OCEAN INVESTMENT FUNDS

ANNUAL REPORT &
AUDITED FINANCIAL STATEMENTS

For the year ended 30 April 2021

CONTENTS

Note: The Authorised Corporate Director's Report consists of 'Authorised Status', 'Structure of the Company' and 'Investment Objective and Policy' on page 2, 'Investment Review' as provided by the Investment Manager, on pages 12 to 15 and 'Directory' on page 37.

THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

The Authorised Corporate Director (the 'ACD') of Ocean Investment Funds (the 'Company') is T. Bailey Fund Services Limited ('TBFS'). Fiske Plc is the Investment Manager (the 'Investment Manager') of the Company.

Fiske Plc and T. Bailey Fund Services Limited are authorised and regulated by the Financial Conduct Authority. Further information about Fiske Plc can be found at www.fiskeplc.com.

YOUR INVESTMENTS

You can buy or sell shares in the Company through your Financial Advisor. Alternatively, you can telephone the dealing line, 0115 988 8288, during normal office hours. Application forms can be requested in writing from the ACD or by calling the Client Services Team on the dealing line. They can also be downloaded from www.tbaileyfs.co.uk/funds/ocean-investment-funds.

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

Prices are published each normal business day on www.tbaileyfs.co.uk/funds/ocean-investment-funds.

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 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 the 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 5 because it invests in shares.

OTHER INFORMATION

Full details of Ocean Investment Funds are set out in the Prospectus which provides extensive information about the Fund including risks and expenses. A copy of the Prospectus is available on request from the ACD or can be downloaded from www.tbaileyfs.co.uk/funds/ocean-investment-funds.

The Key Investor Information document and Supplementary Information document are also available from www.tbaileyfs.co.uk/funds/ocean-investment-funds.

AUTHORISED STATUS

Ocean Investment Funds is an investment company with variable capital incorporated in Great Britain, and having its head office in England, under registered number IC001109 and authorised and regulated by the Financial Conduct Authority ('FCA') with effect from 6 April 2018.

STRUCTURE OF THE COMPANY

The Company is a UCITS scheme.

The Company is structured as an umbrella so that the Scheme Property of the Company may be divided among one or more sub-funds. The assets of each sub-fund will generally be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. New sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. If a new sub-fund is introduced, a new Prospectus will be prepared to set out the required information in relation to that sub-fund.

The Company is compliant with the Protected Cell Regime for OEICs. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body including any other sub-fund and shall not be available for any such purpose.

As at the year end, there was one sub-fund in existence: Ocean UK Equity Fund (the 'Fund').

The base currency of the Company is Pound Sterling.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The ACD is the sole director of the Company.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Fund is to achieve capital and income growth, and to provide a return (after fees, charges and other expenses payable out of the Fund) in excess of that of the Cboe UK All Companies Total Return Index over the long-term.

The Fund will invest predominantly in the equity securities of companies domiciled, incorporated or which conduct a significant part of their business in the United Kingdom. The Fund will also invest (up to a maximum of 20%) in the equity securities of companies listed outside of the United Kingdom.

The Investment Manager aims to invest in a portfolio of high-quality companies offering strong and sustainable cash-flows (to deliver both capital growth and income growth for the Fund). Quantitative and qualitative analysis will be undertaken to identify equity securities in companies that offer a combination of high margins and high returns on equity.

The Fund may also invest in fixed income securities, collective investment schemes (up to 10%), deposits and cash (or near cash). The collective investment schemes in which the Fund may invest may include those managed or operated by the ACD.

The Fund may utilise derivatives for the purpose of efficient portfolio management from time-to-time.

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 principally of the annual management charge, but also includes the costs for other services paid such as registration, administration, depositary, custody, audit and FCA fees.

The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performances tables on pages 18 and 19.

FUND BENCHMARKS

The Fund is managed to outperform the Cboe UK All Companies Index over the long-term. The Cboe UK All Companies Index has been chosen as a Target Benchmark as it is a broadly based UK index which includes a broad range of companies across all market capitalisations which is consistent with the stock selection process. Please note the Fund is not constrained by or managed to the Cboe UK All Companies Index.

The Cboe UK All Companies Index is a Target Benchmark of the Fund.

Shareholders may wish to compare the Fund's performance against other funds within the Investment Association (IA) UK All Companies Sector as that will give investors an indication of how the Fund is performing compared with others investing in a similar but not identical investment universe. As the IA UK All Companies Sector aligns with the Fund's asset allocation, it is considered that this is an appropriate comparator.

The IA UK All Companies Sector is a Comparator Benchmark of the Fund.

REMUNERATION POLICY OF THE AUTHORISED CORPORATE DIRECTOR

Introduction and Scope

TBFS has policies and practices for those staff whose professional activities have a material impact on the risk profile of the combined activities. TBFS is a UCITS firm and is therefore subject to the UCITS Remuneration Code.

The Remuneration Policy of the Authorised Corporate Director:

- Is consistent with and promotes sound and effective risk management;
- Does not encourage risk taking that exceeds the level of tolerated risk of the firm;
- Encourages behaviour that delivers results which are aligned to the interests of TBFS's clients and the UCITS funds it manages;
- Aligns the interests of Code Staff with the long-term interests of TBFS's clients and the UCITS funds it manages;
- Recognises that remuneration should be competitive and reflect both financial and personal performance. Accordingly, Remuneration for Code Staff is made up of fixed pay (salary and benefits, including pension) and variable (performance-related) pay; and
- Recognises that fixed and variable components should be appropriately balanced and that the variable component should be flexible enough so that in some circumstances no variable component may be paid at all. Variable pay is made up of short-term awards typically based on short-term financial and strategic measures for the area of the business in which the member of Code Staff works.

In accordance with BIPRU 11.5.18R the following disclosures are made:

Decision making process for determining remuneration policy, link between pay and performance

There is no remuneration committee. Remuneration is set within the context of a 5-year plan which ensures any threats to capital adequacy, liquidity and solvency caused by excessive remuneration would be identified. The bonus and commission arrangements including the staff bonus pool are set annually as part of the annual operating plan and any changes to the pool require approval by the CEO of TBFS and the Board of T. Bailey Holdings Limited ('TBH').

The main shareholders are represented on the Board of TBH which ratifies the annual operating plans. The annual operating plan includes the level of remuneration for all staff including Code Staff.

To assist with the above process, a benchmarking exercise was conducted in 2019 which incorporated information from external consultants in connection with remuneration.

Policy on link between pay and performance

The staff bonus scheme is operated so as to allow for meaningful rewards to be paid to staff whose performance during the year merits recognition but within the context of an annual operating plan. The Board bears in mind the projected performance of the company when making any adjustments to the scheme. This is agreed within the setting of the annual operating plan and reviewed once full year results are available.

The final bonus total is signed off by the TBFS board. The bonus payments are non-contractual and can be amended or withdrawn at any time.

Payment of scheme bonus to individuals is linked to their performance against agreed objectives from staff appraisals. All bonuses are monetary and paid through the payroll.

Staff are eligible to be a part of the scheme once they have completed a full years' service prior to the start of the relevant appraisal year. The same process applies to all grades of staff including executive directors.

There are no commission-based payments made to staff.

No other pay reward schemes exist within the business.

Total remuneration paid by the ACD for the year ended 30 September 2020

Total Number of Staff	**46**
	£'000
Fixed	1,698
Variable	38
Total Remuneration Paid	**1,736**

Total remuneration paid by the ACD to Remuneration Code Staff for the year ended 30 September 2020

	Senior Management	Staff with Material Impact
Total Number of Staff	**11**	**-**
	£'000	**£'000**
Fixed	797	-
Variable	26	-
Total Remuneration Paid	**823**	**-**

Please note that there were no remuneration payments made directly from Ocean Investment Funds or its sub-fund.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Authorised Corporate Director (the 'ACD') of Ocean Investment Funds (the 'Company') is responsible for preparing the Annual Report and Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 (the 'OEIC Regulations'), the Financial Conduct Authority'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 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 as at the end of that period and the net revenue and expense and the net capital gains or losses on the property of the Company for that period.

In preparing the financial statements, the ACD 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 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 United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for management of the Company in accordance with the COLL and the Prospectus and for safeguarding the assets of the Company and 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 Financial Statements were approved by the board of directors of the ACD of the Company and authorised for issue on 13 August 2021. 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 Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

Gavin Padbury, Chief Operations Officer
T. Bailey Fund Services Limited
Nottingham, United Kingdom
13 August 2021

Rachel Elliott, Chief Financial Officer
T. Bailey Fund Services Limited
Nottingham, United Kingdom
13 August 2021

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the 'OEIC Regulations'), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored, and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations;
- the instructions of the Authorised Corporate Director (the 'ACD') are carried out (unless they conflict with the Regulations).

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

DEPOSITARY'S REPORT TO THE SHAREHOLDERS OF OCEAN INVESTMENT FUNDS

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 ACD:

(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 and the Scheme documents of the Company; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
London, United Kingdom
13 August 2021

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF OCEAN INVESTMENT FUNDS

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Ocean Investment Funds (the 'Company'):

- give a true and fair view of the financial position of the company as at 30 April 2021 and of the net revenue and expense and the net capital gains and losses on the property of the company for the year ended 30 April 2021; 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 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 related individual notes 1 to 15; and
- the distribution tables

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

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Responsibilities of depositary and ACD

As explained more fully in the statement of depositary's responsibilities and the statement of the ACD's responsibilities, the depositary is responsible for safeguarding the assets 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included, but were not limited to, compliance with the Collective Investment Schemes sourcebook of the Financial Conduct Authority ("COLL"), the relevant instruments of incorporation, the statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association in May 2014 ("the SORP") and United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the company to assess compliance with provisions of relevant laws and regulations. This included ensuring compliance with the Collective Investment Schemes Sourcebook.
- obtaining an understanding of the company's policies and procedures and how the company has complied with these, through discussions and sample testing of controls.
- obtaining an understanding of the company's risk assessment process, including the risk of fraud, designing our audit procedures to respond to our risk assessment. This included performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- enquiring of management concerning actual and potential litigation and claims and understanding whether there have been instances of non-compliance with laws and regulations; and
- reviewing minutes of those charged with governance and reviewing correspondence with the FCA.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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. This description forms part of our Auditor's Report.

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 have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 30 April 2021 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

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.

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
13 August 2021

INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 30 April 2021 (%)		
	1 year	2 years	From launch[1]
Ocean UK Equity B Income Shares	23.57	16.08	20.51
Cboe UK All Companies Index*	25.30	3.82	3.26
IA UK All Companies Sector**	30.33	11.25	9.74

[1] 14 May 2018.

** Target Benchmark ** Comparator Benchmark.*

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 shares and the revenue derived from them is not guaranteed and may go down as well as up.

Introduction

The twelve-month period under review from 1 May 2020 to 30 April 2021 has tragically been entirely dominated by the impact of Covid-19. In the first part of the period, the global economy suffered the full force of economic lockdowns in many countries, with consequential damage to jobs, consumer spending, capital investment and corporate profitability. The dramatic effect on GDP growth saw individual economies report recessionary conditions for the first two quarters of 2020, despite unprecedented emergency measures involving significant levels of fiscal and monetary stimulus. Following the sharp equity market sell-off in February and March, due to the long-term unknown economic consequences of Covid-19, there was a period of relative calm as investors assessed what the future might look like as the authorities tried to support economies and markets.

This period was also accompanied by strong capital raising activity. Investors were approached by companies most impacted by the downturn as well as those companies that were seeking further funding for investment and acquisition opportunities. This coincided with a view that such movement might prove to be the last offerings in the event of a strong economic recovery. Alongside a more general search by investors for bargains within the UK market, it fostered a sharp rebound which continued through to early June. This, however, marked a relative high point for the next five months as the equity market rally lost momentum, with investors re-assessing the likely strength and trajectory of a future recovery and the potential for further economic lockdowns.

In early November, equity markets received a significant boost from the news that the Pfizer BioNTech phase III vaccine trial results showed 90% efficacy. This was shortly followed by equally positive vaccine results from Moderna and Oxford-AstraZeneca. As a result, from early December, there was a major effort in the UK and globally to get as many individuals vaccinated as practicably possible. This was an extraordinary achievement by medical science in such a short timescale, and markets reacted with renewed momentum. The other notable event at the end of 2020 was the agreed Brexit deal between the UK government and the European Union. This deal - whilst good for some and bad for others – removed the uncertainty and subsequently helped the UK equity market look more attractive to domestic and particularly overseas asset allocators. The main beneficiaries of these events were sectors involving banks, commodities, oils, utilities and housebuilders whilst the more growth-oriented sectors were left behind.

Portfolio Performance

In terms of investment performance, Ocean UK Equity returned 23.57% over the twelve-month period ending 30 April 2021 compared with 25.30% for our target benchmark, the Cboe UK All Companies Index, and 30.33% for the Investment Association UK All Companies Sector (which currently consists of 254 funds). For reference, the Cboe UK All Companies Index is almost identical to the composition of the FTSE All Share Index. Whilst the slight underperformance is frustrating it is explained by the strong performance of the perceived value/old economy elements of the UK equity market (where we have very limited exposure) which moved sharply higher on the vaccine news in early November and the Brexit deal. Correspondingly, the more international growth-oriented companies where we have significant exposure lagged the market, not helped by the relative strength of Sterling.

Portfolio Activity

We introduced **Louis Vuitton Moet Hennessy (LVMH)** to the portfolio during the period. Having followed and researched the business for a while, we believe it encapsulates pretty much everything we look for in a quality company. LVMH has 75 houses that have persistently created high quality, in demand products. It is the only major luxury goods company that has exposure in all five major sectors that form the luxury market, giving it good product diversification. These sectors are Fashion & Leather Goods (Louis Vuitton, Christian Dior & Marc Jacobs), Perfume & Cosmetics (Givenchy, Aqua di Parma & Fenty Beauty by Rihanna), Wines & Spirits (Veuve Clicquot, Moet Chandon & Cloudy Bay), Watches & Jewellery (Tag, Bulgari & Hublot) and Selective Retailing. Selective Retailing refers to other brands such as the recently acquired Belmond hotel and various premium travel operations. Revenues are split roughly into thirds between the Americas, Europe and Asia and have compounded by nearly 12% over the last five years. Return on invested capital has averaged 15% over the last five years supported by strong cash generation and the dividend which has compounded at a rate of over 8% during the last five years. LVMH also has a very strong ESG culture.

We also purchased more shares in **Dechra Pharmaceuticals** - manufacturer and distributor of veterinary products. Throughout Covid-19, as vets have remained open to treat sick animals, Dechra has continued to manufacturer, develop, and supply essential medicines for chronic animal related conditions. Recent annual results demonstrate the strength of the business and future potential. Revenue was up 6.8%, EPS up modestly 1.7% whilst ROCE was 15.4% ahead of a 15% internal target. The dividend was raised 8% demonstrating management confidence in their operational model whilst strong cash generation will help facilitate future growth. Debt has been further reduced and R&D spend was up 12% and is 5.5% of total sales. Acquisitions, mainly bolt-on, are key to future growth and furthermore, the two most recent are ahead of management expectations. Dechra's pipeline continues to progress well, with numerous new products registered.

We also initiated a position in **Strix** - a manufacturer of kettle safety controls and water safety/purification applications. At a recent Capital Markets Day, they set out a strategic plan to double revenue and profit by c.70% by 2025 via strong growth in its water purification and appliances segments. The water purification segment, HaloPure, recently won a contract with a leading Chinese livestock operation. HaloPure technology (all developed in house) treats raw incoming water and maintains an ongoing sanitised environment throughout the water line. In addition, the group have a new manufacturing facility opening in August 2021 - forecast to be on budget and on time – which will bring much needed extra capacity online. ESG credentials are very much embedded within the business and the opportunity set looks encouraging.

Sales

During the period we sold positions where we felt increasingly uncomfortable with aspects such as their business models and end markets. How were these businesses going to emerge post the pandemic if at all? Whilst Covid-19 introduced added levels of uncertainty we didn't think it prudent to be invested in businesses with so much uncertainty around their operating environment.

We sold **Compass Group** - global catering supplier - as we believed that the business would be significantly impacted by Covid-19 uncertainty. How would they operate during, and more importantly post, Covid-19 and when would offices, sports and leisure venues be back to full occupancy if at all? In addition, their cost base would have to increase substantially in order to comply with social distancing along with reduced customer levels.

We also sold **Johnson Service Group** as their HORECA (hotels, restaurant and catering) segment had a very tough first lockdown with revenue down over 90%. We also thought that coming in and out of lockdowns was going to prove a significant headwind operationally especially as business was slower to pick up post Lockdown 1.0 than management had anticipated. We like the management team, but the medium-term trading environment is likely to be extremely challenging and volatile with Covid-19 likely to result in further lockdowns and added uncertainty.

We also sold **GlaxoSmithKline** as we think this very large UK based pharmaceutical company is struggling to reinvent itself under the leadership of Emma Walmsley and deliver a meaningful return for all stakeholders via its much-anticipated pipeline of potential blockbuster pharmaceuticals. The shares have been very disappointing from a capital appreciation perspective since we purchased them in the summer of 2018 with the dividend providing pretty much all of the return. We felt it was time to move on with many other quality companies such as LVMH and Strix on our watchlist.

The asset allocation as at the year end is shown below:

Sector	Asset allocation as at 30 April 2021 (%)	Asset allocation as at 30 April 2020 (%)
United Kingdom Equities	78.8	77.5
United States Equities	11.1	13.0
France Equities	2.9	-
Switzerland Equities	5.4	5.8
Cash and Other	1.8	3.7
Total	**100.0**	**100.0**

The full list of holdings as at the year end is shown in the Portfolio Statement on pages 16 and 17.

Outlook

The past twelve months have been like no other but hopefully as a nation we will emerge stronger and wiser. We look to the future with a growing sense of cautious optimism that life is beginning to return to some sort of normality. That said, Covid-19 is going to be around for many years, and we will have to learn to live with it and all the associated challenges.

Nothing has changed in our investment approach. We rigorously endeavour to be practical, long-term allocators of client capital into businesses with attractive long-term prospects managed by sensible people who have a pragmatic plan to grow and develop their business. The last twelve months have been quite a challenge. Our investment philosophy and process however ensure we have remained firmly on track and that we don't get distracted by the ever-growing noise and general short-termism and willingness to frequently trade shares as if they are chips in a casino.

We wrote in our last report that the future is full of uncertainty. There will continue to be and always will be a wall of worry – pandemics, food security, inflation, equity market levels, inequality, the environment and geopolitics to name a few. We will and must stay cautiously optimistic, alert and on the front foot as we look to the future and ensure the businesses we are invested in are relevant, responsible, disciplined and run by pragmatic people who can make tough decisions when required in order to deliver for all stakeholders.

We leave you with one final thought. If you invested along with us at launch on 14 May 2018, you will have made what we hope you feel are attractive investment returns. Over the 3 years to 14 May 2021, your fund is up 19.06%.

We thank all our co-investors for your continued support.

Michael Foster
Fund Manager
Fiske Plc
London, United Kingdom
13 August 2021

PORTFOLIO STATEMENT
As at 30 April 2021

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	United Kingdom Equities (78.8%; 30.04.20 - 77.5%)		
10,590	Ashtead	492,541	5.1
5,630	Berkeley	260,500	2.7
96,300	Convatec	210,127	2.2
4,315	Croda International	291,867	3.0
9,446	Dechra Pharmaceuticals	380,863	4.0
11,725	Diageo	381,180	4.0
19,560	Diploma	560,590	5.8
33,000	Discoverie	256,740	2.7
9,085	Experian	253,653	2.6
2,560	Ferguson	233,779	2.4
2,360	Games Workshop	256,060	2.7
9,620	Halma	248,869	2.6
19,000	Impax Asset Management	190,760	2.0
3,790	Intertek	232,630	2.4
15,450	JD Sports Fashion	141,893	1.5
2,735	London Stock Exchange	202,335	2.1
27,690	Mattioli Woods	204,906	2.1
44,460	Polar Capital	340,564	3.6
3,240	Reckitt Benckiser	208,915	2.2
21,210	Relx	398,536	4.2
41,800	RWS Holdings	286,957	3.0
24,850	Savills	296,957	3.1
2,135	Spirax Sarco Engineering	252,250	2.6
70,500	Strix	198,810	2.1
10,360	Unilever	438,383	4.6
4,245	Victrex	99,673	1.0
4,810	XP Power	242,905	2.5
		7,563,243	**78.8**

PORTFOLIO STATEMENT (CONTINUED)
As at 30 April 2021

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	United States Equities (11.1%; 30.04.20 - 13.0%)		
235	Alphabet	400,263	4.2
395	Berkshire Hathaway	78,466	0.8
1,855	Johnson & Johnson	218,340	2.3
2,000	Microsoft	364,897	3.8
		1,061,966	**11.1**
	France Equities (2.9%; 30.04.20 - 0.0%)		
510	LVMH Moet Hennessy	277,855	2.9
		277,855	**2.9**
	Switzerland Equities (5.4%; 30.04.20 - 5.8%)		
2,390	Chubb	296,701	3.1
2,585	Nestle	223,093	2.3
		519,794	**5.4**
	Portfolio of investments	**9,422,858**	**98.2**
	Net other assets	**168,460**	**1.8**
	Total net assets	**9,591,318**	**100.0**

All holdings are in equities listed on recognised stock exchanges.

B Income Shares	1 May 2020 to 30 April 2021 (pence per share)	1 May 2019 to 30 April 2020 (pence per share)	14 May 2018[1] to 30 April 2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	91.75	101.57	100.00
Return before operating charges*	24.78	(6.32)	4.75
Operating charges	(1.07)	(1.18)	(1.19)
Return after operating charges*	23.71	(7.50)	3.56
Distributions on income shares	(1.85)	(2.32)	(1.99)
Closing net asset value per share	113.61	91.75	101.57
* after direct transaction costs of:	0.14	0.29	0.63
Performance			
Return after charges	25.84%	(7.38)%	3.56%
Other information			
Closing net asset value	£4,690,244	£3,126,997	£2,521,598
Closing number of shares	4,128,266	3,408,062	2,482,584
Operating charges (p.a.)	1.06%	1.15%	1.25%
Direct transaction costs (p.a.)	0.14%	0.28%	0.65%
Prices			
Highest published share price	114.83	114.54	103.01
Lowest published share price	90.78	77.24	89.30

[1] *Launch date of the Fund.*

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

B Accumulation Shares	1 May 2020 to 30 April 2021 (pence per share)	1 May 2019 to 30 April 2020 (pence per share)	14 May 2018[1] to 30 April 2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	95.88	103.64	100.00
Return before operating charges*	26.05	(6.55)	4.84
Operating charges	(1.12)	(1.21)	(1.20)
Return after operating charges*	24.93	(7.76)	3.64
Distributions	(1.94)	(2.38)	(2.00)
Retained distributions on accumulation shares	1.94	2.38	2.00
Closing net asset value per share	120.81	95.88	103.64
* after direct transaction costs of:	0.14	0.30	0.63
Performance			
Return after charges	26.00%	(7.49)%	3.64%
Other information			
Closing net asset value	£4,901,074	£3,951,852	£2,441,586
Closing number of shares	4,056,772	4,121,757	2,355,883
Operating charges (p.a.)	1.06%	1.15%	1.25%
Direct transaction costs (p.a.)	0.14%	0.28%	0.65%
Prices			
Highest published share price	121.12	118.23	103.82
Lowest published share price	94.84	79.73	90.01

[1] *Launch date of the Fund.*

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

STATEMENT OF TOTAL RETURN
For the year ended 30 April 2021

	Notes	£	30.04.21 £	30.04.20 £
Income				
Net capital gains/(losses)	2		1,844,553	(786,196)
Revenue	3	152,076		152,181
Expenses	4	(83,464)		(74,433)
Interest payable and similar charges	6	(32)		-
Net revenue before taxation		68,580		77,748
Taxation	5	(4,332)		(2,919)
Net revenue after taxation			64,248	74,829
Total return/(loss) before distributions			**1,908,801**	**(711,367)**
Distributions	6		(147,755)	(148,615)
Change in net assets attributable to shareholders from investment activities			**1,761,046**	**(859,982)**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the year ended 30 April 2021

	Notes	£	30.04.21 £	30.04.20 £
Opening net assets attributable to shareholders			**7,078,849**	**4,963,184**
Movements due to sales and purchases of shares:				
Amounts receivable on issue of shares		1,515,764		3,011,784
Amounts payable on cancellation of shares		(842,705)		(120,700)
			673,059	2,891,084
Change in net assets attributable to shareholders from investment activities			1,761,046	(859,982)
Retained distributions on accumulation shares	6		78,364	84,563
Closing net assets attributable to shareholders			**9,591,318**	**7,078,849**

BALANCE SHEET
As at 30 April 2021

	Notes	30.04.21	30.04.20
		£	£
Assets:			
Fixed assets:			
Investments		9,422,858	6,818,168
Current assets:			
Debtors	7	28,771	36,598
Cash and bank balances	8	195,616	280,839
Total assets		**9,647,245**	**7,135,605**
Liabilities:			
Creditors			
Distribution payable on income shares	6	38,123	38,725
Other creditors	9	17,804	18,031
Total liabilities		**55,927**	**56,756**
Net assets attributable to shareholders		**9,591,318**	**7,078,849**

1. Accounting 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 Financial Reporting Standard 102 (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 Corporate Director's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

(b) Functional currency

The functional currency used in the financial statements is Pound Sterling because it is the currency of the primary economic environment in which the Fund operates.

(c) Recognition of revenue

Dividends on holdings, net of any irrecoverable tax, are recognised when the underlying investment is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

All revenue is recognised on the condition that the flow of economic benefits is probable and the amount can be measured reliably.

(d) Treatment of stock and special dividends

Stock dividends are credited to the capital account when the underlying investment is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis in determining whether the dividend is to be treated as revenue or capital.

(e) Treatment of expenses

All expenses, net of any associated tax effect, are allocated to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are allocated to the revenue account on an accruals basis.

(f) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

1. Accounting policies (continued)

(g) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20%. This is the rate that has been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(h) Distribution policy

Revenue produced by the Fund's underlying investments is distributed semi-annually. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is accumulated/distributed at the discretion of the Investment Manager as per the Prospectus.

(i) Exchange rates

Assets and liabilities in overseas currencies at the year-end are translated into Pound Sterling at the latest available rates of exchange on the balance sheet date. Transactions in overseas currencies occurring during the year are recorded at the rate of exchange on the date of the transaction.

(j) Financial instruments

Financial assets and financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund's investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

The investments are measured at closing prices on the balance sheet date, with any gains or losses arising on measurement recognised in the Statement of Total Return. If closing prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the ACD, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology.

The ACD did not apply any critical accounting judgements and key sources of estimation and uncertainty.

2. Net capital gains/(losses)

	30.04.21	30.04.20
	£	£
Non-derivative securities	1,958,907	(832,568)
Currency (losses)/gains	(112,266)	48,035
Transaction charges	(2,088)	(1,663)
Net capital gains/(losses)	**1,844,553**	**(786,196)**

3. Revenue

	30.04.21	30.04.20
	£	£
UK franked dividends	128,053	131,798
UK unfranked dividends	-	3,209
Overseas dividends	23,996	17,161
Unfranked revenue currency gains	27	13
Total revenue	**152,076**	**152,181**

4. Expenses

	30.04.21	30.04.20
	£	£
Payable to the ACD, associates of the ACD and agents of either:		
Annual management charge	60,503	49,015
Registration fees	1,389	1,859
Administration fees	6,841	6,464
	68,733	57,338
Payable to the Depositary, associates of the Depositary and agents of either:		
Depositary's fees	5,989	6,011
Safe custody fees	202	163
	6,191	6,174
Other expenses:		
Audit fee	5,220	7,404
Tax fee	2,780	2,352
FCA fee	168	269
Other expenses	372	896
	8,540	10,921
Total expenses	**83,464**	**74,433**

	30.04.21	30.04.20
	£	£
Fees payable to the company auditor for the audit of the company's financial statements:		
Total audit fee	**5,220**	**7,404**
Total non audit fees - Tax compliance services	**2,780**	**2,352**

5. Taxation

(a) Analysis of the charge in the year

	30.04.21	30.04.20
	£	£
Analysis of the tax charge in the year		
Overseas tax	4,332	2,919
Total current tax for the year (see note 5(b))	**4,332**	**2,919**
Deferred tax (see note 5(c))	-	-
Total taxation for the year	**4,332**	**2,919**

Corporation tax has been provided at a rate of 20%.

(b) Factors affecting the current taxation charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	30.04.21	30.04.20
	£	£
Net revenue before taxation	68,580	77,748
Corporation tax at 20%	13,716	15,550
Effects of:		
Revenue not subject to taxation	(30,410)	(29,792)
Excess expenses for which no relief taken	16,694	14,242
Overseas taxation	4,332	2,919
Current tax charge for the year (see note 5(a))	**4,332**	**2,919**

(c) Provision for deferred tax

As at 30 April 2021, the Fund had surplus management expenses of £204,679 (30 April 2020: £121,210). The deferred tax in respect of this would be £40,936 (30 April 2020: £24,242). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at the year-end (see note 5(a)).

6. Distributions

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

	30.04.21	30.04.20
	£	£
Interim - Income	36,355	38,099
Final - Income	38,123	38,725
	74,478	76,824
Interim - Accumulation	38,824	36,241
Final - Accumulation	39,540	48,322
	78,364	84,563
Add: Revenue deducted on cancellation of shares	4,383	726
Deduct: Revenue received on issue of shares	(9,470)	(13,498)
Net distribution for the year	**147,755**	**148,615**
Interest	32	-
Total finance costs	**147,787**	**148,615**
Reconciliation of net revenue to net distribution for the year		
Net revenue after taxation for the year	64,248	74,829
Expenses allocated to capital, net of tax relief	83,464	73,788
Revenue currency gains/(losses)	43	(2)
Net distribution for the year	**147,755**	**148,615**

Details of the distributions per share are set out in the Distribution Tables on page 36.

7. Debtors

	30.04.21	30.04.20
	£	£
Amounts receivable for issue of shares	10,246	19,395
Accrued revenue	18,525	17,203
Total debtors	**28,771**	**36,598**

8. Cash and bank balances

	30.04.21	30.04.20
	£	£
Cash and bank balances	195,616	280,839
Total cash and bank balances	**195,616**	**280,839**

9. Other creditors

	30.04.21	30.04.20
	£	£
Accrued annual management charge	5,745	4,159
Accrued registration fees	119	212
Accrued administration fees	576	542
Accrued deposiatary fees	493	492
Accrued custody fees	55	78
Accrued audit fees	5,220	7,404
Accrued tax fees	5,132	4,704
Accrued FCA fees	464	440
Total creditors	**17,804**	**18,031**

10. Related party transactions

The ACD is regarded as a related party of the Fund. The ACD acts as either agent or principal for the Depositary in respect of all transactions of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. As at the balance sheet date, there were no shares held by the ACD, the Depositary or associates of either the ACD or the Depositary.

As at 30 April 2021, one single nominee company held shares equal to 74.64% of the Fund's total Net Asset Value.

Details of transactions occurring during the accounting period with the ACD and the Depositary, and any balances due at the year-end, are fully disclosed in the Notes to the Financial Statements.

11. Share classes

The Fund currently has two share classes. The following table shows a breakdown of the change in shares in issue of each share class in the year:

	B Income
Opening shares at the start of the year	3,408,061.989
Total creation of shares in the year	1,037,135.632
Total cancellation of shares in the year	(316,931.780)
Closing shares at the end of the year	**4,128,265.841**

	B Accumulation
Opening shares at the start of the year	4,121,756.977
Total creation of shares in the year	421,018.104
Total cancellation of shares in the year	(486,003.412)
Closing shares at the end of the year	**4,056,771.669**

The annual management charge of each share class is as follows:

B Income Shares	0.75% p.a.
B Accumulation Shares	0.75% p.a.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Summary of Fund Performance tables on pages 18 and 19. The distributions per share class are given in the Distribution Tables on page 36. Both share classes have the same rights on winding up.

12. Risk management policies

In pursuing the investment objectives, financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolio, and the policies for managing these risks, which were applied consistently throughout the year, are set out below:

(a) Currency exposures

The Fund's financial assets are invested in equities and other transferrable securities whose prices are quoted in various different currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

	Net foreign currency assets at 30 April 2021			Net foreign currency assets at 30 April 2020		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	-	278	278	4	-	4
Swiss Franc	-	520	520	-	204	204
US Dollar	-	1,062	1,062	-	1,125	1,125

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the Net Asset Value of the Fund would have decreased by £169,056 (30 April 2020: £120,877). If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the Net Asset Value of the Fund would have increased by £206,624 (30 April 2020: £147,739). These calculations assume all other variables remain constant. The Investment Manager employs no specific policy to manage currency risk.

12. Risk management policies (continued)

(b) Cash flow risk and interest rate risk profile of financial assets and liabilities

The Fund's revenue is mainly received from holdings in equities. The Fund does not have any long-term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
30.04.21						
Euro	-	-	278	-	-	278
Sterling	196	-	7,592	-	(56)	7,732
Swiss Franc	-	-	520	-	-	520
US Dollar	-	-	1,062	-	-	1,062
30.04.20						
Euro	4	-	-	-	-	4
Sterling	277	-	5,526	-	(57)	5,746
Swiss Franc	-	-	204	-	-	204
US Dollar	-	-	1,125	-	-	1,125

Short term debtors and creditors are included as financial assets and liabilities not carrying interest in the above table. The floating rate financial assets and liabilities comprise: Sterling denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not carrying interest mainly comprise investments that do not have a maturity date.

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.

12. Risk management policies (continued)

(c) Liquidity risk

All of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

(e) Market price risk

The Fund's underlying investments are in securities quoted on recognised stock exchanges or traded on regulated markets. The value of shares is 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 share/unit held within an underlying investment or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding a diversified portfolio of investments in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

If the value of shares/units in the underlying investments were to increase or decrease by 10% the change in the Net Asset Value of the Fund would be £942,286 (30 April 2020: £681,816). This calculation assumes all other variables remain constant.

12. Risk management policies (continued)

(f) Fair value of financial assets and liabilities

	INVESTMENT ASSETS	
	30 April 2021	30 April 2020
Valuation technique	£	£
Level 1: Quoted Prices	9,422,858	6,818,168
Level 2: Observable Market Data	-	-
Level 3: Unobservable Data	-	-
	9,422,858	**6,818,168**

As at the year-end there were no investment liabilities (30 April 2020: £nil). There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(g) Commitments on derivatives

No derivatives were held at the balance sheet date (30 April 2020: £nil).

13. Transaction costs

(a) Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the year are shown in the table below:

	30.04.21		30.04.20	
	£		£	
Analysis of total purchase costs				
PURCHASES				
Equities	2,132,918		3,831,338	
REIT's	11,902		57,659	
Net purchases before direct transaction costs	2,144,820		3,888,997	
		% of total		% of total
DIRECT TRANSACTION COSTS		purchases		purchases
Equities	8,756	0.41%	16,811	0.43%
REIT's	78	0.00%	378	0.01%
Total direct transaction costs	8,834	0.41%	17,189	0.44%
Gross purchases total	**2,153,654**		**3,906,186**	
Analysis of total sale costs				
SALES				
Equities	1,214,009		1,137,893	
REIT's	181,286		-	
Gross sales before direct transaction costs	1,395,295		1,137,893	
		% of total		% of total
DIRECT TRANSACTION COSTS		sales		sales
Equities	(1,832)	0.13%	(1,490)	0.13%
REIT's	(273)	0.02%	-	0.00%
Total direct transaction costs	(2,105)	0.15%	(1,490)	0.13%
Net sales total	**1,393,190**		**1,136,403**	

13. Transaction costs (continued)

	30.04.21 £	% of average NAV	30.04.20 £	% of average NAV
Analysis of total direct transaction costs				
Equities	10,588	0.13%	18,301	0.27%
REIT's	351	0.01%	378	0.01%
Total direct transaction costs	**10,939**	**0.14%**	**18,679**	**0.28%**

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 0.20% (30 April 2020: 0.22%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value.

14. Capital commitments and contingent liabilities

The Fund had no capital commitments or contingent liabilities at the balance sheet date (30 April 2020: £nil).

15. Post balance sheet events

Subsequent to the year-end, the net asset value per share of each share class has changed as follows:

- The B Income shares have increased from 113.61p to 124.99p as at 5 August 2021.
- The B Accumulation shares have increased from 120.81p to 132.91p as at 5 August 2021.

These movements take into account routine transactions but also reflect the market movements of recent months. There are no post balance sheet events which require adjustments at the year-end.

DISTRIBUTION TABLE

For the year ended 30 April 2021

Interim Distribution (31 October 2020)

Group 1 - Shares purchased on or prior to 30 April 2020

Group 2 - Shares purchased after 30 April 2020

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid 31.12.20 (pence)	Paid 31.12.19 (pence)
B Income				
Group 1	0.9280	-	**0.9280**	**1.1884**
Group 2	0.0624	0.8656	**0.9280**	**1.1884**
B Accumulation				
Group 1	0.9695	-	**0.9695**	**1.2126**
Group 2	0.6705	0.2990	**0.9695**	**1.2126**

Final Distribution (30 April 2021)

Group 1 - Shares purchased on or prior to 31 October 2020

Group 2 - Shares purchased after 31 October 2020

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid 30.06.21 (pence)	Paid 30.06.20 (pence)
B Income				
Group 1	0.9234	-	**0.9234**	**1.1362**
Group 2	0.3330	0.5904	**0.9234**	**1.1362**
B Accumulation				
Group 1	0.9746	-	**0.9746**	**1.1723**
Group 2	0.4429	0.5317	**0.9746**	**1.1723**

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

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