

# ALVARIUM

## **TB MELLIFERA OEIC**

### ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS

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For the year ended 30 June 2021



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*Note: The Authorised Corporate Director's Report consists of 'Authorised Status', 'Structure of the Company' and 'Investment Objective and Policy' on page 3, 'Investment Review' as provided by the Investment Manager on pages 12 to 13, and 'Directory' on page 35.*



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## THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

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The Authorised Corporate Director ('ACD') of TB Mellifera OEIC (the 'Company') is T. Bailey Fund Services Limited ('TBFS'). Alvarium Investment Managers (UK) LLP is the Investment Manager (the 'Investment Manager') of the Company.

T. Bailey Fund Services Limited and Alvarium Investment Managers (UK) LLP are authorised and regulated by the Financial Conduct Authority. Further information about Alvarium Investment Managers (UK) LLP can be found at [www.alvariuminvestments.com](http://www.alvariuminvestments.com).

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## YOUR INVESTMENTS

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You can buy or sell shares in the Company through your Financial Advisor. Alternatively, you can telephone the dealing line, 0115 988 8280, 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/tb-mellifera-oeic](http://www.tbaileyfs.co.uk/funds/tb-mellifera-oeic).

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

The most recent price of shares in issue can be found at [www.tbaileyfs.co.uk](http://www.tbaileyfs.co.uk), or by phone using the contact details set out in the prospectus.

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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.

Whilst the intention for using derivatives is to reduce risk or to generate positive returns without increasing risk, this outcome is not guaranteed and derivatives involve additional risk which could lead to significant losses.

The Fund invests in global shares, 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 the safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

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## OTHER INFORMATION

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Full details of TB Mellifera OEIC 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/tb-mellifera-oeic](http://www.tbaileyfs.co.uk/funds/tb-mellifera-oeic).

The Key Investor Information document and Supplementary Information document are also available from [www.tbaileyfs.co.uk/funds/tb-mellifera-oeic](http://www.tbaileyfs.co.uk/funds/tb-mellifera-oeic).

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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 5 because it invests in a variety of asset classes.

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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 principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA and audit fees. 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 17 and 18.

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## FUND BENCHMARKS

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The Consumer Price Index +3% is a measure of UK inflation, and so is considered an appropriate measure of what constitutes a return in real terms. It is the Target Benchmark of the Fund.

Shareholders may wish to compare the Fund's performance against other funds within the Investment Association's Mixed Investment 40%-85% Shares 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 sector aligns with the Fund's asset allocation, it is considered that this is an appropriate comparator. It is a Comparator Benchmark of the Fund.

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## CHANGES TO THE FUND

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The following changes to the Company and the Fund came into effect on 7 June 2021:

- The name of the Company was changed from TB New Sarum Funds OEIC to TB Mellifera OEIC.
- The name of the Sub-Fund was changed from TB New Sarum Real Return Fund to TB Mellifera Managed Fund.
- The Investment Objective and Policy wording was amended.
- The dealing frequency was changed from weekly to daily.
- The valuation point was changed from 8am to 12pm.
- The distribution frequency was changed from annual to semi-annual.
- The distribution pay dates were changed from 4 months after the period end date to 2 months after the period end date.

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## AUTHORISED STATUS

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TB Mellifera OEIC is an investment company with variable capital, incorporated in England and Wales, whose effective date of authorisation was 19 September 2012. Its registration number is IC000948.

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## STRUCTURE OF THE COMPANY

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The Company is a Non-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.

Currently, there is one sub-fund in existence; TB Mellifera Managed Fund (the 'Fund').

The base currency of the Company is Pound Sterling. Shareholders are not liable for the debts of the Company. The ACD is the sole director of the Company.

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## INVESTMENT OBJECTIVE AND POLICY

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The Fund's aim is to achieve capital growth in excess of the Consumer Price Index plus 3% per annum, after deduction of fees, over rolling 5 year periods. Although the Fund aims to outperform the Consumer Price Index over rolling 5 year periods, capital invested is, in fact, at risk and there is no guarantee that a positive return will be generated over that time period or any other time period.

By investing at least 80% of the Fund in a range of actively managed open and closed-ended funds, the Fund will be indirectly exposed to a broad range of asset classes including equities, fixed interest securities (government and corporate bonds) as well as alternative asset classes, such as infrastructure, commodities (including precious metals, such as gold) property and private equity. The Funds selected for investment, such as unit trusts, OEICs, ETFs as well as investment trusts and REITs, may include those managed by the ACD and the investment manager, and their respective associates.

The Fund may also invest directly in, equities, fixed interest securities, exchange-traded commodities ("ETCs"), money market instruments, deposits, cash and near cash. It is intended that at least 50% of the Fund will have an exposure at any time to equities.

The Fund, which is actively managed, will typically hold between 20 and 40 holdings. Through these holdings, the Fund will be diversified by reference to various factors such as industry, geography or asset class. Although there are no restrictions on allocations between these different factors the investment manager will, in selecting the holdings for the Fund, take a thematic multi-asset approach to asset allocation, identifying long term structural trends which it considers offer the best potential returns for the Fund. The investment manager expects the managers of the funds in which it invests to consider ESG factors and good stewardship principles when investing, including engaging with companies and voting on corporate actions to deliver the best outcomes for their investors; whilst the underlying funds are expected to consider ESG factors, their managers have full discretion over the stocks they select regardless of any ESG considerations. The Fund may invest in derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management"). It is intended that the use of derivatives will be limited.

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## REMUNERATION POLICY OF THE AUTHORISED CORPORATE DIRECTOR

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### 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.

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**REMUNERATION POLICY OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)**

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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**

<b>Total Number of Staff</b>	<b>46</b>
	<b>£'000</b>
Fixed	1,698
Variable	38
<b>Total Remuneration Paid</b>	<b>1,736</b>

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

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

Please note that there were no remuneration payments made directly to the ACD from TB Mellifera OEIC or its sub-fund.

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## STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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The Authorised Corporate Director (the "ACD") of TB Mellifera OEIC (the "Company") is responsible for preparing the Annual Report and the 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 annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and
- give a true and fair view of the financial position of the Company as at the end of that period and the net revenue and the net capital gains and 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 safeguarding the assets of the Company 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 Annual Report and the Audited Financial Statements were approved by the board of directors of the ACD of the Company and authorised for issue on 25 October 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 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 these financial statements.

**Gavin Padbury, Chief Operations Officer**  
**T. Bailey Fund Services Limited**  
**Nottingham, United Kingdom**  
**25 October 2021**

**Rachel Elliott, Chief Financial Officer**  
**T. Bailey Fund Services Limited**  
**Nottingham, United Kingdom**  
**25 October 2021**

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## STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

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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 are 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; and
- 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.

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## DEPOSITARY'S REPORT TO THE SHAREHOLDERS OF TB MELLIFERA OEIC

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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 & Depositary Services Limited**  
London, United Kingdom  
25 October 2021

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of TB Mellifera OEIC (the 'Company'):

- give a true and fair view of the financial position of the Company as at 30 June 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 June 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 notes 1 to 15; and
- the distribution table.

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.

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TB MELLIFERA OEIC (CONTINUED)

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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](http://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 June 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  
25 October 2021**

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## INVESTMENT REVIEW

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### Performance

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	Cumulative returns for the periods ended 30 June 2021 (%)		
	1 year	3 years	5 years
B Shares	26.14	28.78	63.52
A Shares	25.79	28.41	62.91
Consumer Price Index +3%p.a.*	5.56	14.96	28.25
IA Mixed Investment 40-85% Shares Sector**	17.29	21.40	47.84

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	Rolling 5 year performance for the periods ended 30 June (%)			
	2021	2020	2019	2018
B Shares	63.52	32.71	39.09	43.93
A Shares	62.91	32.08	39.53	43.29
Consumer Price Index +3%p.a.*	28.25	25.65	24.82	24.78
IA Mixed Investment 40-85% Shares Sector**	47.84	28.44	37.34	43.36

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\* 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 income derived from them is not guaranteed and may go down as well as up.

### Investment Activity

The first half of 2021 started as the previous year left off with the continuation of the outperformance of value stocks versus growth, driven by strong economic growth results and forecasts and rising inflation expectations. This also drove bond yields higher on expectations of inevitable monetary policy change by the US Federal Reserve. However as the second quarter progressed, the market began to buy into the Fed's narrative that higher inflation would be transitory and that a tightening of monetary policy was still years away. This calmed bond markets and saw treasury yields gently start to drift down again. This set the scene for a sharp reversal of value stocks' outperformance, and an enthusiastic relative recovery of growth stocks ensued at the end of the second quarter.

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## INVESTMENT REVIEW (CONTINUED)

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Strong contributors over this period included Chrysalis, Warehouse REIT, Investor AB, Third Point Investors and Aberforth Smaller Companies. Absolute detractors from performance were few, and limited to Biotech Growth Trust, Comgest Growth Japan and WisdomTree Physical Gold.

Over the one year period to the end of June 2021 the Fund outperformed its peer group (IA Mixed Investment 40-85% Shares) generating 26.1% on a total return basis versus the peer group's 17.3%. Over longer time periods the Fund remains comfortably ahead of its target return of UK CPI + 3%.

The Fund continues to use open-ended and closed-ended investment vehicles and fixed income investments, cash or cash equivalents. The Fund also invests in gold.

### Investment Strategy and Outlook

Capital cash in the Fund was 7.6% at the end of the June 2021, with public equities at 57.2% and listed private equity and venture capital at 12.1%. In April we rebalanced the emerging market and Asia portion of the equity portfolio, trimming the holding of VinaCapital Vietnam Opportunities Trust and adding the proceeds plus some additional cash, to Veritas Asian and GuardCap Global Emerging Markets funds. We also took some profits in BlackRock World Mining Trust and Aberforth Smaller Companies Trust, conscious that they were becoming large holdings in the portfolio and of the historic volatility of those two sub asset classes. Around this time we also added to our holding in BH Global.

More recently we sold out of Caledonia Investments, a hybrid public and private equity investment trust, reinvesting the proceeds into two of our fixed income funds and gold. Additionally the Fund participated in two capital raises by existing portfolio companies Chrysalis and US Solar Fund, and also in the IPO of VH Global Sustainable Opportunities trust.

As you can see from our trading activity, we have marginally reduced the cyclicality of the portfolio and took the time to ensure that the portfolio had sufficient protection from any potential equity market volatility. This was reflected in the marginal increase of fixed income, hedge funds and gold, leaving us in a more defensive stance as we enter the summer.

Economic growth through the end of this year and into next is forecast to be strong but we are not out of the woods yet, and risks remain. The Delta variant threatens to derail re-opening in developed countries and so prolong the pain in those not yet well vaccinated.

However, we believe that we are at an exciting juncture of innovation, accelerated in many ways by the pandemic, that presents compelling investment opportunities. Powerful trends are driving change in technology, financial markets and sustainability, and these trends cut across sector and geography; our global perspective and allocation is designed to reflect this. So, while the portfolio is well balanced and built to weather short term shocks, we are excited about what's to come and our underlying managers such as Polar Capital Technology, Investor AB, Chrysalis, Wellington Global Impact, Biotech Growth and Augmentum Fintech - to name a few - will drive the growth of your investments into the future.

**James Cave**  
**Managing Partner**  
**Alvarium Investment Managers LLP**  
**London, United Kingdom**  
**25 October 2021**

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**PORTFOLIO STATEMENT**As at 30 June 2021

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Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
<b>United Kingdom - Equities</b> (6.0%; 30.06.20 - 5.0%)			
65,360	Aberforth Smaller Companies Trust	1,000,008	2.7
135,450	Finsbury Growth and Income	1,205,505	3.3
		<hr/> <b>2,205,513</b>	<hr/> <b>6.0</b>
<b>Europe - Equities</b> (3.4%; 30.06.20 - 3.0%)			
73,152	Investor AB	1,224,876	3.4
		<hr/> <b>1,224,876</b>	<hr/> <b>3.4</b>
<b>North America - Equities</b> (2.9%; 30.06.20 - 9.5%)			
161,103	JPMorgan American Trust	1,052,003	2.9
		<hr/> <b>1,052,003</b>	<hr/> <b>2.9</b>
<b>Far East &amp; Emerging Markets - Equities</b> (8.0%; 30.06.20 - 8.9%)			
84,256	GuardCap Emerging Markets Equity	1,021,180	2.8
971	Veritas Asian	1,081,426	3.0
165,775	VinaCapital Vietnam Opportunity	798,207	2.2
		<hr/> <b>2,900,813</b>	<hr/> <b>8.0</b>
<b>Japan - Equities</b> (3.3%; 30.06.20 - 4.1%)			
33,087	Coupland Cardiff Japan Income and Growth	608,370	1.7
47,585	Comgest Growth Japan	598,616	1.6
		<hr/> <b>1,206,986</b>	<hr/> <b>3.3</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 30 June 2021

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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>Sector Specific - Equities</b> <b>(13.5%; 30.06.20 - 15.3%)</b>		
76,902 The Biotech Growth Trust	1,075,090	3.0
176,000 BlackRock World Mining	1,070,080	2.9
531,136 Lazard Global Listed Infrastructure Equity	903,356	2.5
50,922 Polar Capital Technology Trust	1,205,833	3.3
650,000 VH Global Sustainable Energy	648,050	1.8
	<hr/> <b>4,902,409</b>	<hr/> <b>13.5</b>
<b>Global - Equities</b> <b>(20.1%; 30.06.20 - 10.1%)</b>		
112,888 AVI Global Trust	1,092,756	3.0
135,747 Baillie Gifford Global Income Growth	1,309,955	3.6
66,000 BH Global	1,273,800	3.5
230,327 Fundsmith Equity	1,308,766	3.6
48,184 GuardCap Global Equity	1,293,735	3.5
68,045 Wellington Global Impact	1,051,970	2.9
	<hr/> <b>7,330,982</b>	<hr/> <b>20.1</b>
<b>Private Equity - Specialist</b> <b>(12.1%; 30.06.20 - 10.8%)</b>		
600,000 Augmentum Fintech	834,000	2.3
526,000 Chrysalis Investments	1,293,960	3.5
324,800 HgCapital Trust	1,149,792	3.2
51,850 HarbourVest Global Private Equity	1,125,145	3.1
	<hr/> <b>4,402,897</b>	<hr/> <b>12.1</b>
<b>Real Assets - Specialist</b> <b>(8.6%; 30.06.20 - 8.3%)</b>		
681,836 LXI REIT	908,205	2.5
934,174 US Solar	653,922	1.8
735,520 Warehouse REIT	1,097,315	3.0
3,823 WisdomTree Physical Gold	462,445	1.3
	<hr/> <b>3,121,887</b>	<hr/> <b>8.6</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 30 June 2021

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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>Activist - Specialist (3.2%; 30.06.20 - 2.7%)</b>		
60,724 Third Point Offshore	1,174,877	3.2
	<b>1,174,877</b>	<b>3.2</b>
<b>Absolute Return - Specialist (2.8%; 30.06.20 - 2.6%)</b>		
42,361 RIT Capital Partners	1,029,372	2.8
157,140 Highbridge Multi Strategy*	1,675	0.0
	<b>1,031,047</b>	<b>2.8</b>
<b>Speciality Finance - Fixed Interest (3.3%; 30.06.20 - 3.0%)</b>		
992,888 BioPharma Credit	693,583	1.9
4,686 Vontobel TwentyFour Strategic Income	503,561	1.4
	<b>1,197,144</b>	<b>3.3</b>
<b>Unconstrained - Fixed Interest (1.6%; 30.06.20 - 1.8%)</b>		
603,909 TwentyFour Select Monthly Income	577,337	1.6
	<b>577,337</b>	<b>1.6</b>
<b>Asset Backed - Fixed Interest (3.5%; 30.06.20 - 2.2%)</b>		
1,176,599 TwentyFour Income	1,264,844	3.5
	<b>1,264,844</b>	<b>3.5</b>
<b>Portfolio of investments</b>	<b>33,593,615</b>	<b>92.3</b>
<b>Net other assets</b>	<b>2,810,153</b>	<b>7.7</b>
<b>Total net assets</b>	<b>36,403,768</b>	<b>100.0</b>

\* Please note that Highbridge Multi Strategy is currently in liquidation and is being priced at fair value. All holdings, other than Highbridge Multi Strategy, are in equities quoted on official stock exchanges or collective investment schemes traded on regulated markets.

## SUMMARY OF FUND PERFORMANCE

<b>B Income Shares</b>	<b>1 Jul 2020 to 30 Jun 2021</b>	<b>1 Jul 2019 to 30 Jun 2020</b>	<b>1 Jul 2018 to 30 Jun 2019</b>
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	141.66	142.11	140.02
Return before operating charges*	33.44	2.57	5.33
Operating charges	(1.36)	(1.28)	(1.36)
Return after operating charges*	32.08	1.29	3.97
Distributions on income shares	1.28	(1.74)	(1.88)
Closing net asset value per share	175.02	141.66	142.11
* after direct transaction costs of:	0.10	0.22	0.00
<b>Performance</b>			
Return after charges	22.65%	0.91%	2.84%
<b>Other information</b>			
Closing net asset value	£36,400,167	£26,564,721	£24,276,472
Closing number of shares	20,797,413	18,752,390	17,083,461
Operating charges (p.a.)	1.10%	1.04%	0.98%
Direct transaction costs (p.a.)	0.06%	0.16%	0.00%
<b>Prices</b>			
Highest published share price	177.16	151.99	144.90
Lowest published share price	139.97	113.72	132.10

*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.*

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**SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>A Income Shares</b>	<b>1 Jul 2020 to 30 Jun 2021</b>	<b>1 Jul 2019 to 30 Jun 2020</b>	<b>1 Jul 2018 to 30 Jun 2019</b>
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	140.63	141.65	139.58
Return before operating charges*	34.88	1.98	5.31
Operating charges	(1.95)	(1.84)	(1.92)
Return after operating charges*	32.93	0.14	3.39
Distributions on income shares	0.82	(1.16)	(1.32)
Closing net asset value per share	174.38	140.63	141.65
* after direct transaction costs of:	0.10	0.22	0.00
<b>Performance</b>			
Return after charges	23.42%	0.10%	2.43%
<b>Other information</b>			
Closing net asset value	£3,601	£2,904	£2,925
Closing number of shares	2,065	2,065	2,065
Operating charges (p.a.)	1.25%	1.44%	1.38%
Direct transaction costs (p.a.)	0.06%	0.16%	0.00%
<b>Prices</b>			
Highest published share price	176.10	151.16	144.40
Lowest published share price	139.60	113.02	131.40

*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 June 2021

	Note	£	30.06.21 £	30.06.20 £
Income				
Net capital gains/(losses)	2		6,821,615	(387,598)
Revenue	3	514,939		543,491
Expenses	4	(264,660)		(228,657)
Interest payable and similar charges	6	-		(96)
Net revenue before taxation		250,279		314,738
Taxation	5	(1,116)		(1,287)
Net revenue after taxation			249,163	313,451
<b>Total return/(loss) before distributions</b>			<b>7,070,778</b>	<b>(74,147)</b>
Distributions	6		(249,261)	(316,016)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>6,821,517</b>	<b>(390,163)</b>

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

		£	30.06.21 £	30.06.20 £
<b>Opening net assets attributable to shareholders</b>			<b>26,240,916</b>	<b>24,279,397</b>
<i>Movements due to sales and purchases of shares:</i>				
Amounts receivable on issue of shares		3,609,408		2,482,838
Amounts payable on cancellation of shares		(268,073)		(131,156)
			3,341,335	2,351,682
Change in net assets attributable to shareholders from investment activities			6,821,517	(390,163)
<b>Closing net assets attributable to shareholders</b>			<b>36,403,768</b>	<b>26,240,916</b>

**BALANCE SHEET**  
As at 30 June 2021

	Note	30.06.21 £	30.06.20 £
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		33,593,615	22,921,296
<b>Current assets:</b>			
Debtors	7	118,585	71,630
Cash and bank balances	8	2,994,955	3,608,424
<b>Total assets</b>		<b>36,707,155</b>	<b>26,601,350</b>
<b>Liabilities:</b>			
<b>Creditors</b>			
Distribution payable on income shares	6	265,290	326,707
Other creditors	9	38,097	33,727
<b>Total liabilities</b>		<b>303,387</b>	<b>360,434</b>
<b>Net assets attributable to shareholders</b>		<b>36,403,768</b>	<b>26,240,916</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2021

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**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 Company operates.

**(c) Recognition of revenue**

Dividends and distributions on holdings, net of any irrecoverable tax, are recognised when the underlying transferable security or collective investment scheme is quoted ex-dividend or ex-distribution. Bank interest and management fee rebates are 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 dividends**

Stock dividends are credited to the capital account when the stock 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) Equalisation on distributions**

Equalisation on revenue distributions received from underlying holdings in collective investment schemes is treated as a return of capital.

**(f) Treatment of expenses**

All expenses, except those relating to the purchase and sale of investments, are allocated to the revenue account on accrual basis.

**(g) Allocation of revenue and expense to multiple share classes**

Any assets or liabilities not attributable to a particular share class will be 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30 June 2021

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**1. Accounting policies (continued)****(h) 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, or those of a previous period, 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 to the reversal of timing difference.

**(i) Distribution policy**

Net revenue produced by the Fund's investments is accrued annually. At the end of each year the revenue, less the expenses allocated to the revenue account, is accumulated at the discretion of the Investment Manager, as per the prospectus.

**(j) Exchange rates**

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

**(k) Financial instruments**

The investments are valued at closing prices on the balance sheet date. If closing prices are not available, the latest available prices are used.

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.

**(l) Management fee rebates**

Management fee rebates are accounted for on an accruals basis and are allocated to the capital or revenue account of the Fund, according to whether the underlying fund charges its fees to capital or revenue.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 30 June 2021

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

	30.06.21	30.06.20
	£	£
Non-derivativ e securities	7,173,675	(587,773)
Currency (losses)/gains	(352,043)	200,542
Transaction charges	-	(364)
Market associated costs	(17)	(3)
<b>Net capital gains/(losses)</b>	<b>6,821,615</b>	<b>(387,598)</b>

**3. Revenue**

	30.06.21	30.06.20
	£	£
UK franked distributions	56,617	39,442
UK unfranked distributions	92,467	-
UK franked dividends	186,842	232,545
UK unfranked dividends	161,825	245,967
Overseas dividends	17,249	25,519
Unfranked revenue currency losses	(61)	-
Bank interest	-	18
<b>Total revenue</b>	<b>514,939</b>	<b>543,491</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 30 June 2021

**4. Expenses**

	30.06.21	30.06.20
	£	£
<b>Payable to the ACD, associates of the ACD and agents of either:</b>		
Annual management charge	182,229	150,802
Registration fees	756	228
Administration fees	56,960	47,627
	<u>239,945</u>	<u>198,657</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either:</b>		
Depositary's fees	12,769	10,580
Safe custody fees	457	630
	<u>13,226</u>	<u>11,210</u>
<b>Other expenses:</b>		
Audit fee	8,484	7,404
Tax fee	2,780	6,480
FCA fee	147	114
Other expenses	78	4,792
	<u>11,489</u>	<u>18,790</u>
<b>Total expenses</b>	<u><u>264,660</u></u>	<u><u>228,657</u></u>
	30.06.21	30.06.20
	£	£
<b>Fees payable to the company auditor for the audit of the company's annual financial statements:</b>		
Total audit fee	<u>8,484</u>	<u>7,404</u>
Total non-audit fees - Tax compliance services	<u>2,780</u>	<u>6,480</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 30 June 2021

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**5. Taxation****(a) Analysis of the charge in the year**

	30.06.21	30.06.20
	£	£
<b>Analysis of the tax charge in the year</b>		
Overseas tax	1,116	1,287
<b>Total current tax for the year (see note 5(b))</b>	<b>1,116</b>	<b>1,287</b>
Deferred tax (see note 5(c))	-	-
<b>Total taxation for the year</b>	<b>1,116</b>	<b>1,287</b>

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 period 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:

	30.06.21	30.06.20
	£	£
Net revenue before taxation	250,279	314,738
Corporation tax at 20%	50,056	62,948
<b>Effects of:</b>		
Revenue not subject to taxation	(52,142)	(59,501)
Prior period excess expenses utilised	-	(3,447)
Excess expenses for which no relief taken	2,086	-
Overseas taxation	1,116	1,287
<b>Current tax charge for the year (see note 5(a))</b>	<b>1,116</b>	<b>1,287</b>

**(c) Provision for deferred tax**

As at 30 June 2021, the Fund had surplus management expenses of £138,994 (30 June 2020: £128,564). The deferred tax in respect of this would be £27,799 (30 June 2020: £25,713). 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 period-end (see note 5(a)). Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 30 June 2021

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**6. Distributions**

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

	<b>30.06.21</b>	<b>30.06.20</b>
	<b>£</b>	<b>£</b>
Final - Income	265,290	326,707
	<u>265,290</u>	<u>326,707</u>
Add: Revenue deducted on cancellation of shares	818	381
Deduct: Revenue received on issue of shares	<u>(16,847)</u>	<u>(11,072)</u>
<b>Net distribution for the year</b>	<b><u>249,261</u></b>	<b><u>316,016</u></b>
Interest	-	96
<b>Total finance costs</b>	<b><u>249,261</u></b>	<b><u>316,112</u></b>
<b>Reconciliation of net revenue to net distribution for the year</b>		
Net revenue after taxation for the year	249,163	313,451
Revenue currency gains	98	2,565
<b>Net distribution for the year</b>	<b><u>249,261</u></b>	<b><u>316,016</u></b>

Details of the distribution per share are set out in the Distribution Table on page 35.

**7. Debtors**

	<b>30.06.21</b>	<b>30.06.20</b>
	<b>£</b>	<b>£</b>
Amounts receivable for issue of shares	49,999	-
Accrued revenue	42,336	62,074
Income tax recoverable	<u>26,250</u>	<u>9,556</u>
<b>Total debtors</b>	<b><u>118,585</u></b>	<b><u>71,630</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 30 June 2021

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**8. Cash and bank balances**

	30.06.21	30.06.20
	£	£
Cash and bank balances	2,994,955	3,608,424
<b>Total cash and bank balances</b>	<b>2,994,955</b>	<b>3,608,424</b>

**9. Other Creditors**

	30.06.21	30.06.20
	£	£
Accrued annual management charge	19,108	13,769
Accrued registration fees	82	4
Accrued administration fees	5,943	4,308
Accrued depositary fees	1,361	973
Accrued custody fees	1,089	632
Accrued audit fees	5,220	7,404
Accrued tax fees	5,132	6,480
Accrued FCA fees	162	157
<b>Total creditors</b>	<b>38,097</b>	<b>33,727</b>

**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 June 2021, one nominee shareholder held shares equal to approximately 73% 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 period-end are fully disclosed in the notes to the Financial Statements.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 30 June 2021

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**11. Share classes**

As at the period end, the Fund had two share classes. The following table shows a breakdown of the change in shares in issue of each share class in the period:

	<b>B Income</b>
Opening shares at the start of the year	18,752,389.895
Total creation of shares in the year	2,217,192.539
Total cancellation of shares in the year	(172,169.745)
<b>Closing shares at the end of the year</b>	<b><u>20,797,412.689</u></b>

  

	<b>A Income</b>
Opening shares at the start of the year	2,064.660
Total creation of shares in the year	-
Total cancellation of shares in the year	-
<b>Closing shares at the end of the year</b>	<b><u>2,064.660</u></b>

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

B Income Shares	0.60% p.a.
A Income 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 class are given in the Summary of Fund Performance tables on pages 17 and 18. The distributions per share class are given in the Distribution Table on page 34. Both share classes have the same rights on winding up.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 30 June 2021

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**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 ACD's policies for managing these risks, which were applied consistently throughout the period, are set out below:

**(a) Currency exposures**

The Fund's financial assets are mainly invested in other Collective Investment Schemes and transferrable securities whose prices are generally quoted in Sterling. The Fund may also invest in other schemes whose prices are quoted in other currencies. This gives rise to a direct currency exposure, details of which are shown in the following table:

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	Net foreign currency assets at 30 June 2021			Net foreign currency assets at 30 June 2020		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Swedish Krona	-	1,225	1,225	-	781	781
US Dollar	13	2,331	2,344	1	2,417	2,418

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In addition, the Fund holds collective investment schemes which may in turn hold underlying investments in foreign currencies. The Fund may therefore have an indirect exposure to exchange rate movements on those underlying investments. Movements in exchange rates will impact on the prices of such underlying investments and as a result may affect the value of the Fund.

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 £323,253 (30 June 2020: £290,723). 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 £395,087 (30 June 2020: £355,328). These calculations assume all other variables remain constant.

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

The Fund's revenue is mainly received from holdings in listed 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 30 June 2021

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**12. Risk management policies (continued)****(b) Cash flow risk and interest rate risk profile of financial assets and liabilities (continued)**

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 £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>30.06.21</b>						
Sterling	2,982	-	30,156	-	(303)	32,835
Swedish Krona	-	-	1,225	-	-	1,225
US Dollar	13	-	2,331	-	-	2,344
<b>30.06.20</b>						
Sterling	3,607	-	19,795	-	(360)	23,042
Swedish Krona	-	-	781	-	-	781
US Dollar	1	-	2,417	-	-	2,418

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.

**(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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 30 June 2021

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**12. Risk management policies (continued)****(e) Market price risk and fair value of financial assets and liabilities**

The value of the shares/units in the underlying schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual share/unit held within an underlying scheme 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 diversified portfolios of collective investment schemes 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 £3,359,362 (30 June 2020: £2,292,130). This calculation assumes all other variables remain constant.

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

Valuation technique	INVESTMENT ASSETS	
	30 June 2021	30 June 2020
	£	£
Level 1: Quoted Prices	24,414,566	19,523,969
Level 2: Observable Market Data	9,177,374	3,395,652
Level 3: Unobservable Data	1,675	1,675
	<u>33,593,615</u>	<u>22,921,296</u>

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

As at the year-end there were no investment liabilities (30 June 2020: £nil).

**(g) Commitments on derivatives**

No derivatives were held at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

 For the year ended 30 June 2021
 

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**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. In addition to the direct transaction cost below, indirect cost are incurred through the bid offer spread. It is not possible for the ACD to quantify these indirect cost. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the period are shown in the table below:

	30.06.21		30.06.20	
	£		£	
<b>Analysis of total purchase costs</b>				
<b>PURCHASES</b>				
Collective Investment Schemes	5,215,000		205,600	
Equities	666,904		1,193,994	
Exchange Traded Funds	540,225		-	
Investment Trusts	4,048,514		4,098,891	
Net purchases before direct transaction costs	<u>10,470,643</u>		<u>5,498,485</u>	
		<b>% of total</b>		<b>% of total</b>
		<b>purchases</b>		<b>purchases</b>
<b>DIRECT TRANSACTION COSTS</b>				
Equities	-	0.00%	5,531	0.10%
Exchange Traded Funds	1,080	0.01%	-	0.00%
Investment Trusts	10,594	0.10%	25,681	0.46%
Total direct transaction costs	<u>11,674</u>	0.11%	<u>31,212</u>	0.56%
<b>Gross purchases total</b>	<u><b>10,482,317</b></u>		<u><b>5,529,697</b></u>	
<b>Analysis of total sale costs</b>				
<b>SALES</b>				
Equities	1,715,078		-	
Exchange Traded Funds	-		678,716	
Investment Trusts	4,924,372		3,640,566	
Gross sales before direct transaction costs	<u>6,639,450</u>		<u>4,319,282</u>	
		<b>% of total</b>		<b>% of total</b>
		<b>sales</b>		<b>sales</b>
<b>DIRECT TRANSACTION COSTS</b>				
Equities	(1,865)	0.03%	-	0.00%
Exchange Traded Funds	-	0.00%	(1,357)	0.03%
Investment Trusts	(5,084)	0.08%	(7,293)	0.17%
Total direct transaction costs	<u>(6,949)</u>	0.10%	<u>(8,650)</u>	0.20%
<b>Net sales total</b>	<u><b>6,632,501</b></u>		<u><b>4,310,632</b></u>	

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 30 June 2021

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**13. Transaction costs (continued)****(a) Direct transaction costs (continued)**

	30.06.21	% of	30.06.20	% of
	£ average NAV		£ average NAV	
<b>Analysis of total direct transaction costs</b>				
Equities	1,865	0.01%	5,531	0.02%
Exchange Traded Funds	1,080	0.00%	1,357	0.01%
Investment Trusts	15,678	0.05%	32,974	0.13%
Total direct transaction costs	<b>18,623</b>	<b>0.06%</b>	<b>39,862</b>	<b>0.16%</b>

**(b) Average Portfolio Dealing Spread**

The average portfolio dealing spread of the investments at the balance sheet date was 0.42% (30 June 2020: 0.96%). 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.

**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 175.02p to 178.12p as at 30 September 2021.
- The A Income shares have increased from 174.38p to 177.44p as at 30 September 2021.

These movements take into account routine transactions but also reflect the market movements of recent months. Two new accumulation share classes were created on 24 August 2021. There are no post balance sheet events which require adjustments at the year-end.

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**DISTRIBUTION TABLE**For the year ended 30 June 2021

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**Annual Distribution (30 June 2021)**

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

Group 2 - Shares purchased after 30 June 2020

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<b>Shares</b>	<b>Revenue</b>	<b>Equalisation<sup>1</sup></b>	<b>Paid</b>	<b>Paid</b>
	<b>(pence)</b>	<b>(pence)</b>	<b>31.08.21 (pence)</b>	<b>31.10.20 (pence)</b>
<b>A Income</b>				
Group 1	0.8156	-	<b>0.8156</b>	<b>1.1619</b>
Group 2	0.8156	-	<b>0.8156</b>	<b>1.1619</b>
<b>B Income</b>				
Group 1	1.2755	-	<b>1.2755</b>	<b>1.7420</b>
Group 2	0.5158	0.7597	<b>1.2755</b>	<b>1.7420</b>

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<sup>1</sup> 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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## DIRECTORY

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### The Company

TB Mellifera OEIC  
64 St. James's Street  
Nottingham NG1 6FJ

### Authorised Corporate Director (ACD)

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

Tel: 0115 988 8200  
Dealing Line: 0115 988 8286  
Website: [www.tbaileys.co.uk](http://www.tbaileys.co.uk)

Authorised and regulated by the Financial Conduct Authority.

### Directors of the ACD

Miss J L Kirk  
Mr G M J Padbury  
Mrs R E Elliott  
Mrs A E Troup (Non-Executive)  
Mr A Kerneis (Non-Executive)

### Investment Manager

Alvarium Investment Managers (UK) LLP  
1<sup>st</sup> Floor  
10 Old Burlington Street  
London  
W1S 3AG

Tel: 020 7195 1400  
Website: [www.alvariuminvestments.com](http://www.alvariuminvestments.com)

Authorised and regulated by the Financial Conduct Authority.

### Depositary

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

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

### Registrar and Share Dealing

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64 St. James's Street  
Nottingham NG1 6FJ

Tel: 0115 988 8200  
Dealing Line: 0115 988 8280

Authorised and regulated by the Financial Conduct Authority.

### Auditor

Cooper Parry Group Limited  
Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

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

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