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T. Bailey Growth Fund

Interim Report & Financial Statements (Unaudited)

For the six-month period ended 30 September 2018

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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 9 and 'Directory' on page 18.*



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## THE AUTHORISED FUND MANAGER AND INVESTMENT MANAGER

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The Authorised Fund Manager (the 'Manager') of the T. Bailey Growth Fund (the 'Fund' or 'TBGF') 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 Dynamic 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](http://www.tbaileyam.co.uk).

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## YOUR INVESTMENTS

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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.tbaileyfs.co.uk/funds/t-bailey-funds](http://www.tbaileyfs.co.uk/funds/t-bailey-funds).

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

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

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## RISK PROFILE

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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 (largely via collective investment schemes), with some regions 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. There is a risk that any company providing services such as safekeeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

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## SYNTHETIC RISK AND REWARD INDICATOR

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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 UK and overseas shares and the unit price has experienced high rises and falls in value in the past.

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## OTHER INFORMATION

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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.tbaileyfs.co.uk/funds/t-bailey-funds](http://www.tbaileyfs.co.uk/funds/t-bailey-funds).

The Key Investor Information documents and Supplementary Information document are also available on the website: [www.tbaileyfs.co.uk/funds/t-bailey-funds](http://www.tbaileyfs.co.uk/funds/t-bailey-funds).

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## AUTHORISED STATUS

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The Fund is governed by a Trust Deed made between the Manager and the Trustee dated 4 November 1999 as amended by supplemental trust deeds made between the same parties dated 29 November 2002, 15 September 2004, 26 April 2006, 22 November 2006, 10 January 2011, 21 October 2011, 23 August 2012 and 17 March 2016. The Trust Deed was novated by a Depositary Agreement Novation Deed on 27 July 2018. This reflected the change of Trustee from National Westminster Bank plc to NatWest Trustee and Depositary Services Limited. The Fund is an authorised unit trust scheme and is a UCITS scheme as defined in the Glossary to the FCA's Handbook. The effective date of the authorisation order made by the FSA (the predecessor to the FCA) was 11 November 1999. Holders of units in the Fund are not liable for the debts of the Scheme. The base currency of the Fund is pounds Sterling.

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## INVESTMENT OBJECTIVE AND POLICY

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The aim of the T. Bailey Growth Fund is to provide capital growth over the medium-to-long term and to outperform the IA Global Sector over rolling three-year periods.

The assets of the Fund will predominantly be invested in equities, largely through underlying regulated collective investment schemes, which are themselves invested in UK and international equity markets.

The Fund will invest largely in UK and global equity funds in order to achieve its objective and typically the Investment Manager anticipates at least 80% of the Fund to be invested in this way. The remaining part of the portfolio (typically not more than 20%) may be invested in other assets as permitted by the FCA's Collective Investments Scheme Sourcebook (the 'COLL' or the 'Sourcebook') in order to achieve its objective. These assets will include transferable securities, warrants and partly paid securities, money market instruments and deposits, as well as collective investment schemes. It should be noted that whilst the underlying funds may have a geographical focus the Investment Managers of those funds may choose from time to time to allocate parts of their funds to a different region (provided such action is in line with the investment powers afforded to the Investment Managers of those funds).

The Fund expects to use a range of different Investment Managers in order to provide a diversity of style and to protect against possible periods of poor performance by any one Investment Manager. The Investment Manager may use the powers given by the Sourcebook to enter into derivative transactions for hedging or efficient portfolio management purposes.

Cash and near cash are held as necessary to enable redemption of units, efficient management within the scheme objectives, and other ancillary purposes. Apart from cash held for these purposes, or within the underlying funds, the Fund will normally be fully invested. However, as the Scheme is in the IA Global Sector (funds which invest at least 80% of their assets in equities), the Scheme has the ability to hold up to 20% of Scheme property in cash and near cash if the Investment Manager reasonably believes there is a severe risk of significant falls in the major markets in which the underlying collective investment schemes invest.

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## ONGOING CHARGES FIGURE

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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 13 and 14.

*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 Investment Manager has secured terms considerably more favourable than this.*

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## STATEMENT OF THE AUTHORISED FUND MANAGER'S RESPONSIBILITIES

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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 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 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 United Kingdom 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 Scheme and enable it 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 Scheme and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## DIRECTOR'S STATEMENT

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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 23 November 2018.

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  
23 November 2018

**Richard Taylor**  
Compliance Director  
T. Bailey Fund Services Limited  
Nottingham, United Kingdom  
23 November 2018

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## INVESTMENT REVIEW

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### Performance

Cumulative returns for the periods ended 30 September 2018 (%)				
	6 months	1 year	3 years	5 years
TBGF – Institutional units	8.86	9.86	54.35	73.51
TBGF – Retail units	8.37	8.87	50.25	65.95
IA Global Sector Mean (TR)	12.03	11.63	61.82	72.19
UK Inflation +5% per annum <sup>1</sup>	3.52	6.98	22.53	36.63

Discrete returns for the 12 month periods ended 30 September (%)					
	2018	2017	2016	2015	2014
TBGF - Institutional units	9.86	13.04	24.30	5.96	6.09
TBGF - Retail units	8.87	12.03	23.19	5.00	5.20
IA Global Sector Mean (TR)	11.63	14.92	26.15	(1.36)	7.87
UK Inflation +5% per annum <sup>1</sup>	6.98	8.11	5.95	4.90	6.30

<sup>1</sup>UK Inflation as measured by CPI.

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 re-emergence of market volatility and sharp falls in global equity market indices experienced in the first quarter of 2018 gave way to stronger equity markets in aggregate albeit this varied widely by region through the six-month period ended 30 September 2018. US companies fared particularly well, no doubt supported by easier fiscal policy, a record level of share buybacks and the repatriation of foreign earnings. For Sterling based investors returns were enhanced as the US dollar appreciated against the pound.

With US equities typically representing approximately one half of global equity market indices, periods of US equity strength pose a challenge to the relative performance of the T. Bailey Growth Fund because of its more globally diverse equity exposure. The corollary to this has been the greater consistency of returns over time delivered by the T. Bailey Growth Fund than its peers as demonstrated in the table of discrete 12-month period returns shown above.



## INVESTMENT REVIEW (CONTINUED)

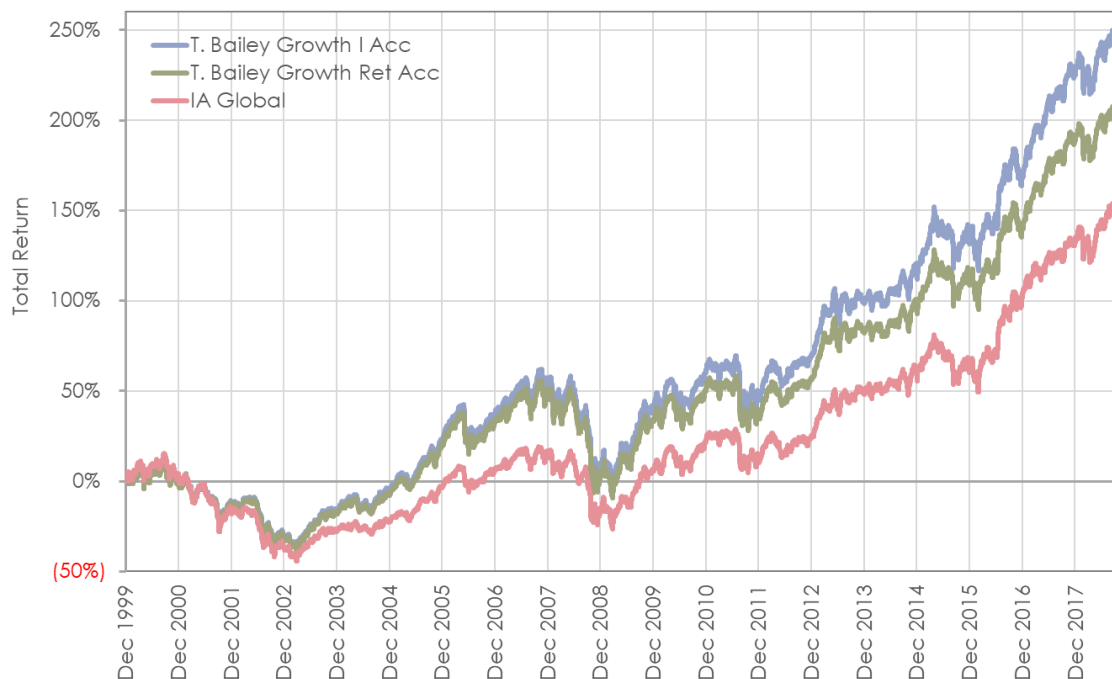
Region (Equities)	Index	6 months ended 30 September 2018 (%)	12 months ended 30 September 2018 (%)
United Kingdom	IA UK All Companies	7.78	5.54
United States	IA North America	19.19	19.33
Europe ex. UK	IA Europe ex. UK	5.48	1.89
Japan	IA Japan	7.48	12.56
Pacific Basin ex. Japan	IA Asia Pacific ex. Japan	1.29	3.84
Emerging Markets	IA Global Emerging Markets	(4.03)	(1.51)

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

### Benchmark

We show the performance since launch of the T. Bailey Growth Fund against its benchmark, the IA Global sector average, below.

### Performance Since Launch



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

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.

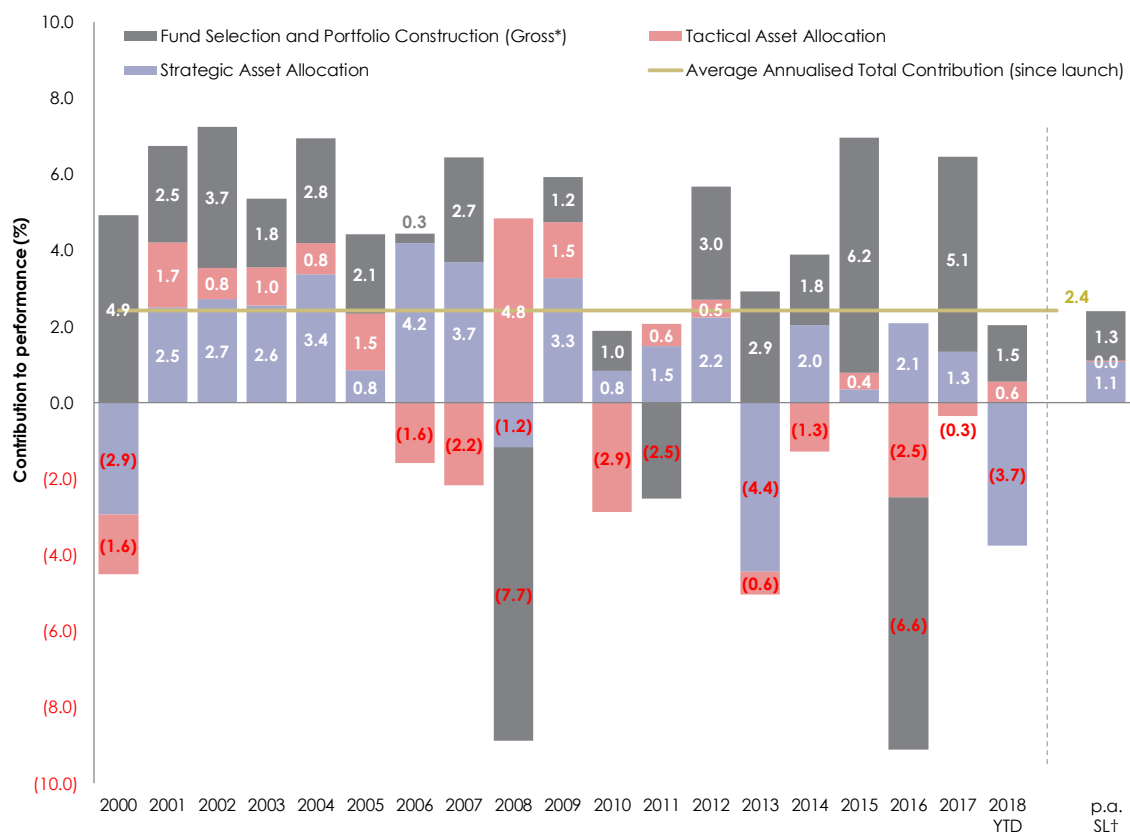
## INVESTMENT REVIEW (CONTINUED)

Below we show the calendar year performance of the T. Bailey Growth Fund relative to its benchmark, the IA Global sector average, and the contribution to this performance made by each part of our investment process. (For the purpose of this analysis these figures are provided before the T. Bailey annual management charge, but are after all the fees associated to the underlying investments):

- Strategic Asset Allocation (SAA) i.e. choosing a longer-term allocation for an exposure to global equities;
- Tactical Asset Allocation (TAA) i.e. short-term movements around the Strategic Asset Allocation; and,
- Fund Selection (FS) i.e. the actual choosing of funds and managers we are backing.

These figures indicate that Fund Selection has been a positive contributor to relative returns thus far in 2018 adding 1.5% net of the ongoing fees of the underlying managers. Strategic Asset Allocation struggled to keep pace with the IA Global sector peer group on average, primarily a result of a lower allocation to US domiciled assets, detracting 3.7% from performance. In aggregate, from the launch of the T. Bailey Growth Fund to 30 September 2018, Strategic Asset Allocation has provided +1.1% per annum in excess of the mean returns of the peer group. Fund Selection has contributed an additional +1.3% per annum to this outperformance, while the least consistent and least rewarding of the three components in performance terms has been Tactical Asset Allocation.

### Calendar Year Performance Attribution



Source: T. Bailey, Financial Express. For the T. Bailey Growth Fund. Total return, Sterling terms.

\* Includes the charges of the underlying sub funds but excludes the annual management charge for the T. Bailey Growth Fund. † Performance annualised since launch on 13 December 1999 versus that of the IA Global Sector Average. 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.

## INVESTMENT REVIEW (CONTINUED)

### Strategic Asset Allocation

Those familiar with the investment process we adopt for the T. Bailey Growth Fund will recognise that our first step is to set out a Strategic Asset Allocation for the Fund. This is an allocation to global assets that we review every three years to take into account changing economic, investment and geopolitical circumstances in order that we do not lose sight of longer-term trends. The SAA has provided a bedrock of performance for the fund over the longer-term, outperforming the fund's benchmark, the IA Global sector mean by 1.1% per annum on average since launch.

In the table below we show the changes made to this positioning since the launch of the T. Bailey Growth Fund.

<b>History of Strategic Asset Allocation weightings for the T. Bailey Growth Fund</b>							
	<b>SAA 1</b>	<b>SAA 2</b>	<b>SAA 3</b>	<b>SAA 4</b>	<b>SAA 5</b>	<b>SAA 6</b>	<b>SAA 7</b>
<i>From:</i>	<b>13 Dec 1999</b>	<b>1 Feb 2003</b>	<b>1 April 2006</b>	<b>1 Apr 2009</b>	<b>1 Apr 2012</b>	<b>1 Apr 2015</b>	<b>1 Apr 2018</b>
<i>To:</i>	<b>31 Jan 2003</b>	<b>31 Mar 2006</b>	<b>31 Mar 2009</b>	<b>31 Mar 2012</b>	<b>31 Mar 2015</b>	<b>31 Mar 2018</b>	<b>Present</b>
<b>Equity Market Region</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
United Kingdom	50.0	50.0	40.0	25.0	10.0	10.0	10.0
United States	17.5	20.0	15.0	25.0	25.0	20.0	-
Europe (ex. UK)	17.5	10.0	15.0	15.0	10.0	10.0	4.0
Japan	10.0	5.0	7.5	7.5	5.0	12.0	10.0
Pacific Basin (ex. Japan)	5.0	5.0	7.5	10.0	10.0	15.0	20.0
Emerging Markets	-	10.0	15.0	17.5	20.0	5.0	-
Latin America	-	-	-	-	-	-	8.0
Global Thematic	-	-	-	-	20.0	26.0	42.0
Cash	-	-	-	-	-	2.0	6.0
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: T. Bailey.

The most recent update of the SAA was implemented on 1 April 2018.

Through more recent iterations of the SAA an increasing proportion of the portfolio has been allocated to global investment themes. These are not driven by geography but rather focus on investments where robust demand is likely to exceed supply for the foreseeable future backed by demographic trends such as ageing populations, global challenges such as climate change and human progress driven by technology. We invest with managers that have sound understanding and strong conviction to back these themes over the longer-term.

### Tactical Asset Allocation

Tactical Asset Allocation is perhaps the most difficult part of our investment process from which we believe we can add additional performance for the fund. Accordingly, we take a very measured approach to Tactical Asset Allocation, using it as a mechanism to act on countering identified potential risks to the portfolio more than to seek additional short-term growth opportunities.

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## INVESTMENT REVIEW (CONTINUED)

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### Asset Allocation

The asset allocations at the period end are shown below:

Sector	Asset allocation as at 30 September 2018 (%)	Asset allocation as at 31 March 2018 (%)
Emerging Market Equities	7.6	7.1
Europe (ex. UK) Equities	8.5	10.7
Global and Thematic Equities	40.5	38.6
Japan Equities	11.5	11.3
Pacific Basin (ex. Japan) Equities	8.1	11.1
UK Equities	13.9	10.6
US Equities	3.1	2.5
Forward Currency Contracts	0.2	(0.2)
Cash and Other	6.6	8.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The full list of holdings at the period end is shown in the Portfolio Statement on pages 10 to 12.

### Fund Selection

During the period we sought to broaden the exposure of the portfolio across developing nations, reducing exposure to those of Asia in favour of Latin America. As a result, we exited the holding in the Hermes Asia ex Japan Equity Fund and added to the RWC Global Emerging Markets Fund.

With a lower allocation to Continental European equities suggested by the revised Strategic Asset Allocation, we reduced exposure through trimming the holding in the Baring Europe Select Fund and allocated the proceeds to a new holding, the MI Chelverton UK Equity Growth Fund.

The portfolio at the period-end consisted of 26 holdings, not including cash and forward foreign exchange contracts, which equate to an average holding size of just over 3.6%. The shorter-term, tactical exposure to cash has seen this average size fall over the period, but nonetheless this remains broadly typical of our investment approach over the longer-term. We look for a diverse collection of holdings, each of which being able to add a different characteristic to the portfolio that, in combination with our chosen asset allocation, can assist the portfolio overall in delivering strong risk adjusted returns.

An obvious differentiator between funds is their geographic focus, but in addition, market capitalisation, sector exposure and management style are amongst the other broad factors that we consider to construct a diverse but effective growth portfolio. Overriding our choices however are a handful of traits that, in addition to the obvious necessary skill and expertise required by managers, help single-out the better opportunities amongst the thousands of funds available to us:

- The interests of the underlying manager must be aligned with those of their investors.
- The underlying fund manager should be rewarded by the performance their fund generates rather than the assets they can accumulate through marketing activities.
- The investment approach taken should not be constrained by inappropriate biases or labels that are not in the long-term interests of investors.

In aggregate, the longer-term results of this approach have been compelling with Fund Selection adding 1.3% per annum above the performance of the sector average since launch and after all the ongoing charges of these funds are taken into account.

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## INVESTMENT REVIEW (CONTINUED)

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### Outlook

The period under review experienced a short reprieve from the market volatility evident in the first quarter of 2018. Since the period end however market confidence has once again waned.

Expectations coming into 2018 were high as economic growth synchronised across much of the world. This year however there has been much greater divergence in the growth outlook across geographic regions and market sectors. Inflationary pressures have been building and the overall outlook for global growth has weakened.

Political uncertainty, be it the rapidly changing policies of the US administration, 'Brexit', or the rise of populist agendas across Europe suggest the need to factor in higher premiums for risk. At the same time central banks are gradually limiting, or indeed removing, their supportive monetary policies of the last decade that have helped support asset prices.

Price volatility is thus becoming a greater feature for equity markets and we suspect this will remain the case in the near future as investors recalibrate their expectations.

However, we also believe there are other factors that stand apart from such short-term dynamics of capital markets. These are driven by the evolving needs of people across the world and therefore have a greater influence on the longer-term prospects for asset prices and transcend short-term changes in sentiment. Our focus on themes such as aging populations, environmental change and disruptive technologies seek to identify companies that will grow to meet the increasing need for solutions to these areas.

**Elliot Farley**  
**Fund Manager**  
**T. Bailey Asset Management Limited**  
**Nottingham, United Kingdom**  
**23 November 2018**

**Peter Askew**  
**Fund Manager**  
**T. Bailey Asset Management Limited**  
**Nottingham, United Kingdom**  
**23 November 2018**

**PORTFOLIO STATEMENT**  
As at 30 September 2018

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Emerging Market Equities</b> (7.6%; 31.03.18 - 7.1%)		
5,336,485 MI Somerset Emerging Markets Div idend Growth	8,796,128	3.9
47,317 RWC Global Emerging Markets	8,453,300	3.7
	<b>17,249,428</b>	<b>7.6</b>
<b>Europe (ex. UK) Equities</b> (8.5%; 31.03.18 - 10.7%)		
127,522 Barings Europe Select	5,339,331	2.3
2,639,260 LF Miton European Opportunities	4,956,530	2.2
10,000 Oyster European Mid & Small Cap	9,119,355	4.0
	<b>19,415,216</b>	<b>8.5</b>
<b>Global and Thematic Equities</b> (40.5%; 31.03.18 - 38.6%)		
705,964 Baillie Gifford Global Discov ery	11,493,102	5.0
3,522,986 IP Group*	4,509,422	2.0
3,965,334 Lazard Global Listed Infrastructure Equity	7,258,940	3.2
529,078 Nordea 1 - Global Climate & Env ironment	8,158,376	3.5
23,702 Pictet Security	5,051,589	2.2
831,087 Polar Capital Automation & Artificial Intelligence	7,089,175	3.1
1,406,904 Polar Capital Global Insurance	9,233,369	4.0
282,232 Polar Capital Healthcare Opportunities	11,145,357	4.9
53,543 RobecoSAM Smart Materials	9,548,850	4.2
758,935 Robo Global Robotics and Automation**	9,536,018	4.2
4,515,995 Sarasin Food & Agriculture Opportunities	9,537,780	4.2
	<b>92,561,978</b>	<b>40.5</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 30 September 2018

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Japan Equities</b> <b>(11.5%; 31.03.18 - 11.3%)</b>		
248,633 Baillie Gifford Japanese Smaller Companies	13,252,134	5.8
4,599,346 JPM Japan	13,002,351	5.7
	<b>26,254,485</b>	<b>11.5</b>
<b>Pacific Basin (ex. Japan) Equities</b> <b>(8.1%; 31.03.18 - 11.1%)</b>		
21,929 Alquity Indian Subcontinent	3,321,078	1.4
213,948 Matthews Asia India	3,784,742	1.7
87,078 Prusik Asian Equity Income	11,471,477	5.0
	<b>18,577,297</b>	<b>8.1</b>
<b>UK Equities</b> <b>(13.9%; 31.03.18 - 10.6%)</b>		
4,295,222 LF Livingbridge UK Micro Cap	7,709,065	3.4
3,247,024 MI Chelverton UK Equity Growth	7,266,841	3.2
404,119 Polar Capital UK Absolute Equity	9,456,387	4.1
603,757 Polar Capital UK Value Opportunities	7,208,854	3.2
	<b>31,641,147</b>	<b>13.9</b>
<b>US Equities</b> <b>(3.1%; 31.03.18 - 2.5%)</b>		
5,487,110 LF Miton US Smaller Companies	7,061,911	3.1
	<b>7,061,911</b>	<b>3.1</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 30 September 2018

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Holding or nominal value of positions	Unrealised Gain/(loss) value £	Percentage of total net assets %	
	<b>Forward Currency Contracts</b> (0.2%; 31.03.18 - -0.2%)		
\$13,594,000	Forward FX USD v £10,000,000 (expires 21.12.18)	382,473	0.2
		<hr/> <b>382,473</b>	<hr/> <b>0.2</b>
	<b>Portfolio of investments</b>	<b>213,143,935</b>	<b>93.4</b>
	<b>Net other assets</b>	<b>15,101,897</b>	<b>6.6</b>
	<b>Total net assets</b>	<hr/> <b>228,245,832</b>	<hr/> <b>100.0</b>

\* Denotes holdings in equities listed on recognised stock exchanges.

\*\* Denotes holdings in exchange traded funds (ETFs) listed on recognised stock exchanges.

All other holdings are in collective investment schemes which are traded on regulated markets.

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Asset Class	Asset class allocation as at	
	30 September 2018 (%)	31 March 2018 (%)
Collective Investment Schemes	87.0	85.8
Equities	2.0	1.9
ETF	4.2	4.2
Forward Currency Contracts	0.2	(0.2)
Cash and Other	6.6	8.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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## SUMMARY OF FUND PERFORMANCE

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Institutional Accumulation Units	1 Apr 2018 to 30 Sept 2018	1 Apr 2017 to 31 Mar 2018	1 Apr 2016 to 31 Mar 2017	1 Apr 2015 to 31 Mar 2016
	(pence per unit)	(pence per unit)	(pence per unit)	(pence per unit)
<b>Change in net assets per unit</b>				
Opening net asset value per unit	158.79	147.60	121.17	120.49
Return before operating charges*	14.23	12.22	27.33	1.49
Operating charges	(0.55)	(1.03)	(0.90)	(0.81)
Return after operating charges*	13.68	11.19	26.43	0.68
Distributions	0.00	0.00	0.00	0.00
Retained distributions on accumulation units	0.00	0.00	0.00	0.00
Closing net asset value per unit	172.47	158.79	147.60	121.17
* after direct transaction costs of:	0.00	0.00	0.00	0.01
<b>Performance</b>				
Return after charges	8.62%	7.58%	21.81%	0.56%
<b>Other information</b>				
Closing net asset value	£194,588,041	£178,365,121	£162,873,168	£125,332,763
Closing number of units	112,825,263	112,329,182	110,349,230	103,439,191
Operating charges (p.a.)	1.52%	1.53%	1.62%	1.62%
Direct transaction costs (p.a.)	0.00%	0.00%	0.00%	0.01%
<b>Prices</b>				
Highest published unit price	175.02	168.56	148.67	125.89
Lowest published unit price	157.81	145.22	118.45	108.34

*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.*

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**SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>Retail Accumulation Units</b>	<b>1 Apr 2018 to 30 Sept 2018</b>	<b>1 Apr 2017 to 31 Mar 2018</b>	<b>1 Apr 2016 to 31 Mar 2017</b>	<b>1 Apr 2015 to 31 Mar 2016</b>
	(pence per unit)	(pence per unit)	(pence per unit)	(pence per unit)
<b>Change in net assets per unit</b>				
Opening net asset value per unit	157.95	148.13	122.71	123.14
Return before operating charges*	14.14	12.25	27.53	1.47
Operating charges	(1.30)	(2.43)	(2.11)	(1.90)
Return after operating charges*	12.84	9.82	25.42	(0.43)
Distributions	0.00	0.00	0.00	0.00
Retained distributions on accumulation units	0.00	0.00	0.00	0.00
Closing net asset value per unit	170.79	157.95	148.13	122.71
* after direct transaction costs of:	0.00	0.00	0.00	0.01
<b>Performance</b>				
Return after charges	8.13%	6.63%	20.72%	(0.35)%
<b>Other information</b>				
Closing net asset value	£33,657,791	£31,470,513	£35,367,746	£53,334,644
Closing number of units	19,707,174	19,924,050	23,875,669	43,462,469
Operating charges (p.a.)	2.42%	2.43%	2.52%	2.52%
Direct transaction costs (p.a.)	0.00%	0.00%	0.00%	0.01%
<b>Prices</b>				
Highest published unit price	173.42	167.99	149.27	128.62
Lowest published unit price	156.95	145.69	119.82	109.85

*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.*

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**STATEMENT OF TOTAL RETURN**For the six-month period ended 30 September 2018

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		30.09.18	30.09.17
	£	£	£
Income			
Net capital gains		18,176,915	12,964,472
Revenue	631,594		702,942
Expenses	(878,669)		(806,975)
Interest payable and similar charges	-		(823)
Net expense before taxation	(247,075)		(104,856)
Taxation	(1,646)		-
Net expense after taxation		(248,721)	(104,856)
<b>Total return before distributions</b>		<b>17,928,194</b>	<b>12,859,616</b>
Distributions		146	155
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>17,928,340</b>	<b>12,859,771</b>

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

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**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**For the six-month period ended 30 September 2018

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		30.09.18	30.09.17
	£	£	£
<b>Opening net assets attributable to unitholders</b>		<b>209,835,634</b>	<b>198,240,914</b>
<i>Movements due to sales and repurchases of units:</i>			
Amounts receivable on issue of units	4,981,628		6,213,626
Amounts payable on cancellation of units	(4,499,770)		(11,584,022)
		481,858	(5,370,396)
Change in net assets attributable to unitholders from investment activities		17,928,340	12,859,771
<b>Closing net assets attributable to unitholders</b>		<b>228,245,832</b>	<b>205,730,289</b>

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.

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**BALANCE SHEET**As at 30 September 2018

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	30.09.18	31.03.18
	£	£
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	213,143,935	192,803,453
<b>Current assets:</b>		
Debtors	96,141	618,888
Cash and bank balances	15,298,291	17,112,832
<b>Total assets</b>	<u>228,538,367</u>	<u>210,535,173</u>
<b>Liabilities:</b>		
Investment liabilities	-	369,793
<b>Creditors:</b>		
Other creditors	292,535	329,746
<b>Total liabilities</b>	<u>292,535</u>	<u>699,539</u>
<b>Net assets attributable to unitholders</b>	<u>228,245,832</u>	<u>209,835,634</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

As at 30 September 2018

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**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 2018.

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 (FRS 102) and in accordance with 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 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.

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## DIRECTORY

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### 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](http://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 Taylor  
Mr G M Padbury  
Mrs R E Elliott  
Mr M Hughes (Non-Executive)

### Investment Manager

T. Bailey Asset Management Limited  
64 St. James's Street  
Nottingham NG1 6FJ

Tel: 0115 988 8200  
Website: [www.tbaileyam.co.uk](http://www.tbaileyam.co.uk)

Authorised and regulated by the Financial Conduct Authority.

### Trustee

NatWest Trustee and Depositary Services Limited  
Trustee & Depositary Services  
135 Bishopsgate  
London EC2M 3UR

Authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Registrar and Unit Dealing

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](http://www.tbaileyfs.co.uk/funds/t-bailey-funds)

Authorised and regulated by the Financial Conduct Authority.

### Auditors

Deloitte LLP  
4 Brindleyplace  
Birmingham B1 2HZ

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

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