

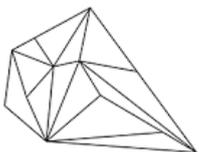


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# Annual Report & Financial Statements

Volare UCITS Portfolios

For the period ended 31 May 2018



**FUNDROCK**  
management company

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\* Collectively these comprise the ACD's Report.

### Authorised Corporate Director's ("ACD") Report

We are pleased to present the Annual Report & audited Financial Statements for the Volare UCITS Portfolios for the period ended 31 May 2018.

#### Authorised Status

Volare UCITS Portfolios ("the Company") is an investment company with variable capital ("ICVC") incorporated in England and Wales under registered number IC001079 and authorised by the Financial Conduct Authority ("FCA") with effect from 22 December 2016. The Company has an unlimited duration. The Company launched on 3 January 2017.

Shareholders are not liable for the debts of the Company.

Head Office: the Head Office of the Company 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 Company of notices or other documents required or authorised to be served on it.

#### Structure of the Company

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Share Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Share Class.

The Company is a UCITS Scheme.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Investment of the assets of each of the Funds must comply with the FCA's Collective Investment Schemes Sourcebook ("COLL") and the investment objective and policy of the relevant Fund.

Currently the Company has four Funds. In the future there may be other Funds established.

#### Important Events

On 3 January 2017, Volare UCITS Portfolios was launched along with its sub funds Volare Balanced Fund, Volare Cautious Fund, Volare Growth Fund and Volare Strategic Income Fund. First dealing commenced on 4 January 2017.

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

With effect from close of business 20 July 2018, Fund Partners Limited changed name to FundRock Partners Limited.

#### Base Currency

The base currency of the Company and each Fund is Pound Sterling.

#### Share Capital

The minimum Share Capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the company at all times equals the sum of the Net Asset Values of each of the Funds.

**Certification of Financial Statements by Directors of the ACD\*  
For the period ended 31 May 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 FundRock Partners Limited.

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

C. Spencer

**FundRock Partners Limited**

20 August 2018

### Statement of the ACD's Responsibilities For the period ended 31 May 2018

The Authorised Corporate Director ("ACD") of The Volare UCITS Portfolios ("the Company") is responsible for preparing the Annual Report and the Audited Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the FCA's Collective Investment Schemes Sourcebook ("COLL"), and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD 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 Company and each of its sub funds as at the end of the period and the net revenue and the net capital gains or losses on the property of the Company and each of its sub funds for the period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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 Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the applicable IA SORP and UK GAAP. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company 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 ACD of the Company and authorised for issue on 20 August 2018.

### **Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Volare UCITS Portfolios ("the Company") For the period 3 January 2017 to 31 May 2018**

The Depositary is responsible for the safekeeping of all of the property of the company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and 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 Authorised Corporate Director:

- (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 the Regulations, the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

**Société Generale S.A. London Branch**

20 August 2018

### Independent Auditor's Report to the Shareholders of the Volare UCITS Portfolios For the period ended 31 May 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 Volare UCITS Portfolios ("the Company") and its sub-funds as at 31 May 2018 and of the net revenue and the net capital gains and losses on the property of the Company and its sub-fund for the period from 3 January 2017 to 31 May 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 Instrument of Incorporation.

We have audited the financial statements of the Company which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distributable tables; and
- the related consolidated & individual notes.

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 Instrument of Incorporation.

##### 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 Company 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 corporate director's ("ACD") use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company'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 ACD 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 Shareholders of the Volare UCITS Portfolios (continued) For the period ended 31 May 2018**

#### **Responsibilities of Depositary and ACD**

As explained more fully in the Statement of the Depositary's Responsibilities and the Statement of the Authorised Corporate Director's Responsibilities, the depositary is responsible for the safeguarding the property of the company and the ACD 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 ACD 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 ACD is responsible for assessing the company'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 ACD either intends to liquidate the company 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 Company's shareholders, 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 company's shareholders 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 company and the company's shareholders 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 Company and its sub fund 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 period ended 31 May 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

20 August 2018

### Accounting Policies and Financial Statements For the period ended 31 May 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 ACD on page 4, the ACD adopts the going concern basis in the preparation of the Financial Statements of the Funds.

##### **(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 include gains or losses which have arisen in previous years, a corresponding loss or gain is included 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 Fund's distributable income.

##### **(c) Recognition of revenue**

Distributions from Collective Investment Schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

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

All revenue includes withholding taxes but excludes irrecoverable tax credits.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting year, is recognised as revenue no later than the date on which the reporting fund makes this information available.

##### **(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) Treatment of expenses**

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

Expenses of the Fund are charged against revenue (except for Volare Strategic Income Fund where all fees are charged to capital) except for costs associated with the purchase and sale of investments which are allocated to the capital of the Fund.

##### **(f) Allocation of revenue and expenses to multiple Share Classes**

Any revenue or expenses not directly attributable to a particular Share Class will normally be allocated prorata to the net assets of the relevant Share Classes.

### Accounting Policies and Financial Statements (continued) For the period ended 31 May 2018

#### 1 Accounting Basis and Policies (continued)

##### **(g) 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.

Corporation tax is provided for on realised gains on non-reporting offshore funds less deductible expenses. Deferred tax is provided for on unrealised gains on non-reporting offshore funds 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.

##### **(h) Distribution policy**

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for items of a capital nature, is distributable to Shareholders 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 Fund. Accordingly, the imposition of such charges may constrain the capital growth of the Fund.

The ACD has elected to pay all revenue less expenses charged to revenue and taxation as a final distribution at the end of the annual accounting period.

##### **(i) 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.

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.

Collective Investment Schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, 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 closed-ended funds and open-ended funds with restrictions on redemption rights.

##### **(j) 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.

##### **(k) Dilution Adjustment**

The ACD may require a dilution adjustment on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution adjustment.

##### **(l) 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.

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 Shares for Capital Gains tax purposes.

### Accounting Policies and Financial Statements (continued) For the period ended 31 May 2018

#### 1 Accounting Basis and Policies (continued)

##### *(m) Derivatives*

The Fund 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 year end are included in the Balance Sheet at their mark to market value. There were no derivative transactions during the period.

#### 2 Derivatives and other financial instruments

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 Company's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed below:

##### *(a) Foreign currency risk*

A significant portion of the Company's assets or the underlying assets of the Collective Investment Schemes and equities in which the Company invests may be denominated in a currency other than the base currency of the Company 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 Shares of the relevant Fund are valued and priced.

The Company 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 Company does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Company'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 Company 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 Company'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 Company's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

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

##### *(c) Credit risk*

The Company 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.

### Accounting Policies and Financial Statements (continued) For the period ended 31 May 2018

#### 2 Derivatives and other financial instruments (continued)

##### **(d) Liquidity risk**

Subject to the Regulations, the Company may invest up to and including 20% of the Scheme Property of the Company 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 Company'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 Company 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 Company's ability to purchase or sell such securities at a fair price may be impaired or delayed.

##### **(e) Market price risk**

The Company invests principally in Collective Investment Schemes. 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 in line with the Company's objectives. In addition, the management of the Company complies with the FCA's COLL sourcebook, which includes rules prohibiting a holding greater than 35% of assets in any one Fund.

##### **(f) Counterparty risk**

Transactions in securities entered into by the Company 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 Company's prospectus and COLL.

##### **(g) 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 Company 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.

##### **(h) Leverage**

In accordance with the IA SORP issued in May 2014, as ACD we are required to disclose any leverage of the Fund. Leverage is defined as any method by which the Fund 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 IA SORP commitment approach (CESR/10-788)) divided by the net asset value.

The Fund's exposure is defined with reference to the 'Commitment' method. Commitment method exposure is calculated as the sum of all positions of the Fund, after netting off derivative and security positions and is disclosed within the Financial Statements Note 13(d).

##### **(i) 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.

### Investment Manager's Report For the period ended 31 May 2018

#### Investment Objective

The Fund aims to achieve long term capital growth whilst operating within a volatility range\* of between 5% and 9%.

\*Based on annualised, equal weighted standard deviation of the daily portfolio returns over a rolling 60 month period.

The Funds primary objective is to control volatility and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility.

#### Investment policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographical areas and markets.

Implementation of the strategy will be predominantly through Collective Investment Schemes gaining indirect exposure to equities, bonds, funds with a multi strategy or multi asset focus, to property through REITs and ETFs and cash.

The Fund may also invest into other Collective Investment Schemes, bonds, equities, cash or near cash and money market instruments.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold derivatives for efficient portfolio management. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

#### Investment Review

During April the holding in the Henderson UK Absolute Return was sold across all portfolios and replaced with the AXA US Short Duration High Yield fund. As a result of post-MiFID II reporting, the Henderson fund is now publishing a cost on external platforms of 3.3%. These include the OCF, transaction costs and incidental costs such as performance fees. These changes are not new, investors have always paid them, but now they are very clearly stated on client reports. Having challenged these costs with Henderson, they currently have no plans to reduce or remove elements of them, so we sold the fund out of the portfolios. We have reallocated the capital to the short duration bond fund which is an area of the high yield market we currently see value in.

During April the Lazard Global Listed Infrastructure fund was sold in the Balanced portfolio and switched into Lindsell Train UK Equity fund. Infrastructure is an asset class which has become vulnerable to potential increases to interest rate rises, so by selling the holding out of the lower risk portfolios we are removing this element of interest rate rise from the portfolios.

#### Outlook

Ahead of the European Central Bank ("ECB") meeting, core inflation in the Eurozone rose to an 8-month high of 1.1. Firming price pressures, paired with softening but robust growth indicators, gave the ECB confidence to announce that asset purchases will be tapered from October to the pace of €15bn a month from the current pace of €30bn. New asset purchases are expected to conclude by year-end. Even though the timing of the announcement was a modest surprise, the guidance pushed interest rate rises further out into the future.

Stateside, economic data continues to impress. Job openings now exceed the number of those available in the workforce and unemployment has fallen to 3.8%. Hence, it was no surprise that the Federal Reserve ("Fed") hiked rates to between 1.75% to 2.00% at their June meeting. The Fed delivered a slightly more hawkish message and guided to two more rate hikes this year. June also played host to the first meeting between a North Korean leader and the serving US president. Whilst the summit between Kim Jong Un and Trump was undoubtedly historic, it provided little more than another commitment to Korean denuclearisation. This appears to lower the geopolitical risk but we will wait for concrete changes.

In the UK, the Bank of England were seeking reassurance that the soft economic numbers at the start of the year were weather-related. However, the data has been mixed, with Purchasing Managers' Index (PMI) data coming in above expectations but industrial production numbers disappointing. The UK equity market has been fairly well supported by the slide in the currency. With regards to Brexit, there remains significant uncertainty. Theresa May continues to face opposition, both from Labour and from members of her own party.

#### Investment Manager

LGT Vestra LLP

9 July 2018

## Volare Balanced Fund

### Performance Record As at 31 May 2018

	A Accumulation	Z Accumulation
	31/05/18 (p)	31/05/18 (p)
Change in net assets per Share		
Opening net asset value per Share	98.37	100.00
Return before operating charges*	10.13	2.84
Operating charges	(1.34)	(0.70)
Return after operating charges*	8.79	2.14
Distributions	(1.42)	-
Retained distributions on accumulation shares	1.42	-
Closing net asset value per Share	107.16	102.14
* After transaction costs of:	0.02	-
Performance		
Return after operating charges	8.94%	2.14%
Other information		
Closing net asset value	£32,030,556	£722,373
Closing number of Shares	29,891,141	707,222
Operating charges	1.28%	0.93%
Direct transaction costs	0.02%	0.02%
Price		
Highest Share price	107.43	102.38
Lowest Share price	97.90	100.15

The Share Class A was launched on 3 January 2017. The first variable price dealing date was 4 January 2017.

The Share Class Z was launched on 4 May 2018. The first variable price dealing date was 8 May 2018.

The lowest share price is higher than the opening net asset value per share for the Z Accumulation share class as the lowest price refers to the lowest daily price after the first dealing whereas the opening net asset value per share refers to the launch price.

## Volare Balanced Fund

### Performance Information As at 31 May 2018

#### Operating Charges

Date	AMC* (%)	Other Charges (%)	Transaction Costs (%)	Synthetic expense ratio (%)	Rebate (%)	Operating Charges (%)
31/05/18						
Share Class A Accumulation	0.35	0.27	0.03	0.68	(0.05)	1.28
Share Class Z Accumulation	-	0.26	0.03	0.68	(0.04)	0.93

\*Annual Management Charge

Share Class A launched 3 January 2017 and first dealing date was 4 January 2017 whilst Share Class Z launched 4 May 2018 and first dealing date was 8 May 2018.

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

When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the Operating Charge shall take the account of the operating charges incurred in the underlying CIU and disclose as a Synthetic expense ratio.

An operating charges cap of 0.60% for the A accumulation share class and 0.25% for the Z accumulation share class is currently in effect. This is excluding any impact from the synthetic expense ratios. AMC rebates have been provided from the sponsor to ensure operating charge ratios do not exceed these limits.

#### Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares 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 fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

#### Risk and Reward Profile

As at 31 May 2018



- 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'.
- The Fund appears as a "4" on the scale. This is partly because the Fund invests in a mixture of investments, some of which have values that may fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

## Volare Balanced Fund

### Portfolio Statement

As at 31 May 2018

Holdings	Investments	Market Value £	% of Total Net Assets
	<b>COLLECTIVE INVESTMENT SCHEMES 94.26%</b>		
941,150	Artemis Global Income	1,336,715	4.08
52,218	Baillie Gifford Japanese	897,113	2.74
728,309	Blackrock Asia Special Situations	1,481,381	4.52
927,718	BlackRock European Dynamic	1,611,447	4.92
513,719	Fundsmith Equity	1,961,020	5.99
84,289	Invesco Perpetual Global Targeted Returns	99,764	0.30
1,056,047	Invesco Perpetual Monthly Income Plus	2,016,943	6.16
1,261,244	JPM Global Macro Opportunities	1,915,829	5.85
68,076	Jupiter India Select	622,211	1.90
1,802,184	Jupiter Strategic Bond	1,821,468	5.56
1,095,068	Legal & General All Stocks Index Linked Gilt Index	1,490,387	4.55
749,455	Legal & General UK 100 Index	1,777,707	5.43
386,361	LF Lindsell Train UK Equity	1,596,483	4.87
525,344	MI Somerset Emerging Markets Dividend Growth	940,681	2.87
1,415,398	Old Mutual Global Equity Absolute Return	2,494,074	7.61
451,766	Old Mutual Investment Funds Series I - UK Smaller Companies	830,797	2.54
94,980	PIMCO Global Low Duration Real Return	949,799	2.90
1,985,268	Schroder Income	2,118,281	6.47
1,808,698	Schroder US Mid Cap	1,855,724	5.67
377,326	Trojan Investment Income	1,130,772	3.45
4,416	Vanguard US Equity Index	1,925,021	5.88
		<b>30,873,617</b>	<b>94.26</b>
	<b>Portfolio of Investments</b>	<b>30,873,617</b>	<b>94.26</b>
	Net Other Assets	1,879,312	5.74
	<b>Net Assets</b>	<b>32,752,929</b>	<b>100.00</b>

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

All investments are Collective Investment Schemes unless otherwise stated.

Total purchases including transaction costs for the period £49,134,810 (see Note 14)

Total sales net of transactions costs for the period £19,923,212 (see Note 14)

## Volare Balanced Fund

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### Statement of Total Return For the period ended 31 May 2018

		04/01/17 to 31/05/18	
	Note	£	£
Income:			
Net capital gains	2		1,309,929
Revenue	3	382,043	
Expenses	4	(145,779)	
Interest payable and similar charges		(652)	
Net revenue before taxation		235,612	
Taxation	5	-	
Net revenue after Taxation			235,612
Total return before distributions			1,545,541
Distributions	6		(235,612)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>1,309,929</b>

### Statement of Change in Net Assets Attributable to Shareholders For the period ended 31 May 2018

		04/01/17 to 31/05/18	
		£	£
<b>Opening net assets attributable to Shareholders</b>			-
Amounts received on issue of Shares		48,778,757	
Less: Amounts paid on cancellation of Shares		(17,760,328)	
			31,018,429
Change in net assets attributable to Shareholders from investment activities			1,309,929
Retained distribution on accumulation Shares			424,571
<b>Closing net assets attributable to Shareholders</b>			<b>32,752,929</b>

## Volare Balanced Fund

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### Balance Sheet As at 31 May 2018

		31/05/18	
	Note	£	£
<b>Assets</b>			
Fixed assets:			
Investments			30,873,617
Current assets:			
Debtors	7	1,259,294	
Cash and bank balances	8	1,060,886	
Total current assets			2,320,180
Total assets			33,193,797
<b>Liabilities</b>			
Creditors:			
Other creditors	9	440,868	
Total creditors			440,868
Total liabilities			440,868
<b>Net assets attributable to Shareholders</b>			<b>32,752,929</b>

**Notes to the Financial Statements  
For the period ended 31 May 2018****1 Accounting Basis And Policies**

The Funds' Financial Statements have been prepared on the basis detailed on pages 9, 10, 11 and 12.

**2 Net capital gains**

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
The net capital gains during the period comprise:	
Realised gains on non-derivative securities	377,154
Unrealised gains on non-derivative securities	935,672
Transaction charges	(6,033)
Rebates received from underlying funds	3,136
<b>Net capital gains</b>	<b>1,309,929</b>

**3 Revenue**

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Bank interest	2
Franked dividends from Collective Investment Schemes	254,213
Interest income from Collective Investment Schemes	99,939
Offshore funds dividends	19,957
Rebates received from underlying funds	7,932
<b>Total Revenue</b>	<b>382,043</b>

**4 Expenses**

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>	
AMC Fees	83,259
AMC Rebate	(27,161)
Fund Accounting Fees	28,776
Registration Fees	17,873
	102,747
<b>Payable to the depositary or associates of the depositary and agents of either of them</b>	
Depositary Fees	28,010
Safe Custody Fees	5,885
	33,895
<b>Other expenses</b>	
Audit Fees	6,686
EMX / Calastone Fees	2,263
FCA Fee	188
	9,137
<b>Total expenses</b>	<b>145,779</b>

**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****5 Taxation****a) Analysis of the tax charge in the period**

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Corporation tax	-
<b>Total current tax charge (Note 5 (b))</b>	<b>-</b>
Deferred tax (Note 5 (c))	-
<b>Total taxation for the period</b>	<b>-</b>

**b) Factors affecting current tax charge for the period**

The tax assessed for the period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% is applied to the net revenue before taxation.

The differences are explained below:

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Net revenue before taxation	235,612
Net revenue for the period multiplied by the standard rate of corporation tax	47,122
<b>Effects of:</b>	
Movement in excess management expenses	7,712
Revenue not subject to corporation tax	(54,834)
<b>Total tax charge for the period</b>	<b>-</b>

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

**c) Provision for deferred tax**

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

At the period end, there is a potential deferred tax asset of £7,712 in relation to surplus management expenses. It is unlikely the Funds will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****6 Finance costs****Distributions**

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise:

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Final	424,571
Add: Revenue paid on cancellation of Shares	128,003
Deduct: Revenue received on issue of Shares	(316,962)
<b>Net distribution for the period</b>	<b>235,612</b>
<b>Reconciliation of net revenue after taxation to distributions</b>	
Net revenue after taxation	235,612
<b>Net distribution for the period</b>	<b>235,612</b>

Details of the distributions per Share are set out in the distribution table on page 26.

**7 Debtors**

	<b>31/05/18</b>
	<b>£</b>
Amounts receivable for creation of Shares	1,251,784
Amounts due for rebates from underlying funds	7,510
<b>Total debtors</b>	<b>1,259,294</b>

**8 Cash and bank balances**

	<b>31/05/18</b>
	<b>£</b>
Cash and bank balances	1,060,886
<b>Total cash and bank balances</b>	<b>1,060,886</b>

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018****9 Other creditors**

	<b>31/05/18</b>
	<b>£</b>
Amounts payable for cancellation of Shares	14,828
Purchases awaiting settlement	399,999
	<hr/> 414,827
<i>Accrued expenses</i>	
<i>Manager and Agents</i>	
AMC Fees	8,660
AMC Rebate	5,056
Fund Accounting Fees	1,681
Registration fees	875
	<hr/> 16,272
<i>Depositary and Agents</i>	
Depositary Fee	1,529
Safe Custody Fees	624
	<hr/> 2,153
<i>Other expenses</i>	
Audit Fees	6,686
FCA Fees	36
Transaction Fees	894
	<hr/> 7,616
<b>Total other creditors</b>	<hr/> <b>440,868</b>

**10 Related party transactions**

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of change in Shareholders' Net Assets and amounts due at the period end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the period end.

**11 Share Class**

The Share Class and ACD's Annual Management Charges applicable to the fund are as follows:

<b>Share Class</b>	<b>%</b>
A Accumulation	0.35
Z Accumulation	0.00

Each Share Class has equal rights in the event of the wind up of any fund.

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

	<b>04/01/17</b>	<b>Issued</b>	<b>Cancelled</b>	<b>Converted</b>	<b>31/05/18</b>
A Accumulation	-	47,165,191	(17,274,050)	-	29,891,141
Z Accumulation	-	707,223	(1)	-	707,222

**12 Capital commitments and contingent liabilities**

There were no contingent liabilities or outstanding commitments at the balance sheet date.

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018**

**13 Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 11 and 12 of the report.

**(a) Foreign currency risk**

The functional currency of the Fund is Sterling. All assets and liabilities of the Fund are denominated in Pound Sterling. There was no direct foreign currency exposure within the Fund at the balance sheet date. However, there was a significant foreign currency exposure within the Fund's holdings of Collective Investment Schemes since a proportion of their assets are denominated in currencies other than Sterling, with the effect their balance sheet and total returns can be affected by exchange rate fluctuations.

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

Currency	Floating rate financial assets	Financial assets not carrying interest	Total
Assets	£	£	£
<b>31/05/18</b>			
Sterling	1,060,886	32,132,911	33,193,797
<b>Total</b>	<b>1,060,886</b>	<b>32,132,911</b>	<b>33,193,797</b>

Currency	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
Liabilities	£	£	£
<b>31/05/18</b>			
Sterling	-	440,868	440,868
<b>Total</b>	<b>-</b>	<b>440,868</b>	<b>440,868</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 Risk**

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the following 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 Fund would have decreased by the following amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

	Increase	Decrease
	£	£
<b>2018</b>	3,087,362	3,087,362

**(d) Leverage**

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

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018**

**14 Portfolio transaction costs**

**04/01/17 to 31/05/18**

£ £

**Analysis of total purchase costs**

Purchases in period before transaction costs		
Funds total value paid		49,131,134
		<hr/> 49,131,134
Commissions	3,676	
Total purchase costs		<hr/> 3,676
<b>Total purchases including transaction costs</b>		<hr/> <b>49,134,810</b> <hr/>

**Analysis of total sales costs**

Gross sales in period before transaction costs		
Funds total value paid		19,923,212
		<hr/> 19,923,212
Commissions	-	
Fees	-	
Total sale costs		<hr/> -
<b>Total sales net of transaction costs</b>		<hr/> <b>19,923,212</b> <hr/>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the period.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

**04/01/17 to  
31/05/18**

**Transaction costs as percentage of principal amounts**

	<b>%</b>
Purchases - Commissions	
Funds total value paid	0.01
Purchases - Taxes	
Equities total value paid	-
Sales - Commissions	
Funds total value paid	-
Sales - Taxes	
Equities total value paid	-

**04/01/17 to  
31/05/18**

**Transaction costs as percentage of average net asset value**

	<b>%</b>
Commissions	0.02
Fees	-

**15 Post balance sheet events**

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

**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****16 Fair value disclosure**

	<b>31/05/18</b>	
<b>Valuation technique</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>£</b>	<b>£</b>
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	-	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	30,873,617	-
Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability*	-	-
	<hr/> <b>30,873,617</b> <hr/>	<hr/> - <hr/>

\*The valuation techniques and the ACD's policy is disclosed in note 1 (i) on page 10.

## Volare Balanced Fund

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### Distribution Table For the period ended 31 May 2018

#### Final dividend Distribution in pence per Share

Group 1 Shares purchased prior to 4 January 2017

Group 2 Shares purchased between 4 January 2017 to 31 May 2018

	Net Revenue (p)	Equalisation (p)	Distribution payable 31/07/18 (p)
<b>Share Class A Accumulation</b>			
Group 1	1.4206	-	1.4206
Group 2	0.7378	0.6828	1.4206
<b>Share Class Z Accumulation</b>			
Group 1	-	-	-
Group 2	-	-	-

## Volare Cautious Fund

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### Investment Manager's Report For the period ended 31 May 2018

#### Investment Objective

The Fund aims to achieve long term capital growth whilst operating within a volatility range\* of between 4% and 7%.

\*Based on annualised, equal weighted standard deviation of the daily portfolio returns over a rolling 60 month period.

The Funds primary objective is to control volatility and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility.

#### Investment policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographical areas and markets.

Implementation of the strategy will be predominantly through Collective Investment Schemes gaining indirect exposure to cash, bonds, equities, funds with a multi strategy or multi asset focus and to property through REITs and ETFs.

The Fund may also invest into other collective investment schemes, bonds, equities, cash or near cash and money market instruments.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold derivatives for efficient portfolio management. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

#### Investment Review

During April the holding in the Henderson UK Absolute Return was sold across all portfolios and replaced with the AXA US Short Duration High Yield fund. As a result of post-MiFID II reporting, the Henderson fund is now publishing a cost on external platforms of 3.3%. These include the OCF, transaction costs and incidental costs such as performance fees. These changes are not new, investors have always paid them, but now they are very clearly stated on client reports. Having challenged these costs with Henderson, they currently have no plans to reduce or remove elements of them, so we sold the fund out of the portfolios.

During April the Lazard Global Listed Infrastructure fund was sold in the Cautious portfolio and switched into Lindsell Train UK Equity fund. Infrastructure is an asset class which has become vulnerable to potential increases to interest rate rises, so by selling the holding out of the lower risk portfolios we are removing this element of interest rate rise from the portfolios.

#### Outlook

Ahead of the European Central Bank ("ECB") meeting, core inflation in the Eurozone rose to an 8-month high of 1.1. Firming price pressures, paired with softening but robust growth indicators, gave the ECB confidence to announce that asset purchases will be tapered from October to the pace of €15bn a month from the current pace of €30bn. New asset purchases are expected to conclude by year-end. Even though the timing of the announcement was a modest surprise, the guidance pushed interest rate rises further out into the future.

Stateside, economic data continues to impress. Job openings now exceed the number of those available in the workforce and unemployment has fallen to 3.8%. Hence, it was no surprise that the Federal Reserve ("Fed") hiked rates to between 1.75% to 2.00% at their June meeting. The Fed delivered a slightly more hawkish message and guided to two more rate hikes this year. June also played host to the first meeting between a North Korean leader and the serving US president. Whilst the summit between Kim Jong Un and Trump was undoubtedly historic, it provided little more than another commitment to Korean denuclearisation. This appears to lower the geopolitical risk but we will wait for concrete changes.

In the UK, the Bank of England were seeking reassurance that the soft economic numbers at the start of the year were weather-related. However, the data has been mixed, with Purchasing Managers' Index (PMI) data coming in above expectations but industrial production numbers disappointing. The UK equity market has been fairly well supported by the slide in the currency. With regards to Brexit, there remains significant uncertainty. Theresa May continues to face opposition, both from Labour and from members of her own party.

#### Investment Manager

LGT Vestra LLP

9 July 2018

## Volare Cautious Fund

### Performance Record As at 31 May 2018

	A Accumulation	Z Accumulation
	31/05/18 (p)	31/05/18 (p)
Change in net assets per Share		
Opening net asset value per Share	100.00	100.00
Return before operating charges*	8.30	2.11
Operating charges	(1.30)	(0.65)
Return after operating charges*	7.00	1.46
Distributions	(0.95)	-
Retained distributions on accumulation shares	0.95	-
Closing net asset value per Share	107.00	101.46
* After transaction costs of:	-	-
Performance		
Return after operating charges	7.00%	1.46%
Other information		
Closing net asset value	£18,493,084	£112,313
Closing number of Shares	17,283,139	110,694
Operating charges	1.24%	0.89%
Direct transaction costs	0.00%	0.00%
Price		
Highest Share price	107.13	101.61
Lowest Share price	99.62	100.16

The Share Class A was launched on 3 January 2017. The first variable price dealing date was 4 January 2017.

The Share Class Z was launched on 4 May 2018. The first variable price dealing date was 8 May 2018.

The lowest share price is higher than the opening net asset value per share for the Z Accumulation share class as the lowest price refers to the lowest daily price after the first dealing whereas the opening net asset value per share refers to the launch price.

## Volare Cautious Fund

### Performance Information As at 31 May 2018

#### Operating Charges

Date	AMC* (%)	Other Charges (%)	Transaction Costs (%)	Synthetic expense ratio (%)	Rebate (%)	Operating Charges (%)
31/05/18						
Share Class A Accumulation	0.35	0.26	0.02	0.64	(0.03)	1.24
Share Class Z Accumulation	-	0.33	0.01	0.64	(0.09)	0.89

\* Annual Management Charge

Share Class A launched 3 January 2017 and first dealing date was 4 January 2017 whilst Share Class Z launched 4 May 2018 and first dealing date was 8 May 2018.

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

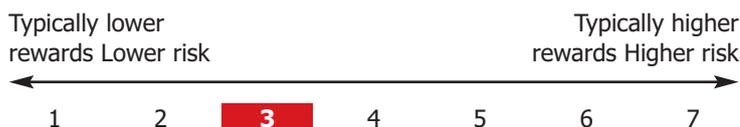
When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the Operating Charge shall take the account of the operating charges incurred in the underlying CIU and disclose as a Synthetic expense ratio.

An operating charges cap of 0.60% for the A accumulation share class and 0.25% for the Z accumulation share class is currently in effect. This is excluding any impact from the synthetic expense ratios. AMC rebates have been provided from the sponsor to ensure operating charge ratios do not exceed these limits.

#### Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares 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 fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

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



- 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'.
- The Fund appears as a "3" on the scale. This is because the Fund by its nature invests in a mixture of investments. The value of some of these investments may vary more widely than others.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

## Volare Cautious Fund

### Portfolio Statement

As at 31 May 2018

Holdings	Investments	Market Value £	% of Total Net Assets
	<b>COLLECTIVE INVESTMENT SCHEMES 92.66%</b>		
345,445	Artemis Global Income	490,635	2.64
962,304	Artemis US Absolute Return	1,084,805	5.83
661,417	AXA US Short Duration High Yield	838,677	4.51
317,187	Blackrock Asia Special Situations	645,159	3.47
279,496	Fundsmith Equity	1,066,922	5.73
581,528	Invesco Perpetual Monthly Income Plus	1,110,660	5.97
778,792	JPM Global Macro Opportunities	1,182,985	6.36
1,447,015	Jupiter Strategic Bond	1,462,498	7.87
563,545	Legal & General All Stocks Index Linked Gilt Index	766,985	4.12
347,814	Legal & General UK 100 Index	825,014	4.43
230,670	LF Lindsell Train UK Equity	953,150	5.12
775,374	Old Mutual Global Equity Absolute Return	1,366,286	7.34
102,073	PIMCO Global Low Duration Real Return	1,020,733	5.49
686,101	Schroder Income	732,070	3.93
979,733	Threadneedle Focus Investment	1,240,440	6.67
393,995	Trojan Investment Income	1,180,723	6.35
2,916	Vanguard US Equity Index	1,271,139	6.83
		<b>17,238,881</b>	<b>92.66</b>
	<b>Portfolio of Investments</b>	<b>17,238,881</b>	<b>92.66</b>
	Net Other Assets	1,366,516	7.34
	<b>Net Assets</b>	<b>18,605,397</b>	<b>100.00</b>

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

All investments are Collective Investment Schemes unless otherwise stated.

Total purchases including transaction costs for the period £24,601,696 (see Note 14)

Total sales net of transactions costs for the period £8,211,975 (see Note 14)

## Volare Cautious Fund

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### Statement of Total Return For the period ended 31 May 2018

		04/01/17 to 31/05/18	
	Note	£	£
Income:			
Net capital gains	2		659,402
Revenue	3	200,760	
Expenses	4	(90,570)	
Interest payable and similar charges		(74)	
Net revenue before taxation		110,116	
Taxation	5	-	
Net revenue after Taxation			110,116
Total return before distributions			769,518
Distributions	6		(110,116)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>659,402</b>

### Statement of Change in Net Assets Attributable to Shareholders For the period ended 31 May 2018

		04/01/17 to 31/05/18	
		£	£
<b>Opening net assets attributable to Shareholders</b>			-
Amounts received on issue of Shares		23,747,598	
Less: Amounts paid on cancellation of Shares		(5,966,471)	
			17,781,127
Change in net assets attributable to Shareholders from investment activities			659,402
Retained distribution on accumulation Shares			164,868
<b>Closing net assets attributable to Shareholders</b>			<b>18,605,397</b>

## Volare Cautious Fund

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### Balance Sheet As at 31 May 2018

		31/05/18	
	Note	£	£
<b>Assets</b>			
Fixed assets:			
Investments			17,238,881
Current assets:			
Debtors	7	215,937	
Cash and bank balances	8	1,470,653	
Total current assets			1,686,590
Total assets			18,925,471
<b>Liabilities</b>			
Creditors:			
Other creditors	9	320,074	
Total creditors			320,074
Total liabilities			320,074
<b>Net assets attributable to Shareholders</b>			<b>18,605,397</b>

**Notes to the Financial Statements  
For the period ended 31 May 2018****1 Accounting Basis And Policies**

The Funds' Financial Statements have been prepared on the basis detailed on pages 9, 10, 11 and 12.

**2 Net capital gains****04/01/17 to  
31/05/18****£**

The net capital gains during the period comprise:

Realised gains on non-derivative securities	168,112
Unrealised gains on non-derivative securities	492,021
Transaction charges	(2,399)
Rebates received from underlying funds	1,668
<b>Net capital gains</b>	<b>659,402</b>

**3 Revenue****04/01/17 to  
31/05/18****£**

Bank interest	1
Franked dividends from Collective Investment Schemes	107,304
Interest income from Collective Investment Schemes	78,198
Offshore funds dividends	11,930
Rebates received from underlying funds	3,327
<b>Total revenue</b>	<b>200,760</b>

**4 Expenses****04/01/17 to  
31/05/18****£****Payable to the ACD, associates of the ACD, and agents of either of them**

AMC Fees	51,847
AMC Rebate	(43,830)
Fund Accounting Fees	28,931
Registration Fees	14,728
	51,676

**Payable to the depositary or associates of the depositary and agents of either of them**

Depositary Fees	26,551
Safe Custody Fees	3,638
	30,189

**Other expenses**

Audit Fees	6,686
EMX / Calastone Fees	1,831
FCA Fee	188
	8,705

<b>Total expenses</b>	<b>90,570</b>
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**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****5 Taxation****a) Analysis of the tax charge in the period**

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Corporation tax	-
<b>Total current tax charge (Note 5 (b))</b>	<b>-</b>
Deferred tax (Note 5 (c))	-
<b>Total taxation for the period</b>	<b>-</b>

**b) Factors affecting current tax charge for the period**

The tax assessed for the period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% is applied to the net revenue before taxation.

The differences are explained below:

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Net revenue before taxation	110,116
Net revenue for the period multiplied by the standard rate of corporation tax	22,023
<b>Effects of:</b>	
Movement in excess management expenses	1,824
Revenue not subject to corporation tax	(23,847)
<b>Total tax charge for the period</b>	<b>-</b>

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

**c) Provision for deferred tax**

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

At the period end, there is a potential deferred tax asset of £1,824 in relation to surplus management expenses. It is unlikely the Funds will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****6 Finance costs****Distributions**

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Final	164,868
Add: Revenue paid on cancellation of Shares	20,317
Deduct: Revenue received on issue of Shares	(75,069)
<b>Net distribution for the period</b>	<b>110,116</b>
<b>Reconciliation of net revenue after taxation to distributions</b>	
Net revenue after taxation	110,116
<b>Net distribution for the period</b>	<b>110,116</b>

Details of the distributions per Share are set out in the distribution table on page 40.

**7 Debtors**

	<b>31/05/18</b>
	<b>£</b>
Amounts receivable for creation of Shares	213,280
Amounts due for rebates from underlying funds	2,657
<b>Total debtors</b>	<b>215,937</b>

**8 Cash and bank balances**

	<b>31/05/18</b>
	<b>£</b>
Cash and bank balances	1,470,653
<b>Total cash and bank balances</b>	<b>1,470,653</b>

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018****9 Other creditors**

	<b>31/05/18</b>
	<b>£</b>
Amounts payable for cancellation of Shares	54,311
Purchases awaiting settlement	250,001
	<hr/> 304,312
<i>Accrued expenses</i>	
<i>Manager and Agents</i>	
AMC Fees	5,334
AMC Rebate	(638)
Fund Accounting Fees	1,681
Registration fees	748
	<hr/> 7,125
<i>Depositary and Agents</i>	
Depositary Fee	1,529
Safe Custody Fees	382
	<hr/> 1,911
<i>Other expenses</i>	
Audit Fees	6,686
FCA Fees	36
Transaction Fees	4
	<hr/> 6,726
<b>Total other creditors</b>	<hr/> <b>320,074</b>

**10 Related party transactions**

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of change in Shareholders' Net Assets and amounts due at the period end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the period end.

**11 Share Class**

The Share Class and ACD's Annual Management Charges applicable to the fund are as follows:

<b>Share Class</b>	<b>%</b>
A Accumulation	0.35
Z Accumulation	0.00

Each Share Class has equal rights in the event of the wind up of any fund.

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

	<b>04/01/17</b>	<b>Issued</b>	<b>Cancelled</b>	<b>Converted</b>	<b>31/05/18</b>
A Accumulation	-	23,050,121	(5,766,982)	-	17,283,139
Z Accumulation	-	110,695	(1)	-	110,694

**12 Capital commitments and contingent liabilities**

There were no contingent liabilities or outstanding commitments at the balance sheet date.

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018**

**13 Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 11 and 12 of the report.

**(a) Foreign currency risk**

The functional currency of the Fund is Sterling. All assets and liabilities of the Fund are denominated in Pound Sterling. There was no direct foreign currency exposure within the Fund at the balance sheet date. However, there was a significant foreign currency exposure within the Fund's holdings of Collective Investment Schemes since a proportion of their assets are denominated in currencies other than Sterling, with the effect their balance sheet and total returns can be affected by exchange rate fluctuations.

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

Currency	Floating rate financial assets	Financial assets not carrying interest	Total
Assets	£	£	£
<b>31/05/18</b>			
Sterling	1,470,653	17,454,818	18,925,471
<b>Total</b>	<b>1,470,653</b>	<b>17,454,818</b>	<b>18,925,471</b>

Currency	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
Liabilities	£	£	£
<b>31/05/18</b>			
Sterling	-	320,074	320,074
<b>Total</b>	<b>-</b>	<b>320,074</b>	<b>320,074</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 Risk**

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the following 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 Fund would have decreased by the following amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

	Increase	Decrease
	£	£
<b>2018</b>	1,723,888	1,723,888

**(d) Leverage**

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

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018**

**14 Portfolio transaction costs**

	<b>04/01/17 to 31/05/18</b>	
	£	£
<b>Analysis of total purchase costs</b>		
Purchases in period before transaction costs		
Funds total value paid		24,601,696
		24,601,696
Commissions	-	
Total purchase costs		-
<b>Total purchases including transaction costs</b>		<b>24,601,696</b>
<b>Analysis of total sales costs</b>		
Gross sales in period before transaction costs		
Funds total value paid		8,211,975
		8,211,975
Commissions	-	
Fees	-	
Total sale costs		-
<b>Total sales net of transaction costs</b>		<b>8,211,975</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the period. For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

	<b>04/01/17 to 31/05/18</b>
<b>Transaction costs as percentage of principal amounts</b>	<b>%</b>
Purchases - Commissions	
Funds total value paid	-
Purchases - Taxes	
Equities total value paid	-
Sales - Commissions	
Funds total value paid	-
Sales - Taxes	
Equities total value paid	-
	<b>04/01/17 to 31/05/18</b>
<b>Transaction costs as percentage of average net asset value</b>	<b>%</b>
Commissions	-
Fees	-

**15 Post balance sheet events**

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

**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****16 Fair value disclosure****31/05/18**

<b>Valuation technique</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>£</b>	<b>£</b>
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	-	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	17,238,881	-
Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability*	-	-
	<b>17,238,881</b>	<b>-</b>

\*The valuation techniques and the ACD's policy is disclosed in note 1 (i) on page 10.

## Volare Cautious Fund

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### Distribution Table For the period ended 31 May 2018

#### Final dividend Distribution in pence per Share

Group 1 Shares purchased prior to 4 January 2017

Group 2 Shares purchased between 4 January 2017 to 31 May 2018

	Net Revenue (p)	Equalisation (p)	Distribution payable 31/07/18 (p)
<b>Share Class A Accumulation</b>			
Group 1	0.9540	-	0.9540
Group 2	0.6225	0.3315	0.9540
<b>Share Class Z Accumulation</b>			
Group 1	-	-	-
Group 2	-	-	-

### Investment Manager's Report For the period ended 31 May 2018

#### Investment Objective

The Fund aims to achieve long term capital growth whilst operating within a volatility range\* of between 8% and 13%.

\*Based on annualised, equal weighted standard deviation of the daily portfolio returns over a rolling 60 month period.

The Funds primary objective is to control volatility and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility.

#### Investment policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographical areas and markets.

Implementation of the strategy will be predominantly through Collective Investment Schemes gaining indirect exposure to cash, bonds, equities, funds with a multi strategy or multi asset focus and to property through REITs and ETFs.

The Fund may also invest into other Collective Investment Schemes, bonds, equities, cash or near cash and money market instruments.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold derivatives for efficient portfolio management. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

#### Investment Review

During April the holding in the Henderson UK Absolute Return was sold in the Growth portfolio. As a result of post-MiFID II reporting, the Henderson fund is now publishing a cost on external platforms of 3.3%. These include the OCF, transaction costs and incidental costs such as performance fees. These changes are not new, investors have always paid them, but now they are very clearly stated on client reports. Having challenged these costs with Henderson, they currently have no plans to reduce or remove elements of them, so we sold the fund out of the portfolios.

We also noted that China is increasingly important and the growing consumer sector may be a positive driver of returns in the long run. In response to this we switched out of the Stewart Investors Asia Pacific Leaders fund and into the Blackrock Asia Special Situations fund which has a higher exposure to Chinese equity and gives the portfolios more exposure to the Asian growth story.

#### Outlook

Ahead of the European Central Bank ("ECB") meeting, core inflation in the Eurozone rose to an 8-month high of 1.1. Firming price pressures, paired with softening but robust growth indicators, gave the ECB confidence to announce that asset purchases will be tapered from October to the pace of €15bn a month from the current pace of €30bn. New asset purchases are expected to conclude by year-end. Even though the timing of the announcement was a modest surprise, the guidance pushed interest rate rises further out into the future.

Stateside, economic data continues to impress. Job openings now exceed the number of those available in the workforce and unemployment has fallen to 3.8%. Hence, it was no surprise that the Federal Reserve ("Fed") hiked rates to between 1.75% to 2.00% at their June meeting. The Fed delivered a slightly more hawkish message and guided to two more rate hikes this year. June also played host to the first meeting between a North Korean leader and the serving US president. Whilst the summit between Kim Jong Un and Trump was undoubtedly historic, it provided little more than another commitment to Korean denuclearisation. This appears to lower the geopolitical risk but we will wait for concrete changes.

In the UK, the Bank of England were seeking reassurance that the soft economic numbers at the start of the year were weather-related. However, the data has been mixed, with Purchasing Managers' Index (PMI) data coming in above expectations but industrial production numbers disappointing. The UK equity market has been fairly well supported by the slide in the currency. With regards to Brexit, there remains significant uncertainty. Theresa May continues to face opposition, both from Labour and from members of her own party.

#### Investment Manager

LGT Vestra LLP

9 July 2018

## Volare Growth Fund

### Performance Record As at 31 May 2018

	A Accumulation	Z Accumulation
	31/05/18 (p)	31/05/18 (p)
Change in net assets per Share		
Opening net asset value per Share	98.08	100.00
Return before operating charges*	12.53	3.03
Operating charges	(1.40)	(0.75)
Return after operating charges*	11.13	2.28
Distributions	(2.14)	-
Retained distributions on accumulation shares	2.14	-
Closing net asset value per Share	109.21	102.28
* after transaction costs of:	0.05	-
Performance		
Return after operating charges	11.35%	2.28%
Other information		
Closing net asset value	£16,589,882	£861,928
Closing number of Shares	15,190,162	842,700
Operating charges	1.31%	0.96%
Direct transaction costs	0.04%	0.04%
Price		
Highest Share price	109.61	102.65
Lowest Share price	97.23	100.18

The Share Class A was launched on 3 January 2017. The first variable price dealing date was 4 January 2017.

The Share Class Z was launched on 4 May 2018. The first variable price dealing date was 8 May 2018.

The lowest share price is higher than the opening net asset value per share for the Z Accumulation share class as the lowest price refers to the lowest daily price after the first dealing whereas the opening net asset value per share refers to the launch price.

## Volare Growth Fund

### Performance Information As at 31 May 2018

#### Operating Charges

Date	AMC* (%)	Other Charges (%)	Transaction Costs (%)	Synthetic expense ratio (%)	Rebate (%)	Operating Charges (%)
31/05/18						
Share Class A Accumulation	0.35	0.29	0.03	0.71	(0.07)	1.31
Share Class Z Accumulation	-	0.27	0.01	0.71	(0.03)	0.96

\* Annual Management Charge

Share Class A launched 3 January 2017 and first dealing date was 4 January 2017 whilst Share Class Z launched 4 May 2018 and first dealing date was 8 May 2018.

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

When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the Operating Charge shall take the account of the operating charges incurred in the underlying CIU and disclose as a Synthetic expense ratio.

An operating charges cap of 0.60% for the A accumulation share class and 0.25% for the Z accumulation share class is currently in effect. This is excluding any impact from the synthetic expense ratios. AMC rebates have been provided from the sponsor to ensure operating charge ratios do not exceed these limits.

#### Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares 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 fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

#### Risk and Reward Profile

As at 31 May 2018



- 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'.
- The Fund appears as a "4" on the scale. This is partly because the Fund invests in a mixture of investments, many of which have values that may fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

## Volare Growth Fund

### Portfolio Statement

As at 31 May 2018

Holdings	Investments	Market Value £	% of Total Net Assets
	<b>COLLECTIVE INVESTMENT SCHEMES 97.65%</b>		
293,060	Artemis Global Income	416,233	2.39
9,403	Baillie Gifford Japanese Smaller Companies	474,738	2.72
364,424	Blackrock Asia Special Situations	741,239	4.25
460,031	BlackRock European Dynamic	799,073	4.58
320,991	Fundsmith Equity	1,225,320	7.02
462,440	Invesco Perpetual Monthly Income Plus	883,214	5.06
795,036	JPM Global Macro Opportunities	1,207,660	6.92
34,484	Jupiter India Select	315,181	1.81
302,335	Lazard Global Listed Infrastructure Equity	543,206	3.11
397,579	Legal & General All Stocks Index Linked Gilt Index	541,105	3.10
503,048	Legal & General UK 100 Index	1,193,230	6.84
330,659	LF Lindsell Train UK Equity	1,366,315	7.83
388,146	MI Somerset Emerging Markets Dividend Growth	695,014	3.98
525,869	Old Mutual Global Equity Absolute Return	926,634	5.31
451,048	Old Mutual Investment Funds Series I - UK Smaller Companies	829,478	4.75
45,591	PIMCO Global Low Duration Real Return	455,908	2.61
126,104	River and Mercantile World Recovery	680,446	3.90
951,651	Schroder Income	1,015,411	5.82
1,184,844	Schroder US Mid Cap	1,215,650	6.97
3,478	Vanguard US Equity Index	1,516,072	8.68
		<b>17,041,127</b>	<b>97.65</b>
	<b>Portfolio of Investments</b>	<b>17,041,127</b>	<b>97.65</b>
	Net Other Assets	410,683	2.35
	<b>Net Assets</b>	<b>17,451,810</b>	<b>100.00</b>

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

All investments are Collective Investment Schemes unless otherwise stated.

Total purchases including transaction costs for the period £22,071,720 (see Note 14)

Total sales net of transactions costs for the period £5,937,707 (see Note 14)

## Volare Growth Fund

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### Statement of Total Return For the period ended 31 May 2018

		04/01/17 to 31/05/18	
	Note	£	£
Income:			
Net capital gains	2		764,982
Revenue	3	156,060	
Expenses	4	(64,809)	
Interest payable and similar charges		(421)	
Net revenue before taxation		90,830	
Taxation	5	-	
Net revenue after Taxation			90,830
Total return before distributions			855,812
Distributions	6		(90,830)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>764,982</b>

### Statement of Change in Net Assets Attributable to Shareholders For the period ended 31 May 2018

	04/01/17 to 31/05/18	
	£	£
<b>Opening net assets attributable to Shareholders</b>		-
Amounts received on issue of Shares	20,181,603	
Less: Amounts paid on cancellation of Shares	(3,820,160)	
		16,361,443
Change in net assets attributable to Shareholders from investment activities		764,982
Retained distribution on accumulation Shares		325,385
<b>Closing net assets attributable to Shareholders</b>		<b>17,451,810</b>

## Volare Growth Fund

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### Balance Sheet As at 31 May 2018

		31/05/18	
	Note	£	£
<b>Assets</b>			
Fixed assets:			
Investments			17,041,127
Current assets:			
Debtors	7	218,311	
Cash and bank balances	8	409,319	
Total current assets			627,630
Total assets			17,668,757
<b>Liabilities</b>			
Creditors:			
Other creditors	9	216,947	
Total creditors			216,947
Total liabilities			216,947
<b>Net assets attributable to Shareholders</b>			<b>17,451,810</b>

**Notes to the Financial Statements  
For the period ended 31 May 2018****1 Accounting Basis And Policies**

The Funds' Financial Statements have been prepared on the basis detailed on pages 9, 10, 11 and 12.

**2 Net capital gains****04/01/17 to  
31/05/18****£**

The net capital gains during the period comprise:

Realised gains on non-derivative securities	132,650
Unrealised gains on non-derivative securities	634,207
Transaction charges	(3,141)
Rebates received from underlying funds	1,266
<b>Net capital gains</b>	<b>764,982</b>

**3 Revenue****04/01/17  
to 31/05/18****£**

Bank interest	3
Franked dividends from Collective Investment Schemes	121,217
Interest income from Collective Investment Schemes	21,049
Offshore funds dividends	7,758
Rebates received from underlying funds	6,033
<b>Total Revenue</b>	<b>156,060</b>

**4 Expenses****04/01/17 to  
31/05/18****£****Payable to the ACD, associates of the ACD, and agents of either of them**

AMC Fees	35,776
AMC Rebate	(51,772)
Fund Accounting Fees	28,922
Registration Fees	14,619
	27,545

**Payable to the depositary or associates of the depositary and agents of either of them**

Depositary Fees	26,215
Safe Custody Fees	2,562
	28,777

**Other expenses**

Audit Fees	6,686
EMX / Calastone Fees	1,613
FCA Fee	188
	8,487

<b>Total expenses</b>	<b>64,809</b>
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**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****5 Taxation****a) Analysis of the tax charge in the period**

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Corporation tax	-
<b>Total current tax charge (Note 5 (b))</b>	<b>-</b>
Deferred tax (Note 5 (c))	-
<b>Total taxation for the period</b>	<b>-</b>

**b) Factors affecting current tax charge for the period**

The tax assessed for the period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% is applied to the net revenue before taxation.

The differences are explained below:

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Net revenue before taxation	90,830
Net revenue for the period multiplied by the standard rate of corporation tax	18,166
<b>Effects of:</b>	
Movement in excess management expenses	7,629
Revenue not subject to corporation tax	(25,795)
<b>Total tax charge for the period</b>	<b>-</b>

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

**c) Provision for deferred tax**

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

At the period end, there is a potential deferred tax asset of £7,629 in relation to surplus management expenses. It is unlikely the Funds will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****6 Finance costs****Distributions**

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise:

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Final	325,385
Add: Revenue paid on cancellation of Shares	57,182
Deduct: Revenue received on issue of Shares	(291,737)
<b>Net distribution for the period</b>	<b>90,830</b>
<b>Reconciliation of net revenue after taxation to distributions</b>	
Net revenue after taxation	90,830
<b>Net distribution for the period</b>	<b>90,830</b>

Details of the distributions per Share are set out in the distribution table on page 54.

**7 Debtors**

	<b>31/05/18</b>
	<b>£</b>
Amounts receivable for creation of Shares	213,012
Amounts due for rebates from underlying funds	5,299
<b>Total debtors</b>	<b>218,311</b>

**8 Cash and bank balances**

	<b>31/05/18</b>
	<b>£</b>
Cash and bank balances	409,319
<b>Total cash and bank balances</b>	<b>409,319</b>

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018**

**9 Other creditors**

	<b>31/05/18</b>
	<b>£</b>
Amounts payable for cancellation of Shares	-
Purchases awaiting settlement	200,000
	<hr/> 200,000
<i>Accrued expenses</i>	
<i>Manager and Agents</i>	
AMC Fees	4,844
AMC Rebate	1,430
Fund Accounting Fees	1,681
Registration fees	386
	<hr/> 8,341
<i>Depositary and Agents</i>	
Depositary Fee	1,529
Safe Custody Fees	355
	<hr/> 1,884
<i>Other expenses</i>	
Audit Fees	6,686
FCA Fees	36
	<hr/> 6,722
<b>Total other creditors</b>	<hr/> <b>216,947</b>

**10 Related party transactions**

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of change in Shareholders' Net Assets and amounts due at the period end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the period end.

**11 Share Class**

The Share Class and ACD's Annual Management Charges applicable to the fund are as follows:

<b>Share Class</b>	<b>%</b>
A Accumulation	0.35
Z Accumulation	0.00

Each Share Class has equal rights in the event of the wind up of any fund.

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

	<b>04/01/17</b>	<b>Issued</b>	<b>Cancelled</b>	<b>Converted</b>	<b>31/05/18</b>
A Accumulation	-	18,900,304	(3,710,142)	-	15,190,162
Z Accumulation	-	842,701	(1)	-	842,700

**12 Capital commitments and contingent liabilities**

There were no contingent liabilities or outstanding commitments at the balance sheet date.

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018**

**13 Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 11 and 12 of the report.

**(a) Foreign currency risk**

The functional currency of the Fund is Sterling. All assets and liabilities of the Fund are denominated in Pound Sterling. There was no direct foreign currency exposure within the Fund at the balance sheet date. However, there was a significant foreign currency exposure within the Fund's holdings of Collective Investment Schemes since a proportion of their assets are denominated in currencies other than Sterling, with the effect their balance sheet and total returns can be affected by exchange rate fluctuations.

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

<b>Currency</b>	<b>Floating rate financial assets</b>	<b>Financial assets not carrying interest</b>	<b>Total</b>
<b>Assets</b>	<b>£</b>	<b>£</b>	<b>£</b>
31/05/18			
Sterling	409,319	17,259,438	17,668,757
<b>Total</b>	<b>409,319</b>	<b>17,259,438</b>	<b>17,668,757</b>

<b>Currency</b>	<b>Floating rate financial liabilities</b>	<b>Financial liabilities not carrying interest</b>	<b>Total</b>
<b>Liabilities</b>	<b>£</b>	<b>£</b>	<b>£</b>
31/05/18			
Sterling	-	216,947	216,947
<b>Total</b>	<b>-</b>	<b>216,947</b>	<b>216,947</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 Risk**

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the following 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 Fund would have decreased by the following amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

	<b>Increase</b>	<b>Decrease</b>
	<b>£</b>	<b>£</b>
2018	1,704,113	1,704,113

**(d) Leverage**

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

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018**

**14 Portfolio transaction costs**

**04/01/17 to 31/05/18**

£ £

**Analysis of total purchase costs**

Purchases in period before transaction costs		
Funds total value paid		22,068,631
		<hr/> 22,068,631
Commissions	3,089	
Total purchase costs		3,089
<b>Total purchases including transaction costs</b>		<b>22,071,720</b>

**Analysis of total sales costs**

Gross sales in period before transaction costs		
Funds total value paid		5,938,012
		<hr/> 5,938,012
Commissions	(305)	
Fees	-	
Total sale costs		(305)
<b>Total sales net of transaction costs</b>		<b>5,937,707</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the period.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

**04/01/17 to  
31/05/18**

<b>Transaction costs as percentage of principal amounts</b>	<b>%</b>
Purchases - Commissions	
Funds total value paid	0.01
Purchases - Taxes	
Equities total value paid	-
Sales - Commissions	
Funds total value paid	0.01
Sales - Taxes	
Equities total value paid	-

**04/01/17 to  
31/05/18**

<b>Transaction costs as percentage of average net asset value</b>	<b>%</b>
Commissions	0.04
Fees	

**15 Post balance sheet events**

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

**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****16 Fair value disclosure****31/05/18**

<b>Valuation technique</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>£</b>	<b>£</b>
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	-	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	17,041,127	-
Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability*	-	-
	<b>17,041,127</b>	<b>-</b>

\*The valuation techniques and the ACD's policy is disclosed in note 1 (i) on page 10.

## Volare Growth Fund

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### Distribution Table For the period ended 31 May 2018

#### Final dividend Distribution in pence per Share

Group 1 Shares purchased prior to 4 January 2017

Group 2 Shares purchased between 4 January 2017 to 31 May 2018

	Net Revenue (p)	Equalisation (p)	Distribution payable 31/07/18 (p)
<b>Share Class A Accumulation</b>			
Group 1	2.1421	-	2.1421
Group 2	0.6149	1.5272	2.1421
<b>Share Class Z Accumulation</b>			
Group 1	-	-	-
Group 2	-	-	-

### Investment Manager's Report For the period ended 31 May 2018

#### Investment Objective

The Fund aims to achieve an income target of 3.5%.

#### Investment policy

The Fund will aim to invest in income focused investment strategies incorporating a range of asset classes across multiple geographical areas and markets.

Implementation of the strategy will be predominantly through Collective Investment Schemes gaining indirect exposure to equities, bonds, to property through REITs and ETFs, funds with a multi strategy or multi asset focus and cash.

The Fund may also invest into other Collective Investment Schemes, bonds, equities, cash or near cash and money market instruments.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold derivatives for efficient portfolio management. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

#### Investment Review

During the January we made some considerable changes to the Strategic Income portfolio. Fortuitously, ahead of the volatility and sell off we saw in equities, we considerably reduced the exposure to risk assets in the portfolio. The equity content was reduced from 51% to 41%, as fixed income exposure was increased from 31% to 50%. Holdings in JP Morgan US Equity Income and Trojan Income were both sold from the equity portion of the portfolio, and holdings in Invesco Perpetual Global Targeted Income BlackRock FIGO and Invesco Perpetual Corporate Bond were added. These changes were made to bring the portfolio more in line with its objective of generating 3.5% target income and preserving the value of capital over the medium term. These changes had a considerable impact in protecting the Strategic Income portfolio and despite the recent rally in equity markets, have benefitted performance year to date.

The only other change was a sale of the BNY Newton Real Return fund in April and a switch into the Global Macro Opportunities fund run by JP Morgan. We have reallocated capital away from the BNY Newton Real Return as we believe the unconstrained nature of the JPM portfolio is better given the current market environment.

#### Outlook

Ahead of the European Central Bank ("ECB") meeting, core inflation in the Eurozone rose to an 8-month high of 1.1. Firming price pressures, paired with softening but robust growth indicators, gave the ECB confidence to announce that asset purchases will be tapered from October to the pace of €15bn a month from the current pace of €30bn. New asset purchases are expected to conclude by year-end. Even though the timing of the announcement was a modest surprise, the guidance pushed interest rate rises further out into the future.

Stateside, economic data continues to impress. Job openings now exceed the number of those available in the workforce and unemployment has fallen to 3.8%. Hence, it was no surprise that the Federal Reserve ("Fed") hiked rates to between 1.75% to 2.00% at their June meeting. The Fed delivered a slightly more hawkish message and guided to two more rate hikes this year. June also played host to the first meeting between a North Korean leader and the serving US president. Whilst the summit between Kim Jong Un and Trump was undoubtedly historic, it provided little more than another commitment to Korean denuclearisation. This appears to lower the geopolitical risk but we will wait for concrete changes.

In the UK, the Bank of England were seeking reassurance that the soft economic numbers at the start of the year were weather-related. However, the data has been mixed, with Purchasing Managers' Index (PMI) data coming in above expectations but industrial production numbers disappointing. The UK equity market has been fairly well supported by the slide in the currency. With regards to Brexit, there remains significant uncertainty. Theresa May continues to face opposition, both from Labour and from members of her own party.

#### Investment Manager

Octopus Investments Limited

9 July 2018

## Volare Strategic Income Fund

### Performance Record As at 31 May 2018

	A Income	Z Income
	31/05/18 (p)	31/05/18 (p)
Change in net assets per Share		
Opening net asset value per Share	100.00	100.00
Return before operating charges*	6.75	0.96
Operating charges	(1.44)	(0.83)
Return after operating charges*	5.31	0.13
Distributions	(4.46)	-
Closing net asset value per Share	100.85	100.13
* after direct transaction costs of:	0.02	-
Performance		
Return after operating charges	5.31%	0.13%
Other information		
Closing net asset value	£2,091,484	£52,112
Closing number of Shares	2,073,855	52,042
Operating charges	1.42%	1.07%
Direct transaction costs	0.02%	0.02%
Price		
Highest Share price	104.07	101.19
Lowest Share price	98.39	100.03

The Share Class A was launched on 3 January 2017. The first variable price dealing date was 4 January 2017.

The Share Class Z was launched on 4 May 2018. The first variable price dealing date was 8 May 2018.

The lowest share price is higher than the opening net asset value per share for the Z Accumulation share class as the lowest price refers to the lowest daily price after the first dealing whereas the opening net asset value per share refers to the launch price.

### Performance Information As at 31 May 2018

#### Operating Charges

Date	AMC* (%)	Other Charges (%)	Transaction Costs (%)	Synthetic expense ratio (%)	Rebate (%)	Operating Charges (%)
31/05/18						
Share Class A Income	0.35	0.21	0.05	0.82	(0.01)	1.42
Share Class Z Income	-	0.06	0.21	0.82	(0.02)	1.07

\* Annual Management Charge

Share Class A launched 3 January 2017 and first dealing date was 4 January 2017 whilst Share Class Z launched 4 May 2018 and first dealing date was 8 May 2018.

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

When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the Operating Charge shall take the account of the operating charges incurred in the underlying CIU and disclose as a Synthetic expense ratio.

An operating charges cap of 0.60% for the A accumulation share class and 0.25% for the Z accumulation share class is currently in effect. This is excluding any impact from the synthetic expense ratios. AMC rebates have been provided from the sponsor to ensure operating charge ratios do not exceed these limits.

#### Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares 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 fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

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



- 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'.
- The Fund appears as a "4" on the scale. This is because the Fund by its nature invests in a mixture of investments. The value of some of these investments may vary more widely than others.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

## Volare Strategic Income Fund

### Portfolio Statement

As at 31 May 2018

Holdings	Investments	Market Value £	% of Total Net Assets
<b>COLLECTIVE INVESTMENT SCHEMES 99.87%</b>			
168,090	Artemis Global Income	177,588	8.27
164,014	AXA US Short Duration High Yield	155,338	7.25
55,301	BlackRock Continental European	64,150	2.99
89,602	BlackRock Fixed Income Global Opportunities	142,288	6.64
59,150	Invesco Perpetual Corporate Bond	124,025	5.79
59,723	Invesco Perpetual Global Targeted Income	118,120	5.51
147,671	Invesco Perpetual Monthly Income Plus	158,318	7.39
52,564	JPM Global Macro Opportunities	77,427	3.61
253,086	Jupiter Strategic Bond	162,279	7.57
135,483	Lazard Global Equity Income	146,999	6.86
38,254	Lazard Global Listed Infrastructure Equity	59,917	2.80
11,975	M&G Strategic Corporate Bond	132,292	6.17
58,321	Marlborough Multi Cap Income	98,895	4.61
12,983	PIMCO Global Low Duration Real Return	127,756	5.96
1,336	RWC Enhanced Income	113,719	5.31
187,994	Schroder Asian Income Maximiser	111,706	5.21
152,324	Schroder Income Maximiser	86,413	4.03
55,435	Threadneedle UK Equity Income	83,674	3.90
		<b>2,140,904</b>	<b>99.87</b>
<b>Portfolio of Investments</b>		<b>2,140,904</b>	<b>99.87</b>
Net Other Assets		2,692	0.13
<b>Net Assets</b>		<b>2,143,596</b>	<b>100.00</b>

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

All investments are Collective Investment Schemes unless otherwise stated.

Total purchases including transaction costs for the period £3,272,127 (see Note 14)

Total sales net of transactions costs for the period £1,150,338 (see Note 14)

## Volare Strategic Income Fund

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### Statement of Total Return For the period ended 31 May 2018

		04/01/17 to 31/05/18	
	Note	£	£
Income:			
Net capital gains	2		19,489
Revenue	3	46,050	
Expenses	4	(8,154)	
Interest payable and similar charges		(71)	
Net revenue before taxation		37,825	
Taxation	5	-	
Net revenue after Taxation			37,825
Total return before distributions			57,314
Distributions	6		(45,979)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>11,335</b>

### Statement of Change in Net Assets Attributable to Shareholders For the period ended 31 May 2018

	04/01/17 to 31/05/18	
	£	£
<b>Opening net assets attributable to Shareholders</b>		-
Amounts received on issue of Shares	2,715,241	
Less: Amounts paid on cancellation of Shares	(582,980)	
		2,132,261
Change in net assets attributable to Shareholders from investment activities		11,335
<b>Closing net assets attributable to Shareholders</b>		<b>2,143,596</b>

## Volare Strategic Income Fund

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### Balance Sheet As at 31 May 2018

		31/05/18	
	Note	£	£
<b>Assets</b>			
Fixed assets:			
Investments			2,140,904
Current assets:			
Debtors	7	42,508	
Cash and bank balances	8	93,990	
Total current assets			136,498
Total assets			2,277,402
<b>Liabilities</b>			
Creditors:			
Distribution payable on income shares		15,244	
Other creditors	9	118,562	
Total creditors			133,806
Total liabilities			133,806
<b>Net assets attributable to Shareholders</b>			<b>2,143,596</b>

### Notes to the Financial Statements For the period ended 31 May 2018

#### 1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 9, 10, 11 and 12.

#### 2 Net capital gains

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
The net capital gains during the period comprise:	
Realised gains on non-derivative securities	12,970
Unrealised gains on non-derivative securities	7,099
Transaction charges	(790)
Rebates received from underlying funds	210
<b>Net capital gains</b>	<b>19,489</b>

#### 3 Revenue

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Bank interest	3
Franked dividends from Collective Investment Schemes	35,687
Interest income from Collective Investment Schemes	8,014
Offshore funds dividends	2,346
<b>Total revenue</b>	<b>46,050</b>

#### 4 Expenses

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>	
AMC Fees	5,082
AMC Rebate	(70,463)
Fund Accounting Fees	28,910
Registration Fees	10,128
	(26,343)
<b>Payable to the depositary or associates of the depositary and agents of either of them</b>	
Depositary Fees	26,698
Safe Custody Fees	370
	27,068
<b>Other expenses</b>	
Audit Fees	6,686
EMX / Calastone Fees	555
FCA Fee	188
	7,429
<b>Total expenses</b>	<b>8,154</b>

**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****5 Taxation****a) Analysis of the tax charge in the period**

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Corporation tax	-
<b>Total current tax charge (Note 5 (b))</b>	<b>-</b>
Deferred tax (Note 5 (c))	-
<b>Total taxation for the period</b>	<b>-</b>

**b) Factors affecting current tax charge for the period**

The tax assessed for the period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% is applied to the net revenue before taxation.

The differences are explained below:

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
Net revenue before taxation	36,218
Net revenue for the period multiplied by the standard rate of corporation tax	7,565
<b>Effects of:</b>	
Movement in excess management expenses	1,644
Revenue not subject to corporation tax	(9,209)
<b>Total tax charge for the period</b>	<b>-</b>

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

**c) Provision for deferred tax**

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

At the period end, there is a potential deferred tax asset of £1,644 in relation to surplus management expenses. It is unlikely the Funds will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the period.

### Notes to the Financial Statements (continued) For the period ended 31 May 2018

#### 6 Finance costs

##### Distributions

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise:

	<b>04/01/17 to 31/05/18</b>
	<b>£</b>
First interim distribution	26,143
Second interim distribution	9,362
Third interim distribution	12,183
Final	15,244
Add: Revenue paid on cancellation of Shares	3,800
Deduct: Revenue received on issue of Shares	(20,753)
<b>Net distribution for the period</b>	<b>45,979</b>
<b>Reconciliation of net revenue after taxation to distributions</b>	
Net revenue after taxation	37,825
Charges deducted from capital	8,154
<b>Net distribution for the period</b>	<b>45,979</b>

Details of the distributions per Share are set out in the distribution table on page 68.

#### 7 Debtors

	<b>31/05/18</b>
	<b>£</b>
Amounts sales awaiting settlement	38,001
Accrued revenue	4,055
Amounts due for rebates from underlying funds	452
<b>Total debtors</b>	<b>42,508</b>

#### 8 Cash and bank balances

	<b>31/05/18</b>
	<b>£</b>
Cash and bank balances	93,990
<b>Total cash and bank balances</b>	<b>93,990</b>

### Notes to the Financial Statements (continued) For the period ended 31 May 2018

#### 9 Other creditors

	<b>31/05/18</b>
	<b>£</b>
Amounts payable for cancellation of Shares	105,267
Purchases awaiting settlement	11,000
	<hr/> 116,267
<i>Accrued expenses</i>	
<i>Manager and Agents</i>	
AMC Fees	638
AMC Rebate	(8,902)
Fund Accounting Fees	1,681
Registration fees	581
	<hr/> (6,002)
<i>Depositary and Agents</i>	
Depositary Fee	1,529
Safe Custody Fees	46
	<hr/> 1,575
<i>Other expenses</i>	
Audit Fees	6,686
FCA Fees	36
	<hr/> 6,722
<b>Total other creditors</b>	<hr/> <b>118,562</b>

#### 10 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of change in Shareholders' Net Assets and amounts due at the period end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the period end.

#### 11 Share Class

The Share Class and ACD's Annual Management Charges applicable to the fund are as follows:

Share Class	%
A Accumulation	0.35
Z Accumulation	0.00

Each Share Class has equal rights in the event of the wind up of any fund.

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

	<b>04/01/17</b>	<b>Issued</b>	<b>Cancelled</b>	<b>Converted</b>	<b>31/05/18</b>
A Accumulation	-	2,647,226	(573,371)	-	2,073,855
Z Accumulation	-	52,043	(1)	-	52,042

#### 12 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date.

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018**

**13 Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 11 and 12 of the report.

**(a) Foreign currency risk**

The functional currency of the Fund is Sterling. All assets and liabilities of the Fund are denominated in Pound Sterling. There was no direct foreign currency exposure within the Fund at the balance sheet date. However, there was a significant foreign currency exposure within the Fund's holdings of Collective Investment Schemes since a proportion of their assets are denominated in currencies other than Sterling, with the effect their balance sheet and total returns can be affected by exchange rate fluctuations.

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

Currency	Floating rate financial assets	Financial assets not carrying interest	Total
<b>Assets</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>31/05/18</b>			
Sterling	93,990	2,183,412	2,277,402
<b>Total</b>	<b>93,990</b>	<b>2,183,412</b>	<b>2,277,402</b>

Currency	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
<b>Liabilities</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>31/05/18</b>			
Sterling	-	133,806	133,806
<b>Total</b>	<b>-</b>	<b>133,806</b>	<b>133,806</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 Risk**

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the following 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 Fund would have decreased by the following amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

	Increase	Decrease
	£	£
<b>2018</b>	214,090	214,090

**(c) Leverage**

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

**Notes to the Financial Statements (continued)  
For the period ended 31 May 2018**

**14 Portfolio transaction costs**

**04/01/17 to 31/05/18**

	£	£
<b>Analysis of total purchase costs</b>		
Purchases in period before transaction costs		
Funds total value paid		3,272,021
		3,272,021
Commissions	106	
Total purchase costs		106
<b>Total purchases including transaction costs</b>		<b>3,272,127</b>

**Analysis of total sales costs**

Gross sales in period before transaction costs		
Funds total value paid		1,150,448
		1,150,448
Commissions	(110)	
Fees	-	
Total sale costs		(110)
<b>Total sales net of transaction costs</b>		<b>1,150,338</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the period.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

**04/01/17 to  
31/05/18**

<b>Transaction costs as percentage of principal amounts</b>	<b>%</b>
Purchases - Commissions	
Funds total value paid	-
Purchases - Taxes	
Collective Investment Schemes	-
Equities total value paid	
Funds total value paid	0.01
Sales - Taxes	
Equities total value paid	-

**04/01/17 to  
31/05/18**

<b>Transaction costs as percentage of average net asset value</b>	<b>%</b>
Commissions	0.02
Fees	-

**15 Post balance sheet events**

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

**Notes to the Financial Statements (continued)**  
**For the period ended 31 May 2018****16 Fair value disclosure****31/05/18**

<b>Valuation technique</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>£</b>	<b>£</b>
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	-	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	2,140,904	-
Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability*	-	-
	<b>2,140,904</b>	<b>-</b>

\*The valuation techniques and the ACD's policy is disclosed in note 1 (i) on page 10.

## Volare Strategic Income Fund

### Distribution table For the period ended 31 May 2018

#### First interim dividend Distribution in pence per Share

Group 1 Shares purchased prior to 04 January 2017

Group 2 Shares purchased between 04 January 2017 to 31 August 2017

	Net Revenue (p)	Equalisation (p)	Distribution paid 31/10/17 (p)
<b>Share Class A Income</b>			
Group 1	2.1601	-	2.1601
Group 2	1.0149	1.1452	2.1601

#### Second interim dividend Distribution in pence per Share

Group 1 Shares purchased prior to 1 September 2017

Group 2 Shares purchased between 1 September 2017 to 30 November 2017

	Net Revenue (p)	Equalisation (p)	Distribution paid 31/01/18 (p)
<b>Share Class A Income</b>			
Group 1	0.6779	-	0.6779
Group 2	0.1242	0.5537	0.6779

#### Third interim dividend Distribution in pence per Share

Group 1 Shares purchased prior to 01 December 2017

Group 2 Shares purchased between 01 December 2017 to 28 February 2018

	Net Revenue (p)	Equalisation (p)	Distribution paid 30/04/18 (p)
<b>Share Class A Income</b>			
Group 1	0.8912	-	0.8912
Group 2	0.2891	0.6021	0.8912

#### Final dividend Distribution in pence per Share

Group 1 Shares purchased prior to 1 March 2018

Group 2 Shares purchased between 1 March 2018 to 31 May 2018

	Net Revenue (p)	Equalisation (p)	Distribution payable 31/07/18 (p)
<b>Share Class A Income</b>			
Group 1	0.7350	-	0.7350
Group 2	0.3182	0.4168	0.7350
<b>Share Class Z Income</b>			
Group 1	-	-	-
Group 2	-	-	-

### General Information

#### Classes of Shares

The Company can issue different classes of Shares in respect of the Fund. Holders of Income Shares are entitled to be paid the revenue attributable to such Shares in respect of each annual period, with the exception of Strategic Income Fund which pays quarterly distributions as detailed below (see Distribution Payment Dates). Holders of Accumulation Shares are not entitled to be paid the revenue attributable to such Shares, but that revenue is retained and accumulated for the benefit of Shareholders and is reflected in the price of Shares.

#### Buying and Selling Shares

The ACD will accept orders to deal in the Shares on normal business days between 9.00 am and 5.00 pm. Instructions to buy or sell Shares may be either in writing to: FundRock Partners Limited - LGT Vestra, PO Box 12391, Chelmsford CM99 2EU or by telephone on 01268 445 772\* (UK only) or +44 1268 445 772\* (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 Fund 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.

#### Price

The prices of Shares for each class in the Fund will be posted via a link on [www.fundrock.com](http://www.fundrock.com) and prices can also be obtained by telephoning the Administrator on 01268 445 772\* (UK only) or +44 1268 445 772\* (outside the UK) during the ACD's normal business hours.

#### Report

The annual report of the Company will normally be published within two months of each annual accounting period although the ACD 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 January, 30 April, 31 October (Strategic Income Fund)
Annual:	31 July

#### Significant information

Under the UCITS V and the UCITS Remuneration Code, FundRock 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 FundRock Partners is governed by the FundRock Partners' Board and FundRock Partners has chosen not to establish a Remuneration Committee. The FundRock 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.

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

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

**Significant information (continued)**

<b>May-18</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	15	251,110	251,110	-	-
Remuneration paid to employees of FP who have a material impact on the risk profile of the UCITS	7	132,201	132,201	-	-
Senior Management	7	132,201	132,201	-	-
Control functions	7	132,201	132,201	-	-
Employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	-	-	-	-	-

**Other Information**

The Instrument of Incorporation, 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 ACD which is also the Head Office of the Company and copies may be obtained upon application.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a Shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

**Data Protection**

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

**Effects of Personal Taxation**

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

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares 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 fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

### Contact information

#### The Company and its Head Office

FP Luceo Investments  
8-9 Lovat Lane,  
London EC3R 8DW

Incorporated in England and Wales under registration number IC001079.

Website address: [www.fundrock.com](http://www.fundrock.com)  
(Authorised and regulated by the FCA)

#### Directors of the ACD

V. Hoare (Resigned 27 September 2017)  
I. Hobday (Appointed 19 January 2017 and resigned 1 October 2017)  
L. Isaacs (Resigned 17 January 2017)  
P. Legg (Resigned 27 September 2017)  
C. Spencer (Appointed 3 November 2017)  
R. Thomson (Appointed 28 September 2017)  
M. Wood (Appointed 29 March 2017)  
R. Wood (Appointed 30 September 2017)

#### Non-executive Directors of the ACD

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

#### Registrar

DST Financial Services International Limited  
Head Office:  
DST House,  
St Nicholas Lane,  
Basildon,  
Essex SS15 5FS

#### Customer Service Centre

FundRock Partners Limited  
LGT Vestra LLP,  
PO Box 12391,  
Chelmsford CM99 2EU  
Telephone: 01268 445 772\* (within UK only)  
Outside the UK: +44 1268 445 772\*  
Fax: 01268 441 498 (within UK only)  
Outside the UK: +44 1268 441 498

#### Auditor

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

#### Authorised Corporate Director ("ACD")

FundRock 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 ACD

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

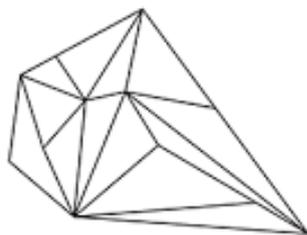
#### Depository

Société Générale S.A. (London Branch),  
SG House, 41 Tower Hill,  
London EC3N 4SG  
(Authorised by the Prudential Regulation Authority ("PRA")  
and regulated by the PRA and FCA)

#### Investment Manager

LGT Vestra LLP  
14 Cornhill,  
London EC3V 3NR  
(Authorised and regulated by the FCA)

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



**FUNDROCK**  

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**management company**