



T.BAILEY

T. Bailey Dynamic Fund

Interim Report & Financial Statements (Unaudited)

For the six-month period ended 30 September 2017

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Note: The Authorised Fund Manager’s Report consists of ‘Authorised Status’ and ‘Investment Objective and Policy’ on page 2, ‘Investment Review’ as provided by the Investment Manager, on pages 4 to 6 and ‘Directory’ on page 18.

THE AUTHORISED FUND MANAGER AND INVESTMENT MANAGER

The Authorised Fund Manager (the 'Manager') of the T. Bailey Dynamic Fund (the 'Fund' or 'TBDYF') is T. Bailey Fund Services Limited ('TBFS'). T. Bailey Asset Management Limited ('TBAM') is the Investment Manager of the Fund (the 'Investment Manager'). TBFS is also the Authorised Fund Manager of the T. Bailey Growth Fund.

TBFS and TBAM are subsidiaries of Forman Hardy Holdings Limited, a long established Nottingham-based private company whose business history goes back some 150 years.

TBFS and TBAM are authorised and regulated by the Financial Conduct Authority. Further information about the Investment Manager and the funds which it manages can be found at www.tbaileyam.co.uk.

YOUR INVESTMENTS

You can buy or sell units in the Fund through your Financial Advisor. Alternatively, you can telephone the dealing line; 0115 988 8213, during normal office hours. Application forms can be requested in writing from the Manager or by calling the Client Services Team on the dealing line. They can also be downloaded from the website: www.tbaileys.co.uk/funds/t-bailey-funds.

The Fund is eligible for ISA investments/transfers and are available as part of a regular savers scheme.

Prices for the Fund are published each normal business day on the website.

RISK PROFILE

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested. There is no guarantee that the Fund will meet its stated objectives. The Fund invests in global shares and other asset classes (largely via collective investment schemes), with some of these being regarded as more risky. The movements of exchange rates may lead to further changes in the value of investments and the income from them. Whilst the intention of using derivatives is to reduce risk, this outcome is not guaranteed and derivatives involve additional risks which could lead to losses. There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category 4 because it invests in a variety of asset classes, but with a bias towards shares.

OTHER INFORMATION

Full details of the Fund are set out in the Prospectus. This document provides investors with extensive information about the Fund including risks and expenses. A copy of the Prospectus is available on request from the Manager, or can be found at www.tbaileys.co.uk/funds/t-bailey-funds.

The Key Investor Information documents and Supplementary Information document are also available at the website: www.tbaileys.co.uk/funds/t-bailey-funds.

AUTHORISED STATUS

The Fund is governed by a Trust Deed made between the Manager and the Trustee dated 21 April 2006 as amended by supplemental trust deeds made between the same parties dated 10 January 2011, 21 October 2011, 23 August 2012, 7 September 2015 and 17 March 2016. The Fund is an authorised unit trust scheme and is a UCITS scheme as defined in the Glossary of the FCA's Handbook. The effective date of the authorisation order made by the FSA (the predecessor to the FCA) was 24 April 2006. Holders of units in the Fund are not liable for the debts of the Scheme. The base currency of the Fund is pounds Sterling.

INVESTMENT OBJECTIVE AND POLICY

The benchmark of the Fund is UK Inflation plus 3%.

The Fund aims to outperform UK Inflation plus 3% on a total return basis over the medium-to-long term.

Asset Allocation

The Fund invests predominantly in other regulated collective investment schemes. In other words, it is a fund of funds. The Fund may have both UK and non-UK investments and, in addition to units in collective investment schemes, may also invest in transferable securities (shares, including investment trusts, debentures, government and public securities, warrants or certificates representing certain securities), money market instruments, cash and near cash and deposits as permitted by the Sourcebook in order to achieve its objective.

Fund Selection

The Fund will use a range of different active and passive managers in order to provide a diversity of style and to protect against possible periods of poor performance by any one Investment Manager or product.

Derivatives

The Investment Manager may use the powers given by the Sourcebook to enter into derivative transactions for hedging or efficient portfolio management purposes.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists of the Annual Management Charge and the costs for other services paid in respect of Depositary, custody, FCA and audit fees. As the Fund invests in other funds, the weighted average costs of the underlying funds are also taken into account. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 10 to 13.

Please note that the maximum level of management fees which may be charged to any collective investment scheme in which the Fund invests is 5%, although historically the Manager has secured terms considerably more favourable than this.

STATEMENT OF THE AUTHORISED FUND MANAGER'S RESPONSIBILITIES

The Authorised Fund Manager (the 'Manager') of the Fund is responsible for preparing the report and the financial statements in accordance with the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Scheme's Trust Deed.

COLL requires the Manager to prepare financial statements for each 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 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 Fund as at the end of that period and the net revenue or expense and the net capital gains or losses on the property of the Fund for that period.

In preparing the financial statements, the Manager is required to:

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

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

DIRECTOR'S STATEMENT

In accordance with COLL 4.5.8BR, the report and the financial statements were approved by the board of directors of the Manager of the Fund and authorised for issue on 17 November 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Fund consist predominantly of readily realisable securities and accordingly the Fund has adequate resources to continue in operational existence in the foreseeable future.

Helen Stevens
Chief Executive Officer
T. Bailey Fund Services Limited
Nottingham, United Kingdom
17 November 2017

Richard Taylor
Compliance Director
T. Bailey Fund Services Limited
Nottingham, United Kingdom
17 November 2017

INVESTMENT REVIEW

Performance

Cumulative returns for the periods ended 30 September 2017 (%)

	6 months	1 year	3 years	5 years
TBDYF – Institutional units ¹	4.09	9.19	26.48	50.06
TBDYF – Retail units ¹	3.63	8.23	23.12	43.80
CPI+3% p.a.	3.09	6.05	13.41	25.06
IA Mixed Investment 20%-60% Shares Sector Average	1.79	6.15	19.40	36.24

Discrete returns for the 12 month periods ended 30 September (%)

	2017	2016	2015	2014	2013
TBDYF - Institutional units ¹	9.19	10.81	4.54	5.75	12.20
TBDYF - Retail units ¹	8.23	9.82	3.59	4.85	11.40
CPI+3% p.a.	6.05	3.93	2.90	4.26	5.76
IA Mixed Investment 20%-60% Shares Sector Average	6.15	12.11	0.32	5.10	8.57

¹ Performance based on Income units.

Source: Financial Express. Total return, bid to bid. Sterling terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of units and the revenue derived from them is not guaranteed and may go down as well as up.

The returns of the T. Bailey Dynamic Fund during the last 6 month period have been a continuation of the last 5 years, compounding at a rate of around 8% per annum. This has comfortably outpaced the UK inflation +3% per annum return objective and the returns typically achieved by peers in the IA Mixed Investment 20%-60% shares sector.

To quote the FCA, 'past performance is not a reliable indicator of future results' (COBS 6.6.2R(4)), investors should not look back at recent past performance history and extrapolate that out into the future. Indeed, this is certainly not how we approach building the portfolio of the T. Bailey Dynamic Fund. All else being equal, for a static portfolio, strong price performance suggests a higher price paid for income or growth assets and commensurately lower future returns.

However, the T. Bailey Dynamic Fund is not a static portfolio and central to our investment process is to look forward in our selection of a group of assets capable of collectively achieving UK inflation +3% per annum into the future.

INVESTMENT REVIEW (CONTINUED)

Our continual appraisal and assessment of the constituents of the Fund resulted in the sale of four holdings during the six-month period and, alongside top-ups to existing holdings, introduced three new names to the portfolio: Matthews Asia India, Invesco Perpetual Global Targeted Returns and Hadrian's Wall Secured Investments.

Asset Class	Index/Sector	6 months ended	12 months ended
		30 September 2017	30 September 2017
		(%)	(%)
UK Equities	IA UK All Companies	4.83	13.65
Global Equities	IA Global	3.03	14.92
Emerging Equities	IA Global Emerging Markets	5.72	17.42
Corporate Bonds	IA Sterling Corporate Bond	1.21	0.61
Index Linked Gilts	IA UK Index Linked Gilts	(3.10)	(6.76)
Gilts	IA UK Gilts	(2.11)	(5.60)
Property	IA Property	2.21	3.48
Gold	S&P GSCI Gold Spot	(4.65)	(6.43)

Source: Financial Express. Total return, Sterling terms. Bid to bid.

At an asset class level, the danger of judging future returns as a continuation of history is evident for UK Gilts shown in the table above. Gradually declining yields and thus steady price appreciation over recent decades have provided an illusion that these so considered 'safe' assets should form the cornerstone of a low risk portfolio. But, taking the ongoing solvency of the UK government as a given, the future cash flows are simply the coupon of the bond (i.e. interest) and the return of the nominal value of the bond at maturity. Priced so highly, in secondary markets, that future yields are expected to fall short of inflation, it is difficult for us to justify investment, and more so with an additional 3% per annum performance objective in excess of UK inflation.

The T. Bailey Dynamic Fund's exposure to fixed income assets avoids UK Gilts and is more directed to niche areas where the fundamental outlook is robust, supported by stronger borrowers, often backed with the security of an asset and providing a yield commensurate with achieving the performance objective.

We also continue to make use of diversifying assets as a source of income (e.g. Custodian REIT and IMPACT Healthcare REIT) and for managing portfolio volatility and risk (e.g. ETFS Gold Bullion Securities).

A significant proportion of the Fund's assets are allocated to globally generating returns and having their price denominated in non-Sterling currencies. We seek to manage the extent of this exposure through forward currency contracts. This has mitigated a meaningful proportion of the portfolio from Sterling volatility whilst allowing us to retain the growth and diversification opportunities of global investments.

INVESTMENT REVIEW (CONTINUED)

The asset allocations at the period end are shown below:

Sector	Asset allocation as at 30 September 2017 (%)	Asset allocation as at 31 March 2017 (%)
Absolute Return	16.3	17.3
Diversifiers	17.2	21.1
Emerging Market Equities	3.3	3.5
Fixed Income and Debt	9.8	10.4
Global and Thematic Equities	24.9	25.3
Japan Equities	3.0	2.6
Pacific Basin Ex Japan Equities	5.0	3.5
UK Equities	10.0	8.9
Forward Currency Contracts	0.3	0.3
Cash and Other	10.2	7.1
Total	100.0	100.0

The full list of holdings at the period end is shown in the Portfolio Statement on pages 7 to 9.

Outlook

Recent months have seen a period of synchronised global growth that has bolstered confidence across financial markets and risk assets in particular. Accommodative monetary policy and the tail wind of the lower oil prices of recent years have been supportive factors too.

Inflation has been conspicuous in its absence and cause for much debate across markets and within academic circles. Yet with unemployment at low levels and economic capacity tightening in regions and sectors experiencing strong demand it seems complacent to assume inflation won't reassert itself in time.

With the real global economy on a steadier footing, central banks' highly supportive monetary policies appear ever harder to justify and at risk of causing more harm than good. Corporate debt levels have risen, individual consumers have re-leveraged and thus the economic reaction to a change in direction for monetary policy seems uncertain. There is an obvious awareness of this and central banks will be more likely to follow behind the real economy providing ongoing support than worry too much about shorter term inflation or the effect on asset prices alone.

We therefore caution against investors expecting to achieve a continuation of the index returns of the recent past and favour a more focused and critical investment approach that emphasises longer-term themes of demographic growth and aging allied with improving technology trends that will transcend shorter-term market sentiment and political cycles.

Elliot Farley
Fund Manager
T. Bailey Asset Management Limited
Nottingham, United Kingdom
17 November 2017

Peter Askew
Fund Manager
T. Bailey Asset Management Limited
Nottingham, United Kingdom
17 November 2017

PORTFOLIO STATEMENTAs at 30 September 2017

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Absolute Return (16.3%; 31.03.17 - 17.3%)		
930,087 Invesco Perpetual Global Targeted Returns	2,239,371	2.8
4,693,005 Jupiter Absolute Return	2,670,789	3.4
1,512,871 Old Mutual Global Equity Absolute Return	2,585,951	3.2
194,748 Old Mutual UK Specialist Equity	2,432,709	3.1
161,144 Polar Capital UK Absolute Equity	3,010,163	3.8
	12,938,983	16.3
Diversifiers (17.2%; 31.03.17 - 21.1%)		
500,000 Amedeo Air Four Plus*	530,000	0.7
1,325,000 Bluefield Solar Income*	1,537,000	1.9
1,663,107 Custodian REIT*	1,912,573	2.4
49,654 ETFS Gold Bullion Securities*	4,506,588	5.7
1,700,000 Hadrians Wall*	1,683,000	2.1
1,600,000 Impact Healthcare REIT*	1,648,000	2.1
950,000 Phaunos Timber*	297,806	0.4
1,218,450 SQN Asset Finance Income*	1,218,450	1.5
325,448 SQN Asset Finance Income C Shares*	321,380	0.4
	13,654,797	17.2
Emerging Market Equities (3.3%; 31.03.17 - 3.5%)		
1,452,110 MI Somerset Emerging Markets Dividend Growth	2,633,693	3.3
	2,633,693	3.3
Fixed Income and Debt (9.8%; 31.03.17 - 10.4%)		
1,616,000 M&G Global Floating Rate High Yield	1,798,931	2.3
19,212 New Capital Wealthy Nations Bond	2,257,838	2.8
1,271,530 TwentyFour Select Monthly Income*	1,265,172	1.6
22,675 Vontobel TwentyFour Absolute Return Credit	2,494,019	3.1
	7,815,960	9.8

PORTFOLIO STATEMENT (CONTINUED)As at 30 September 2017

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Global and Thematic Equities (24.9%; 31.03.17 - 25.3%)		
868,838 First State Global Listed Infrastructure	2,352,119	3.0
1,582,342 Lazard Global Listed Infrastructure Equity	2,943,947	3.7
15,118 Pictet Security	2,729,575	3.4
415,435 Polar Capital Global Insurance	2,419,578	3.1
84,289 Polar Capital Healthcare Opportunities	2,639,923	3.3
18,443 RobecoSAM Smart Materials	3,051,951	3.8
262,231 Robo Global Robotics and Automation*	2,933,054	3.7
243,021 Touchstone Innovations*	729,063	0.9
	<hr/> 19,799,210	<hr/> 24.9
Japan Equities (3.0%; 31.03.17 - 2.6%)		
1,072,908 JPM Japan	2,375,418	3.0
	<hr/> 2,375,418	<hr/> 3.0
Pacific Basin Ex Japan Equities (5.0%; 31.03.17 - 3.5%)		
85,516 Matthews Asia India	1,544,415	1.9
18,113 Prusik Asian Equity Income	2,453,952	3.1
	<hr/> 3,998,367	<hr/> 5.0
UK Equities (10.0%; 31.03.17 - 8.9%)		
1,613,911 CF Livingbridge UK Micro Cap	2,437,490	3.1
1,847,074 Man GLG Undervalued Assets	2,840,799	3.6
233,058 Polar Capital UK Value Opportunities	2,642,880	3.3
	<hr/> 7,921,169	<hr/> 10.0

PORTFOLIO STATEMENT (CONTINUED)As at 30 September 2017

Holding or nominal value of positions	Unrealised Gain/(loss) value £	Percentage of total net assets %
Forward Currency Contracts (0.3%; 31.03.17 - 0.3%)		
£7,207,626 Forward FX GBP v \$9,300,000 (expires 12.10.17)	221,872	0.3
\$4,000,000 Forward FX USD v £2,955,192 (expires 12.10.17)	49,434	-
	<hr/> 271,306	<hr/> 0.3
Portfolio of investments	71,408,903	89.8
Net other assets	8,108,870	10.2
Total net assets	<hr/> 79,517,773	<hr/> 100.0

** Denotes holdings that are listed on recognised stock exchanges. All other holdings are in collective investment schemes which are traded on regulated markets.*

Asset Class	Asset class allocation as at 30 September 2017 (%)	Asset class allocation as at 31 March 2017 (%)
Collective Investment Schemes	66.1	65.3
Exchange Traded Funds	9.4	10.6
Investment Trusts	13.1	16.1
Equities	0.9	0.6
Forward Currency Contracts	0.3	0.3
Cash and Other	10.2	7.1
Total	<hr/> 100.0	<hr/> 100.0

SUMMARY OF FUND PERFORMANCE

Institutional Income Units	1 Apr 2017 to 30 Sept 2017	1 Apr 2016 to 31 Mar 2017	1 Apr 2015 to 31 Mar 2016	1 Apr 2014 to 31 Mar 2015
	(pence per unit)	(pence per unit)	(pence per unit)	(pence per unit)
Change in net assets per unit				
Opening net asset value per unit	59.84	53.80	55.38	51.12
Return before operating charges*	2.96	7.37	(0.18)	5.79
Operating charges	(0.21)	(0.40)	(0.42)	(0.40)
Return after operating charges*	2.75	6.97	(0.60)	5.39
Distributions on income units	(0.39)	(0.93)	(0.98)	(1.13)
Closing net asset value per unit	62.20	59.84	53.80	55.38
* after direct transaction costs of:	0.00	0.00	0.00	0.00
Performance				
Return after charges	4.60%	12.96%	(1.08)%	10.54%
Other information				
Closing net asset value	£23,812,393	£23,120,068	£20,836,519	£21,032,341
Closing number of units	38,286,203	38,634,703	38,727,334	37,981,411
Operating charges (p.a.)	1.37%	1.38%	1.48%	1.52%
Direct transaction costs (p.a.)	0.00%	0.01%	0.01%	0.01%
Prices				
Highest published unit price	62.99	60.33	56.64	56.04
Lowest published unit price	59.87	53.37	51.28	50.28

Past performance is not a reliable indicator of future results. Investors are reminded that the price of units and the revenue derived from them is not guaranteed and may go down as well as up.

SUMMARY OF FUND PERFORMANCE (CONTINUED)

Institutional Accumulation Units	1 Apr 2017 to 30 Sept 2017	1 Apr 2016 to 31 Mar 2017	1 Apr 2015 to 31 Mar 2016	1 Apr 2014 to 31 Mar 2015
	(pence per unit)	(pence per unit)	(pence per unit)	(pence per unit)
Change in net assets per unit				
Opening net asset value per unit	76.11	67.33	68.05	61.49
Return before operating charges*	3.76	9.29	(0.20)	7.05
Operating charges	(0.27)	(0.51)	(0.52)	(0.49)
Return after operating charges*	3.49	8.78	(0.72)	6.56
Distributions	(0.50)	(1.15)	(1.18)	(1.37)
Retained distributions on accumulation units	0.50	1.15	1.18	1.37
Closing net asset value per unit	79.60	76.11	67.33	68.05
* after direct transaction costs of:	0.00	0.00	0.01	0.01
Performance				
Return after charges	4.59%	13.04%	(1.06)%	10.67%
Other information				
Closing net asset value	£52,736,043	£42,996,940	£22,102,249	£1,635,341
Closing number of units	66,247,943	56,491,453	32,826,738	2,403,231
Operating charges (p.a.)	1.37%	1.38%	1.48%	1.52%
Direct transaction costs (p.a.)	0.00%	0.01%	0.01%	0.01%
Prices				
Highest published unit price	80.28	76.41	69.64	68.45
Lowest published unit price	76.14	66.78	63.88	60.72

Past performance is not a reliable indicator of future results. Investors are reminded that the price of units and the revenue derived from them is not guaranteed and may go down as well as up.

SUMMARY OF FUND PERFORMANCE (CONTINUED)

Retail Income Units	1 Apr 2017 to 30 Sept 2017	1 Apr 2016 to 31 Mar 2017	1 Apr 2015 to 31 Mar 2016	1 Apr 2014 to 31 Mar 2015
	(pence per unit)	(pence per unit)	(pence per unit)	(pence per unit)
Change in net assets per unit				
Opening net asset value per unit	54.77	49.69	51.66	48.13
Return before operating charges*	2.71	6.78	(0.16)	5.42
Operating charges	(0.45)	(0.84)	(0.85)	(0.82)
Return after operating charges*	2.26	5.94	(1.01)	4.60
Distributions on income units	(0.36)	(0.86)	(0.96)	(1.07)
Closing net asset value per unit	56.67	54.77	49.69	51.66
* after direct transaction costs of:	0.00	0.00	0.00	0.00
Performance				
Return after charges	4.13%	11.95%	(1.96)%	9.56%
Other information				
Closing net asset value	£366,700	£401,404	£427,330	£1,297,009
Closing number of units	647,110	732,892	859,953	2,510,806
Operating charges (p.a.)	2.27%	2.28%	2.38%	2.42%
Direct transaction costs (p.a.)	0.00%	0.01%	0.01%	0.01%
Prices				
Highest published unit price	57.43	55.24	52.83	52.29
Lowest published unit price	54.77	49.19	47.46	47.11

Past performance is not a reliable indicator of future results. Investors are reminded that the price of units and the revenue derived from them is not guaranteed and may go down as well as up.

SUMMARY OF FUND PERFORMANCE (CONTINUED)

Retail Accumulation Units	1 Apr 2017 to 30 Sept 2017	1 Apr 2016 to 31 Mar 2017	1 Apr 2015 to 31 Mar 2016	1 Apr 2014 to 31 Mar 2015
	(pence per unit)	(pence per unit)	(pence per unit)	(pence per unit)
Change in net assets per unit				
Opening net asset value per unit	69.95	62.44	63.69	58.07
Return before operating charges*	3.45	8.57	(0.19)	6.62
Operating charges	(0.57)	(1.06)	(1.06)	(1.00)
Return after operating charges*	2.88	7.51	(1.25)	5.62
Distributions	(0.45)	(1.09)	(1.15)	(1.30)
Retained distributions on accumulation units	0.45	1.09	1.15	1.30
Closing net asset value per unit	72.83	69.95	62.44	63.69
* after direct transaction costs of:	0.00	0.00	0.01	0.01
Performance				
Return after charges	4.12%	12.03%	(1.96)%	9.68%
Other information				
Closing net asset value	£2,602,637	£2,244,847	£2,155,192	£3,053,411
Closing number of units	3,573,525	3,209,238	3,451,461	4,794,497
Operating charges (p.a.)	2.27%	2.28%	2.38%	2.42%
Direct transaction costs (p.a.)	0.00%	0.01%	0.01%	0.01%
Prices				
Highest published unit price	73.51	70.25	65.16	64.07
Lowest published unit price	69.95	61.81	59.31	57.32

Past performance is not a reliable indicator of future results. Investors are reminded that the price of units and the revenue derived from them is not guaranteed and may go down as well as up.

STATEMENT OF TOTAL RETURNFor the six-month period ended 30 September 2017

		30.09.17	30.09.16
	£	£	£
Income			
Net capital gains		3,119,663	3,754,577
Revenue	513,588		441,223
Expenses	<u>(275,715)</u>		<u>(207,578)</u>
Net revenue before taxation	237,873		233,645
Taxation	<u>(1,643)</u>		<u>(5,515)</u>
Net revenue after taxation		<u>236,230</u>	<u>228,130</u>
Total return before distributions		3,355,893	3,982,707
Distributions		(481,305)	(429,716)
Change in net assets attributable to unitholders from investment activities		<u>2,874,588</u>	<u>3,552,991</u>

Note: All of the Fund's results are derived from continuing operations.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERSFor the six-month period ended 30 September 2017

		30.09.17	30.09.16
	£	£	£
Opening net assets attributable to unitholders		68,763,259	45,521,290
<i>Movements due to sales and repurchases of units:</i>			
Amounts receivable on issue of units	10,061,328		10,123,421
Amounts payable on cancellation of units	<u>(2,522,544)</u>		<u>(2,019,251)</u>
		7,538,784	8,104,170
Dilution levy		-	18,294
Change in net assets attributable to unitholders from investment activities		2,874,588	3,552,991
Retained distributions on accumulation units		341,142	268,927
Closing net assets attributable to unitholders		<u>79,517,773</u>	<u>57,465,672</u>

Note: Section 3.30 of the IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period as these are not consecutive periods.

BALANCE SHEETAs at 30 September 2017

	30.09.17	31.03.17
	£	£
Assets:		
Fixed assets:		
Investments	71,408,903	63,886,191
Current assets:		
Debtors	104,195	1,401,954
Cash and bank balances	8,164,861	3,680,632
Total assets	<u>79,677,959</u>	<u>68,968,777</u>
Creditors:		
Distribution payable on income units	100,007	98,170
Other creditors	60,179	107,348
Total liabilities	<u>160,186</u>	<u>205,518</u>
Net assets attributable to unitholders	<u>79,517,773</u>	<u>68,763,259</u>

NOTES TO THE FINANCIAL STATEMENTS

As at 30 September 2017

Accounting policies

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 March 2017.

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

As described in the Statement of the Authorised Fund Manager's Responsibilities, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

DISTRIBUTION TABLEFor the six-month period ended 30 September 2017

Interim Distribution (30 June 2017)

Group 1 - Units purchased on or prior to 31 March 2017

Group 2 - Units purchased after 31 March 2017

Units	Revenue	Equalisation¹	Paid/Accumulated	Paid/Accumulated
			31.08.17	31.08.16
	(pence)	(pence)	(pence)	(pence)
Institutional Income				
Group 1	0.1316	-	0.1316	0.1580
Group 2	0.0840	0.0476	0.1316	0.1580
Retail Income				
Group 1	0.1204	-	0.1204	0.1472
Group 2	0.0252	0.0952	0.1204	0.1472
Institutional Accumulation				
Group 1	0.1674	-	0.1674	0.1931
Group 2	0.0764	0.0910	0.1674	0.1931
Retail Accumulation				
Group 1	0.1537	-	0.1537	0.1823
Group 2	0.0339	0.1198	0.1537	0.1823

Interim Distribution (30 September 2017)

Group 1 - Units purchased on or prior to 30 June 2017

Group 2 - Units purchased after 30 June 2017

Units	Revenue	Equalisation¹	Paid/Accumulated	Paid/Accumulated
			30.11.17	30.11.16
	(pence)	(pence)	(pence)	(pence)
Institutional Income				
Group 1	0.2572	-	0.2572	0.2952
Group 2	0.1199	0.1373	0.2572	0.2952
Retail Income				
Group 1	0.2347	-	0.2347	0.2712
Group 2	0.0240	0.2107	0.2347	0.2712
Institutional Accumulation				
Group 1	0.3278	-	0.3278	0.3705
Group 2	0.1398	0.1880	0.3278	0.3705
Retail Accumulation				
Group 1	0.3004	-	0.3004	0.3426
Group 2	0.1168	0.1836	0.3004	0.3426

¹ Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

DIRECTORY

Authorised Fund Manager

T. Bailey Fund Services Limited
64 St. James's Street
Nottingham NG1 6FJ

Tel: 0115 988 8200
Dealing line: 0115 988 8213
Website: www.tbaileyfs.co.uk/funds/t-bailey-funds

Authorised and regulated by the Financial Conduct Authority.

Directors of the Authorised Fund Manager

Mrs H C Stevens
Mr R J Bonney
Mr R J Taylor

Investment Manager

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Authorised and regulated by the Financial Conduct Authority.

Trustee

National Westminster Bank Plc
Trustee & Depositary Services
135 Bishopsgate
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Authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Registrar and Unit Dealing

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Dealing Line: 0115 988 8213
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Authorised and regulated by the Financial Conduct Authority.

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Registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

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