Slater Investments Limited

Slater Recovery Fund

Annual Report

For the year ended 30th November 2020

SLATER RECOVERY FUND

DIRECTORY

Registered Office
Slater Investments Limited
Nicholas House
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London
EC4R 0EU

Authorised Fund Manager (AFM)
Slater Investments Limited*
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Administrator, Registrar and Transfer Agent
JTC Fund Services (UK) Limited*
18th Floor
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London
EC3M 7AF

Investor Support: (0203) 893 1001

Custodian and Depositary *(with effect from 31 October 2020)*
Société Générale Securities Services*
Societe Generale
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Canary Wharf
London
E14 4SG

Custodian *(previously and up to 30 October 2020)*
RBC Investor Services Trust**
Riverbank House
2 Swan Lane
London
EC4R 3BF

Trustee *(previously and up to 30 October 2020)*
NatWest Trustee and Depositary Services Limited*
250 Bishopsgate
London
EC2M 4AA

Auditor
Roffe Swayne Chartered Accountants and Tax Advisers
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Woolsack Way
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* Authorised and regulated by the Financial Conduct Authority.

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

SLATER RECOVERY FUND

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AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

Slater Recovery Fund (the “Fund”) is an authorised unit trust scheme established by a Trust Deed dated 25 March 2002. It is a UK UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL). The Fund is authorised and regulated by the Financial Conduct Authority with effect from 2 April 2002.

Unitholders of the Fund are not liable for the debts of the scheme.

Investment objective and strategy

The investment objective of the Fund is to achieve capital growth.

The Fund will invest in companies both in the UK and overseas but concentrating mainly or, where appropriate, exclusively on UK shares. Other investments including bonds, warrants and options, within the limits imposed by the trust deed may also be used where it is considered that they meet the investment objective. It is also intended where appropriate to take advantage of underwritings and placings. At times it may be appropriate for the Fund not to be fully invested but to hold cash and near cash. The Fund has powers to borrow as specified in the COLL and may invest in derivatives and forward transactions for hedging purposes only.

Change in Custodian and Depositary

Effective 31 October 2020, Société Générale Securities Services replaced RBC Investor Services Trust as Custodian of the Fund. Société Générale Securities Services also replaced NatWest Trustee and Depositary Services Limited as Trustee of the Fund.

Up to date key investor information documents, the full prospectus and reports and accounts for the Fund can be requested by investors at any time.

Value for Money Assessment

From March 2020, unitholders as well as other interested parties may view the Authorised Fund Manager’s Value for Money Assessment Report in relation to the Fund at www.slaterinvestments.com/policies.

Rights and terms attaching to each unit class

Each unit of each class represents a proportional entitlement to the assets of the Fund. The allocation of income and taxation and the rights of each unit in the event the Fund is wound up are on the same proportional basis.

Remuneration Policy

The Authorised Fund Manager is subject to a remuneration policy which is applicable to UK UCITS funds and is consistent with the principles outlined in the Alternative Investment Fund Managers Directive (AIFMD) and the FCA Handbook of Rules and Guidance. The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UK UCITS funds it manages.

The fixed remuneration paid by the Authorised Fund Manager to its staff in respect of all funds that it manages in the financial year ended 31 December 2019 was £1,022,303 and was shared amongst 14 members of staff. The financial year of Slater Recovery Fund ran from 1 December 2019 to 30 November 2020, whereas the financial year of Slater Investments Limited runs from 1 January to 31 December. The above figures are taken from the financial report and accounts of Slater Investments Limited for the period 1 January 2019 to 31 December 2019. The financial statements of Slater Investments Limited have been independently audited.

All 14 Authorised Fund Manager staff members were fully or partially involved in the activities of the Fund. The variable remuneration paid by the Authorised Fund Manager to its staff in respect of all funds that it manages in the financial year ended 31 December 2019 was £719,617. The Authorised Fund Manager staff remuneration is established with reference to the market remuneration of each equivalent position and is not linked to the performance of the Fund or any other fund of the Authorised Fund Manager. None of the Authorised Fund Manager’s staff actions had a material impact on the risk profile of the Fund.

DIRECTORS' STATEMENT

In accordance with COLL 4.5.8BR, the annual report and the audited financial statements were approved by the Authorised Fund Manager of the Fund and authorised for issue.

Mark Slater
Director

Ralph Baber
Director

SLATER INVESTMENTS LIMITED
27 January 2021

STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

The FCA's Collective Investment Schemes sourcebook ('COLL') requires the Authorised Fund Manager to prepare accounts for each annual and half-yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Fund and of its net revenue and the net capital gains on the property of the Fund for the year. In preparing the accounts the Authorised Fund Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the IA in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements; and
- make judgements and estimates that are prudent and reasonable.

The Authorised Fund Manager is responsible for the management of the Fund in accordance with its trust deed, Prospectus and COLL and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

So far as the Authorised Fund Manager is aware, there is no relevant audit information of which the Group and the Fund's Auditors are unaware, and the Authorised Fund Manager has taken all the steps that he or she ought to have taken as an Authorised Fund Manager in order to make himself or herself aware of any relevant audit information and to establish that the Group and the Fund's Auditors are aware of that information.

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE UNITHOLDERS OF SLATER RECOVERY FUND ('THE COMPANY')

For the period 31 October 2020 to 30 November 2020

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

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

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Fund Manager:
(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 Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company, and
(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Société Generale S.A. London Branch
30 November 2020

For the period 1 December 2019 to 30 October 2020

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Trustee must ensure that:

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

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

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AFM:
(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the Scheme documents, and
(ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Kevin Woodcock
Compliance Audit Manager
NatWest Trustee and Depositary Services Limited
26 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SLATER RECOVERY FUND

Opinion

We have audited the financial statements of the Slater Recovery Fund (the 'fund) for the year ended 30 November 2020 which comprise the statement of total return, the statement of changes in net assets attributable to unitholders, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020, and of its net revenue and net capital gains or losses on the fund property for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice for Authorised Funds issued by The Investment Association, the rules contained in the Collective Investment Schemes Sourcebook and the trust deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Authorised Fund Manager is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SLATER RECOVERY FUND (CONTINUED)

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Authorised Fund Manager report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- we have been given all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the fund and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the Authorised Fund Manager.

We have nothing to report in respect of the following matters in relation to which the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- adequate accounting records have not been kept
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Authorised Fund Manager

As explained more fully in the Statement of Authorised Fund Manager's Responsibilities set out on page 2, the Authorised Fund Manager 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 Authorised Fund Manager 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 Authorised Fund Manager is responsible for assessing the fund'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 Authorised Fund Manager either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the fund's unitholders, as a body, in accordance with paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the fund's unitholders 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 fund and the fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Roffe Swayne

Roffe Swayne Chartered Accountants and Tax Advisers
Ashcombe Court
Woolsack Way
Godalming
Surrey GU7 1LQ
Date: 28/01/21

FUND MANAGER'S REPORT

Report for the year to 30 November 2020

Performance	Six Months	1 year	3 years	5 years	Since launch*
Slater Recovery Fund P unit class	+18.04%	+12.29%	+31.76%	+68.30%	+552.85%
Investment Association (IA) OE UK All Companies	+9.88%	-6.79%	+0.47%	+23.11%	+278.41%

* A unit class launched 10 March 2003

Portfolio Commentary

After a roller coaster ride with some wild swings and ups and downs the portfolio finished the period by delivering a solid overall double-digit gain. As our motto says: "Our ability is your stability."

We all love a happy ending, and at the end of 2019 we received one, with a blue ribbon on the top. With the election of a large Conservative majority, the risk of a Marxist-inspired government disappeared on 12 December 2019, allowing investors to get back to their proper task of allocating capital efficiently without worrying about confiscation and capital flight.

From late February 2020 it was all change again with global stock markets experiencing extreme volatility owing to the Covid-19 pandemic. The United Kingdom (UK) Large Cap index fell over 23% between 21 February 2020 and 31 March 2020. The UK Mid Cap and AIM indexes both fell 30% over that time. At their lows during March 2020 they were down over 40%. Moves at this speed had not been seen since October 1987. The rout spread to many markets, not least crude oil, and bonds swung wildly.

Our first priority during the crisis was to focus on the survivability of our holdings. We also took the view that businesses that generated consistently good returns on capital before the crisis were likely to perform well afterwards. The uncertainties of the virus and lockdown, however, made it exceptionally hard to predict the near term, so we found it more productive to assess the situation three years into the future. It was tempting to buy heavily at that stage because everything looked 'cheap'. However, we were careful to balance risk and reward and initially focused on adding to high conviction holdings.

The second calendar quarter saw a strong recovery in the market as the panic subsided. There was an increased level of activity during the quarter as we sought to capitalise on the turmoil with four new additions to the Fund, the topping up of 17 existing holdings and the sale of one. A further holding was the subject of a takeover. In a global context the UK market looks cheap and we expect to see acquisitions by overseas companies continuing after Covid-19 subsides.

The third calendar quarter was mixed. The major indices had a poor time, led by a 5% fall in the main UK market. The 4.5% rise in sterling against the dollar was a major headwind. Mid-cap companies were also sluggish, but growth companies performed well.

As discussed in more detail below, during the year we saw some stellar individual performances from our growth companies with a small number of the Fund's holdings up by 100% or more, including Venture Life, up 211%, Jet2, up 143%, Ergomed, up 127%, Codemasters, up 114% and Calnex Solutions, up 100%.

During the period there were fifteen major contributors of +0.40% or more and one major detractor of -0.40% or more.

Major Contributors

Video game developer **Codemasters** was the star performer contributing +3.03% after gaining +114%. Strong trading in the 2021 half year benefitted from the launch of high-quality racing games, in particular the earliest ever release of Formula 1 (F1) 2020. Other title releases included Fast & Furious Crossroads, Project CARS 3 and its back catalogue of games, including F1 2019 and DiRT Rally 2.0. F1 2020 sales 'materially over-performed versus the previous year' and the franchise remains at the heart of the business. DIRT 5 was also released on the next generation of Xbox Series X/S and PlayStation 5 consoles. The investment case for owning Codemasters rests on the powerful tailwinds for greater games consumption, whether downloaded or streamed, plus the potential from mobile gaming. F1 is an evergreen franchise and Codemasters has become a world-leading studio for racing games which has clearly caught the attention of Nasdaq-listed Take-Two Interactive Software, maker of popular video games like Grand Theft Auto. In November 2020 Take-Two offered to buy Codemasters in a part cash and shares deal. The share price of Codemasters has since risen above Take-Two's equivalent offer and we took advantage of this to sell part of our holding, locking in some profits.

FUND MANAGER'S REPORT (CONTINUED)

Report for the year to 30 November 2020

Future rose +28% and contributed +1.51%. The company's competitive edge comes from its unique, proprietary 'media intent' technology platform. This enables the business to pursue the onboarding of declining magazine titles and scale their content profitably online. As demonstrated by the full year results to September 2020 this in turn helped deliver results ahead of expectations, which led to broker upgrades. The strategic rationale of converting specialist, niche magazine brands to digital remains compelling. During the reporting period, the company delivered record results ahead of expectations. Group revenue rose 53% underpinned by 23% organic revenue growth from its Media division. This in turn was fuelled by online organic audience growth of 48% and e-commerce revenue growth of 58%. These positive factors more than offset declines elsewhere. The company is turning profits into cash as evidenced by the 79% rise in adjusted free cash flow, validating the model. Post-period end in November 2020 Future made a recommended offer for the price comparison specialist GoCo. We believe that this will accelerate the company's growth, substantially increase its addressable market, and add lucrative adjacent routes to monetisation.

Pharma services company **Ergomed** contributed +1.37% after it surged +127%. The company shrugged off the impact of the pandemic. First half revenues to September 2020 rose 15% and the order book grew 28% year-on-year, reflecting strong sales momentum across the business. In January 2020, the company acquired the United States (US) pharmacovigilance (PV) business of UDG for a bargain $10 million. The deal gave critical mass in the US, where regional sales rose 79%. PV sales rose 62% and now account for c. 64% of the group. Ergomed's other division, a provider of clinical trial services with strengths in rare and orphan diseases, saw underlying service fee revenue decline 6.7%. Some delays to clinical trials were to be expected because of restricted access to hospitals. However, the company has an innovative operating model which enables patients to take part in trials at home rather than in a hospital. Ergomed has ambitions to expand clinical services, believing that previous rounds of consolidation have created a gap in the mid-market. Ergomed offers investors a high growth, high margin, lower risk way to gain exposure to the sharp increase in drug development and biotech innovation that has accelerated amidst the pandemic. The company remains well-placed to drive further gains through underlying growth and selective mergers and acquisitions (M&A).

Calnex Solutions, a high-end, niche provider of telecoms test and measurement solutions, contributed +0.95% after rising +100%. Calnex was a new buy after we participated in its IPO in October 2020. Maiden interim results to September 2020 saw revenue rise 37% and adjusted pre-tax profit up 90%. The company confirmed that it was trading well across all product lines and all geographies. These strong results prompted double digit broker upgrades to both revenues and earnings. The main factors fuelling strong demand for Calnex's high value test equipment include the long-term transition of the telecoms industry to 5G, exponential growth in data and the migration of industries to the cloud, representing a major multi-year investment cycle. Calnex adopts a Research and Design-led approach, launching innovative, high value products, driving high gross margins of c. 80%, more akin to IT software companies. Lean manufacturing is achieved through third party outsourcing. The company has a deep understanding of the customer's future technical requirements which fall out of the latest industry standards drawn up by regulatory bodies. As a result, customers are sticky as reflected in 83% repeat orders from the top ten. Calnex kit is vendor agnostic, working equally well with the likes of Huawei, Ericsson, Nokia or Cisco, insulating it from trade wars.

Jet2 (formerly Dart Group) contributed +0.75% after rising +143%, a stellar performance given how hard Covid-19 hit the airlines. Investors are looking 'beyond the chasm' to the 'new normal'. Jet2 takes a conservative approach to its balance sheet. In its half-year report to September 2020, its cash position, excluding customer deposits, stood at £652.5 million, an increase of 25% since 31 March 2020. This balance included the proceeds from a £172 million equity placing in May 2020, in which the Slater Recovery Fund participated, plus the sale of its non-core distribution and logistics business. The company has modelled a downside scenario with an 80% reduction to winter 2020/21 flying, followed by a 40% reduction for summer 2021 and concluded that it would have sufficient resources for 12 months. Finances have been bolstered also to seize on any opportunities created within the industry by the weakness of rivals, as evidenced by Jet2's recent Bristol Airport expansion. Whilst the company welcomes recent positive news on the vaccine front, it continues to take a cautious approach to summer 2021. Current seat capacity is close to summer 2019 levels and on sale to all its popular leisure destinations. The rollout of the vaccine could be a gamechanger.

FUND MANAGER'S REPORT (CONTINUED)

Report for the year to 30 November 2020

Consumer self-care product specialist **Venture Life** contributed +0.69% after rising +211%. The explosive share price performance was mainly down to two key factors. Firstly, in interims to June 2020 revenues rocketed 80% to £16.9 million. In what was a stellar financial performance, a whopping 65% of the growth was organic. Secondly, Venture signed a stunning new 15-year exclusive distribution agreement with its oral care distribution partner in China, with minimum purchase obligations of €168 million over 15 years. This resulted in raised guidance and broker upgrades. Venture Life is not resting on its laurels. In November 2020, the company raised c. £36 million by way of a placing and open offer in which we participated. The proceeds will be used primarily to pursue additional bolt-on acquisitions as the company continues to pursue its ambitious growth strategy. Potential identified targets include the rights to a portfolio of oncological support therapies where there are vertical gains in margin from taking production in-house, a heritage brand trading in the UK and EU within oral care and a well-known, widely marketed UK dermatological brand. The company is still at an early stage of development, so we expect plenty more upside from here.

Gamesys contributed +0.67% after rising +57%. The third quarter to September 2020 saw a continuation of the trends seen in the first half with pro-forma revenues post the merger between Gamesys and Jackpot Joy up by 31% to £190 million. This was ahead of management of expectations. Revenues in Asia increased by a high double-digits percentage. Japan has emerged as its second biggest market, helped by the launch of Intercasino, a second brand. Spain continued to make good progress in the third quarter of 2020, with 'Monopoly Casino' proving to be one of the most successful new brand initiatives in the history of the company. The US maintained good momentum with healthy double-digit top line growth albeit operations there are currently tiny, mainly because liberalisation is being led by sports betting. Online gaming will follow state by state and the company is currently partnered with Caesar's Palace. The company has made a good start to fourth quarter to December 2020. Net debt is expected to close the year at little over £300 million and be well below £100 million by December 2022. Deleveraging continues apace. Gamesys is a formidable cash machine which should support a progressive dividend policy and potential share buybacks.

Website domain services specialist **CentralNic** contributed +0.64% after rising +55%. Despite the Covid-19 crisis, after adjusting for a spate of acquisitions, the company reported healthy pro-forma revenue growth of 17% in the nine months to September 2020. The domain registration business, which accounts for over half of revenues, occupies an attractive, growing space. Domain renewal generates a predictable stream of earnings, which is highly cash generative as customers pay for renewals in advance. There is a further opportunity to upsell domain-related internet services like hosting, email and cybersecurity, a market which is five times the size of domain registration itself. CentralNic's most recent acquisition, the $36 million purchase of Codewise, has bolstered its domain monetisation business, which now accounts for c. 43% of sales. The deal offers significant opportunities for advertisers to optimise returns bypassing Google and offers more cross-selling opportunities. We do not believe recent transformational acquisitions are fully reflected in consensus forecasts which put the shares on c. 13x earnings for next year. The industry gorilla, GoDaddy, by contrast, is on a stratospheric rating. The differential in valuation looks unwarranted.

Liontrust Asset Management contributed +0.59% after rising +40%. Over the last few years, the company has been a well-oiled machine consistently amassing assets under management (AuM). In deal terms, the highlight of the half year was the £75 million purchase from AXA of Architas, the UK multi-manager. The acquisition completed on 30 October 2020 bringing with it £5.6 billion of AuM. When added to existing AuM, up 28% since the start of the financial year, this increased AuM to £28.1 billion. We decided not to take part in the accompanying £66 million fundraising for Architas as we already have a substantial holding, though we remain enthusiastic in the medium term. Liontrust has been a great performer and has made smart purchases. The best was the £33 million acquisition of Alliance Trust in December 2016, which brought in £2.3 billion of AuM. This has since swelled to £7.5 billion as investors flock towards sustainability. Fund management is a high-beta investment class and looks set to do well as confidence returns to markets. Understandably, given its growth profile and track record, the company is on a premium sector rating but not outrageously so on a 12 month forward rolling consensus price to earnings ratio of 16.5.

FUND MANAGER'S REPORT (CONTINUED)

Report for the year to 30 November 2020

Marketing automation specialist **dotDigital** contributed +0.57%, gaining +51%. The pandemic has only had a 'minimal impact' on the company, in large part because 91% of its revenues are recurring. In finals to June 2020 organic revenue growth increased to 12%. International revenues grew 20% and now account for 31% of the total. Functionality revenue increased 16% to reach 36% of recurring revenues, demonstrating how the core platform is attracting a higher end, stickier customer. 23% of clients now take more than one service, for example, online chat or SMS in addition to email. The company has demonstrable pricing power with average revenue per user increasing 12% to break through the £1,000 per month barrier for the first time. The pandemic has accelerated the adoption of email and omnichannel marketing as companies seek to engage customers at every touch point along their consumer journey. High return on investment suggests that usage of marketing automation platforms is not only here to stay but likely to increase. dotDigital has a strong industry tailwind and occupies a 'sweet spot' with its market leading solution in a 'hot' sector which is seeing elevated M&A activity.

Wealth services group **JTC** contributed +0.52% after rising +55%. The company's revenues are contracted for several years in advance, so this is a safe port in a storm. In interims to June 2020, trading was broadly in line with expectations as the company delivered 10% net organic revenue growth, strong cash conversion and a 41% increase in the dividend. There was a strong performance from the Private Client Services (PCS) division and substantial new business wins in the Institutional Client Services (ICS) division where momentum remains strong. The latter's margins were adversely impacted by the underperformance of NES Financial, the technology-enabled fund administration business acquired for JTC's long-planned entry in the domestic US market. Business in the US should recover, however, and NES also brings some slick reporting products which will be used across JTC. The outlook remains positive and the company is benefiting from structural growth trends, which have accelerated because of the pandemic. Institutional clients are turning increasingly to the outsourcing of their middle and back offices. In the private client market JTC is seeing more demand for a fund administration white label service. The company sees long-term fundamental drivers for the industry and has a pipeline of consolidation opportunities.

Energy services and building compliance specialist **Sureserve** contributed +0.48% after rising +73%. In a trading statement in October 2020 the company confirmed its continued strong performance, shrugging off the pandemic. It expects year-end results for 2021 to be in line with expectations following resilient growth in revenue, earnings and cash flow. Net cash of £3 million, net of VAT deferrals, beat broker forecasts for net debt of £1 million. The order book remains strong at £375 million, providing good forward visibility and supporting the outlook for the financial year to September 2021. The company is considering reinstating the dividend at the results. The company sees identifiable market opportunities to grow and is investing significantly in apprenticeship and training schemes. The positive relative strength over one year of 81% marks a return to stability after the company shed its non-core interests in construction and low-grade property maintenance. Despite the surge in the share price, Sureserve remains reasonably priced on a prospective price to earnings ratio of 10.5.

Support services specialist **Marlowe** contributed +0.47% after rising +29%. The company sees itself as close to recession-proof and was only modestly impacted by the pandemic reflecting the resilient nature of its UK safety and regulatory compliance end-markets. There was an 8% like-for-like decline in revenues in the first half to September 2020 because of site-access disruption predominantly in the first quarter to June. However, with acquisitions revenues rose 7%, which is viewed by the company as a normal rate of organic growth. The company has since seen a strong start to the second half and its revenue run-rate has risen materially to £225 million of which 83% is recurring giving good visibility of revenues. Marlowe continues to consolidate its fragmented sector with its 'buy and build' strategy. The acquisition of Elogbooks, a leading provider of contractor management software, created a 'one-stop shop' service, differentiating it from the competition. Its most recent transformational acquisition of Ellis Whittam provides a new platform for the fast-growing SME compliance market. Whilst there is an undeniable element of financial engineering, the company has a clear strategy delivering synergies and scale as evidenced by the capture of higher margins. The company sees favourable structural trends.

FUND MANAGER'S REPORT (CONTINUED)

Report for the year to 30 November 2020

Cybersecurity specialist **Kape Technologies** contributed +0.43% after rising +26%. In the third quarter to September 2020 the company reported trading at the upper end of management's expectations. User growth in the Privacy division continued to ramp up reaching an annual run rate of 14%. This is welcome news following the planned slowdown in user acquisition promotional activities over the summer, as Kape focused on the integration of the transformational acquisition of PIA which is expected to be completed at the end of 2020. Kape experienced continued strong user retention, which in turn reduces the cost of customer acquisition, enhancing the bottom line. We participated in an oversubscribed equity placing to raise $115 million at 150 pence to eliminate ex-PIA founder shares and pay down debt. This leaves Kape with c. $17 million net cash on the balance sheet, which together with borrowing headroom, gives them the firepower to do a further material acquisition as it continues to consolidate the fast-growing cybersecurity market. In addition to M&A, management has ambitious organic growth aspirations and confirmed to us that their target for growing subscriber numbers is 20% per annum.

The other major contributor (+0.55%) was **Hutchison China MediTech**.

Major Detractor

Covid-19 has hit the aviation industry hard, adversely impacting aircraft leasing specialist **Avation** which fell -49% and detracted by -0.54%. The share has recovered from its lows amidst positive news on the vaccine front. The most immediate and pressing problem for the company is bond redemption. Avation is hoping to sign an extension on almost $343 million worth of 6.5% bonds which are due for redemption in 2021. The company has eight planes from its fleet of 48 out of lease. This includes seven returned from Virgin Australia, which called in administrators. Virgin, however, only accounted for 6% of future contracted rents when it collapsed. 14 out of 18 airlines have agreed deferrals in exchange for lease extensions, which will draw on the company's $114.6 million cash pile. Given a fair wind, recovery within two years seems feasible, given Avation's big exposure to the regional market which is recovering faster than international and long-haul. The return to service of certain regional customers representing c. 60% of Avation's future unearned contracted leasing revenue helps bridge the gap.

The Fund sold its positions in **Bonhill**, **Frasers**, **Ocean Wilson**, **River & Mercantile** and **Smartspace Software**. **Aggregated Micro Power**, **Amerisur Resources**, **Castleton Technology** and **Entertainment One** were the subject of successful takeover bids.

The Fund's positions in **Codemasters** and **Future** were both added to and trimmed during the period.

Sales proceeds were reinvested in a range of existing holdings. These were: **AFH Financial**, **Alliance Pharma**, **Arrow Global**, **CentralNic**, **Clinigen**, **Flowtech Fluidpower**, **Franchise Brands**, **Gamesys**, **GoCo**, **Hutchison China MediTech (ADRs)**, **Instem**, **Iomart**, **IWG**, **Kape Technologies**, **Kin & Carta**, **Marlowe**, **NCC**, **Next Fifteen Communications**, **Randall & Quilter**, **Redcentric**, **Restore**, **SigmaRoc**, **SimplyBiz**, **STV**, **Sureserve**, **Ten Entertainment**, **Tesco**, **Trifast** and **Venture Life**.

A number of new holdings were also established. These included: **Breedon**, **Calnex Solutions**, **Countryside Properties**, **Elixirr International**, **Fonix Mobile**, **Hollywood Bowl**, **i3 Energy**, **Inspired Energy**, **Jet2** (formerly Dart Group), **Loungers**, **MJ Gleeson**, **Prudential**, **Rank**, **Renew** and **Scapa.**

Outlook

Equity markets continue to climb a wall of worry. Alternative, non-productive assets, such as cash in the bank, increasingly offer a negative return and incur opportunity cost. There are no returns without risk. However, we believe that good opportunities remain with which to make meaningful returns from UK equities in this environment whilst maintaining a margin of safety.

Slater Investments Limited.
27 January 2021

FUND MANAGER'S REPORT (CONTINUED)

Distributions (pence per unit)

	Year 2021	Year 2020	Year 2019	Year 2018
Class A Accumulation				
Net income paid 31 January	-	-	-	-
Net income paid 31 July		-	-	-
Class B Accumulation				
Net income paid 31 January	-	0.4825	0.3467	0.2850
Net income paid 31 July		-	0.1900	0.0268
Class P Accumulation				
Net income paid 31 January	-	0.8477	0.7029	0.5727
Net income paid 31 July		-	0.4904	0.4524

Material portfolio changes

For the year ended 30 November 2020

Major Purchases	Cost (£)	Major Sales	Proceeds (£)
Prudential	2,649,951	Entertainment One	2,729,731
Clinigen Group	2,257,706	Codemasters Group	1,237,739
Next Fifteen Communications Group	1,875,027	Castleton Technology	720,034
Countryside Properties	1,804,307	Ocean Wilsons Holdings	532,984
CentralNic Group	1,794,890	Aggregated Micro Power	365,483
Kape Technologies	1,753,943	Amerisur Resources	211,310
Elixirr International	1,685,597	Frasers Group (formerly Sports	
Venture Life Group	1,544,253	Direct International)	197,167
i3 Energy	1,500,000	Smartspace Software	59,715
Tesco	1,495,631	Future Group	38,022
Randall & Quilter	1,494,574	Bonhill Group	37,967
Codemasters Group	1,492,246	River & Mercantile	20,509
Marlowe	1,468,559		
Breedon Group	1,303,332		
IWG	1,233,645		
Calnex Solutions	1,100,000		
Hollywood Bowl	1,092,964		
Sureserve Group	1,084,127		
Gamesys Group	1,070,847		
Fonix Mobile	1,050,000		
Other Purchases	11,933,202		
Total purchases for the year	**42,684,801**	**Total sales for the year**	**6,150,661**

FUND INFORMATION

Comparative tables

Class A accumulation units **Change in net assets per unit**	**Year to** **30.11.20** **Pence**	**Year to** **30.11.19** **Pence**	**Year to** **30.11.18** **Pence**
Opening net asset value per unit	263.80	223.74	225.74
Return before operating charges*	33.40	43.93	1.81
Operating charges	(4.09)	(3.87)	(3.81)
Return after operating charges*	29.31	40.06	(2.00)
Gross distribution on accumulation units	-	-	-
Accumulation distributions reinvested	-	-	-
Closing net asset value per unit	293.11	263.80	223.74
*after direct transaction costs of	0.27	0.13	0.13
Performance			
Return after charges	11.11%	17.91%	(0.89%)
Other information			
Closing net asset value	£6,269,809	£5,003,268	£10,920,375
Closing number of units	2,139,037	1,896,593	4,880,966
Operating charges	1.55%	1.63%	1.66%
Direct transaction costs	0.10%	0.05%	0.06%
Prices			
Highest unit price	297.63p	266.67p	243.71p
Lowest unit price	194.80p	210.22p	216.08p

Class B accumulation units **Change in net assets per unit**	**Year to** **30.11.20** **Pence**	**Year to** **30.11.19** **Pence**	**Year to** **30.11.18** **Pence**
Opening net asset value per unit	273.58	230.66	231.36
Return before operating charges*	34.79	45.53	1.89
Operating charges	(2.91)	(2.61)	(2.59)
Return after operating charges*	31.88	42.92	(0.70)
Gross distribution on accumulation units	-	(0.67)	(0.37)
Accumulation distributions reinvested	-	0.67	0.37
Closing net asset value per unit	305.46	273.58	230.66
*after direct transaction costs of	0.28	0.13	0.13
Performance			
Return after charges	11.66%	18.61%	(0.30%)
Other information			
Closing net asset value	£3,615,409	£3,212,988	£2,905,032
Closing number of units	1,183,579	1,174,444	1,259,477
Operating charges	1.07%	1.05%	1.09%
Direct transaction costs	0.10%	0.05%	0.06%
Prices			
Highest unit price	310.15p	276.48p	250.31p
Lowest unit price	202.32p	216.82p	222.07p

FUND INFORMATION (CONTINUED)

Comparative tables (continued)

Class P accumulation units Change in net assets per unit	Year to 30.11.20 Pence	Year to 30.11.19 Pence	Year to 30.11.18 Pence
Opening net asset value per unit	278.33	234.21	235.21
Return before operating charges*	35.49	46.12	0.91
Operating charges	(2.21)	(2.00)	(1.91)
Return after operating charges*	33.28	44.12	(1.00)
Gross distribution on accumulation units	-	(1.34)	(1.16)
Accumulation distributions reinvested	-	1.34	1.16
Closing net asset value per unit	311.61	278.33	234.21
*after direct transaction costs of	0.28	0.13	0.13
Performance			
Return after charges	11.96%	18.84%	(0.43%)
Other information			
Closing net asset value	£113,484,105	£54,266,852	£36,459,648
Closing number of units	36,418,279	19,497,631	15,567,368
Operating charges	0.79%	0.79%	0.78%
Direct transaction costs	0.10%	0.05%	0.05%
Prices			
Highest unit price	316.38p	281.27p	257.61p
Lowest unit price	206.00p	220.36p	228.42p

Operating charges are the same as the ongoing charges and are the total expenses paid by each unit class in the year. Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the weighted average net asset value over the year and the weighted average units in issue for the pence per unit figures.

Synthetic risk and reward indicator

Lower risk ◄────► Higher risk

Typically lower rewards Typically higher rewards

1	2	3	4	5	6	7

The risk and reward indicator above aims to provide you with an indication of the overall risk and reward profile of the Fund. It is calculated based on the volatility of the Fund using weekly historic returns over the last five years. If five years data is not available for a fund, the returns of a representative portfolio are used.

This Fund has been measured as 6 because it has experienced moderate to high volatility historically.

FUND INFORMATION (CONTINUED)

Portfolio statement
as at 30 November 2020

Holding or nominal value		Bid value £	Percentage of total net assets 30 Nov'20 %	30 Nov'19 %
	CONSTRUCTION & MATERIALS			
1,661,167	Breedon Group	1,365,479	1.11	
1,015,611	SigmaRoc	538,274	0.44	
	Total Construction & Materials	1,903,753	1.55	0.71
	CONSUMER SERVICES			
100,000	Applegreen	320,000	0.26	
1,166,667	Fonix Mobile	1,260,000	1.02	
1,582,638	Franchise Brands	1,550,985	1.26	
867,378	Goco Group	1,058,201	0.86	
284,035	Gamesys Group	3,147,108	2.55	
737,330	Hollywood Bowl	1,400,927	1.14	
85,200	IG Design Group	507,792	0.41	
293,188	Loungers	615,695	0.50	
723,328	Rank Group	1,043,039	0.85	
563,782	Ten Entertainment	1,105,013	0.90	
	Total Consumer Services	12,008,760	9.75	7.51
	ELECTRICITY			
	Total Electricity	-	-	0.52
	FINANCIAL SERVICES			
635,802	AFH Financial Group	2,098,147	1.70	
252,855	Arrow Global Group	433,899	0.35	
135,000	City of London Investment Group	575,100	0.47	
293,370	JTC	1,642,872	1.33	
170,000	Liontrust Asset Management	2,244,000	1.82	
217,500	Prudential	2,543,663	2.06	
1,622,432	Randall & Quilter	2,985,275	2.42	
285,649	The Simplybiz Group	542,733	0.44	
	Total Financial Services	13,065,689	10.59	10.12
	GENERAL RETAILERS			
121,087	CVS Group	1,755,762	1.42	
1,073,603	Tesco	2,437,079	1.98	
	Total General Retailers	4,192,841	3.40	4.21
	INDUSTRIAL ENGINEERING			
730,000	Flowtech Fluidpower	657,000	0.53	
13,567	Renew Holdings	67,157	0.05	
761,904	Scapa Group	1,196,189	0.97	
407,040	Trifast	598,349	0.49	
	Total Industrial Engineering	2,518,695	2.04	1.93

FUND INFORMATION (CONTINUED)

Portfolio statement (continued)
as at 30 November 2020

Holding or nominal value		Bid value £	Percentage of total net assets 30 Nov'20 %	30 Nov'19 %
	INDUSTRIAL TRANSPORTATION			
485,000	Avation	654,750	0.53	
	Total Industrial Transportation	654,750	0.53	3.23
	MEDIA			
451,889	Future Group	7,618,849	6.18	
675,001	Next Fifteen Communications Group	3,348,005	2.71	
349,595	STV Group	961,386	0.78	
	Total Media	11,928,240	9.67	16.27
	OIL & GAS PRODUCERS			
30,000,000	i3 Energy	1,500,000	1.22	
	Total Oil & Gas Producers	1,500,000	1.22	0.33
	PHARMACEUTICALS & BIOTECHNOLOGY			
3,598,340	Alliance Pharma	2,687,960	2.18	
414,820	Clinigen Group	2,696,330	2.19	
330,000	Ergomed	2,805,000	2.27	
266,780	Hutchison China MediTech	1,224,520	0.99	
334,861	Instem	1,439,902	1.17	
2,733,822	Venture Life Group	2,569,793	2.08	
	Total Pharmaceuticals & Biotechnology	13,423,505	10.88	9.29
	REAL ESTATE INVESTMENT & SERVICES			
530,000	Countryside Properties	2,264,160	1.84	
106,675	Lok'nStore Group	597,380	0.48	
113,334	MJ Gleeson	745,738	0.60	
	Total Real Estate Investment & Services	3,607,278	2.92	1.09
	SOFTWARE & COMPUTER SERVICES			
1,180,496	Codemasters Group	5,902,480	4.78	
1,387,595	DotDigital Group	1,907,943	1.55	
216,605	Iomart Group	733,208	0.59	
1,428,333	Kape Technologies	2,656,699	2.15	
411,783	Kin and Carta	436,490	0.35	
486,572	NCC Group	954,654	0.77	
250,827	Redcentric	308,517	0.25	
	Total Software & Computer Services	12,899,991	10.44	10.54

FUND INFORMATION (CONTINUED)

Portfolio statement (continued)

as at 30 November 2020

Holding or nominal value		Bid value £	Percentage of total net assets 30 Nov'20 %	30 Nov'19 %
	SUPPORT SERVICES			
3,338,226	CentralNic Group	3,054,477	2.48	
776,773	Elixirr International	1,918,629	1.56	
925,135	IWG	2,986,336	2.42	
523,114	Marlowe	2,960,825	2.40	
133,145	Mears Group	202,380	0.16	
435,365	Restore	1,589,082	1.28	
4,000,000	Sureserve Group	2,080,000	1.69	
	Total Support Services	14,791,729	11.99	9.55
	TECHNOLOGY HARDWARE & EQUIPMENT			
147,500	CML Microsystems	383,500	0.31	
	Total Technology Hardware & Equipment	383,500	0.31	0.73
	TELECOMMUNICATIONS			
2,291,667	Calnex Solutions	2,154,167	1.75	
	Total Telecommunications	2,154,167	1.75	-
	TRAVEL & LEISURE			
105,463	Jet2 (formerly Dart Group)	1,474,373	1.20	
616,000	Marston's	374,836	0.30	
	Total Travel & Leisure	1,849,209	1.50	1.26
	UTILITIES			
5,937,902	Inspired Energy	831,306	0.67	
	Total Utilities	831,306	0.67	-
	OVERSEAS SECURITIES			
85,395	Hutchison China MediTech ADR	1,977,171	1.60	
	Total Overseas Securities	1,977,171	1.60	1.66
	UNQUOTED SECURITIES			
1,653,028	Genagro	12,378	0.01	
	Total Unquoted Securities	12,378	0.01	0.16
	Portfolio of investments	99,702,962	80.82	79.11
	Net current assets	23,666,361	19.18	20.89
	Net assets	123,369,323	100.00	100.00

ANNUAL FINANCIAL STATEMENTS
For the year ended 30 November 2020

Statement of total return

	Notes	30 November 2020 £	30 November 2020 £	30 November 2019 £	30 November 2019 £
Income					
Net capital gains	4		13,901,474		9,176,442
Revenue	6	537,406		715,898	
Expenses	7	(750,994)		(520,883)	
Net (loss)/revenue before taxation		(213,588)		195,015	
Taxation	8	(290)		(1,845)	
Net (loss)/revenue after taxation			(213,878)		193,170
Total return before distributions			13,687,596		9,369,612
Distributions	9		(23,237)		(210,375)
Change in net assets attributable to unitholders from investment activities			13,664,359		9,159,237

Statement of changes in net assets attributable to unitholders

	30 November 2020 £	30 November 2020 £	30 November 2019 £	30 November 2019 £
Opening net assets attributable to unitholders		62,483,108		50,285,055
Amounts receivable on issue of units	55,290,545		10,569,098	
Amounts payable on cancellation of units	(8,176,731)		(7,821,120)	
Amounts receivable on unit class conversions	10		27,549	
Dilution adjustments	108,032		14,169	
		47,221,856		2,789,696
Change in net assets attributable to unitholders from investment activities		13,664,359		9,159,237
Retained distributions on accumulation units		-		249,120
Closing net assets attributable to unitholders		123,369,323		62,483,108

ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

Balance sheet

	Notes	30 November 2020 £	£	30 November 2019 £	£
ASSETS					
Fixed Assets					
Investments			99,702,962		49,432,541
Current Assets					
Debtors	10	1,259,798		789,901	
Cash	11	22,418,951		12,539,018	
Total current assets			23,678,749		13,328,919
Total assets			123,381,711		62,761,460
LIABILITIES					
Current liabilities					
Creditors	12	12,388		278,352	
Total liabilities			12,388		278,352
Net assets attributable to unitholders			123,369,323		62,483,108

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 30 November 2020

1. ACCOUNTING POLICIES

a. Basis of preparation

The financial statements have been prepared in compliance with FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014.

The financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

b. Going concern

The Authorised Fund Manager has at the time of approving the financial statements, a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the financial statements.

c. Revenue

Dividends from equities are recognised when the security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

In the case of an ordinary stock dividend the whole amount is recognised as revenue. In the case of an enhanced stock dividend, the value of the enhancement, calculated as the amount by which the total market value of the shares on the date they are quoted ex-dividend exceeds the cash dividend is treated as capital. The balance is treated as revenue.

d. Expenses

All expenses are accounted for on an accruals basis and, other than those relating to the purchase and sale of investments and dealing in the units of the scheme, are charged against income as shown in these accounts.

e. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on net revenue for the year. The taxable amount differs from net revenue as reported in the Statement of Total Return (SoTR) because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Fund's liability for current tax is calculated using tax rates that have been enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of a deferred tax asset is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the SoTR. Deferred tax assets and liabilities are offset when the Fund has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

1. ACCOUNTING POLICIES (CONTINUED)

f. Valuation of investments

The investments of the Fund have been valued at their fair value using closing bid prices on the last business day of the accounting period. Fair value is normally the bid value of each security by reference to quoted prices from reputable sources; that is the market price. If the Authorised Fund Manager believes that the quoted price is unreliable, or if no price exists, a valuation technique is used whereby fair value is the Authorised Fund Manager's best estimate of a fair and reasonable value for that investment. The fair value excludes any element of accrued interest.

g. Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange ruling at the date of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net capital gains/(losses) for the period.

h. Cash

Cash includes deposits held on call with banks.

i. Financial assets

The Authorised Fund Manager has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of the Fund's financial instruments.

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

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include amounts receivable for the issue of units, accrued income and cash, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Amortised cost is the amount at which the financial asset is measured at initial recognition, less any reduction for impairment or un-collectability.

Basic financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SoTR.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

j. Financial liabilities

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

Financial liabilities are classified into specified categories. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of recognition.

Basic financial liabilities, which include amounts payable for cancellation of units and accrued expenses, are initially measured at transaction price. Other financial liabilities are measured at fair value.

Financial liabilities are derecognised when, and only when, the Fund's obligations are discharged, cancelled, or they expire.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

1. ACCOUNTING POLICIES (CONTINUED)

k. Dilution adjustments

The Authorised Fund Manager may require a dilution adjustment on the subscription or redemption of units if, in its opinion, the existing unitholders (for purchases) or the remaining unitholders (for redemptions) might otherwise be adversely affected. The dilution adjustment is carried out whereby the Authorised Fund Manager may adjust the price of units being subscribed for or being redeemed on any given dealing day. The single price of the units can be adjusted either higher or lower at the discretion of the Authorised Fund Manager. Any dilution adjustment included in the price applied to either a subscription of redemption of units is applied to all transactions in the relevant unit class during the relevant period and all transactions in that unit class during the relevant period will be dealt at the same price which includes the dilution adjustment.

Examples of situations where a dilution adjustment may be applied include when there are net inflows or outflows from the Fund on any given day exceeding 0.25% of the Net Asset Value of the Fund, where the Fund is in continual decline or in any other case where the Authorised Fund Manager is of the opinion that the interests of unitholders require the application of a dilution adjustment.

2. DISTRIBUTION POLICIES

a. Basis of distribution

The policy of the Fund is to distribute any net revenue shown as such in the Statement of Total Return adjusted for any dealing expenses incurred and allocated to capital. Revenue attributable to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

b. Apportionment of multiple unit classes

The Authorised Fund Manager's periodic charge is directly attributable to individual unit classes. All other income and expenses are allocated to the unit classes pro-rata to the value of the net assets of the relevant unit class on the day that the income or expenses are recognised.

c. Equalisation

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

3. RISK MANAGEMENT POLICIES

In pursuing its investment objective as stated on page 1, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities, together with cash, debtors and creditors that arise directly from its operations, for example, in respect of securities sold receivable and securities purchased payable, amounts receivable for issues and payable for cancellations and debtors for accrued income.

The main risks arising from the Fund's financial instruments and the Authorised Fund Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

3. RISK MANAGEMENT POLICIES (CONTINUED)

Market price risk

Market price risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Fund holds. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the manager in pursuance of the investment objective and policy as set out in the Prospectus.

Investment limits set out in the Trust Deed, Prospectus and in the rules contained in the Collective Investment Schemes Sourcebook mitigate the risk of excessive exposure to any particular security or issuer.

Foreign currency risk

The income and capital value of the Fund's investments can be affected by foreign currency translation movements as some of the Fund's assets and income may be denominated in currencies other than sterling which is the Fund's functional currency.

The Authorised Fund Manager has identified three principal areas where foreign currency risk could impact the Fund. These are, movements in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment purchase or sale is entered into and the date when settlement of the investment occurs, and finally movements in exchange rates affecting income received by the Fund. The Fund converts all receipts of income received in foreign currency, into sterling on the day of receipt.

Credit risk

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 responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Fund Manager as an acceptable counterparty.

Interest rate risk

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The Fund's cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

Liquidity risk

The Fund's assets comprise mainly of readily realisable securities. The main liability of the Fund is the redemption of any units that investors wish to sell. Assets of the Fund may need to be sold if insufficient cash is available to finance such redemptions. The liquidity of the Fund's assets is regularly reviewed by the Authorised Fund Manager.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

4. NET CAPITAL GAINS

	30 November 2020 £	30 November 2019 £
The net gains on investments during the year comprise:		
Non-derivative securities	13,905,031	9,170,610
Currency gains	589	7,240
Transaction charges	(4,146)	(1,408)
Net capital gains	13,901,474	9,176,442

5. PURCHASES, SALES AND TRANSACTION COSTS

	30 November 2020 £	30 November 2019 £
Purchases excluding transaction costs	42,599,170	10,164,108
Corporate actions	-	128,637
	42,599,170	10,292,745
Commissions	26,873	7,467
Taxes and other charges	58,758	14,771
Total purchase transaction costs	85,631	22,238
Purchases including transaction costs	42,684,801	10,314,983
Purchase transaction costs expressed as a percentage of the principal amount:		
Commissions	0.06%	0.07%
Taxes and other charges	0.14%	0.14%
Sales excluding transaction costs	5,960,050	7,294,006
Corporate actions	193,876	191,089
	6,153,926	7,485,095
Commissions	(3,246)	(6,581)
Taxes and other charges	(19)	(100)
Total sale transaction costs	(3,265)	(6,681)
Sales net of transaction costs	6,150,661	7,478,414
Sales transaction costs expressed as a percentage of the principal amount:		
Commissions	0.05%	0.09%
Taxes and other charges	0.00%	0.00%
Total purchases and sales transaction costs expressed as a percentage of the weighted average net asset value over the year:	0.10%	0.05%
Transaction handling charges		
These are total charges payable to the depositary in respect of each transaction.	4,146	1,408

Average portfolio dealing spread
This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	1.56%	1.61%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

6. REVENUE

	30 November 2020 £	30 November 2019 £
UK dividends	465,946	514,711
Overseas dividends	50,708	159,624
Bank interest	20,752	41,563
Total revenue	537,406	715,898

7. EXPENSES

	30 November 2020 £	30 November 2019 £
Payable to the AFM or associates:		
AFM's periodic charge	687,618	492,243
	687,618	492,243
Payable to the trustee or associates:		
Trustee's fees	5,901	3,998
Safe Custody fees	29,562	19,449
	35,463	23,447
Other expenses:		
Financial Conduct Authority Fee	219	226
Audit fee	4,800	4,920
Other expenses	22,894	47
	27,913	5,193
Total expenses	750,994	520,883

8. TAXATION

	30 November 2020 £	30 November 2019 £
Analysis of the tax charge for the year		
UK Corporation tax at 20% (2019: 20%)	-	-
Overseas tax	290	1,845
Total tax charge	290	1,845
Factors affecting the tax charge for the year		
Net (loss)/revenue before taxation	(213,588)	195,015
Corporation tax at 20% (2019: 20%)	(42,718)	39,003
Effects of:		
Revenue not subject to taxation	(103,330)	(134,867)
Unrelieved excess management expenses	146,048	95,864
Overseas tax	290	1,845
Current tax charge	290	1,845

At 30 November 2020, the Fund has deferred tax assets of £1,785,198 (2019: £1,639,150) arising from surplus management expenses which have not been recognised due to uncertainty over the availability of future taxable profits.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

9. DISTRIBUTIONS

	30 November 2020 £	30 November 2019 £
The distributions take account of revenue received or deducted on the issue of units and revenue deducted or received on the cancellation of units, and comprise:		
Interim - Income to May	-	78,169
Final - Income to November	-	170,950
Equalisation deducted on cancellation of units	9,573	5,166
Equalisation added on issue of units	(32,800)	(16,361)
Equalisation receivable on unit class conversions	(10)	(27,549)
Distributions	23,237	210,375
Distributions represented by:		
Net (loss)/revenue after taxation	(213,878)	193,170
Add: Revenue deficit for the year - All Classes (2019: Class A unit class)	190,997	17,284
Balance brought forward	(314)	235
Balance carried forward	(42)	(314)
	23,237	210,375

Details of the distribution per unit are set out in the distribution table in note 17.

10. DEBTORS

	30 November 2020 £	30 November 2019 £
Amounts receivable for issue of units	1,218,395	741,654
Accrued income	41,198	47,800
Securities sold receivable	-	290
Prepaid expenses	205	157
Total debtors	1,259,798	789,901

11. CASH

	30 November 2020 £	30 November 2019 £
Capital bank account	9,272	9,629,602
Revenue bank account	34,133	193,142
Deposit account	-	2,716,274
GBP cash account	22,375,546	-
Total cash	22,418,951	12,539,018

12. CREDITORS

	30 November 2020 £	30 November 2019 £
Securities purchased payable	-	224,580
Amounts payable for cancellation of units	2,632	46,287
Accrued expenses	9,756	7,485
Total creditors	12,388	278,352

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

13. RELATED PARTIES

Slater Investments Limited (the 'AFM') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Fund.

Management fees paid to Slater Investments Limited for the year amounted to £687,618 (2019: £492,243). No amounts were due and payable at the year end to Slater Investments Limited (2019: £nil).

The aggregate monies received by the AFM through the issue of units and paid on cancellation of units are disclosed in the statement of changes in net assets attributable to unitholders. Amounts outstanding at year end for the issue of units is £1,220,323 (2019: £741,654), amounts payable at year end for units redeemed total £2,632 (2019: £46,287).

As at the year end the AFM, Directors of the AFM and Northglen Investments Limited, parent of the AFM, held units in the Fund as follows:

Investor	**% Holdings**	
	30 November 2020	**30 November 2019**
Proportion of class P units owned by Slater Investments Limited	0.19%	0.36%
Proportion of class P units owned by Northglen Investments Limited	8.88%	16.58%
Proportion of class P units owned by directors beneficially and non-beneficially	2.48%	4.07%

14. UNITHOLDERS' FUNDS

The Fund currently has three unit classes: Class A (minimum investment £3,000); Class B (minimum investment £100,000); and Class P (minimum investment £5,000,000). The annual management charges are 1.5%, 1% and 0.75% respectively.

During the year the Authorised Fund Manager has issued or cancelled units as set out below:

Accumulation units	Class A	Class B	Class P
Opening units in issue at 1 December 2019	1,896,593	1,174,444	19,497,631
Units issued	602,531	23,215	19,553,516
Units cancelled	(354,709)	(14,080)	(2,637,949)
Unit conversions	(5,378)	-	5,081
Closing units in issue at 30 November 2020	2,139,037	1,183,579	36,418,279

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

15. RISK DISCLOSURES

Market price risk sensitivity
A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and the net assets by £4,985,148 (2019: £2,471,627). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk
At the year end date a portion of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Foreign currency exposure at 30 November 2020	**Investments (£)**	**Net current assets (£)**	**Total (£)**
United States Dollar	1,989,549	-	1,989,549

Foreign currency exposure at 30 November 2019	**Investments (£)**	**Net current assets (£)**	**Total (£)**
United States Dollar	1,142,143	-	1,142,143

Foreign currency risk sensitivity
A five per cent decrease in the value of sterling relative to the United States Dollar would have the effect of increasing the return and net assets of the Fund by £99,477 (2019: £57,107). A five per cent increase would have the equal and opposite effect.

Liquidity risk
The following table provides a maturity analysis of the Fund's financial liabilities:

	30 November 2020	**30 November 2019**
	£	**£**
Creditors		
Less than 1 year	12,388	278,352
Total	12,388	278,352

16. FAIR VALUE DISCLOSURE

Fair value hierarchy as at 30 November 2020

	30 November 2020		**30 November 2019**	
	Assets (£)	**Liabilities (£)**	**Assets (£)**	**Liabilities (£)**
Level 1	99,690,584	-	49,330,305	-
Level 2	-	-	-	-
Level 3	12,378	-	102,236	-
	99,702,962	-	49,432,541	-

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

16. FAIR VALUE DISCLOSURE (CONTINUED)

The Fund has adopted "Amendments to FRS 102", Section 34 which establishes a hierarchy to be used to estimate the fair value of investments that are publicly traded or whose fair value can be reliably measured if they are not publicly traded. The levels of the hierarchy are as follows:

(1) Fair value based on a quoted price for an identical instrument in an active market.
(2) Fair value based on a valuation technique using observable market data.
(3) Fair value based on a valuation technique that relies significantly on non-observable market data and will include values not primarily derived from observable market data.

The determination of what constitutes "observable" requires significant judgement by the Authorised Fund Manager. The Authorised Fund Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Where investments have final redeemable prices supported by the underlying administrators, these would have been classified as Level 2.

Genagro is being priced based on the latest shareholder update from the company (2019: same).

17. DISTRIBUTION TABLE

ACCUMULATION UNITS

For the period from 1 December 2019 to 31 May 2020

Group 1: units purchased prior to 1 December 2019
Group 2: units purchased on or after 1 December 2019

		Net revenue to 31-May-20 pence per unit	Equalisation to 31-May-20 pence per unit	Distribution paid 31-Jul-20 pence per unit	Distribution paid 31-Jul-19 pence per unit
Class A	Group 1	0.0000p	0.0000p	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class B	Group 1	0.0000p	0.0000p	0.0000p	0.1900p
	Group 2	0.0000p	0.0000p	0.0000p	0.1900p
Class P	Group 1	0.0000p	0.0000p	0.0000p	0.4904p
	Group 2	0.0000p	0.0000p	0.0000p	0.4904p

'£0.00 is the trustee's net liability to corporation tax in respect of the gross revenue.
'0.0000p is the trustee's net liability to corporation tax per unit.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 November 2020

17. DISTRIBUTION TABLE (CONTINUED)

ACCUMULATION UNITS

For the period from 1 June 2020 to 30 November 2020

Group 1: units purchased prior to 1 June 2020
Group 2: units purchased on or after 1 June 2020

		Net revenue to 30-Nov-20 pence per unit	Equalisation to 30-Nov-20 pence per unit	Distribution payable 31-Jan-21 pence per unit	Distribution paid 31-Jan-20 pence per unit
Class A	Group 1	0.0000p	0.0000p	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class B	Group 1	0.0000p	0.0000p	0.0000p	0.4825p
	Group 2	0.0000p	0.0000p	0.0000p	0.4825p
Class P	Group 1	0.0000p	0.0000p	0.0000p	0.8477p
	Group 2	0.0000p	0.0000p	0.0000p	0.8477p

'£0.00 is the trustee's net liability to corporation tax in respect of the gross revenue.
'0.0000p is the trustee's net liability to corporation tax per unit.

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