



Annual Report and Financial Statements for Sentinel Universal Portfolio

For the year ended 31 July 2017

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T J Ricketts
T H Ricketts
A J M Quay
M D Jealous
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G M W Oakley (non-exec)
J Vessey (non-exec)

Depositary

BNY Mellon Trust & Depositary (UK) Ltd
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Auditors

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Investment Advisers

Premier Fund Managers Limited
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Contents

Investment Adviser's Report	1
Certification of Accounts by Directors of the ACD	3
Significant Purchases and Sales	4
Portfolio Statement	5
Statement of ACD's Responsibilities	7
Statement of Depositary's Responsibilities	8
Report of the Depositary	8
Independent Auditors' Report to the Shareholders of the Sentinel Universal Fund	9
Net Asset Value per Share and Comparative Tables	13
Financial Statements	
Statement of Total Return	16
Statement of Change in Net Assets Attributable to Shareholders	16
Balance Sheet	17
Notes to the Financial Statements	18
Distribution Table	26
General Information	27

Investment Adviser's Report

For the year ended 31 July 2017

Investment Objective

The investment objective of the Sentinel Universal Portfolio is to provide capital growth from a portfolio of investments.

The investment policy of the Sub-Fund is to invest mainly in units of collective investment schemes. The Sub-Fund may also invest in equities, fixed interest securities, money market instruments, structured products and other derivative instruments, deposits, warrants, cash and near cash. Investment may be made indirectly in immovable property typically through units in collective investment schemes and/or shares in property companies. The Sub-Fund may also invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the Sub-Fund).

Investment Review

Sentinel Universal A	12.62%
Sentinel Universal B	13.30%

Source: Morningstar Direct. Performance growth is NAV to NAV with income reinvested.

Performance

The Fund produced a return of 13.30% over the reporting period, which compares to the internal benchmark return of 8.8%. The Fund benefited from healthy exposure to UK and global equities which performed well over the year, while avoided exposure to gilts which provided investors with negative returns over the period.

Market Review

Over the last year UK and global equity markets performed well, supported by ongoing accommodative monetary policy, while the unexpected Trump US election victory gave an extra boost to equities on hopes for more reflationary policies, with the more recent Macron victory in France leading to gains for European markets. The UK equity market saw several periods of volatility but performed well over the last 12 months following the strong rebound in the market after the Brexit vote, with small and mid-cap stocks outperforming large caps over the year. Following the unexpected vote to leave the European Union (EU) in June 2016, in August the Bank of England cut the base rate to 0.25% and increased Quantitative Easing (QE), to buy a further £60bn of gilts. This provided a further welcome boost to UK financial markets, which were also supported by UK economic data that for the most part came in stronger than expected, with the most recent release for unemployment at 4.4%, the lowest for 40 years. Inflation initially remained subdued, but more recently inflation has started to rise due to the fall in the pound, with the latest reading at 2.6%. As expected Article 50 was triggered on 29th March to give notice to leave the EU, but political risk escalated sharply following the calling of a snap general election in June, which unexpectedly saw the Conservatives lose their majority, resulting in a hung parliament. Sterling initially dropped on the shock election result and then recovered some ground, while UK equities held up reasonably well considering the uncertain political backdrop.

Global equity markets also performed very strongly over the year, with the top-performing major equity markets being Europe, Asia ex-Japan and Emerging Markets. Sterling weakened slightly further over the last 12 months against most major currencies in the ongoing wake of the Brexit vote, but did strengthen slightly versus the yen. In November global equity markets reacted enthusiastically to the unexpected Trump victory in the US presidential election. In contrast government bonds weakened on the outlook for stronger growth, higher inflation and higher spending. Emerging Markets also came under pressure due to the uncertain outlook for trade on the Trump victory, but have since recovered sharply. Since the start of 2017 equity markets continued to perform well as investor sentiment remained positive on follow-through from the Trump US election victory, while markets gained further ground following the emphatic Macron victory in the French presidential election.

Investment Adviser's Report (continued)

Gilts produced negative returns over the year, experiencing significant weakness in late 2016 as the reflation theme gained ground, then seeing some recovery in early 2017 as hopes for reflation waned. However, more recently gilts saw a further sell-off as expectations grew that rates in the UK could rise sooner than anticipated, while the market was also concerned by prospects for ongoing hikes in US interest rates and the possibility of the European Central Bank reducing their QE programme.

Portfolio Activity

Over the year as a whole the Fund adopted a more defensive position on equities with exposure slightly reduced, while we maintained a cautious view on bonds with very limited interest rate sensitivity. Towards the end of 2016 we took some profits in UK large cap stocks by reducing exposure to the Vanguard FTSE 100 ETF position, with some of the proceeds utilised to purchase a new infrastructure position in the Other Equity category, namely Legg Mason RARE Global Infrastructure Fund (RARE = Risk Adjusted Returns to Equity) which invests in listed infrastructure assets. In addition, we purchased the Polar Capital Healthcare Blue Chip Fund as we felt that the valuations were attractive here and that following the US election some of the headwinds facing the sector would abate. We also made changes in the European holdings, selling out of Baillie Gifford European and Edinburgh Partners European Opportunities that had seen a strong recovery due to its 'value' style, switching into Montanaro European Income.

Over Q1 2017 we selectively reduced exposure in regions that had fared well, taking profits where we believed that the potential for further upside was more limited, therefore in particular we did reduce US equity exposure. Ahead of the UK general election we further reduced UK equity exposure, in particular to small and mid-caps, due to the strong performance seen, with some of the proceeds from here invested into Emerging Markets equities where we still favour the valuations. Lastly, within equities we sold out of Eastspring Japan Smaller Companies as this had performed very well, using proceeds to switch into Coupland Cardiff Japan Income & Growth that we think will be well supported by the strong focus on income and value characteristics. Thus over the period as a whole overall equity exposure was reduced, with most of this coming from the UK as well as the US, while the allocation to Other Equities was slightly increased.

In regards to the bond exposure, very early in the period bond markets continued to perform well, thus we used this as an opportunity to further reduce the interest rate sensitivity of the Fund by reducing exposure to UK investment grade bonds by selling out of Royal London Corporate Bond. At the same time, we slightly raised exposure to high yield bonds as credit spreads remained at attractive levels, adding to the Hermes Multi-Strategy Credit Fund that invests largely in high yield, and adding to Royal London Short Duration Global High Yield. Following bond weakness over Q4 2016 we also added Royal London Short Duration Credit. In the Specialist Bond category we sold out of GCP Project Finance and reduced both Sequoia Infrastructure and Volta Finance into attractive bids. In contrast, within this sector a new holding was added, Alcentra European Floating Rate Income, which invests in European floating rate secured loans and high yield bonds. More recently we further reduced exposure to investment grade bonds by selling the holding in Pimco Select UK Income, while adding to a new high yield holding, Kames Short-Dated High Yield Bond, thus exposure to high yield increased.

Over the period we added to property via two specialist funds. Firstly we added a new healthcare fund, Impact Healthcare, which will invest in refurbished care homes and hence should be well-supported by the long-term demographic trends. Secondly we added AEW UK Long Lease REIT that will invest in assets with long leases, which may include care homes and leisure parks. Exposure to Alternatives was also increased via the addition of two new positions, firstly BMO US REELS that will invest in US property equities on a long/short basis, we already own the UK version elsewhere and therefore know the team well, but the UK fund is closed to new investors. Secondly within Alternatives we added Kames Global Equity Market Neutral Fund which is not dependent on rising equity markets to produce a positive return.

Investment Adviser's Report (continued)

Outlook

The referendum result will lead to a period of economic and political uncertainty in the UK, as companies delay investing and consumers hold off on purchasing big ticket items. The Fund is slightly overweight equities when convertible bonds are included. The Fund is underweight UK equities, while we favour Europe and Japan which should be supported by ongoing QE, and also Asia ex-Japan and Emerging Markets where valuations remain attractive. We see very little value in gilts, with yields having fallen even further with the recent announcement from the Bank of England to increase their QE package, though we retain an allocation to specialist bonds and high yield bonds with modest exposure to investment grade bonds. Having sharply reduced the allocation to commercial property we remain cautious on this asset class and only have one holding that has very little exposure to the expensive looking South-East, and there is no exposure to daily dealt open-ended property funds. The cash position is higher than normal as we await opportunities.

Premier Fund Managers Ltd
Investment Adviser
13 September 2017

Certification of Accounts by Directors of the ACD

This report is signed in accordance with the requirements of the Collective Investment Schemes Sourcebook (COLL) as issued and amended by the Financial Conduct Authority.

T J Ricketts **M D Jealous**
Margetts Fund Management Ltd
30 November 2017

Authorised Status

The Sentinel Universal Fund is a sub-fund of The Sentinel Fund ICVC, which is an open-ended investment company with variable capital incorporated in England and Wales under regulation number IC658 and authorised by the Financial Conduct Authority with effect from 1 May 2008.

The fund is classed as a Non-UCITS Retail Fund (NURS) scheme, which complies with the requirements of the FCA FUND and COLL handbooks. Shareholders are not liable for the debts of the fund.

Significant purchases and sales

For the year ended 31 July 2017

Total purchases for the year	£32,845,855
Purchases	Cost (£)
SMITH & WILLIAMSON UK EQUITY INCOME TRUST Y	2,819,645
KAMES SHORT DATED HIGH YIELD GLOBAL BOND C £ HEDGE	2,750,000
ROYAL LONDON SHORT DUR CRDT Z GBP INC	2,720,000
BMO US REAL ESTATE EQUITY FUND F GBP HEDGED ACC	2,300,000
MONTANARO EUROPEAN INCOME GBP INC	2,000,000
KAMES GLOBAL EQUITY NEUTRAL MARKETS C ACC	1,825,000
LEGG MASON IF RARE GLOBAL INFRASTRUCTURE X INC	1,800,000
POLAR CAPITAL HEALTHCARE BLUE CHIP S INC	1,740,000
COUPLAND CARDIFF JAPAN INCOME & GROWTH GBP UNHEDGE	1,570,000
SEQUOIA INFRASTRUCTURE	1,347,250
AEW UK LONG LEASE REIT ORD	1,300,000
POLAR CAPITAL EUROPEAN EX UK INCOME S HEDGED INC	1,110,000
HERMES MULTI STRATEGY CREDIT FUND F DIST HEDGED	1,000,000
IMPACT HEALTHCARE REIT PLC	1,000,000

Total sales for the year	£27,631,597
Sales	Proceeds (£)
SMITH & WILLIAMSON UK EQUITY INCOME TRUST B	2,694,645
PIMCO SELECT UK INCOME BOND INSTL INC	2,112,206
VOLTA FINANCE LTD ORD SHARES NPV	1,917,941
EDINBURGH PARTNERS EUROPE OPP I GBP	1,900,645
VANGUARD FTSE 100 UCITS ETF	1,401,609
LEGG MASN MC GLB RES X	1,400,740
POLAR CAPITAL GLOBAL INSURANCE FUND E GBP INC	1,310,000
SEQUOIA INFRASTRUCTURE	1,183,608
ROYAL LONDON CORPORATE BOND Z FUND INCOME	1,142,947
SECURE INCOME REIT ORD	1,094,994
EASTSPRING JAPAN SMALLER COMPANIES CG	1,059,836
MI TWENTYFOUR MONUMENT BOND I INC	975,000
GLG UNDERVALUED ASSETS PROFESSIONAL D GBP INCOME	890,000
BAILLIE GIFFORD EUROPEAN B INC	878,321
MONTANARO EQUITY INCOME FUND STG UNHEDGED	825,000
EASTSPRING JAPAN SMALLER COMPANIES RG	728,890
BETTER CAPITAL PCC LIMITED ORD GBP1.00 (2009)	672,741

Portfolio Statement

As at 31 July 2017

		Total Net Assets		
Holding	Portfolio of Investments	Value (£)	31.07.17 %	31.07.16 %
UK				
129,734	Vanguard FTSE 100 UCITS ETC	4,270,195	4.58	
2,097,163	Evenlode Income C Inc	4,288,279	4.60	
3,117,953	GLG Undervalued Assets Professional D	4,383,843	4.71	
1,984,031	Montanaro Equity Income Fund Sterling Unhedged	3,866,876	4.15	
518,263	Premier Income Fund Class C Net Income	4,259,499	4.57	
2,397,855	Smith & Williamson UK Equity Income Trust Y	3,052,469	3.28	
	Total UK	24,121,161	25.89	27.97
Bonds				
230,760	BMO US Real Estate Equity F GBP Hedged	2,275,298	2.44	
2,566,081	Hermes Multi Strategy Credit F GBP Dist	2,664,618	2.86	
274,959	Kames Short Dated High Yield Global Bond C	2,764,848	2.97	
29,093	MI Twentyfour Monument Bond I Inc	3,275,409	3.52	
34,994	Oaktree Non-US Convertible Bond Fund H	3,698,908	3.97	
2,658,207	Royal London Short Duration Credit Z Inc	2,777,826	2.98	
3,069,396	Royal London Short Duration Global High Yield Bond Z Inc	2,798,983	3.00	
2,934	TCW Metwest Unconstrained Bond XGHG	2,793,999	3.00	
	Total Bonds	23,049,889	24.74	20.01
Europe (excl. UK)				
1,000,000	Alcentra European Floating Rate Income	1,017,500	1.09	
1,178,963	Montanaro European Income GBP Inc	2,164,575	2.32	
262,722	Polar Capital European Ex UK Income	2,719,169	2.92	
	Total Europe (excl. UK)	5,901,244	6.33	5.12
Global				
744	FRM Credit Alpha	540	0.00	
89,000	International Oil & Gas Technology Ltd Part Red Pref Share	-	0.00	
183,548	Kames Global Equity Neutral Markets C	1,850,568	1.99	
1,811,576	Legg Mason Rare Global Infrasrtucture X Inc	1,920,271	2.06	
478,319	Polar Capital Global Insurance Fund E Inc	2,329,077	2.50	
2,248,327	Premier Global Utilities Income C Inc	2,901,466	3.11	
227,791	*Psource Structured Debt	-	0.00	
250,000	Sequoia Infrastructure	276,250	0.30	
4,403	Westwood Strategic Global Convertibles Fund F USD	3,532,447	3.79	
	Total Global	12,810,619	13.75	12.61
Emerging Markets				
225,994	Charlemagne Magna Emerging Markets Dividend Fund B Inc	2,476,889	2.66	
	Total Emerging Markets	2,476,889	2.66	2.36

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value (£)	Total Net Assets	
			31.07.17 %	31.07.16 %
	US			
442,078	Hermes US Mid Equity Fund Class F	1,004,269	1.08	
116,264	Fidelity American Special Sits W	1,671,875	1.79	
	Total US	2,676,144	2.87	3.67
	Japan			
102,633	Coupland Cardiff Japan Income & Growth Unhedged	1,609,996	1.73	
11,660	GLG Japan Corealpha Equity I H USD	1,700,113	1.82	
374,948	Lindsell Train Japanese Equity B StrIng Inc	871,414	0.93	
442,701	Lindsell Train Japanese Equity B Yen Inc	470,924	0.51	
	Total Japan	4,652,447	4.99	4.99
	Asia Pacific			
7,251	Schroder ISF Asian Total Return GBP C Dis	2,507,912	2.69	
	Total Asia Pacific	2,507,912	2.69	2.59
	Finance			
125,000	Volta Finance LTD	843,538	0.91	
	Total Finance	843,538	0.91	3.17
	Healthcare			
1,000,000	Impact Healthcare REIT PLC	1,030,000	1.11	
210,690	Polar Capital Healthcare Blue Chip S Inc	1,843,539	1.98	
	Total Healthcare	2,873,539	3.09	-
	Property			
1,691,581	AEW UK Core Property Fund A Class	2,205,991	2.37	
1,300,000	AEW UK Long Lease REIT	1,290,250	1.38	
900,000	UK Mortgages LTD	828,000	0.89	
	Total property	4,324,241	4.64	3.52
	Private Equity			
95,668	Better Capital PCC Limited (2009)	51,661	0.06	
2,057,143	Better Capital PCC Limited (2012)	658,286	0.71	
	Total Private Equity	709,947	0.77	1.63
	Portfolio of Investments	86,947,570	93.33	87.64
	Net Current Assets	6,212,025	6.67	12.36
	Net Assets	93,159,595	100	100

The investments have been valued in accordance with note 1(b) and are authorised Collective Investment Schemes.

* not authorised Collective Investment Schemes

Statement of ACD's Responsibilities

The ACD is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") requires the Authorised Corporate Director to ensure that the financial statements for each accounting period give a true and fair view of the financial affairs of the Scheme and of the net income / expenses and of the net gains / losses on the property of the Scheme for that year.

In preparing the financial statements the ACD is required to:

- select suitable accounting policies, as described in the attached financial statements, and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- comply with the Prospectus, generally accepted accounting principles and applicable accounting standards subject to any material departures which are required to be disclosed and explained in the financial statements;
- comply with the disclosure requirements of the Statement of Recommended Practice for Financial Statements and Authorised Funds;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme and to enable them to ensure that the financial statements comply with the COLL Sourcebook. The ACD is also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The function is performed by the ACD and references to the ACD include the AIFM as applicable.

In so far as the ACD is aware:

- There is no relevant audit information of which the Scheme's auditors are unaware; and
- The ACD has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Sentinel Universal Fund of the Sentinel Fund ("the Company") for the Period Ended 31 July 2017

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from the 22nd July 2014 the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), 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, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of 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 Alternative Investment Fund Manager ("the AIFM") 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 Scheme documents and the Regulations in relation to 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 AIFM:

- (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 in accordance with the Regulations and Scheme documents of the Company.

For and on behalf of
BNY Mellon Trust & Depositary (UK) Limited
160 Queen Victoria Street
London EC4V 4LA

Manager
30 November 2017

Independent Auditor's Report

To the shareholders of Sentinel Universal Fund

Opinion

We have audited the financial statements of Sentinel Universal Fund (the Fund), for the year ending 31 July 2017 which comprise the Statement of Change in Net Assets Attributable to shareholders, the Balance Sheet, the Statement of Total Return, the related notes and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Association (the 'Statement of Recommended Practice for Authorised Funds').

This report is made solely to the shareholders of the fund, as a body, in accordance with Rule 4.5.12 of the Collective Investment Scheme Sourcebook (COLL) of the Financial Conduct Authority (FCA).

Our audit work has been undertaken so that we might state to the 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 fund and the fund's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Fund's affairs as at 31 July 2017 and of the net income and net capital gains on the property of the Fund for the year then ended;
- have been properly prepared in accordance with the Prospectus, the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority and United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Fund 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 ACD's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the ACD have 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.

Independent Auditor's Report (continued)

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. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the ACD's report and the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the ACD's report and the ACD's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the fund and its environment obtained in the course of the audit, we have not identified material misstatements in the ACD's report or the ACD's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Alternative Investment ACD remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Independent Auditor's Report (continued)

Responsibilities of Authorised Corporate Director

As explained more fully in the ACD's responsibilities statement, 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 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 ACD either intends to liquidate the Fund 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the ACD.
- Conclude on the appropriateness of the ACD's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Robert Wood
Senior Statutory Auditor
For and on behalf of Shipleys LLP
Chartered Accountants and Statutory Auditors
10 Orange Street
Haymarket
London
WC2H 7DQ

12 December 2017

Net Asset Value per Share and Comparative Tables

A Accumulation share class

Change in net assets per share	31/07/2017	31/07/2016	31/07/2015
Opening net asset value per share	163.9800	152.2900	140.0200
Return before operating charges *	22.6487	13.7400	14.5500
Operating charges	-2.3500	-2.0500	-2.2800
Return after operating charges	20.2987	11.6900	12.2700
Distribution on income shares	0.0000	0.0000	0.0000
Closing NAV per share	184.2787	163.9800	152.2900
Retained distribution on acc shares	2.5898	2.8681	1.7129

* After direct transaction costs of 0.0153 0.0317 0.0531

Performance

Return after charges 12.38% 7.68% 8.76%

Other Information

Closing net asset value (£)	9,645,350	9,524,747	12,266,487
Closing number of shares	5,234,109	5,808,706	8,054,950
OCF	1.94%	1.94%	1.94%
Direct transaction costs	0.01%	0.02%	0.03%

Prices

Highest share price (pence)	185.61	163.81	156.34
Lowest share price (pence)	161.55	142.73	136.96

A Income share class

Change in net assets per share	31/07/2017	31/07/2016	31/07/2015
Opening net asset value per share	161.6400	149.5700	137.2400
Return before operating charges *	23.3887	14.0300	16.0938
Operating charges	0.0000	-1.9600	-3.1700
Return after operating charges	23.3887	12.0700	12.9238
Distribution on income shares	-3.2925	0.0000	-0.5938
Closing NAV per share	181.7362	161.6400	149.5700

* After direct transaction costs of 0.0104 0.0285 0.0787

Performance

Return after charges 14.47% 8.07% 9.42%

Other Information

Closing net asset value (£)	12	10	11,188
Closing number of shares	6	6	7,480
OCF	1.94%	1.94%	1.94%
Direct transaction costs	0.01%	0.02%	0.03%

Prices

Highest share price (pence)	182.96	161.47	153.54
Lowest share price (pence)	159.24	140.50	134.19

Net Asset Value per Share and Comparative Tables (continued)

B Accumulation share class

Change in net assets per share	31/07/2017	31/07/2016	31/07/2015
Opening net asset value per share	168.7600	155.7900	142.4900
Return before operating charges *	23.1095	13.9100	14.5600
Operating charges	-1.0800	-0.9400	-1.2600
Return after operating charges	22.0295	12.9700	13.3000
Distribution on income shares	0.0000	0.0000	0.0000
Closing NAV per share	190.7895	168.7600	155.7900
Retained distribution on acc shares	3.7626	3.8813	2.6728

* After direct transaction costs of 0.0158 0.0325 0.0669

Performance

Return after charges 13.05% 8.33% 9.33%

Other Information

Closing net asset value (£)	82,152,853	72,943,734	92,225,960
Closing number of shares	43,059,431	43,224,021	59,200,090
OCF	1.19%	1.19%	1.19%
Direct transaction costs	0.01%	0.02%	0.03%

Prices

Highest share price (pence)	192.04	168.58	159.64
Lowest share price (pence)	166.27	146.49	139.53

B Income share class

Change in net assets per share	31/07/2017	31/07/2016	31/07/2015
Opening net asset value per share	161.8800	153.1100	148.2000
Return before operating charges *	22.0733	13.4807	8.6856
Operating charges	-1.0300	-0.9200	-1.0800
Return after operating charges	21.0433	12.5607	7.6056
Distribution on income shares	-3.5846	-3.7907	-2.6956
Closing NAV per share	179.3387	161.8800	153.1100

* After direct transaction costs of 0.0151 0.0318 0.0754

Performance

Return after charges 13.00% 8.20% 5.13%

Other Information

Closing net asset value (£)	1,361,380	1,035,304	1,065,663
Closing number of shares	759,111	639,541	696,043
OCF	1.19%	1.19%	1.19%
Direct transaction costs	0.01%	0.02%	0.03%

Prices

Highest share price (pence)	182.57	163.99	158.52
Lowest share price (pence)	159.92	142.49	145.14

Net Asset Value per Share and Comparative Tables (continued)

Risk Warning

An investment in an open-ended investment company (OEIC) should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuations in exchange rates, which can be favourable or unfavourable.

Fund Performance

The performance of the fund is shown in the ACD's Report.

Financial statements

Statement of total return

For the year ended 31 July 2017

	Notes		31.07.17		31.07.16
Income		£	£	£	£
Net capital gains/(losses)	4		8,932,360		4,119,796
Revenue	6	2,367,548		2,531,635	
Expenses	7	(595,584)		(581,017)	
Finance costs: Interest	9	(49)		(501)	
Net revenue before taxation		1,771,915		1,950,117	
Taxation	8	(1,838)		39,726	
Net revenue after taxation			1,770,077		1,989,843
Total return before distributions			10,702,437		6,109,639
Finance costs: Distribution	9		(1,770,085)		(1,989,980)
Change in net assets attributable to shareholders from investment activities			8,932,352		4,119,659

Statement of change in net assets attributable to shareholders

For the year ended 31 July 2017

		£	£	£	£
Opening net assets attributable to shareholders			83,455,740		105,569,298
Amounts receivable on issue of shares	6,612,440			6,865,643	
Amounts payable on cancellation of shares	(7,589,165)			(34,978,649)	
Dilution levy	537			-	
			(976,188)		(28,113,006)
Change in net assets attributable to shareholders from investment activities			8,932,352		4,119,659
Retained distribution on accumulation shares			1,747,691		1,879,789
Closing net assets attributable to shareholders			93,159,595		83,455,740

Balance sheet

As at 31 July 2017

	Notes		31.07.17		31.07.16
		£	£	£	£
Assets					
Investment assets			86,947,570		73,141,495
Debtors	10	610,878		1,142,215	
Bank balances		6,059,392		9,630,296	
Total other assets			6,670,270		10,772,511
Total assets			93,617,840		83,914,006
Liabilities					
Creditors	11	442,698		443,655	
Distribution payable on income shares		15,547		14,611	
Total other liabilities			458,245		458,266
Net assets attributable to shareholders			93,159,595		83,455,740

Notes to the financial statements

As at 31 July 2017

1 Accounting policies

a) Basis of accounting

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

b) Basis of valuation of investments

The investments are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting period.

c) Foreign exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing middle exchange rates ruling on that date.

d) Revenue

All income allocations and distributions declared by the managers of the underlying funds up to the accounting date are included in Income, net of attributable tax credits. The net allocations which are retained in Income are included in the fund's own income allocation. Bank and other interest receivable is accrued up to the accounting date. Equalisation on distributions received is deducted from the cost of the investment and not included in the fund's income available for distribution.

e) Expenses

The ACD's periodic charge is deducted from Income. All of the other expenses are charged against Income except for costs associated with the purchase and sale of investments which are charged against Capital.

f) Taxation

- (i) The fund is treated as a corporate shareholder with respect to its underlying holdings and its income is subject to streaming into franked and unfranked.
- (ii) Corporation tax is provided at 20% on income, other than the franked portion of distributions from collective investment schemes, after deduction of expenses.
- (iii) The charge for deferred tax is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.
- (iv) Stamp duty reserve tax suffered on surrender of shares is deducted from capital.

2 Distribution policy

Income arising from investments accumulates during each accounting period. Surplus income is allocated to shareholders in accordance with the COLL regulations. In order to conduct a controlled dividend flow to shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the period. All remaining income is distributed in accordance with the COLL regulations.

3 Risk management policies

In pursuing the investment objective, a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors, that arise directly from operations. Derivatives, such as futures or forward foreign exchange contracts, may be utilised for efficient portfolio management purposes.

Political and economic events in the major economies of the world, such as the United States, Japan and the European Union, will influence stock and securities markets worldwide.

The main risks from the fund's holding of financial instruments with the ACD's policy for managing these risks are set out below:

- i. **Credit Risk** – The fund may find that collective investment schemes in which it invests fail to settle their debts or deliver the investments purchased on a timely basis.
- ii. **Interest Rate Risk** – Debt securities may be held by the underlying investments of the fund. The Interest Rate Risk of these securities is managed by the relevant manager.
- iii. **Foreign Currency Risk** – Although the net assets of the fund are denominated in sterling, a proportion of the fund's investments in collective investment schemes have currency exposure with the effect that the balance sheet and total return can be affected by currency movements.
- iv. **Liquidity Risk** – The main liability of the fund is the cancellation of any shares that investors want to sell. Securities may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

Smaller companies by their nature, tend to have relatively modest traded share capital, and the market in such shares can, at times, prove illiquid. Shifts in investor sentiment, or the announcement of new price-sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria, and can make it difficult to establish accurate estimates of fundamental value. The dearth of accurate and meaningful information and insufficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with the low dealing volumes, can restrict the ACD's ability to execute substantial deals.

- v. **Market Price Risk** – Market Price Risk is the risk that the value of the fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rates or foreign currency movement. The Market Price Risk arises primarily from uncertainty about the future prices of financial instruments that the fund holds.

Market Price Risk represents the potential loss the fund may suffer through holding market positions in the face of price movements. This risk is generally regarded as consisting of two elements – Stock Specific Risk and Market Risk. The fund's exposure to Stock Specific Risk is reduced for equities and bonds through the holding of a diversified portfolio in accordance with the investment and borrowing powers set out in the Instrument of Incorporation.

- vi. **Counterparty Risk** – Transactions in securities entered into by the fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction.
- vii. **Fair Value of Financial Assets and Financial Liabilities** – There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

4 Net capital gains

	31.07.17 £	31.07.16 £
Proceeds from sales on investments during the year	27,631,597	65,157,897
Original cost of investments sold during the year	(23,829,615)	(60,889,404)
Gains realised on investments sold during the year	3,801,982	4,268,493
Net appreciation thereon already recognised in prior periods	(2,201,441)	(3,157,045)
Net realised appreciation for the year	1,600,541	1,111,448
Net unrealised appreciation for the year	7,315,857	3,054,656
Net gains on currency	15,962	(46,298)
Net gains on non-derivative securities	8,916,398	4,166,094
Net capital gains on investments	8,932,360	4,119,796

5 Purchases, sales and transaction costs

Collective Investment Schemes

Purchases excluding transaction costs	28,123,082	32,620,078
Commissions: 0.00% [0.00%]	-	135
Trustee transaction charges: 0.00% [0.00%]	1,010	1,051
Purchases including transaction costs	28,124,092	32,621,264

Sales excluding transaction costs	22,106,992	60,584,784
Commissions: 0.00% [0.02%]	(681)	(9,237)
Trustee transaction charges: 0.00% [0.00%]	(130)	(2,038)
Sales including transaction costs	22,106,181	60,573,509

Equities/ETFs

Purchases excluding transaction costs	4,722,773	2,578,343
Commissions: 0.00% [0.00%]	1,152	1,209
Trustee transaction charges: 0.02% [0.00%]	990	41
Purchases including transaction costs	4,724,915	2,579,593

Sales excluding transaction costs	5,525,286	4,582,350
Commissions: 0.06% [0.12%]	(3,481)	(5,481)
Trustee transaction charges: 0.00% [0.00%]	(243)	(91)
Sales including transaction costs	5,521,562	4,576,778

Trustee transaction charges have been deducted in determining net capital

Transaction charges are displayed as percentage of purchase/sale

Total commission: 0.01% [0.02%]	5,314	16,062
Total trustee transaction charges : 0.00% [0.00%]	2,373	3,222

Total charges displayed as percentage of average net asset value

Average portfolio dealing spread : 0.16% [0.13%]

6 Revenue

	31.07.17 £	31.07.16 £
UK franked dividends	906,966	806,339
UK unfranked dividends	25,440	134,840
Bond interest	128,671	146,513
Gross bond interest	217,127	163,231
Overseas franked income	197,061	236,997
Overseas gross unfranked income	821,451	990,578
Rebate of annual management charges	65,404	53,023
Bank interest	5,428	113
Total revenue	2,367,548	2,531,634

7 Expenses

Payable to the ACD, associates of the ACD and agents of either:

ACD's periodic charge	468,656	452,372
<i>Payable to the Depositary associates of the Depositary and agents of either:</i>		
Depositary's fee	48,236	46,187
Safe custody	10,350	14,231
	58,586	60,418

Other expenses:

FCA fee	165	68
Audit fee	7,570	7,460
Registration fees	24,831	10,938
Sundry charges	2,646	27
Printing costs	1,053	(5,471)
Transfer agency fee	28,910	52,513
Distribution costs	3,167	2,692
Total expenses	595,584	581,017

8 Taxation

a) Analysis of the tax charge for the year:

UK Corporation tax	-	-
Irrecoverable income tax	1,838	(39,727)
Current tax charge (note 8b)	1,838	(39,727)
Total tax charge	1,838	(39,727)

b) Factors affecting the tax charge for the year:

Net income before taxation	1,771,915	1,950,116
Corporation tax at 20%	354,383	390,023
<i>Effects of:</i>		
UK dividends	(220,805)	(208,667)
Movement in income accruals	141	-
Utilisation of excess management expenses	(133,719)	(181,356)
Irrecoverable income tax	1,838	(39,727)
Current tax charge for the year (note 8a)	1,838	(39,727)

c) Provision for deferred taxation

No provision for deferred taxation has been made in the current or prior accounting year.

d) Factors that may affect future tax changes

The fund has unutilised management expenses of £280,055 (2016: £948,650). The fund does not expect to be able to utilise this in the foreseeable future.

9 Finance costs

	31.07.17 £	31.07.16 £
Distributions		
Interim	750,508	768,991
Final	1,023,751	1,135,745
	<u>1,774,259</u>	<u>1,904,736</u>
Amounts deducted on cancellation of shares	30,930	112,464
Amounts received on issue of shares	(35,104)	(27,220)
Finance costs: Distributions	<u>1,770,085</u>	<u>1,989,980</u>
Finance costs: Interest	49	501
Total finance costs	<u>1,770,134</u>	<u>1,990,481</u>
Represented by:		
Net revenue after taxation	1,770,077	1,989,843
<i>Expenses charged to capital</i>		
Other capital expenses	-	37
Balance of revenue brought forward	26	126
Balance of revenue carried forward	(15)	(11)
Finance costs: Distributions	<u>1,770,088</u>	<u>1,989,995</u>

10 Debtors

	31.07.17 £	31.07.16 £
Amounts receivable for issue of shares	252,546	-
Amounts receivable for investment securities sold	90,000	600,858
<i>Accrued income:</i>		
UK franked dividends	-	57,855
Gross bond interest	72,869	79,357
Overseas franked dividends	13,743	153,449
Overseas gross unfranked income	24,697	203,944
Bank interest	-	703
	<u>111,309</u>	<u>495,308</u>
Prepayments	1	5
Other receivables	6,013	8,383
Taxation recoverable	151,009	37,661
Total debtors	<u>610,878</u>	<u>1,142,215</u>

11 Creditors

Amounts payable for cancellation of shares	12,210	41,645
Amounts payable for investment securities purchased	240,000	325,000
<i>Accrued expenses:</i>		
<i>Amounts payable to the ACD, associates and agents:</i>		
ACD's periodic charge	38,799	37,485
<i>Amounts payable to the Depositary, associates and agents:</i>		
Depositary's fees	4,005	3,860
Transaction charges	30	600
Safe custody fee	1,022	3,956
	<u>5,057</u>	<u>8,416</u>
Other expenses	12,712	31,109
<i>Taxation payable:</i>		
Corporation tax	133,920	-
Total creditors	<u>442,698</u>	<u>443,655</u>

12 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

13 Related party transactions

Margetts Fund Management Ltd as ACD, is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issues, and paid on cancellations are disclosed in the statement of change in net assets attributable to shareholders and note 9.

Amounts paid to Margetts Fund Management Ltd in respect of management services are disclosed in note 7 and amounts due at the end of the year in note 11.

14 Shareholders' funds

	Acc	Inc	R Acc	R Inc
Opening number of shares	5,808,706	6	43,224,021	639,541
Shares issued	29,720	-	6,390,409	160,993
Shares converted	(70,141)	-	68,099	-
Shares redeemed	(534,176)	-	(6,623,098)	(41,423)
Closing number of shares	5,234,109	6	43,059,431	759,111

15 Post balance sheet events

There were no material post balance sheet events which have a bearing on the understanding of the financial statements.

17 Fair Value Techniques

Assets	31.07.17 £	31.07.16 £
Quoted prices for identical instruments in active markets	86,947,570	73,141,495
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable data	-	-
Valuation techniques using non-observable data	-	-
	86,947,570	73,141,495

17 Risk disclosures

Debt securities may be held by the underlying investments of the fund. The Interest Rate Risk of these securities is managed by the relevant manager. The table below shows the Interest Rate Risk profile at the balance sheet date:

	31.07.17 £	31.07.16 £
Floating rate assets (pounds sterling):	6,041,316	9,630,296
Floating rate assets (euro):	17,876	-
Floating rate assets (dollars):	200	-
Assets on which interest is not paid (pounds sterling):	81,011,425	65,732,159
Assets on which interest is not paid (euro):	843,538	2,501,816
Assets on which interest is not paid (dollars):	5,232,561	5,214,834
Assets on which interest is not paid (yen):	470,924	834,901
Liabilities on which interest is not paid (pounds sterling):	(458,245)	(458,266)
Net Assets	93,159,595	83,455,740

ii. Currency risk	31.07.17 £	31.07.16 £
GBP	86,594,496	74,904,189
Euro	861,414	2,501,816
US Dollars	5,232,761	5,214,834
Japanese Yen	470,924	834,901
Net Assets	93,159,595	83,455,740

Risk disclosures (continued)

The floating rate financial assets and liabilities comprise bank balances, which earn or pay interest at rates linked to the UK base rate.

The fund has no interest bearing securities with maturity dates, other than collective investment schemes, which do not have maturity dates.

18 Periodic disclosure

As required by FUND 3.2.5R the ACD is required to disclose certain information periodically in relation to the Fund which is shown below.

At the end of the reporting period the percentage of the Fund's assets subject to special arrangements arising from their illiquid nature was 0% of the NAV.

There have been no new arrangements introduced for managing the liquidity of the Fund.

The risk characteristics of the Fund are explained in the Prospectus.

In order to assess the sensitivity of the Fund's portfolio to the risks to which the Fund is or could be exposed, Margetts Fund Management Ltd monitors relative value at risk, commitment, gross leverage and the results of stress tests.

Periodic disclosure (continued)

The ACD has set limits considered appropriate to the risk profile of the fund. Any breaches of these limits are investigated by the Margetts risk committee and appropriate action taken if necessary.

During the reporting period there have been no changes to the maximum level of leverage that the Fund can employ or any right of reuse of collateral or any guarantee granted under leveraging arrangements.

At the end of the reporting period the total amount of leverage, expressed as a ratio, calculated using the commitment approach was 1:0.93 and using the gross method was 1:0.93.

Leverage is limited to overdraft use and the gross exposure from EPM techniques. Although the ACD may use derivatives for EPM, no collateral arrangements are currently in place and no asset re-use arrangements are in place.

The Fund does not currently, and does not envisage in the future, intentionally employing leverage as a part of its investment strategy. However it does invest in some instruments, such as structured products, which embed derivatives and therefore may increase the leverage of the Fund. In addition, the Fund may experience a small amount of leverage when using its permitted 10% of net asset value short term borrowing facility used in the course of the routine settlement of positions. The maximum leverage of the Fund calculated using the 'commitment leverage' methodology has therefore been set at 1.2:1. The maximum leverage of the Fund calculated using the 'gross leverage' methodology has also been set at 1.2:1.

19 Remuneration

In accordance with the requirements of FUND 3.3.5(5) the total amount of remuneration paid by the manager to its staff for the financial year ended 30 September 2016 is:

	£
Fixed Remuneration	1,351,756
Variable Remuneration	1,573,101
Total Remuneration	<u>2,924,857</u>

Full Time Equivalent number of staff	38
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Analysis of senior management

Senior management	1,813,059
Staff whose actions may have a material impact on the funds	-
Other	-
	<u>1,813,059</u>

The remuneration for senior management has been calculated in accordance with the Remuneration Policy and is reviewed annually. The remuneration policy and, where required by the FCA, how benefits are calculated together with details of the remuneration committee can be found on the website: www.margetts.com. A paper copy of this is available free of charge upon request by writing to the compliance officer at 1 Sovereign Court, Graham Street, Birmingham B1 3JR. No material changes were made to the Policy or irregularities reported at the last review.

20 Securities Financing Transactions (SFT) and Total Return Swaps (TRS)

As at the Balance Sheet date, the amount of securities and commodities on loan as a proportion of total lendable assets is 0.00%

Distribution Table

For the year ended 31 July 2017 - in pence per share

Interim

Group 1 – shares purchased prior to 01 August 2016

Group 2 – shares purchased on or after 01 August 2016

A Accumulation shares

Units	Net Income	Equalisation	Allocated 31.03.17	Allocated 31.03.16
Group 1	1.0471	-	1.0471	1.0422
Group 2	0.0000	1.0471	1.0471	1.0422

A Income shares

Units	Net Income	Equalisation	Paid 31.03.17	Paid 31.03.16
Group 1	-	-	-	-
Group 2	-	-	-	-

B Accumulation shares

Units	Net Income	Equalisation	Allocated 31.03.17	Allocated 31.03.16
Group 1	1.6087	-	1.6087	1.5329
Group 2	1.1563	0.4524	1.6087	1.5329

B Income shares

Units	Net Income	Equalisation	Paid 31.03.17	Paid 31.03.16
Group 1	1.5365	-	1.5365	1.5061
Group 2	0.5396	0.9969	1.5365	1.5061

Final

Group 1 – shares purchased prior to 01 February 2017

Group 2 – shares purchased on or after 01 February 2017

A Accumulation shares

Units	Net Income	Equalisation	Allocating 31.10.17	Allocated 31.10.16
Group 1	1.5427	-	1.5427	1.8259
Group 2	1.4955	0.0472	1.5427	1.8259

A Income shares

Units	Net Income	Equalisation	Payable 31.10.17	Paid 31.10.16
Group 1	-	-	-	-
Group 2	-	-	-	-

B Accumulation shares

Units	Net Income	Equalisation	Allocating 31.10.17	Allocated 31.10.16
Group 1	2.1539	-	2.1539	2.3484
Group 2	1.5908	0.5631	2.1539	2.3484

B Income shares

Units	Net Income	Equalisation	Payable 31.10.17	Paid 31.10.16
Group 1	2.0481	-	2.0481	2.2846
Group 2	0.3309	1.7172	2.0481	2.2846

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It represents the accrued income included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

General Information

Valuation Point

The Valuation Point of the fund is at 12.00pm each business day. Valuations may be made at other times with the Depositary's approval.

Buying and Selling of Shares

The ACD will accept orders to buy or sell shares on normal business days between 9.00am and 5.00pm and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be made either in writing to: Margetts Fund Management Ltd, PO Box 17067, Birmingham B2 2HL or by telephone on 0345 607 6808. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Prices

The most recent mid prices of shares are published on the Margetts website at www.margetts.com.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document, Supplementary Information Document and the latest annual and interim reports may be inspected at the offices of the ACD, with a copy available, free of charge, on written request.

The register of shareholders can be inspected by shareholders during normal business hours at the offices of the Administrator.

The Head Office of the Company is at 1 Sovereign Court, Graham Street, Birmingham B1 3JR and is also the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

The base currency of the Company is pounds (£) sterling.

The maximum share capital of the Company is currently £100,000,000,000 and the minimum is £1000. Shares in the Company have no par value and therefore the share capital of the Company at all times equals the Company's current net asset value.

Shareholders who have any complaints about the operation of the fund should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory, they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR or email to: complaint.info@financial-ombudsman.org.uk or by telephone to 0800 023 4567.

Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties, to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD, requesting their removal from any such mailing list.