b>			
120,600	Anglo American	2,003,166	1.21
800,000	Centamin	1,234,000	0.74
651,400	Glencore	2,304,653	1.39
2,124,031	Highland Gold Mining	3,254,016	1.96
65,100	Polyus GDR*	1,802,919	1.09
138,000	Rio Tinto	4,983,180	3.01
		<b>15,581,934</b>	<b>9.40</b>
<b>TOTAL BASIC MATERIALS 11.86% [7.83%]</b>		<b>19,652,314</b>	<b>11.86</b>
<b>CONSUMER GOODS</b>			
<b>Food Producers 0.00% [0.62%]</b>			
<b>Household Goods &amp; Home Construction 0.00% [0.00%^]</b>			
<b>Personal Goods 2.79% [2.51%]</b>			
116,700	Unilever	4,616,068	2.79
		<b>4,616,068</b>	<b>2.79</b>
<b>Tobacco 3.99% [5.46%]</b>			
83,700	British American Tobacco	3,457,647	2.09
130,200	Imperial Brands	3,156,048	1.90
		<b>6,613,695</b>	<b>3.99</b>
<b>TOTAL CONSUMER GOODS 6.78% [8.59%^]</b>		<b>11,229,763</b>	<b>6.78</b>
<b>CONSUMER SERVICES</b>			
<b>Food &amp; Drug Retailers 0.00% [0.67%]</b>			
<b>General Retailers 0.00% [0.40%]</b>			
<b>Media 2.40% [4.72%]</b>			
1,567,300	ITV	2,259,263	1.36
70,000	ProSiebenSat.1 Media	1,721,422	1.04
		<b>3,980,685</b>	<b>2.40</b>
<b>Travel &amp; Leisure 3.48% [1.33%]</b>			
771,600	888	2,078,691	1.25
192,900	GVC	1,772,751	1.07
125,400	TUI	1,914,858	1.16
		<b>5,766,300</b>	<b>3.48</b>
<b>TOTAL CONSUMER SERVICES 5.88% [7.12%]</b>		<b>9,746,985</b>	<b>5.88</b>

## FP Miton Income Fund

### Portfolio Statement As at 31 March 2018

<b>FINANCIALS</b>			
<b>Banks 8.36% [5.10%]</b>			
356,700	AIB	1,522,335	0.92
2,000,000	Barclays	4,130,000	2.49
482,400	HSBC	3,209,407	1.94
7,716,100	Lloyds Banking	4,989,230	3.01
		<b>13,850,972</b>	<b>8.36</b>
<b>Equity Investment Instruments 1.94% [1.78%]</b>			
5,138,800	Miton UK MicroCap Trust#	3,216,889	1.94
		<b>3,216,889</b>	<b>1.94</b>
<b>Financial Services 4.53% [4.49%]</b>			
585,985	Arix Bioscience	1,142,671	0.69
916,500	Charter Court Financial Services	2,708,257	1.63
455,959	IntegraFin	1,171,815	0.71
1,446,800	Man	2,481,262	1.50
		<b>7,504,005</b>	<b>4.53</b>
<b>Life Insurance 5.25% [6.81%]</b>			
1,929,000	Legal & General	4,972,962	3.00
62,700	Prudential	1,115,120	0.67
241,100	St. James's Place	2,615,935	1.58
		<b>8,704,017</b>	<b>5.25</b>
<b>Nonlife Insurance 2.47% [1.35%]</b>			
128,900	Admiral	2,376,916	1.43
450,000	Direct Line Insurance	1,714,950	1.04
		<b>4,091,866</b>	<b>2.47</b>
<b>Real Estate Investment Trusts 0.00% [0.96%]</b>			
<b>TOTAL FINANCIALS 22.55% [20.49%]</b>		<b>37,367,749</b>	<b>22.55</b>
<b>HEALTHCARE</b>			
<b>Pharmaceuticals &amp; Biotechnology 11.69% [14.40%]</b>			
70,400	BB Biotech	3,503,436	2.11
581,500	GlaxoSmithKline	8,106,110	4.89
15,800	Johnson & Johnson	1,443,377	0.87
50,300	Merck	1,953,123	1.18
14,900	Roche	2,430,238	1.47
33,800	Sanofi	1,935,617	1.17
		<b>19,371,901</b>	<b>11.69</b>
<b>TOTAL HEALTHCARE 11.69% [14.40%]</b>		<b>19,371,901</b>	<b>11.69</b>
<b>INDUSTRIALS</b>			
<b>Aerospace &amp; Defence 3.53% [4.02%]</b>			
372,200	BAE Systems	2,163,226	1.31
651,400	Chemring	1,298,892	0.78
172,100	Ultra Electronics	2,380,143	1.44
		<b>5,842,261</b>	<b>3.53</b>
<b>Construction &amp; Materials 5.47% [4.84% ^]</b>			
372,200	Costain	1,725,147	1.04
173,600	Galliford Try	1,449,560	0.88
57,866	Galliford Try (Rights)	153,345	0.09
246,000	Keller	2,137,740	1.29
181,500	Kier	1,693,395	1.02
550,000	Polypipe	1,914,000	1.15
		<b>9,073,187</b>	<b>5.47</b>

## FP Miton Income Fund

### Portfolio Statement As at 31 March 2018

<b>General Industrials 2.52% [2.74%]</b>			
125,600	Smiths	1,900,956	1.15
79,100	Smurfit Kappa	2,279,662	1.37
		<b>4,180,618</b>	<b>2.52</b>
<b>Support Services 3.44% [2.87%]</b>			
1,157,700	Hays	2,179,949	1.31
744,400	Rentokil Initial	2,022,535	1.22
465,300	SThree	1,502,919	0.91
		<b>5,705,403</b>	<b>3.44</b>
<b>TOTAL INDUSTRIALS 14.96% [14.47%^]</b>		<b>24,801,469</b>	<b>14.96</b>
<b>OIL &amp; GAS</b>			
<b>Oil &amp; Gas Producers 13.63% [9.35%]</b>			
1,460,000	BP	6,994,860	4.22
1,990,000	Diversified Gas & Oil	1,691,500	1.02
77,200	Eni	967,042	0.58
2,326,200	Premier Oil	1,609,730	0.97
344,300	Royal Dutch Shell 'B'	7,839,711	4.73
147,000	Statoil	2,461,943	1.49
25,300	TOTAL	1,023,200	0.62
		<b>22,587,986</b>	<b>13.63</b>
<b>Oil Equipment, Services &amp; Distribution 0.00% [1.08%]</b>			
<b>TOTAL OIL &amp; GAS 13.63% [10.43%]</b>		<b>22,587,986</b>	<b>13.63</b>
<b>TECHNOLOGY</b>			
<b>Software &amp; Computer Services 0.43% [1.87%]</b>			
70,000	FDM	707,000	0.43
		<b>707,000</b>	<b>0.43</b>
<b>Technology Hardware &amp; Equipment 0.00% [0.51%]</b>			
<b>TOTAL TECHNOLOGY 0.43% [2.38%]</b>		<b>707,000</b>	<b>0.43</b>
<b>TELECOMMUNICATIONS</b>			
<b>Fixed Line Telecommunications 2.93% [3.28%]</b>			
55,900	AT&T	1,420,612	0.86
1,512,000	BT	3,439,800	2.07
		<b>4,860,412</b>	<b>2.93</b>
<b>Mobile Telecommunications 3.53% [3.43%]</b>			
3,014,800	Vodafone	5,850,521	3.53
		<b>5,850,521</b>	<b>3.53</b>
<b>TOTAL TELECOMMUNICATIONS 6.46% [6.71%]</b>		<b>10,710,933</b>	<b>6.46</b>

## FP Miton Income Fund

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### Portfolio Statement As at 31 March 2018

<b>UTILITIES</b>			
<b>Electricity 1.14% [0.00%]</b>			
432,700	Enel	1,885,004	1.14
		<b>1,885,004</b>	<b>1.14</b>
<b>Gas, Water &amp; Multiutilities 1.39% [4.31%]</b>			
288,500	National Grid	2,314,347	1.39
		<b>2,314,347</b>	<b>1.39</b>
	<b>TOTAL UTILITIES 2.53% [4.31%]</b>	<b>4,199,351</b>	<b>2.53</b>
	<b>Portfolio of investments</b>	<b>160,375,451</b>	<b>96.77</b>
	Net other assets	5,344,890	3.23
	<b>Net assets</b>	<b>165,720,341</b>	<b>100.00</b>

\* Stocks shown as GDR's represent Global Depositary Receipts.

# Holding in Investment Trust managed by Miton Trust Managers Limited.

The investments have been valued in accordance with note 1(j) of the Accounting Policies and Financial Instruments.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 31 March 2017.

^ Since the previous report the classification headings have been updated by data providers. Comparative figures have been updated where appropriate.

Gross purchases for the year: £71,205,885 [2017: £83,146,166] (See note 15).

Total sales net of transaction costs for the year: £93,300,913 [2017: £88,893,207] (See note 15).

## FP Miton Income Fund

### Statement of Total Return For the year ended 31 March 2018

	Note	01/04/17 to 31/03/18		01/04/16 to 31/03/17	
		£	£	£	£
Income:					
Net capital (losses)/gains*	2		(7,351,642)		18,579,695
Revenue*	3	8,777,137		8,615,136	
Expenses	4	(2,227,211)		(2,320,530)	
Interest payable and similar charges	5	<u>(492)</u>		<u>(110)</u>	
Net revenue before taxation		6,549,434		6,294,496	
Taxation	6	<u>(195,147)</u>		<u>(102,368)</u>	
Net revenue after taxation			<u>6,354,287</u>		<u>6,192,128</u>
Total return before distributions			(997,355)		24,771,823
Distributions	7		<u>(8,552,255)</u>		<u>(8,498,100)</u>
<b>Change in net assets attributable to Unitholders from investment activities</b>			<b><u>(9,549,610)</u></b>		<b><u>16,273,723</u></b>

### Statement of Change in Net Assets Attributable to Unitholders For the year ended 31 March 2018

		01/04/17 to 31/03/18		01/04/16 to 31/03/17	
		£	£	£	£
<b>Opening net assets attributable to Unitholders</b>			196,642,978		181,271,030
Amounts receivable on issue of Units		7,663,013		18,902,761	
Amounts payable on cancellation of Units		<u>(34,167,630)</u>		<u>(24,962,572)</u>	
			(26,504,617)		(6,059,811)
Change in net assets attributable to Unitholders from investment activities (see above)			(9,549,610)		16,273,723
Retained distributions on accumulation Units			5,130,920		5,156,358
Unclaimed distributions			670		1,678
<b>Closing net assets attributable to Unitholders</b>			<b><u>165,720,341</u></b>		<b><u>196,642,978</u></b>

\* Comparative has been restated

## FP Miton Income Fund

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### Balance Sheet As at 31 March 2018

		31/03/18		31/03/17	
	Note	£	£	£	£
<b>Assets:</b>					
Fixed assets:					
Investments			160,375,451		190,219,066
Current assets:					
Debtors	8	1,470,479		992,597	
Cash and bank balances	9	<u>5,466,271</u>		<u>9,438,929</u>	
Total current assets			<u>6,936,750</u>		<u>10,431,526</u>
Total assets			<u>167,312,201</u>		<u>200,650,592</u>
<b>Liabilities:</b>					
Creditors:					
Distribution payable on income units		(1,129,833)		(2,038,622)	
Other creditors	10	<u>(462,027)</u>		<u>(1,968,992)</u>	
Total creditors			<u>(1,591,860)</u>		<u>(4,007,614)</u>
Total liabilities			<u>(1,591,860)</u>		<u>(4,007,614)</u>
<b>Net assets attributable to Unitholders</b>			<b><u>165,720,341</u></b>		<b><u>196,642,978</u></b>

### Accounting Policies and Financial Instruments For the year ended 31 March 2018

#### 1. Accounting basis and policies

##### (a) Basis of accounting

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 "The Financial Reporting Standards Applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice ("SORP") for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014.

As described in the Certification of Financial Statements by Directors of the AFM on page 4, the AFM continues to adopt the going concern basis in the preparation of the Financial Statements of the Trust.

##### (b) Realised and unrealised gains and losses

Realised gains or losses have been calculated as the proceeds from disposal less book cost. Where realised gains or losses which have arisen in previous years, a corresponding reversal of such previously recognised loss or gain is recognised in unrealised gains or losses.

Unrealised gain/losses are calculated with reference to the original recorded value of the asset or liability, and only the element of gain/loss within the accounting period is recorded in the Financial Statements. All unrealised and realised gains are capital in nature and do not form part of the Trust's distributable income.

All foreign currency transactions are recorded using an exchange rate from the effective date of the transaction (e.g. the trade date of a trade, the ex-div date of a dividend, or the date of a currency disposal).

##### (c) Recognition of revenue

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend and are recognised net of attributable tax credits.

Rebates of annual management charges on underlying investments are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the charge on the underlying fund.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

##### (d) Treatment of stock and special dividends

The ordinary element of stock dividends received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

##### (e) Research costs

The research provision is a capital charge made to the Trust for research services provided by third parties who are independent of the investment manager. The investment manager uses the research to inform investment decisions for the Trust. This charge was previously included within the transaction charges.

Research is defined as the analysis and original insights and reaches conclusions based on, for new or existing information, that could be used to inform an investment strategy. This be relevant and capable of adding value to the Investment manager's decisions, on behalf of the Fund being charged for that research.

### Accounting Policies and Financial Instruments For the year ended 31 March 2018

#### (f) Treatment of expenses

Expenses are recorded on an accruals basis but the Trust may incur additional allowable expenses which are charged as and when they are incurred.

All expenses are charged to capital.

Rebates on the fees payable to the AFM are accounted for on an accruals basis and recognised as capital. Rebates on the fees payable to the AFM are netted off against the expense to which they relate.

#### (g) Allocation of revenue and expenses to multiple Unit Classes

Any revenue or expenses not directly attributable to a particular Unit Class will normally be allocated pro-rata to the net assets of the relevant Unit Classes.

#### (h) Taxation

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

#### (i) Distribution policy

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for items of a capital nature, is distributable to Unitholders as dividend distributions. Any revenue deficit is deducted from capital.

In addition, the portfolio transaction charges will be charged wholly to the capital of the Trust. Accordingly, the imposition of such charges may constrain the capital growth of the Trust.

The AFM has elected to pay all revenue less expenses charged to revenue and taxation as a quarterly distribution at the end of each accounting period.

#### (j) Basis of valuation of investments

Listed investments are valued at close of business bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period.

Market value is defined by the SORP as fair value which is the bid value of each security.

Collective Investment Schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds these take into account any agreed rate of redemption charge, on the last business day of the accounting period.

Non-observable entity specific data is only used where relevant observable market data is not available. Typically this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close-ended funds and open-ended funds with restrictions on redemption rights.

All investments are recognised and derecognised on trade date, and any trades that occur between valuation point and close of business are included in the Financial Statements.

### Accounting Policies and Financial Instruments For the year ended 31 March 2018

#### (k) Exchange rates

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into Sterling at the closing mid market exchange rates ruling on that date.

#### (l) Equalisation

Equalisation applies only to Units purchased during the distribution period (Group 2 Units). It represents the accrued revenue included in the purchase price of the Units.

After averaging 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 Units for Capital Gains tax purposes.

#### (m) Derivatives

The Trust may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Where the transactions are used to protect or enhance capital, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the period end are included in the Balance Sheet at their mark to market value. There were no derivative transactions during the year.

#### (n) Box profits

Any profit made on the issue or reissue of units or cancellation of units which it has redeemed, the Manager now pays the residual payment generated by the difference between bid and offer prices back to the Trust. It is transferred to the Trust on an earned basis and treated as net capital gains. No losses will be charged.

## 2. Derivatives and other financial instruments

Management of risk is a critical responsibility of the AFM in managing the Trust.

In pursuing the investment objectives a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

The main risks from the Trust's holding of financial instruments, together with the AFM's policy for managing these risks, are disclosed below:

#### (a) Foreign currency risk

A significant portion of the Trust's assets may be denominated in a currency other than the base currency of the Trust or Class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Units of the relevant Trust are valued and priced.

The Trust is not required to hedge its foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Trust does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Trust's assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Trust in circumstances where no such hedging transactions are undertaken.

#### (b) Interest rate risk profile of financial assets and liabilities

The interest rate risk is the risk that the value of the Trust's investments will fluctuate due to changes in the interest rate. Cashflows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the Trust's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Trust did not have any long term financial liabilities at the balance sheet date.

### Accounting Policies and Financial Instruments For the year ended 31 March 2018

**(c) Credit risk**

The Trust may find that companies in which it invests fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

**(d) Liquidity risk**

Subject to the Regulations, the Trust may invest up to and including 10% of the Scheme Property of the Trust in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Trust's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent the Trust invests in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer.

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Trust's ability to purchase or sell such securities at a fair price may be impaired or delayed.

**(e) Market price risk**

The Trust invests principally in equities. The value of these investments are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Manager seeks to minimise these risks by holding a diversified portfolio of Collective Investment Schemes in line with the Trust's objectives. In addition, the management of the Trust complies with the FCA's COLL sourcebook, which includes rules prohibiting a holding greater than 30% of assets in any one Fund.

**(f) Counterparty risk**

Transactions in securities entered into by the Trust give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Trust's prospectus and COLL.

**(g) Fair value of financial assets and financial liabilities**

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

**(h) Operational risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Trust cannot eliminate operational risks but, through the continual review and assessment of its control environment, by monitoring and responding to potential risks, they can be managed.

High level controls include effective segregation of duties, trade confirmation checking and reconciliation procedures, incident reporting and oversight of delegated functions.

**Accounting Policies and Financial Instruments  
For the year ended 31 March 2018**

**(i) Leverage**

In accordance with the IA SORP issued in May 2014, as AFM we are required to disclose any leverage of the Trust. Leverage is defined as any method by which the Trust increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives and in accordance with the commitment approach (CESR/10-788) divided by the net asset value).

The Trust's exposure is defined with reference to the 'Commitment' method. Commitment method exposure is calculated as the sum of all positions of the Trust, after netting off derivative and security positions and is disclosed within the Trust's Financial Statements note 14(d).

**Notes to the Financial Statements  
For the year ended 31 March 2018**

**1. Accounting Basis and Policies**

The Trust's Financial Statements have been prepared on the basis detailed on pages 19, 20 and 21.

**2. Net capital (losses)/gains**

01/04/17 to	01/04/16 to
31/03/18	31/03/17
£	£

The net capital (losses)/gains during the year comprise:

Broker's commission on futures	-	(1,259)
Currency losses	(56,747)	(51,541)
Derivatives contract gains	-	1,165
Non-derivative security (losses)/gains	(7,387,023)	18,604,012
Rebates received from underlying funds*	35,748	33,484
Transaction charges	(6,729)	(6,166)
Box profit	65,265	-
Issuance fee	(2,156)	-
<b>Net capital (losses)/gains*</b>	<b>(7,351,642)</b>	<b>18,579,695</b>

\* Comparative has been restated

**3. Revenue**

01/04/17 to	01/04/16 to
31/03/18	31/03/17
£	£

Bank interest	454	1,405
Derivative contract revenue	-	145,825
Overseas dividends	2,058,983	1,503,844
UK dividends	6,717,700	6,944,120
Underwriting commission	-	19,942
<b>Total revenue*</b>	<b>8,777,137</b>	<b>8,615,136</b>

\* Comparative has been restated

**4. Expenses**

01/04/17 to	01/04/16 to
31/03/18	31/03/17
£	£

**Payable to the AFM, associates of the AFM, and agents of either of them**

AFM fees	1,969,000	2,003,545
Fund Accounting fees	69,326	7,851
Printing, postage, stationery and typesetting costs	1,046	6,251
Registration fees	88,907	239,098
	<u>2,128,279</u>	<u>2,256,745</u>

**Payable to the Trustee, associates of the Trustee and agents of either of them**

Trustee's fees	44,988	37,747
Safe custody fees	17,303	16,431
	<u>62,291</u>	<u>54,178</u>

**Other expenses**

Audit fees	9,911	9,421
Professional fees	-	186
Research charges	26,730	-
	<u>36,641</u>	<u>9,607</u>

**Total expenses**

<b>2,227,211</b>	<b>2,320,530</b>
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FCA fees and Audit fees of £8,260 + VAT for the year ended 31 March 2018 (2017: £7,850 + VAT) have been paid out of the property of the Trust.

Notes to the Financial Statements  
For the year ended 31 March 2018

5. Interest payable and similar charges	01/04/17 to 31/03/18	01/04/16 to 31/03/17
	£	£
Interest	492	110
<b>Total interest payable and similar charges</b>	<b>492</b>	<b>110</b>

6. Taxation	01/04/17 to 31/03/18	01/04/16 to 31/03/17
	£	£
<i>(a) Analysis of the tax charge in the year</i>		
Irrecoverable withholding tax	195,147	102,368
<b>Total taxation for the year (Note 6 (b))</b>	<b>195,147</b>	<b>102,368</b>

*(b) Factors affecting tax charge for the year*

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for a Unit Trust of 20% (2017: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/04/17 to 31/03/18	01/04/16 to 31/03/17
	£	£
Net revenue before taxation	6,549,434	6,294,496
Net revenue for the year multiplied by the standard rate of corporation tax	1,309,887	1,258,899
<b>Effects of:</b>		
Expenses not deductible for tax purposes	5,346	-
Movement in excess management expenses	433,949	413,680
Revenue not subject to corporation tax	(1,756,332)	(1,679,313)
Irrecoverable withholding tax	195,147	102,368
Expenses not subject to corporation tax	-	37
Rebated capital expenses deductible for tax purposes*	7,150	6,697
<b>Total tax charge for the year</b>	<b>195,147</b>	<b>102,368</b>

Unit Trusts are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

\* Comparative has been restated

*(c) Provision for deferred tax*

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

*(d) Factors that may affect future tax charges*

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £9,450,976 (2017: £9,027,386) in relation to surplus management expenses. It is unlikely that the Trust will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

**Notes to the Financial Statements  
For the year ended 31 March 2018**

**7. Finance costs**

**Distributions**

The distributions take account of revenue received on the creation of Units and revenue deducted on the cancellation of Units, and comprise:

	01/04/17 to 31/03/18	01/04/16 to 31/03/17
	£	£
Interims	5,208,204	3,047,363
Final	3,049,987	5,342,414
Add: Revenue paid on cancellation of Units	400,840	435,407
Deduct: Revenue received on creation of Units	(106,776)	(327,084)
<b>Net distribution for the year</b>	<b>8,552,255</b>	<b>8,498,100</b>

**Reconciliation of net revenue after taxation to distributions**

Net revenue after taxation	6,354,287	6,192,128
Equalisation on conversion of Units	(59)	(80)
Expenses charged to capital	2,191,463	2,287,046
Net movement in revenue account	(19)	49
Rebates received from underlying funds**	35,748	33,484
Tax relief from capital*	(29,165)	(14,527)
<b>Net distribution for the year</b>	<b>8,552,255</b>	<b>8,498,100</b>

\* Tax relief from capital expenses

\*\* Comparative has been restated

Details of the distributions per Unit are set out in the distribution tables on pages 32 to 33.

**8. Debtors**

	31/03/18	31/03/17
	£	£
Accrued bank interest	33	58
Accrued revenue	891,998	694,107
Amounts due for rebates from underlying funds	8,579	8,836
Amounts receivable for creation of Units	124,678	189,889
Overseas withholding tax recoverable	241,355	99,707
Sales awaiting settlement	203,836	-
<b>Total debtors</b>	<b>1,470,479</b>	<b>992,597</b>

**9. Cash and bank balances**

	31/03/18	31/03/17
	£	£
Cash and bank balances	5,466,271	9,438,929
<b>Total cash and bank balances</b>	<b>5,466,271</b>	<b>9,438,929</b>

## FP Miton Income Fund

### Notes to the Financial Statements For the year ended 31 March 2018

10. Other creditors	31/03/18	31/03/17
	£	£
Amounts payable for cancellation of Units	220,942	439,179
Purchases awaiting settlement	-	1,280,873
	<u>220,942</u>	<u>1,720,052</u>
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AFM fees	151,054	179,304
Fund Accounting fees	44,762	17,643
Printing, postage, stationery and typesetting costs	540	2,692
Registration fees	22,540	13,664
	<u>218,896</u>	<u>213,303</u>
<i>Trustee and Agents</i>		
Trustee fees	6,619	21,100
Safe custody fees	4,208	3,990
Transaction charges	1,450	1,126
	<u>12,277</u>	<u>26,216</u>
<i>Other accrued expenses</i>		
Audit fees	9,912	9,421
	<u>9,912</u>	<u>9,421</u>
<b>Total other creditors</b>	<b><u>462,027</u></b>	<b><u>1,968,992</u></b>

### 11. Related party transactions

Management fees paid to the AFM are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the AFM through the creation and cancellation of Units are disclosed in the Statement of Change in Unitholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The AFM and its associates (including other authorised investment funds managed by the AFM) have no Unitholdings in the Trust at the year end.

### 12. Unit Classes

The Unit Class and AFM's Annual Management Charges applicable are as follows:

	%
Unit Class A Income	1.50
Unit Class A Accumulation	1.50
Unit Class B Income	0.75
Unit Class B Accumulation	0.75

Each Unit Class has equal rights in the event of the wind up of the Trust.

The reconciliation of the opening and closing numbers of units of each class is shown below:

	31/03/17	Issued	Cancelled	Converted	31/03/18
Unit Class A Income	23,635,903	380,371	(2,926,276)	(1,524,993)	19,565,005
Unit Class A Accumulation	38,507,645	153,301	(4,223,222)	(558,160)	33,879,564
Unit Class B Income	50,314,264	4,370,654	(11,526,635)	1,445,397	44,603,680
Unit Class B Accumulation	41,938,556	1,651,287	(8,453,134)	485,852	35,622,561

Notes to the Financial Statements  
For the year ended 31 March 2018

13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2017: nil).

14. Derivatives and other financial instruments

The main risks from the Trust's holding of financial instruments, together with the AFM's policy for managing these risks, are disclosed in note 2 on pages 21, 22 and 23 of the report.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency assets	
	31/03/18	31/03/17
	£	£
Euro	9,251,984	7,565,634
Norwegian krone	2,461,943	2,181,147
Swedish krona	4,094	-
Swiss franc	6,044,484	3,326,406
US dollar	6,745,239	8,234,293
<b>Total foreign currency exposure</b>	<b>24,507,744</b>	<b>21,307,480</b>
Sterling	141,212,597	175,335,498
<b>Total net assets</b>	<b>165,720,341</b>	<b>196,642,978</b>

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £2,227,977 (2017: £1,937,044). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £2,723,083 (2017: £2,367,498). These calculations assume all other variables remain constant.

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

Currency Assets	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£	£	£	£
<b>31/03/18</b>				
Euro	688	-	9,251,296	9,251,984
Norwegian krone	-	-	2,461,943	2,461,943
Sterling	5,465,578	-	137,338,879	142,804,457
Swedish krona	-	-	4,094	4,094
Swiss franc	-	-	6,044,484	6,044,484
US dollar	5	-	6,745,234	6,745,239
<b>Total</b>	<b>5,466,271</b>	<b>-</b>	<b>161,845,930</b>	<b>167,312,201</b>
<b>31/03/17</b>				
Euro	-	-	7,565,634	7,565,634
Norwegian krone	-	-	2,181,147	2,181,147
Sterling	9,438,929	-	169,904,183	179,343,112
Swiss franc	-	-	3,326,406	3,326,406
US dollar	-	-	8,234,293	8,234,293
<b>Total</b>	<b>9,438,929</b>	<b>-</b>	<b>191,211,663</b>	<b>200,650,592</b>

**Notes to the Financial Statements  
For the year ended 31 March 2018**

Currency Liabilities	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
<b>31/03/18</b>				
Sterling	-	-	1,591,860	1,591,860
<b>Total</b>	-	-	<b>1,591,860</b>	<b>1,591,860</b>
<b>31/03/17</b>				
Sterling	-	-	4,007,614	4,007,614
<b>Total</b>	-	-	<b>4,007,614</b>	<b>4,007,614</b>

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

**(c) Market price risk**

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Trust would have increased by the amounts set out in the table below. If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by the amounts set out in the table below. These calculations have been applied to non-derivative securities only (see note 2(i) Accounting Policies and Financial Instruments for an explanation of the Trust's leverage during the year). These calculations assume all other variables remain constant.

	Increase £	Decrease £
<b>2018</b>	16,037,545	16,037,545
<b>2017</b>	19,021,907	19,021,907

**(d) Leverage**

The Trust did not employ any significant leverage as at 31 March 2018, other than that available to the Trust as a result of its ability to borrow up to 10% of its value on a permanent basis.

Notes to the Financial Statements  
For the year ended 31 March 2018

15. Portfolio transaction costs	01/04/17 to 31/03/18		01/04/16 to 31/03/17	
Analysis of total purchase costs	£	£	£	£
Purchases in the year before transaction costs:				
Equities		70,925,843		82,723,876
		<u>70,925,843</u>		<u>82,723,876</u>
Commissions - Equities	84,932		123,803	
Taxes - Equities	<u>195,110</u>		<u>298,487</u>	
Total purchase costs		<u>280,042</u>		<u>422,290</u>
<b>Gross purchase total</b>		<b><u>71,205,885</u></b>		<b><u>83,146,166</u></b>

**Analysis of total sale costs**

Gross sales in the year before transaction costs:				
Equities		92,882,179		89,033,359
Collective Investment Schemes		<u>551,636</u>		<u>-</u>
		93,433,815		89,033,359
Commissions - Equities	(131,725)		(140,003)	
Commissions - Collective Investment Schemes	(883)		-	
Taxes - Equities	(291)		(149)	
Taxes - Collective Investment Schemes	<u>(3)</u>		<u>-</u>	
Total sale costs		<u>(132,902)</u>		<u>(140,152)</u>
<b>Total sales net of transaction costs</b>		<b><u>93,300,913</u></b>		<b><u>88,893,207</u></b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Trust during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Transaction costs as percentage of principal amounts	01/04/17 to 31/03/18	01/04/16 to 31/03/17
	%	%
Purchases - Commissions		
Equities	0.1197%	0.1497%
Purchases - Taxes		
Equities	0.2751%	0.3608%
Sales - Commissions		
Equities	0.1418%	0.1572%
Collective Investment Schemes	0.1601%	0.0000%
Sales - Taxes		
Equities	0.0003%	0.0002%
Collective Investment Schemes	0.0005%	0.0000%

**Notes to the Financial Statements  
For the year ended 31 March 2018**

	<b>01/04/17 to 31/03/18</b>	<b>01/04/16 to 31/03/17</b>
<b>Transaction costs as percentage of average net asset value</b>	<b>%</b>	<b>%</b>
Commissions	0.1163%	0.1401%
Taxes	0.1044%	0.1586%

At the balance sheet date the average portfolio dealing spread was 0.19% (2017: 0.21%).

**16. Post balance sheet events**

There are no post balance sheet events which require adjustments at the year end.

**17. Fair value disclosure**

<b>Valuation technique</b>	<b>31/03/18</b>		<b>31/03/17</b>	
	<b>Assets £</b>	<b>Liabilities £</b>	<b>Assets £</b>	<b>Liabilities £</b>
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	160,375,451	-	190,219,066	-
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	-	-	-	-
<b>Level 3:</b> Inputs are unobservable (ie for which market data is unavailable) for the asset or liability	-	-	-	-
	<b>160,375,451</b>	<b>-</b>	<b>190,219,066</b>	<b>-</b>

The valuation techniques and the AFM's policy is disclosed in note 1(j) on page 20.

## FP Miton Income Fund

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### Distribution Tables

As at 31 March 2018

#### First Interim Distribution in pence per Unit

Group 1 Units purchased prior to 1 April 2017

Group 2 Units purchased on or after 1 April to 30 June 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 31/08/17 (p)
<b>Unit Class A Income</b>			
Group 1	0.8535	-	0.8535
Group 2	0.0000	0.8535	0.8535
<b>Unit Class A Accumulation</b>			
Group 1	1.3443	-	1.3443
Group 2	0.1026	1.2417	1.3443
<b>Unit Class B Income</b>			
Group 1	0.9300	-	0.9300
Group 2	0.0000	0.9300	0.9300
<b>Unit Class B Accumulation</b>			
Group 1	1.4458	-	1.4458
Group 2	0.0000	1.4458	1.4458

There are no 31/08/16 comparisons, as the Trust started paying quarterly distributions from 31/05/17.

#### Second Interim Distribution in pence per Unit

Group 1 Units purchased prior to 1 July 2017

Group 2 Units purchased on or after 1 July to 30 September 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/17 (p)	Distribution paid 30/11/16 (p)
<b>Unit Class A Income</b>				
Group 1	0.8709	-	0.8709	1.4800
Group 2	0.0000	0.8709	0.8709	1.4800
<b>Unit Class A Accumulation</b>				
Group 1	1.3782	-	1.3782	2.2299
Group 2	0.0000	1.3782	1.3782	2.2299
<b>Unit Class B Income</b>				
Group 1	0.9500	-	0.9500	1.6000
Group 2	0.0000	0.9500	0.9500	1.6000
<b>Unit Class B Accumulation</b>				
Group 1	1.4832	-	1.4832	2.3787
Group 2	0.0000	1.4832	1.4832	2.3787

## FP Miton Income Fund

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### Distribution Tables

As at 31 March 2018

#### Third Interim Distribution in pence per Unit

Group 1 Units purchased prior to 1 October 2017

Group 2 Units purchased on or after 1 October to 31 December 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/18 (p)
<b>Unit Class A Income</b>			
Group 1	0.8981	-	0.8981
Group 2	0.0000	0.8981	0.8981
<b>Unit Class A Accumulation</b>			
Group 1	1.4298	-	1.4298
Group 2	0.0000	1.4298	1.4298
<b>Unit Class B Income</b>			
Group 1	0.9800	-	0.9800
Group 2	0.0000	0.9800	0.9800
<b>Unit Class B Accumulation</b>			
Group 1	1.5397	-	1.5397
Group 2	0.0000	1.5397	1.5397

There are no 28/02/17 comparisons, as the Trust started paying quarterly distributions from 31/05/17.

#### Final Distribution in pence per Unit

Group 1 Units purchased prior to 1 January 2018

Group 2 Units purchased on or after 1 January to 31 March 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 31/05/18 (p)	Distribution paid 31/05/17 (p)
<b>Unit Class A Income</b>				
Group 1	1.6534	-	1.6534	2.6087
Group 2	0.3067	1.3467	1.6534	2.6087
<b>Unit Class A Accumulation</b>				
Group 1	2.6554	-	2.6554	3.9642
Group 2	0.9328	1.7226	2.6554	3.9642
<b>Unit Class B Income</b>				
Group 1	1.8078	-	1.8078	2.8263
Group 2	0.6798	1.1280	1.8078	2.8263
<b>Unit Class B Accumulation</b>				
Group 1	2.8648	-	2.8648	4.2378
Group 2	0.9220	1.9428	2.8648	4.2378

### General Information

#### Classes of Units

The Trust can issue different classes of Units in respect of the Trust. Holders of Income Units are entitled to be paid the revenue attributable to such Units, in respect of each annual or interim accounting period. Holders of Accumulation Units are not entitled to be paid the revenue attributable to such Units, but that revenue is retained and accumulated for the benefit of Unitholders and is reflected in the price of Units.

#### Buying and Selling Units

The AFM will accept orders to deal in the Units on normal business days between 9:00am and 5:00pm. Instructions to buy or sell Units may be either in writing to: Fund Partners Limited - Miton, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB or by telephone on 01202 855 856\* (UK only) or +44 1202 855 856\* (from outside the UK). A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

#### Valuation Point

The valuation point for the Trust is 12 noon on each dealing day (being each day which is a business day in London). Valuations may be made at other times under the terms contained within the Prospectus.

#### Prices

The price of Units for each class in each Fund will be posted via a link on [www.fundpartners.co.uk](http://www.fundpartners.co.uk) and can also be obtained by telephoning the Administrator on 01202 855 856\* (UK only) or +44 1202 855 856\* (outside the UK) during the AFM's normal business hours.

#### Report

The annual report of the Trust will normally be published within two months of each annual accounting period, although the AFM reserves the right to publish the annual report at a later date but not later than four months from the end of each annual accounting period and the interim report will be published within two months of each interim accounting period.

Interim Financial Statements period ended	30 September
Annual Financial Statements year ended	31 March

#### Distribution Payment Dates

Interim	31 August, 30 November and 28 February
Annual	Not later than 31 July , but normally by 31 May

\* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.

**General Information**

**Significant Information**

Under the UCITS V and the UCITS Remuneration Code, Fund Partners as UCITS Manager, are required to disclose how those whose actions have a material impact on the Fund are remunerated.

The remuneration strategy across Fund Partners is governed by the Fund Partners' Board and Fund Partners has chosen not to establish a Remuneration Committee. The Fund Partners' Board has established a Remuneration Policy designed to ensure the UCITS Remuneration Code in the UK Financial Authority handbook is met proportionately for all UCITS Remuneration Code Staff.

Fund Partners considers its activities as non complex due to the fact that regulation limits the UCITS strategies conducted and the scope of investment in such a way that investor risk is mitigated. The discretion of Fund Partners and the portfolio manager is strictly controlled within certain pre-defined parameters as determined in the prospectus of each UCITS.

In its role as an UCITS Manager, Fund Partners deems itself as lower risk due to the nature of the activities it conducts. Fund Partners does not pay any form of variable remuneration currently. Therefore Fund Partners have provided a basic overview of how staff whose actions have a material impact on the Fund are remunerated.

<b>March 2018</b>	<b>Number of Beneficiaries</b>	<b>Total remuneration paid</b>	<b>Fixed remuneration</b>	<b>Variable remuneration paid</b>	<b>Carried interest paid by the UCITS</b>
Total remuneration paid by FP during the financial year	33	1,875,971	1,875,971	0	0
Remuneration paid to employees of FP who have a material impact on the risk profile of the UCITS	6	525,691	525,691	0	0
Senior Management	4	444,310	444,310	0	0
Control functions	4	444,310	444,310	0	0
Employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	2	43,334	43,334	0	0

The only material change to the adopted remuneration policy, since the previous year end, is the identification of new risk takers and inclusion of delegates required by UCITS.

**Other Information**

The Trust Deed, Prospectus, Key Investor Information Document ("KIID"), Supplementary Information Document ("SID") and the most recent interim and annual reports may be inspected at the office of the AFM which is also the Head Office of the Trust and copies may be obtained upon application.

Unitholders who have any complaints about the operation of the Trust should contact the AFM or the Trustee in the first instance. In the event that a Unitholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR.

### General Information

#### Data Protection

Unitholders' names will be added to a mailing list which may be used by the AFM, its associates or third parties to inform investors of other products by sending details of such products. Unitholders who do not want to receive such details should write to the AFM requesting their removal from any such mailing list.

#### Effects of Personal Taxation

Investors should be aware that unless their Units are held within an ISA, selling Units is treated as a disposal for the purpose of Capital Gains tax.

#### Risk Warning

An investment in a Unit Trust should be regarded as a medium to long term investment. Investors should be aware that the price of Units and the income from them may 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 of a Trust are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

### Contact Information

#### The Trust and its Head Office

FP Miton Income Fund  
8-9 Lovat Lane,  
London EC3R 8DW  
Incorporated in England and Wales under registration  
number  
Website address: [www.fundpartners.co.uk](http://www.fundpartners.co.uk)  
(Authorised and regulated by the FCA)

#### Directors of the AFM

V. Hoare (Resigned 27 September 2017)  
I. Hobday (Resigned 1 October 2017)  
P. Legg (Resigned 27 September 2017)  
C. Spencer (Appointed 3 November 2017)  
R. Thomson (Appointed 28 September 2017)  
M. Wood  
R. Wood (Appointed 30 September 2017)

#### Non executive Directors

P. Wilcox (Resigned 27 September 2017)  
M. Manassee (Appointed 6 November 2017)

#### Registrar

Investor Administration Solutions Limited  
Cedar House, 3 Cedar Park,  
Cobham Road,  
Wimborne,  
Dorset BH21 7SB

#### Auditor

Deloitte LLP  
Statutory Auditor  
110 Queen Street,  
Glasgow G1 3BX

#### Investment Manager

Miton Trust Managers Limited  
6th Floor, Paternoster House,  
65 St Paul's Churchyard,  
London EC4M 8AB.  
(Authorised and regulated by the FCA)

#### Authorised Fund Manager ("AFM")

Fund Partners Limited  
8-9 Lovat Lane,  
London EC3R 8DW  
(Authorised and regulated by the FCA and a member  
of the Investment Association)

#### Company Secretary of the AFM

P. Legg (Resigned 27 September 2017)  
V. Ondoro (Appointed 5 December 2017)

#### Customer Service Centre

Fund Partners Limited - Miton  
Cedar House, 3 Cedar Park,  
Cobham Road,  
Wimborne,  
Dorset BH21 7SB  
Email: [CustomerService@fundpartners.co.uk](mailto:CustomerService@fundpartners.co.uk)  
Telephone: 01202 855 856\* (within UK only)  
Outside the UK: +44 1202 855 856\*  
Fax: 01202 855 850 (within UK only)  
Outside the UK: +44 1202 855 850

#### Trustee

State Street Trustee Limited  
20 Churchill Place,  
London E14 5HJ  
(Authorised and regulated by the FCA)

\* Please note that phone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.

