



Wealth
Management

Annual Report & Financial Statements

Volare UCITS Portfolios

For the year ended 31 May 2022



FUNDROCK

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* Collectively these comprise the ACD's Report.

Authorised Corporate Director's ("ACD") Report

We are pleased to present the Annual Report & Audited Financial Statements for Volare UCITS Portfolios for the year ended 31 May 2022.

Authorised Status

Volare UCITS Portfolios ("the Company") is an investment company with variable capital ("ICVC") incorporated in England and Wales under registered number IC001079 and authorised by the Financial Conduct Authority ("FCA"), with effect from 22 December 2016. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

Head Office: the Head Office of the Company is at 6th Floor, Bastion House, 140 London Wall, London, EC2Y 5DN.

The Head Office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

Structure of the Company

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Share Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Share Class.

The Company is a UK UCITS scheme.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Investment of the assets of each of the Funds must comply with the FCA's Collective Investment Schemes Sourcebook ("COLL") and the investment objective and policy of the relevant Fund.

Currently the Company has six Funds: Volare Adventurous Fund, Volare Balanced Fund, Volare Cautious Fund, Volare Defensive Fund, Volare Growth Fund and Volare Strategic Income Fund. In the future there may be other Funds established.

Under the requirements of UCITS V and the UCITS Remuneration Code, FundRock Partners ("FP"), as UK UCITS Manager, must establish and apply remuneration policies and practices for its staff that have a material impact on the risk profile of FP or the Fund. These practices must be consistent with and promote sound and effective risk management, not encourage risk taking which is inconsistent with the risk profile of the Fund as detailed in the instrument of the Fund or the prospectus and does not impair FP's compliance with its duty to act in the best interest of the Fund it manages.

Under the relevant provisions of COLL Sourcebook, FP as UK UCITS Manager, is required to disclose remuneration information on how those whose actions have a material impact on the Fund are remunerated (see page 118).

Crossholdings

There were no Shares in any Fund held by any other Fund of the Company.

Important Events during the Year

With effect from 20 November 2021, the Depositary changed from Societe General S.A. to Citibank UK Limited and the Fund Administrator changed from Societe General S.A. to Apex Fund Services UK Limited. The Custodian also changed from The Northern Trust Company, London Branch to Citibank N.A, London Branch on this date.

With effect from 22 November 2021, the FundRock Partners Limited registered address changed to 6th Floor, Bastion House, 140 London Wall, London, EC2Y 5DN.

Volare UCITS Portfolios

Authorised Corporate Director's ("ACD") Report (continued)

Important Events during the Year (continued)

As at 31 March 2022, the name of the Investment Manager changed from LGT Vestra LLP to LGT Wealth Management UK LLP.

On 14 April 2022, Volare Adventurous Fund was launched. The prospectus has been updated in accordance with this change.

On 14 April 2022, the six sub-funds of Octopus Investment Funds merged with Volare UCITS Portfolios, by way of schemes of arrangement. Shareholders in FP Octopus Investment Fund received new shares in Volare UCITS Portfolios in exchange for their original shares. The merger details are listed in the table below.

| Discontinuing Sub-Funds | Receiving Sub-Funds |
|--------------------------------------|-------------------------|
| FP Octopus Dynamic Mixed Asset Fund | Volare Cautious Fund |
| FP Octopus Fixed Income Fund | Volare Defensive Fund |
| FP Octopus Global Growth Fund | Volare Adventurous Fund |
| FP Octopus Global Strategies Fund | Volare Defensive Fund |
| FP Octopus International Equity Fund | Volare Adventurous Fund |
| FP Octopus UK Equity Fund | Volare Adventurous Fund |

Base Currency:

The base currency of the Company is Pound Sterling.

Share Capital:

The minimum Share Capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The Share Capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.

Certification of Financial Statements by Directors of the ACD For the year ended 31 May 2022

Directors' Certification

This report has been prepared in accordance with the requirements of COLL, as issued and amended by the FCA. We hereby certify and authorise for issue, the Annual Report and the Audited Financial Statements on behalf of the Directors of FundRock Partners Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the assets of the Funds consist predominantly of securities that are readily realisable, and accordingly, the Funds have adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

S. Gunson

FundRock Partners Limited

30 September 2022

Statement of the ACD's Responsibilities For the year ended 31 May 2022

The Authorised Corporate Director ("ACD") of Volare UCITS Portfolios ("Company") is responsible for preparing the Annual Report and the Audited Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the FCA's Collective Investment Schemes Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare Financial Statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the "Statement of Recommended Practice: Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014 and amended in June 2017.
- give a true and fair view of the financial position of the Company and each of its sub-funds as at the end of that year and the net revenue and expenses and the net capital losses on the property of the Company and each of its sub funds for that year.

In preparing the Financial Statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the Audited Financial Statements were approved by the Board of Directors of the ACD of the Company and authorised for issue on 30 September 2022.

Volare UCITS Portfolios

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Volare UCITS Portfolio for the year ended 31 May 2022

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority' 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 the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (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 Company's Instrument of Incorporation, and the Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.

Citibank UK Limited, London

UK Trustee and Depositary Services

30 September 2022

Independent Auditor's Report to the Shareholders of Volare UCITS Portfolios For the year ended 31 May 2022

Report on the audit of the financial statements

Opinion

In our opinion the Financial Statements of Volare UCITS Portfolios (the "Company"):

- give a true and fair view of the financial position of the 'Company' as at 31 May 2022 and of the net revenue and expense and the net capital losses on the property of the Company and its sub-funds for the year ended 31 May 2022; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution tables; and
- the related notes 1 to 18 for Volare Adventurous Fund and related notes 1 to 17 for all other sub-funds.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 as amended June 2017, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Shareholders of Volare UCITS Portfolios (continued) For the year ended 31 May 2022

Other information

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

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

We have nothing to report in this regard.

Responsibilities of Depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the Company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

Independent Auditor's Report to the Shareholders of Volare UCITS Portfolios (continued) For the year ended 31 May 2022

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's obligations under The Open-Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the FCA.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Company and the sub-funds have been kept and the Financial Statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the ACD's report for the year ended 31 May 2022 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the Financial Statements.

Independent Auditor's Report to the Shareholders of Volare UCITS Portfolios (continued) For the year ended 31 May 2022

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

Statutory Auditor
Glasgow, United Kingdom

30 September 2022

Accounting Policies and Financial Instruments For the year ended 31 May 2022

1 Accounting Basis And Policies

(a) Basis of accounting

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 "The Financial Reporting Standards Applicable in the UK and Republic of Ireland" and the "Statement of Recommended Practice: Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 and amended in June 2017.

As described in the Certification of Financial Statements by Directors of the ACD on page 5, the ACD continues to adopt the going concern basis in the preparation of the Financial Statements of the Company. The Company is able to meet all of its liabilities from its assets. The performance, marketability and risks of the Company are reviewed on a regular basis throughout the financial year. Therefore, the Directors of the ACD believe that the Company will continue in operational existence for a period of at least one year from the date of approval of the financial statements.

The preparation of Financial Statements in accordance with FRS 102 requires the ACD to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. As at 31 May 2022, there were no significant judgement or estimates involved in the determination of the values of assets and liabilities reported in these Financial Statements.

(b) Realised and unrealised gains and losses

Realised gains or losses have been calculated as the proceeds from disposal less book cost. Where realised gains or losses have arisen in previous years, a corresponding reversal of such previously recognised loss or gain is included in unrealised gains or losses.

Unrealised gain/losses are calculated with reference to the original recorded value of the asset or liability, and only the element of gain/loss within the accounting period is recorded in the Financial Statements. All unrealised and realised gains are capital in nature and do not form part of the Fund's distributable income.

(c) Recognition of revenue

Rebates of annual management charges on underlying investments are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the charge on the underlying Fund.

Distributions from Collective Investment Schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting year, is recognised as revenue no later than the date on which the reporting fund makes this information available.

(d) Treatment of stock and special dividends

The ordinary element of stock dividends received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2022

1 Accounting Basis And Policies (continued)

(d) Treatment of stock and special dividends (continued)

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

(e) Treatment of expenses

Expenses are recorded on an accrual basis but the Fund may incur additional allowable expenses which are charged as and when they are incurred.

Expenses of the Funds are charged against revenue, except for costs associated with the purchase and sale of investment which are allocated to the capital of the Funds. Expenses of Volare Strategic Income Fund are charged to capital.

(f) Allocation of revenue and expenses to multiple Share Classes and Funds

Any revenue or expenses not directly attributable to a particular Share Class or Fund will normally be allocated pro-rata to the net assets of the relevant Share Classes and Funds.

(g) Taxation

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Corporation tax is provided for on realised gains on non-reporting offshore funds less deductible expenses. Deferred tax is provided for on unrealised gains on non-reporting offshore funds less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, 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.

(h) Distribution policy

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is deducted from capital.

In addition, the portfolio transaction charges will be charged wholly to the capital of the Fund. Accordingly, the imposition of such charges may constrain the capital growth of the Fund.

The ACD has elected to pay all revenue less expenses charged to revenue and taxation annual distributions, with the exception of Volare Strategic Income Fund where distributions are paid quarterly.

Marginal tax relief for the expenses charged to capital is not taken into account when determining the amount available for distribution on the Funds.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2022

1 Accounting Basis And Policies (continued)

(i) Basis of valuation of investments

Market value is defined by the SORP as fair value which is the bid value of each security.

Collective Investment Schemes 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 year.

All investments are recognised and derecognised on trade date, and any trades that occur between valuation point and close of business are included in the Financial Statements.

Non-observable entity specific data is only used where relevant observable market data is not available. Typically this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close-ended funds and open-ended funds with restrictions on redemption rights.

(j) 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 year are translated into Sterling at the closing mid market exchange rates ruling on that date.

(k) Dilution Adjustment

The ACD may require a dilution adjustment on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution adjustment.

(l) Equalisation

Equalisation applies only to Shares purchased during the distribution period (Group 2 Shares). It represents the accrued revenue 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.

(m) Derivatives

The Funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Where the transactions are used to protect or enhance capital, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the year end are included in the Balance Sheet at their mark to market value.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2022

2 Derivatives and other financial instruments

In pursuing the investment objectives 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 currency contracts, may be utilised for hedging purposes.

The main risks from the Company's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed below:

(a) Foreign currency risk

A significant portion of the Company's assets or the underlying assets of the Collective Investment Schemes in which the Company invests may be denominated in a currency other than the base currency of the Company or Class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Shares of the relevant Fund are valued and priced.

The Company is not required to hedge its foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Company does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Company's assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Company in circumstances where no such hedging transactions are undertaken.

(b) Interest rate risk profile of financial assets and liabilities

The interest rate risk is the risk that the value of the Company's investments will fluctuate due to changes in the interest rate. Cashflows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the Company's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Company did not have any long term financial liabilities at the balance sheet date.

(c) Credit risk

The Company may find that companies in which it invests fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2022

2 Derivatives and other financial instruments (continued)

(d) Liquidity risk

Subject to the Regulations, the Company may invest up to and including 10% of the Scheme Property of the Company in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Company's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent the Company invests in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer.

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Company's ability to purchase or sell such securities at a fair price may be impaired or delayed.

(e) Market price risk

The Company invests principally in Collective Investment Schemes. The value of these investments are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Manager seeks to minimise these risks by holding a diversified portfolio of Collective Investment Schemes in line with the Company's objectives. In addition, the management of the Company complies with the FCA's COLL sourcebook, which includes rules prohibiting a holding greater than 35% of assets in any one Fund.

(f) Counterparty risk

Transactions in securities entered into by the Company 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. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

(g) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot eliminate operational risks but, through the continual review and assessment of its control environment, by monitoring and responding to potential risks, they can be managed.

High level controls include effective segregation of duties, trade confirmation checking and reconciliation procedures, incident reporting and oversight of delegated functions.

Accounting Policies and Financial Instruments (continued)

For the year ended 31 May 2022

2 Derivatives and other financial instruments (continued)

(h) Leverage

In accordance with the IA SORP, as ACD we are required to disclose any leverage of the Fund. Leverage is defined as any method by which the Fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives and in accordance with the IA SORP commitment approach (CESR/10-788)) divided by the net asset value.

The Fund's exposure is defined with reference to the 'Commitment' method. Commitment method exposure is calculated as the sum of all positions of the Fund, after netting off derivative and security positions and is disclosed within the individual Funds' Financial Statements.

(i) 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.

Volare Adventurous Fund

Investment Manager's Report For the year ended 31 May 2022

Investment Objective

The Fund aims to achieve capital growth (the increase in value of investments) whilst operating within a volatility range (variance) of between 10% and 16% over rolling 5 year periods.

The Fund's primary objective is to control volatility (variance) and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility (variance).

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 100% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 20% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

The Fund was launched on 14th April 2022 with a primary objective of achieving above average capital growth. The Fund is diversified across a range of asset classes, with a high allocation to funds investing in equities and other risk assets.

Outlook

We expect volatility to remain elevated over the coming months with sharp moves across all asset classes. The next few months will be critical in monitoring the impact of the US Federal Reserve's (the Fed) rate rises on inflation, economic growth and consumer sentiment. If the rate rises start to have an impact on wage growth, job demand and inflation, then the Fed may decide to pause the rate rises or even take a more dovish stance. This could simply be by reverting back to 0.25% rate rises instead of the mooted 0.50% or 0.75%, which some analysts expect at the next two Fed meetings. The key will lie in the inflation and growth data, but also within the Fed minutes where we will glean useful information on the future trajectory of rate rises, the terminal rate of interest, and how hawkish Fed is likely to be.

The key metric that we are looking at is whether inflation is becoming more entrenched and likely to settle at a much higher future level. If we believe that this will happen, then we would consider shifting the portfolio into assets that would be beneficiaries of this environment such as commodity producers, energy companies and gold. We continue to assess the viability of including real assets exposure in the portfolios. If recessionary indicators rise, then we would look towards Treasuries. If not, then might look towards higher yielding fixed interest exposure.

Volare Adventurous Fund

Investment Manager's Report (continued)

For the year ended 31 May 2022

Outlook (continued)

Our cash levels have been raised at a couple of points this year, in order to provide more optionality and protection. Our view is to redeploy this into the markets, where we have seen depressed levels of valuation, but only once the time is right. Whilst many of the highly valued companies have come down (typically those tech names in the US), they were at really lofty levels before the re-rating.

We expect that volatility will remain elevated over the coming months as the market digests new inflation data and the Fed tries to tackle inflation and bring economic growth down through a series of rate rises but also tries to avert a full-blown recession. We continue to have a strong preference towards high quality companies because we believe that this type of business is more resilient across the cycle and more likely to allow us to compound earnings at a suitable level of risk.

Investment Manager

LGT Wealth Management UK LLP

12 July 2022

Comparative Tables
As at 31 May 2022**A Accumulation**

| | 31/05/22 |
|--|-----------------|
| | (p) |
| Change in net assets per Share | |
| Opening net asset value per Share | 100.00 |
| Return before operating charges* | (0.19) |
| Operating charges | (1.22) |
| Return after operating charges* | (1.41) |
| Distributions | 0.00 |
| Retained distributions on accumulation | 0.00 |
| Closing net asset value per Share | 98.59 |
| * after direct transaction costs of: | 0.00 |
| Performance | |
| Return after operating charges | (1.41%) |
| Other information | |
| Closing net asset value | £39,521,928 |
| Closing number of Shares | 40,085,171 |
| Operating charges | 1.25% |
| Direct transaction costs | 0.00% |
| Prices | |
| Highest Share price | 100.79 |
| Lowest Share price | 94.32 |

Highest and lowest share prices are based on official published daily NAVs.

Share Class A Accumulation launched on 14 April 2022 at a price of 100p per share.

Volare Adventurous Fund

Performance Information As at 31 May 2022

Operating Charges

| Date | AMC* (%) | Other expenses (%) | Synthetic expense ratio** (%) | Investment Manager subsidy (%) | Transaction costs (%) | Operating Charges (%) |
|---------------|-------------|--------------------------|-------------------------------------|---|-----------------------------|-----------------------------|
| 31/05/22 | | | | | | |
| Share Class A | 0.35 | 0.31 | 0.65 | (0.07) | 0.01 | 1.25 |

* Annual Management Charge

**The methodology for calculation of synthetic expense ratio has changed. Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include closed ended vehicles such as investment trusts.

Share Class A launched on 14 April 2022, therefore there are no comparatives.

The Operating Charge is the total expenses paid by the Fund in the year, annualised, against its average Net Asset Value. This will fluctuate as underlying costs change.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio.

An operating charges cap of 0.60% for the A accumulation share class is currently in effect. This is excluding any impact from the Synthetic expense ratio. Investment manager subsidy will be provided from the sponsor to ensure operating charge ratios do not exceed these limits.

Risk and Reward Profile As at 31 May 2022



- The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a '5' on the scale. This is partly because the Fund invests in a mixture of investments, some of which have values that may fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may 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 of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Volare Adventurous Fund

Portfolio Statement As at 31 May 2022

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|--|-------------------|--------------------------|
| | Collective Investment Schemes 102.05% | | |
| 572,328 | Ardevora UK Equity | 1,341,250 | 3.39 |
| 279,572 | Artemis UK Select | 2,133,718 | 5.40 |
| 272,878 | Artemis US Extended Alpha | 888,053 | 2.25 |
| 801,859 | AXA Framlington UK Mid Cap | 960,628 | 2.43 |
| 341,990 | BlackRock European Dynamic | 786,987 | 1.99 |
| 37,835 | Eastspring Investments Japan Dynamic | 607,635 | 1.54 |
| 209,895 | Federated Hermes Asia ex-Japan Equity | 658,922 | 1.67 |
| 4,500 | Invesco EQQQ NASDAQ-100 | 1,100,610 | 2.79 |
| 115,137 | iShares Continental European Equity Index | 357,292 | 0.90 |
| 318,500 | iShares Core FTSE 100 | 2,396,075 | 6.06 |
| 2,500 | iShares Core MSCI EM IMI | 62,075 | 0.16 |
| 20,500 | iShares Core MSCI World | 1,263,620 | 3.20 |
| 14,000 | iShares EURO STOXX Small | 537,040 | 1.36 |
| 3,000 | iShares MSCI AC Far East ex-Japan | 129,300 | 0.33 |
| 3,500 | iShares MSCI Japan Small Cap | 100,674 | 0.25 |
| 497,043 | iShares North American Equity Index | 2,913,668 | 7.37 |
| 22,000 | iShares S&P SmallCap 600 | 1,426,513 | 3.61 |
| 15,000 | iShares UK Dividend | 117,270 | 0.30 |
| 643,352 | JO Hambro UK Dynamic | 2,063,873 | 5.22 |
| 357,880 | JOHCM Global Select | 1,597,933 | 4.04 |
| 299,085 | JPM US Equity Income | 835,045 | 2.11 |
| 188,930 | Jupiter UK Smaller Companies Focus | 553,585 | 1.40 |
| 241,462 | Legal & General Japan Index | 176,243 | 0.45 |
| 251,258 | Legal & General US Index | 2,156,299 | 5.46 |
| 320,060 | LF Gresham House UK Micro Cap | 642,681 | 1.63 |
| 328,016 | LF Lindsell Train UK Equity | 1,553,712 | 3.93 |
| 257,456 | LF Liontrust UK Focus | 531,107 | 1.34 |
| 12,976 | Matthews Asia Pacific Tiger | 321,795 | 0.81 |
| 16,118 | Morgan Stanley Global Brands | 2,145,087 | 5.43 |
| 5,564 | Morgan Stanley US Growth | 431,963 | 1.09 |
| 92,503 | Orbis Global Equity | 1,972,015 | 4.99 |
| 4,535 | Redwheel Global Emerging Markets | 985,846 | 2.49 |
| 7,864 | Redwheel Global Horizon | 1,859,334 | 4.70 |
| 1,849 | Redwheel Next Generation Emerging Markets | 334,549 | 0.85 |
| 2,635 | Redwheel Nissay Japan Focus | 400,706 | 1.01 |
| 8,500 | SPDR S&P US Dividend Aristocrats | 470,800 | 1.19 |
| 203,324 | TM CRUX European Special Situations | 619,265 | 1.57 |
| 4,000 | Vanguard FTSE 250 | 127,280 | 0.32 |
| 8,500 | Vanguard FTSE Developed Europe ex UK | 250,877 | 0.64 |
| 369 | Vanguard FTSE Developed World ex-UK Equity Index | 188,612 | 0.48 |
| 21,000 | Vanguard S&P 500 | 1,303,995 | 3.30 |
| 948 | Vanguard U.S. Opportunities | 1,027,594 | 2.60 |
| | | 40,331,526 | 102.05 |

Volare Adventurous Fund

Portfolio Statement (continued)

As at 31 May 2022

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|---------------------------------|-------------------|--------------------------|
| | Portfolio of investments | 40,331,526 | 102.05 |
| | Net other liabilities | (809,598) | (2.05) |
| | Net assets | 39,521,928 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

Volare Adventurous Fund launched on 14 April 2022, therefore there are no comparatives.

Gross purchases for the period 14 April 2022 to 31 May 2022: £43,685,048 (See Note 16).

Total sales net of transaction costs for the period 14 April 2022 to 31 May 2022: £2,678,107 (See Note 16).

Volare Adventurous Fund

Statement of Total Return For the year ended 31 May 2022

| | | 14/04/22 to 31/05/22* | |
|---|------|-----------------------|------------------|
| | Note | £ | £ |
| Income | | | |
| Net capital losses | 2 | | (667,839) |
| Revenue | 3 | 4,008 | |
| Expenses | 4 | (29,085) | |
| Interest paid and similar charges | 5 | (2,481) | |
| Net expense before taxation | | (27,558) | |
| Taxation | 6 | - | |
| Net expense after taxation | | | (27,558) |
| Total return before distributions | | | (695,397) |
| Distributions | 7 | | - |
| Change in net assets attributable to Shareholders from investment activities | | | (695,397) |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2022

| | | 14/04/22 to 31/05/22* | |
|--|--|-----------------------|-------------------|
| | | £ | £ |
| Opening net assets attributable to Shareholders | | | - |
| Amounts received on issue of Shares | | 44,282,595 | |
| Less: Amounts paid on cancellation of Shares | | (4,065,270) | |
| | | | 40,217,325 |
| Change in net assets attributable to Shareholders from investment activities (see above) | | | (695,397) |
| Closing net assets attributable to Shareholders | | | 39,521,928 |

*Volare Adventurous Fund launched on 14 April 2022, therefore there are no comparatives.

Volare Adventurous Fund

Balance Sheet As at 31 May 2022

| | | 31/05/22* | |
|--|------|-------------|-------------------|
| | Note | £ | £ |
| Assets | | | |
| Fixed assets: | | | |
| Investments | | | 40,331,526 |
| Current assets: | | | |
| Debtors | 8 | 2,681,466 | |
| Cash and bank balances | 9 | 98,304 | |
| Total current assets | | | 2,779,770 |
| Total assets | | | 43,111,296 |
| Liabilities | | | |
| Creditors: | | | |
| Bank overdrafts | 11 | (2,462,237) | |
| Other creditors | 10 | (1,127,131) | |
| Total creditors | | | (3,589,368) |
| Total liabilities | | | (3,589,368) |
| Net assets attributable to Shareholders | | | 39,521,928 |

*Volare Adventurous Fund launched on 14 April 2022, therefore there are no comparatives.

Volare Adventurous Fund

Notes to the Financial Statements For the period ended 31 May 2022

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 14.

| | |
|--|----------------------------------|
| 2 Net capital losses | 14/04/22 to 31/05/22* |
| | £ |
| Net capital losses during the period comprise | |
| Currency losses | (24,484) |
| Non-derivative securities | (679,422) |
| Post merger cash transfer | 36,355 |
| Transaction charges | (288) |
| Total net capital losses | (667,839) |
| 3 Revenue | 14/04/22 to 31/05/22* |
| | £ |
| Franked dividends from Collective Investment Schemes | 4,008 |
| Total revenue | 4,008 |
| 4 Expenses | 14/04/22 to 31/05/22* |
| | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | |
| AMC fees | 17,181 |
| Investment manager subsidy | (3,359) |
| Fund accounting fees | 2,092 |
| Registration fees | 2,454 |
| | 18,368 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | |
| Depositary's fees | 2,407 |
| Safe custody fees | 1,381 |
| | 3,788 |
| Other expenses | |
| Audit fees** | 6,909 |
| FCA fees | 20 |
| | 6,929 |
| Total expenses | 29,085 |

** Audit fees of £5,758 + VAT have been charged in the current period.

*Volare Adventurous Fund launched on 14 April 2022, therefore there are no comparatives.

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the period ended 31 May 2022

| 5 Interest paid and similar charges | 14/04/22 to 31/05/22* |
|--|----------------------------------|
| | £ |
| Overdraft Interest | 2,481 |
| Total Interest paid and similar charges | 2,481 |

| 6 Taxation | 14/04/22 to 31/05/22* |
|---|----------------------------------|
| | £ |
| (a) Analysis of the tax charge in the period | |
| Corporation tax | - |
| Total current tax charge (Note 6 (b)) | - |
| Deferred tax (Note 6 (c)) | - |
| Total taxation for the period | - |

(b) Factors affecting current tax charge for the period

The tax assessed for the period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% is applied to the net expense before taxation

The differences are explained below:

| | 14/04/22 to 31/05/22* |
|---|----------------------------------|
| | £ |
| Net expense before taxation | (27,558) |
| Net expense for the period multiplied by the standard rate of corporation tax | (5,512) |
| Effects of: | |
| Movement in excess management expenses | 6,313 |
| Revenue not subject to corporation tax | (801) |
| Total tax charge for the period | - |

OEIC's are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the balance sheet date in the current period.

(d) Factors that may affect future tax charges

At the period end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,313 in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the period.

*Volare Adventurous Fund launched on 14 April 2022, therefore there are no comparatives.

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the period ended 31 May 2022

7 Finance costs

Distributions

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

| | 14/04/22 to 31/05/22* |
|---|--------------------------|
| | £ |
| Final | - |
| Add: Revenue paid on cancellation of Shares | - |
| Deduct: Revenue received on issue of Shares | - |
| Net distribution for the period | - |

Reconciliation of net expense after taxation to distributions

| | |
|--|----------|
| Net expense after taxation | (27,558) |
| Expenses charged to capital | 2,436 |
| Revenue deficit | 25,122 |
| Net distribution for the period | - |

Details of the distributions per Share are set out in the distribution table on page 34.

8 Debtors

| | 31/05/22* |
|----------------------------|------------------|
| | £ |
| Sales awaiting settlement | 2,678,107 |
| Investment manager subsidy | 3,359 |
| Total debtors | 2,681,466 |

9 Cash and bank balances

| | 31/05/22* |
|-------------------------------------|---------------|
| | £ |
| Cash and bank balances | 98,304 |
| Total cash and bank balances | 98,304 |

*Volare Adventurous Fund launched on 14 April 2022, therefore there are no comparatives.

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the period ended 31 May 2022

| 10 Creditors | 31/05/22* |
|--|------------------|
| | £ |
| Amounts payable for cancellation of Shares | 1,097,578 |
| | 1,097,578 |
| <i>Accrued expenses</i> | |
| <i>Manager and Agents</i> | |
| AMC fees | 12,134 |
| Fund accounting fees | 1,500 |
| Registration fees | 2,455 |
| | 16,089 |
| <i>Depositary and Agents</i> | |
| Depositary fees | 2,406 |
| Safe custody fees | 1,381 |
| Transaction charges | 288 |
| | 4,075 |
| <i>Other accrued expenses</i> | |
| Audit fees | 6,909 |
| FCA fees | 20 |
| Overdraft interest | 2,460 |
| | 9,389 |
| Total creditors | 1,127,131 |
| 11 Bank overdrafts | 31/05/22* |
| | £ |
| Bank overdrafts | 2,462,237 |
| Total bank overdrafts | 2,462,237 |

*Volare Adventurous Fund launched on 14 April 2022, therefore there are no comparatives.

12 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the period end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the period end.

Significant Shareholdings

FundRock Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that 64.76% of the Fund's shares in issue are under the control of a single nominee and its related parties.

13 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|--------------------|----------|
| A Accumulation | 0.35 |

Each Share Class has equal rights in the event of the wind up of any Fund.

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the period ended 31 May 2022

13 Share Classes (continued)

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/21 | Issued | Cancelled | Converted | 31/05/22 |
|----------------|----------|------------|-------------|-----------|------------|
| A Accumulation | - | 44,282,632 | (4,197,461) | - | 40,085,171 |

14 Capital commitments and contingent liabilities

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

15 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets | | Total |
|--|-----------------------------|------------------------|-------------------|
| | Monetary exposures | Non-monetary exposures | |
| | £ | £ | |
| 31/05/22 | | | |
| Euro | 44 | - | 44 |
| US Dollar | 98,260 | 431,963 | 530,223 |
| Total foreign currency exposure | 98,304 | 431,963 | 530,267 |
| Sterling | (907,902) | 39,899,563 | 38,991,661 |
| Total net assets | (809,598) | 40,331,526 | 39,521,928 |

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £48,206. If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £58,919. These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)
For the period ended 31 May 2022

15 Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets | Financial assets not carrying interest | Total |
|------------------------|---------------------------------------|---|-------------------|
| | £ | £ | £ |
| 31/05/22 | | | |
| Euro | 44 | - | 44 |
| Sterling | - | 42,581,029 | 42,581,029 |
| US Dollar | 98,260 | 431,963 | 530,223 |
| Total | 98,304 | 43,012,992 | 43,111,296 |

| Currency Liabilities | Floating rate financial liabilities | Financial liabilities not carrying interest | Total |
|-----------------------------|--|--|------------------|
| | £ | £ | £ |
| 31/05/22 | | | |
| Sterling | 2,462,237 | 1,127,131 | 3,589,368 |
| Total | 2,462,237 | 1,127,131 | 3,589,368 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase | Decrease |
|------|-----------------|-----------------|
| | £ | £ |
| 2022 | 4,033,153 | 4,033,153 |

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2022, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the period ended 31 May 2022

| 16 Portfolio transaction costs | 14/04/22 to 31/05/22* | |
|--|--------------------------|-------------------|
| | £ | £ |
| Analysis of total purchase costs | | |
| Purchases in period before transaction costs | | |
| Collective Investment Schemes | 43,685,048 | |
| | 43,685,048 | |
| Commissions - Collective Investment Schemes | - | |
| Fees - Collective Investment Schemes | - | |
| Total purchase costs | | - |
| Gross purchase total | | 43,685,048 |
| Analysis of total sale costs | | |
| Gross sales in period before transaction costs | | |
| Collective Investment Schemes | 2,678,107 | |
| | 2,678,107 | |
| Commissions - Collective Investment Schemes | - | |
| Fees - Collective Investment Schemes | - | |
| Total sale costs | | - |
| Total sales net of transaction costs | | 2,678,107 |

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the period.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

| | 14/04/22 to 31/05/22* |
|---|--------------------------|
| | % |
| Transaction costs as percentage of principal amounts | |
| Purchases - Commissions | |
| Collective Investment Schemes | 0.0000% |
| Purchases - Fees | |
| Collective Investment Schemes | 0.0000% |
| | 14/04/22 to 31/05/22* |
| | % |
| Transaction costs as percentage of average net asset value | |
| Commissions | 0.0000% |
| Fees | 0.0000% |

*Volare Adventurous Fund launched on 14 April 2022, therefore there are no comparatives.

Volare Adventurous Fund

Notes to the Financial Statements (continued)

For the period ended 31 May 2022

17 Post balance sheet events

There are no post balance sheet events which require adjustments at the period end.

18 Fair value disclosure

| Valuation technique | 31/05/22* | |
|--|-------------------|-------------|
| | Assets | Liabilities |
| | £ | £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | - | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 40,331,526 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability** | - | - |
| | 40,331,526 | - |

*Volare Adventurous Fund launched on 14 April 2022, therefore there are no comparatives.

** The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Adventurous Fund

Distribution Table

As at 31 May 2022

Final Distribution in pence per Share

Group 1 Shares purchased prior to 14 April 2022

Group 2 Shares purchased on or after 14 April 2022 to 31 May 2022

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/22 (p) |
|-----------------------------------|-----------------------|---------------------|--|
| Share Class A Accumulation | | | |
| Group 1 | 0.0000 | - | 0.0000 |
| Group 2 | 0.0000 | 0.0000 | 0.0000 |

As at 31 May 2022, there was no income available for distribution to Shareholders of Share Class A Accumulation.

Volare Balanced Fund

Investment Manager's Report For the year ended 31 May 2022

Investment Objective and Policy

The Fund aims to achieve capital growth (the increase in value of investments) whilst operating within a volatility range (variance) of between 5% and 9% over rolling 5 year periods.

The Fund's primary objective is to control volatility (variance) and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility (variance).

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 75% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 60% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

In the third quarter ("Q3") of 2021 we took the decision to reduce the passive exposure within the funds by selling out of the L&G FTSE 100 tracker and instead reallocating exposure across existing holdings such as Threadneedle UK Equity Income and LF Lindsell Train UK Equity. Whilst we appreciated the need for low-cost solutions in certain markets, we felt the climate at the time favoured stock pickers.

Following this we saw a strong rally in US Treasuries as yields came down so we saw an opportunity to take some profits from the Vanguard US Government Bond fund and reduce the overall fund duration. This allocation was used to increase our holding of the Janus Henderson Absolute Return fund which provided a different return profile to both bond and equity markets.

Later in the year we made the decision to reduce duration within the Fund and take some of the profits on the US Treasury Inflation-Protected Securities ("TIPS") we were holding, reducing our allocation to the CG Dollar fund and taking up a position in the Vanguard Global Short Term Bond Index fund. This fund tracks the Bloomberg Barclays Global Aggregate Ex US MBS 1-5 Year and has an overall duration of 2.8. No other significant changes.

Coming into 2022 we reduced our exposure to Fundsmith, Blackrock Global Event Driven and Henderson Absolute Return with the intention to introduce the Ruffer Diversified Return fund, which is more active and uses a wider range of asset classes than some of our multi-asset managers. The Ruffer Diversified Return fund was added to the portfolio post 31 May 2022.

With uncertainty high at the time, we expected volatility to remain elevated and as such we decided to sell the high Beta Morgan Stanley US Advantage fund. While recent performance to this point had been poor, this was a position we had taken profits on multiple times since its inclusion as the position size grew due to strong performance. The proceeds were allocated to the Legal & General US Index fund.

Volare Balanced Fund

Investment Manager's Report (continued) For the year ended 31 May 2022

Investment Review (continued)

At the same time we sold out of BlackRock Global Event Driven due to concerns around the Merger & Acquisitions ("M&A") market over the following year. Geopolitical tensions remain high which may see a disruption to cross border activity. While this fund sits within the alternatives space it does carry some low Beta equity risk. This allocation was left in cash.

Outlook

We expect volatility to remain elevated over the coming months with sharp moves across all asset classes. The next few months will be critical in monitoring the impact of the US Federal Reserve's ("the Fed's") rate rises on inflation, economic growth and consumer sentiment. If the rate rises start to have an impact on wage growth, job demand and inflation, then the Fed may decide to pause the rate rises or even take a more dovish stance. This could simply be by reverting back to 0.25% rate rises instead of the mooted 0.50% or 0.75%, which some analysts expect at the next two Fed meetings. The key will lie in the inflation and growth data, but also within the Fed minutes where we will glean useful information on the future trajectory of rate rises, the terminal rate of interest, and how hawkish Fed is likely to be.

The key metric that we are looking at is whether inflation is becoming more entrenched and likely to settle at a much higher future level. If we believe that this will happen, then we would consider shifting the portfolio into assets that would be beneficiaries of this environment such as commodity producers, energy companies and gold. We continue to assess the viability of including real assets exposure in the portfolios. If recessionary indicators rise, then we would look towards Treasuries. If not, then might look towards higher yielding fixed interest exposure.

Our cash levels have been raised at a couple of points this year, in order to provide more optionality and protection. Our view is to redeploy this into the markets, where we have seen depressed levels of valuation, but only once the time is right. Whilst many of the highly valued companies have come down (typically those tech names in the US), they were at really lofty levels before the re-rating.

We expect that volatility will remain elevated over the coming months as the market digests new inflation data and the Fed tries to tackle inflation and bring economic growth down through a series of rate rises but also tries to avert a full-blown recession. We continue to have a strong preference towards high quality companies because we believe that this type of business is more resilient across the cycle and more likely to allow us to compound earnings at a suitable level of risk.

Investment Manager

LGT Wealth Management UK LLP
28 June 2022

Volare Balanced Fund

Comparative Tables As at 31 May 2022

| | A Accumulation | | | Z Accumulation | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31/05/22 (p) | 31/05/21 (p) | 31/05/20 (p) | 31/05/22 (p) | 31/05/21 (p) | 31/05/20 (p) |
| Change in net assets per Share | | | | | | |
| Opening net asset value per Share | 123.73 | 108.81 | 107.37 | 119.19 | 104.53 | 102.44 |
| Return before operating charges* | (4.82) | 16.39 | 2.75 | (4.71) | 15.68 | 2.98 |
| Operating charges | (1.44) | (1.47) | (1.31) | (0.96) | (1.02) | (0.89) |
| Return after operating charges* | (6.26) | 14.92 | 1.44 | (5.67) | 14.66 | 2.09 |
| Distributions | (0.69) | (1.14) | (1.12) | (1.04) | (1.41) | (1.44) |
| Retained distributions on accumulation | 0.69 | 1.14 | 1.12 | 1.04 | 1.41 | 1.44 |
| Closing net asset value per Share | 117.47 | 123.73 | 108.81 | 113.52 | 119.19 | 104.53 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Performance | | | | | | |
| Return after operating charges | (5.06%) | 13.71% | 1.34% | (4.76%) | 14.02% | 2.04% |
| Other information | | | | | | |
| Closing net asset value | £88,042,468 | £95,971,673 | £71,139,748 | £11,426,438 | £7,711,565 | £6,338,124 |
| Closing number of Shares | 74,951,765 | 77,565,106 | 65,379,983 | 10,065,532 | 6,470,002 | 6,063,738 |
| Operating charges | 1.15% | 1.21% | 1.19% | 0.80% | 0.86% | 0.85% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | | | |
| Highest Share price | 131.75 | 124.89 | 114.39 | 127.09 | 120.28 | 109.78 |
| Lowest Share price | 114.25 | 107.87 | 94.44 | 110.40 | 103.64 | 90.66 |

Highest and lowest share prices are based on official published daily NAVs.

Volare Balanced Fund

Performance Information As at 31 May 2022

Operating Charges

| | AMC* (%) | Other expenses (%) | Synthetic expense ratio** (%) | Operating Charges (%) |
|---------------|-------------|--------------------------|-------------------------------------|-----------------------------|
| 31/05/22 | | | | |
| Share Class A | 0.35 | 0.15 | 0.65 | 1.15 |
| Share Class Z | 0.00 | 0.15 | 0.65 | 0.80 |
| 31/05/21 | | | | |
| Share Class A | 0.35 | 0.17 | 0.69 | 1.21 |
| Share Class Z | 0.00 | 0.17 | 0.69 | 0.86 |

* Annual Management Charge

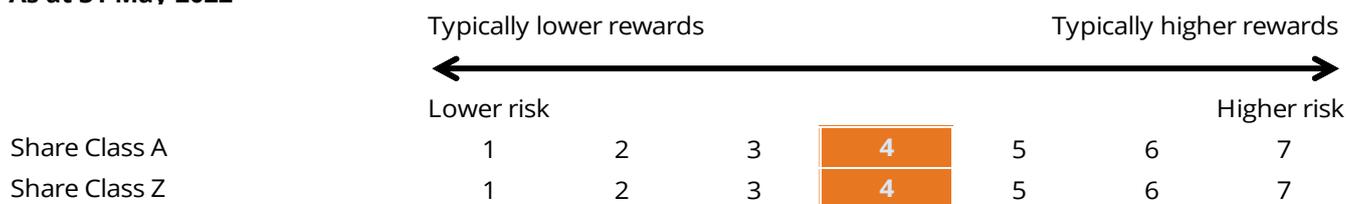
**The methodology for calculation of synthetic expense ratio has changed. Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include closed ended vehicles such as investment trusts.

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio.

An operating charges cap of 0.60% for the A accumulation share class and 0.25% for the Z accumulation share class is currently in effect. This is excluding any impact from the Synthetic expense ratio. Investment manager subsidy will be provided from the sponsor to ensure operating charge ratios do not exceed these limits.

Risk and Reward Profile As at 31 May 2022



- The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a '4' on the scale. This is partly because the Fund invests in a mixture of investments, some of which have values that may fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may 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 of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Volare Balanced Fund

Portfolio Statement As at 31 May 2022

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|---|-------------------|--------------------------|
| Collective Investment Schemes 94.76% [97.61%] | | | |
| 3,562,674 | Allianz Strategic Bond | 4,197,899 | 4.22 |
| 1,831,673 | AXA US Short Duration High Yield | 2,754,836 | 2.77 |
| 286,477 | Brown Advisory Global Leaders | 3,601,011 | 3.62 |
| 1,578,114 | ES AllianceBernstein Sustainable US Equity | 1,980,534 | 1.99 |
| 1,084 | Federated Hermes Sterling Cash Plus | 116,120 | 0.12 |
| 1,648,720 | Fidelity Global Dividend | 4,789,531 | 4.81 |
| 492,520 | Fundsmith Equity | 2,832,827 | 2.85 |
| 1,222,667 | Janus Henderson Absolute Return | 2,180,016 | 2.19 |
| 6,820,608 | Jupiter Strategic Bond | 6,581,886 | 6.62 |
| 513,286 | Legal & General US Index | 4,405,024 | 4.43 |
| 2,218,787 | LF Lindsell Train UK Equity | 4,313,544 | 4.34 |
| 7,394,927 | LF Ruffer Diversified Return | 7,900,001 | 7.94 |
| 3,868,673 | Liontrust Special Situations | 4,610,298 | 4.63 |
| 39,660 | Morgan Stanley Asia Opportunity | 762,663 | 0.77 |
| 75,578 | Morgan Stanley Asia Opportunity | 1,784,493 | 1.79 |
| 271,070 | Morgan Stanley Global Brands | 4,282,904 | 4.30 |
| 142,829 | Morgan Stanley US Advantage | 1,961,042 | 1.97 |
| 32,083 | Muzinich Global Tactical Credit | 3,209,250 | 3.23 |
| 7,369 | Schroder International Selection Asian Total Return | 3,079,499 | 3.10 |
| 374,012 | Stewart Investors Asia Pacific Leaders Sustainability | 3,640,329 | 3.66 |
| 194,867 | T. Rowe US Smaller Companies Equity | 3,587,495 | 3.61 |
| 3,615,345 | TB Evenlode Global Income | 5,549,193 | 5.58 |
| 1,323,794 | Threadneedle UK Equity Income | 4,699,470 | 4.72 |
| 3,004,794 | Trojan | 3,857,854 | 3.88 |
| 41,745 | Vanguard Global Short-Term Bond Index | 4,455,896 | 4.48 |
| 29,472 | Vanguard U.S. Government Bond Index | 3,119,973 | 3.14 |
| | | 94,253,588 | 94.76 |
| Portfolio of investments | | 94,253,588 | 94.76 |
| Net other assets | | 5,215,318 | 5.24 |
| Net assets | | 99,468,906 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

Comparative figures shown above in square brackets relate to 31 May 2021.

Gross purchases for the year: £32,778,864 [2021: £70,282,387] (See Note 15).

Total sales net of transaction costs for the year: £34,762,792 [2021: £57,013,277] (See Note 15).

Volare Balanced Fund

Statement of Total Return For the year ended 31 May 2022

| | Note | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|---|------|----------------------|--------------------|----------------------|-------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (5,945,968) | | 10,432,661 |
| Revenue | 3 | 1,134,270 | | 1,397,830 | |
| Expenses | 4 | (506,964) | | (444,558) | |
| Interest paid and similar charges | 5 | (2,656) | | (927) | |
| Net revenue before taxation | | 624,650 | | 952,345 | |
| Taxation | 6 | (5,321) | | (59,320) | |
| Net revenue after taxation | | | 619,329 | | 893,025 |
| Total return before distributions | | | (5,326,639) | | 11,325,686 |
| Distributions | 7 | | (620,033) | | (894,489) |
| Change in net assets attributable to Shareholders from investment activities | | | (5,946,672) | | 10,431,197 |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2022

| | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|--|----------------------|-------------------|----------------------|--------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | 103,683,238 | | 77,477,872 |
| Amounts received on issue of Shares | 17,684,433 | | 24,901,603 | |
| Less: Amounts paid on cancellation of Shares | (16,574,840) | | (10,104,857) | |
| | | 1,109,593 | | 14,796,746 |
| Change in net assets attributable to Shareholders from investment activities (see above) | | (5,946,672) | | 10,431,197 |
| Retained distribution on accumulation Shares | | 622,747 | | 977,423 |
| Closing net assets attributable to Shareholders | | 99,468,906 | | 103,683,238 |

Volare Balanced Fund

Balance Sheet As at 31 May 2022

| | | 31/05/22 | | 31/05/21 | |
|--|------|-----------|-------------------|-----------|--------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | | 94,253,588 | | 101,204,487 |
| Current assets: | | | | | |
| Debtors | 8 | 96,391 | | 756,511 | |
| Cash and bank balances | 9 | 5,325,231 | | 1,857,129 | |
| Total current assets | | | 5,421,622 | | 2,613,640 |
| Total assets | | | 99,675,210 | | 103,818,127 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Other creditors | 10 | (206,304) | | (134,889) | |
| Total creditors | | | (206,304) | | (134,889) |
| Total liabilities | | | (206,304) | | (134,889) |
| Net assets attributable to Shareholders | | | | | |
| | | | 99,468,906 | | 103,683,238 |

Volare Balanced Fund

Notes to the Financial Statements For the year ended 31 May 2022

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 14.

| 2 Net capital (losses)/gains | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Net capital (losses)/gains during the year comprise | | |
| Currency gains | 24,593 | - |
| Non-derivative securities | (5,968,689) | 10,434,358 |
| Rebates from underlying investments | - | (12) |
| Transaction charges | (1,872) | (1,685) |
| Total net capital (losses)/gains | (5,945,968) | 10,432,661 |
| 3 Revenue | | |
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| Bank interest | - | 789 |
| Franked dividends from Collective Investment Schemes | 518,376 | 910,655 |
| Interest income from Collective Investment Schemes | 355,517 | 485,029 |
| Offshore funds dividends | 79,671 | - |
| Offshore funds interest | 181,101 | - |
| Rebates (refunded) / received from underlying funds | (395) | 1,357 |
| Total revenue | 1,134,270 | 1,397,830 |
| 4 Expenses | | |
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 343,443 | 291,489 |
| Fund accounting fees | 26,119 | 25,335 |
| Registration fees | 47,987 | 42,521 |
| | 417,549 | 359,345 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 40,627 | 43,438 |
| Safe custody fees | 27,305 | 23,391 |
| | 67,932 | 66,829 |
| Other expenses | | |
| Audit fees* | 11,201 | 9,469 |
| EMX/Calastone fees | 5,604 | 8,870 |
| FCA fees | 96 | 45 |
| Legal fees | 3,591 | - |
| LEI licence fee | 78 | - |
| Printing, postage, stationery and typesetting costs | 913 | - |
| | 21,483 | 18,384 |
| Total expenses | 506,964 | 444,558 |

* Audit fees of £9,325 + VAT have been charged in the current year (2021: £7,900 + VAT).

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

| 5 Interest paid and similar charges | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Overdraft Interest | 2,656 | 927 |
| Total Interest paid and similar charges | 2,656 | 927 |

| 6 Taxation | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|---------------------------------|---------------------------------|
| | £ | £ |
| (a) Analysis of the tax charge in the year | | |
| Corporation tax | 5,321 | 59,320 |
| Total current tax charge (Note 6 (b)) | 5,321 | 59,320 |
| Deferred tax (Note 6 (c)) | - | - |
| Total taxation for the year | 5,321 | 59,320 |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2021: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|---------------------------------|---------------------------------|
| | £ | £ |
| Net revenue before taxation | 624,650 | 952,345 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 124,930 | 190,469 |
| Effects of: | | |
| Movement in excess management expenses | - | (6,506) |
| Revenue not subject to corporation tax | (119,609) | (124,643) |
| Total tax charge for the year | 5,321 | 59,320 |

OEIC's are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the balance sheet date in the current year (2021:Nil).

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

7 Finance costs

Distributions

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

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Final | 622,605 | 977,423 |
| Add: Revenue paid on cancellation of Shares | 70,017 | 63,111 |
| Deduct: Revenue received on issue of Shares | (72,589) | (146,045) |
| Net distribution for the year | 620,033 | 894,489 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|----------------|----------------|
| Net revenue after taxation | 619,329 | 893,025 |
| Expenses charged to capital | 2,190 | - |
| Net movement in revenue account | (1,486) | - |
| Revenue deficit | - | 1,464 |
| Net distribution for the year | 620,033 | 894,489 |

Details of the distributions per Share are set out in the distribution table on page 50.

8 Debtors

| | 31/05/22 | 31/05/21 |
|---|---------------|----------------|
| | £ | £ |
| Accrued revenue | - | 41,396 |
| Amounts due for rebates from underlying funds | - | 395 |
| Amounts receivable for creation of Shares | 96,391 | 714,720 |
| Total debtors | 96,391 | 756,511 |

9 Cash and bank balances

| | 31/05/22 | 31/05/21 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Cash and bank balances | 5,325,231 | 1,857,129 |
| Total cash and bank balances | 5,325,231 | 1,857,129 |

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

| 10 Creditors | 31/05/22 | 31/05/21 |
|--|-----------------|-----------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 109,374 | 21,030 |
| Corporation tax payable | 5,443 | 59,320 |
| | 114,817 | 80,350 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fees | 26,043 | 28,292 |
| Fund accounting fees | 2,097 | 2,615 |
| Registration fees | 32,188 | 7,742 |
| | 60,328 | 38,649 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 5,011 | 4,195 |
| Safe custody fees | 13,750 | 2,182 |
| Transaction charges | 1,188 | - |
| | 19,949 | 6,377 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 11,190 | 9,469 |
| FCA fees | 20 | 44 |
| | 11,210 | 9,513 |
| | | |
| Total creditors | 206,304 | 134,889 |

11 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

12 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|--------------------|----------|
| A Accumulation | 0.35 |
| Z Accumulation | 0.00 |

Each Share Class has equal rights in the event of the wind up of any Fund.

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/21 | Issued | Cancelled | Converted | 31/05/22 |
|----------------|-----------------|---------------|------------------|------------------|-----------------|
| A Accumulation | 77,565,106 | 5,281,573 | (7,894,914) | - | 74,951,765 |
| Z Accumulation | 6,470,002 | 4,328,878 | (733,348) | - | 10,065,532 |

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

13 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: Nil).

14 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets | | Total |
|--|-----------------------------|------------------------|-------------------|
| | Monetary exposures | Non-monetary exposures | |
| | £ | £ | |
| 31/05/22 | | | |
| US Dollar | 218,401 | 1,784,493 | 2,002,894 |
| Total foreign currency exposure | 218,401 | 1,784,493 | 2,002,894 |
| Sterling | 4,996,917 | 92,469,095 | 97,466,012 |
| Total net assets | 5,215,318 | 94,253,588 | 99,468,906 |

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £182,081 (2021: £Nil). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £222,544 (2021: £Nil). These calculations assume all other variables remain constant.

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

14 Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency | Floating rate financial assets £ | Financial assets not carrying interest £ | Total £ |
|--------------------|--|---|--------------------|
| Assets | | | |
| 31/05/22 | | | |
| Sterling | 5,106,830 | 92,565,486 | 97,672,316 |
| US Dollar | 218,401 | 1,784,493 | 2,002,894 |
| Total | 5,325,231 | 94,349,979 | 99,675,210 |
| 31/05/21 | | | |
| Sterling | 1,857,129 | 97,771,671 | 99,628,800 |
| US Dollar | - | 4,189,327 | 4,189,327 |
| Total | 1,857,129 | 101,960,998 | 103,818,127 |
| Liabilities | | | |
| Currency | Floating rate financial liabilities £ | Financial liabilities not carrying interest £ | Total £ |
| 31/05/22 | | | |
| Sterling | - | 206,304 | 206,304 |
| Total | - | 206,304 | 206,304 |
| 31/05/21 | | | |
| Sterling | - | 134,889 | 134,889 |
| Total | - | 134,889 | 134,889 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase £ | Decrease £ |
|------|---------------|---------------|
| 2022 | 9,425,359 | 9,425,359 |
| 2021 | 10,120,449 | 10,120,449 |

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

14 Derivatives and other financial instruments (continued)

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2022, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

| 15 Portfolio transaction costs | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|---|-------------------------|-------------------|-------------------------|-------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs: | | | | |
| Collective Investment Schemes | | 32,778,864 | | 70,282,387 |
| | | <u>32,778,864</u> | | <u>70,282,387</u> |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | | 32,778,864 | | 70,282,387 |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs: | | | | |
| Collective Investment Schemes | | 34,762,792 | | 57,013,277 |
| | | <u>34,762,792</u> | | <u>57,013,277</u> |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | | 34,762,792 | | 57,013,277 |

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

15 Portfolio transaction costs (continued)

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| Transaction costs as percentage of principal amounts | % | % |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| Transaction costs as percentage of average net asset value | % | % |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

16 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

17 Fair value disclosure

| | 31/05/22 | | 31/05/21 | |
|--|-------------------|--------------------|--------------------|--------------------|
| Valuation technique | Assets | Liabilities | Assets | Liabilities |
| | £ | £ | £ | £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | - | - | - | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 94,253,588 | - | 101,204,487 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 94,253,588 | - | 101,204,487 | - |

** The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Balanced Fund

Distribution Table

As at 31 May 2022

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2021

Group 2 Shares purchased on or after 1 June 2021 to 31 May 2022

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/22 (p) | Distribution paid 31/07/21 (p) |
|-----------------------------------|-----------------------|---------------------|--|---|
| Share Class A Accumulation | | | | |
| Group 1 | 0.6907 | - | 0.6907 | 1.1421 |
| Group 2 | 0.3104 | 0.3803 | 0.6907 | 1.1421 |
| Share Class Z Accumulation | | | | |
| Group 1 | 1.0423 | - | 1.0423 | 1.4142 |
| Group 2 | 0.2352 | 0.8071 | 1.0423 | 1.4142 |

Volare Cautious Fund

Investment Manager's Report For the year ended 31 May 2022

Investment Objective

The Fund aims to achieve capital growth (the increase in value of investments) whilst operating within a volatility range (variance) of between 4% and 7% over rolling 5 year periods.

The Fund's primary objective is to control volatility (variance) and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility (variance).

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 55% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 70% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

In the third quarter ("Q3") of 2021 we took a decision to sell the Artemis US Absolute Return fund, switching into the Janus Henderson Absolute Return fund. Whilst the Artemis fund had been able to generate very low levels of correlation compared to other risk assets, performance had been lacklustre and it had failed to meet its investment objective. Along with this, transaction costs had sharply increased meaning the fund was no longer a viable hold. At the same time we also chose to reduce the passive exposure within the Fund, reallocating the L&G FTSE 100 tracker across existing holdings such as Threadneedle UK Equity Income and LF Lindsell Train UK Equity.

Following this we saw a strong rally in US Treasuries as yields came down so we saw an opportunity to take some profits from the Vanguard US Government Bond fund and reduce the overall Fund duration. We did the same with the CG Dollar fund, instead initiating a position in the Vanguard Global Short Term Bond Index. This fund tracks the Bloomberg Barclays Global Aggregate Ex US MBS 1-5 Year and has an overall duration of 2.8. There were no other significant changes noted to the Fund during the year.

Coming into 2022 we reduced our exposure to Fundsmith, Blackrock Global Event Driven and Henderson Absolute Return to introduce the LF Ruffer Diversified Return fund, which is more active and uses a wider range of asset classes than some of our multi-asset managers.

With uncertainty high at the time, we expected volatility to remain elevated and as such we decided to sell the high Beta Morgan Stanley US Advantage fund. While recent performance to this point had been poor, this was a position we had taken profits on multiple times since its inclusion as the position size grew due to strong performance. The proceeds were allocated to the Legal & General US Index fund.

Volare Cautious Fund

Investment Manager's Report (continued)

For the year ended 31 May 2022

Investment Review (continued)

At the same time we sold out of BlackRock Global Event Driven due to concerns around the Merger & Acquisitions ("M&A") market over the following year. Geopolitical tensions remain high which may see a disruption to cross border activity. While this fund sits within the alternatives space it does carry some low Beta equity risk. This allocation was used to increase our holding in Janus Henderson Absolute Return.

Outlook

We expect volatility to remain elevated over the coming months with sharp moves across all asset classes. The next few months will be critical in monitoring the impact of the US Federal Reserve's ("the Fed") rate rises on inflation, economic growth and consumer sentiment. If the rate rises start to have an impact on wage growth, job demand and inflation, then the Fed may decide to pause the rate rises or even take a more dovish stance. This could simply be by reverting back to 0.25% rate rises instead of the mooted 0.50% or 0.75%, which some analysts expect at the next two Fed meetings. The key will lie in the inflation and growth data, but also within the Fed minutes where we will glean useful information on the future trajectory of rate rises, the terminal rate of interest, and how hawkish Fed is likely to be.

The key metric that we are looking at is whether inflation is becoming more entrenched and likely to settle at a much higher future level. If we believe that this will happen, then we would consider shifting the portfolio into assets that would be beneficiaries of this environment such as commodity producers, energy companies and gold. We continue to assess the viability of including real assets exposure in the portfolios. If recessionary indicators rise, then we would look towards Treasuries. If not, then might look towards higher yielding fixed interest exposure.

Our cash levels have been raised at a couple of points this year, in order to provide more optionality and protection. Our view is to redeploy this into the markets, where we have seen depressed levels of valuation, but only once the time is right. Whilst many of the highly valued companies have come down (typically those tech names in the US), they were at really lofty levels before the re-rating.

We expect that volatility will remain elevated over the coming months as the market digests new inflation data and the Fed tries to tackle inflation and bring economic growth down through a series of rate rises but also tries to avert a full-blown recession. We continue to have a strong preference towards high quality companies because we believe that this type of business is more resilient across the cycle and more likely to allow us to compound earnings at a suitable level of risk.

Investment Manager

LGT Wealth Management UK LLP

28 June 2022

Volare Cautious Fund

Comparative Tables As at 31 May 2022

| | A Accumulation | | | Z Accumulation | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31/05/22 (p) | 31/05/21 (p) | 31/05/20 (p) | 31/05/22 (p) | 31/05/21 (p) | 31/05/20 (p) |
| Change in net assets per Share | | | | | | |
| Opening net asset value per Share | 119.39 | 110.36 | 108.63 | 114.23 | 105.29 | 103.04 |
| Return before operating charges* | (2.13) | 10.43 | 3.06 | (2.08) | 9.89 | 3.16 |
| Operating charges | (1.16) | (1.40) | (1.33) | (0.71) | (0.95) | (0.91) |
| Return after operating charges* | (3.29) | 9.03 | 1.73 | (2.79) | 8.94 | 2.25 |
| Distributions | (0.62) | (1.32) | (1.14) | (1.31) | (1.57) | (1.39) |
| Retained distributions on accumulation | 0.62 | 1.32 | 1.14 | 1.31 | 1.57 | 1.39 |
| Closing net asset value per Share | 116.10 | 119.39 | 110.36 | 111.44 | 114.23 | 105.29 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Performance | | | | | | |
| Return after operating charges | (2.76%) | 8.18% | 1.59% | (2.44%) | 8.49% | 2.18% |
| Other information | | | | | | |
| Closing net asset value | £68,290,988 | £51,839,527 | £46,854,302 | £742,464 | £1,200,450 | £1,047,689 |
| Closing number of Shares | 58,822,691 | 43,420,574 | 42,457,472 | 666,262 | 1,050,901 | 995,048 |
| Operating charges | 0.96% | 1.19% | 1.20% | 0.61% | 0.84% | 0.85% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | | | |
| Highest Share price | 125.93 | 119.77 | 114.23 | 120.65 | 114.56 | 108.90 |
| Lowest Share price | 113.84 | 109.70 | 99.41 | 109.26 | 104.68 | 94.80 |

Highest and lowest share prices are based on official published daily NAVs.

Volare Cautious Fund

Performance Information As at 31 May 2022

Operating Charges

| Date | AMC* (%) | Other expenses (%) | Synthetic expense ratio** (%) | Operating Charges (%) |
|---------------|-------------|--------------------------|-------------------------------------|-----------------------------|
| 31/05/22 | | | | |
| Share Class A | 0.35 | 0.18 | 0.43 | 0.96 |
| Share Class Z | 0.00 | 0.18 | 0.43 | 0.61 |
| 31/05/21 | | | | |
| Share Class A | 0.35 | 0.21 | 0.63 | 1.19 |
| Share Class Z | 0.00 | 0.21 | 0.63 | 0.84 |

* Annual Management Charge

**The methodology for calculation of synthetic expense ratio has changed. Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include closed ended vehicles such as investment trusts.

The Operating Charge is the total expenses paid by the Fund in the year, annualised, against its average Net Asset Value. This will fluctuate as underlying costs change.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio.

An operating charges cap of 0.60% for the A accumulation share class and 0.25% for the Z accumulation share class is currently in effect. This is excluding any impact from the Synthetic expense ratio. Investment manager subsidy will be provided from the sponsor to ensure operating charge ratios do not exceed these limits.

Risk and Reward Profile As at 31 May 2022

| | Typically lower rewards | | | Typically higher rewards | | | |
|---------------|-------------------------|---|---|--------------------------|---|---|-------------|
| | ←—————→ | | | | | | |
| | Lower risk | | | | | | Higher risk |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share Class Z | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a '4' on the scale. This is partly because the Fund invests in a mixture of investments, whose values do not fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may 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 of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Volare Cautious Fund

Portfolio Statement As at 31 May 2022

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|---|-------------------|--------------------------|
| Collective Investment Schemes 99.26% [98.62%] | | | |
| 1,858,330 | Allianz Strategic Bond | 2,189,670 | 3.17 |
| 1,831,061 | AXA US Short Duration High Yield | 2,753,915 | 3.99 |
| 117,502 | Brown Advisory Global Leaders | 1,477,000 | 2.14 |
| 15,528 | CG Absolute Return | 2,201,715 | 3.19 |
| 1,355,536 | ES AllianceBernstein Sustainable US Equity | 1,701,198 | 2.46 |
| 3,111 | Federated Hermes Sterling Cash Plus | 333,243 | 0.48 |
| 773,704 | Fidelity Global Dividend | 2,247,609 | 3.26 |
| 362,612 | Fundsmith Equity | 2,085,633 | 3.02 |
| 6,000 | Invesco AT1 Capital Bond | 226,710 | 0.33 |
| 2,250 | Invesco EQQQ NASDAQ-100 | 550,305 | 0.80 |
| 12,600 | iShares Core £ Corporate Bond | 1,680,462 | 2.43 |
| 283,000 | iShares Core FTSE 100 | 2,129,009 | 3.08 |
| 60,000 | iShares Core MSCI EM IMI | 1,489,800 | 2.16 |
| 17,500 | iShares Core MSCI Japan IMI | 613,200 | 0.89 |
| 399,844 | iShares Corporate Bond Index | 632,474 | 0.92 |
| 7,500 | iShares J.P. Morgan EM Local Government Bond | 269,929 | 0.39 |
| 15,000 | iShares MSCI AC Far East ex-Japan | 646,500 | 0.94 |
| 873,338 | iShares UK Equity Index | 1,321,448 | 1.91 |
| 371,605 | iShares UK Gilts All Stocks Index | 606,720 | 0.88 |
| 1,172,099 | Janus Henderson Absolute Return | 2,089,852 | 3.03 |
| 3,417,082 | Jupiter Strategic Bond | 3,297,485 | 4.78 |
| 250,620 | Legal & General European Index | 1,333,046 | 1.93 |
| 713,634 | Legal & General UK Index | 2,601,198 | 3.77 |
| 378,613 | Legal & General US Index | 3,249,257 | 4.71 |
| 512,668 | LF Lindsell Train UK Equity | 996,679 | 1.44 |
| 2,332,286 | LF Ruffer Diversified Return | 2,491,581 | 3.61 |
| 1,705,119 | Liontrust Special Situations | 2,031,990 | 2.94 |
| 13,500 | Lyxor Core UK Government Bond | 1,654,695 | 2.40 |
| 12,479 | Muzinich Emerging Markets Short Duration | 1,190,886 | 1.72 |
| 19,622 | Muzinich Global Tactical Credit | 1,962,745 | 2.84 |
| 2,221 | Schroder International Selection Asian Total Return | 928,082 | 1.34 |
| 157,862 | Stewart Investors Asia Pacific Leaders Sustainability | 1,536,498 | 2.23 |
| 1,335,851 | TB Evenlode Global Income | 2,050,397 | 2.97 |
| 4,365 | Threadneedle UK Equity Income | 6,571 | 0.01 |
| 513,147 | Threadneedle UK Equity Income L Acc | 1,821,671 | 2.64 |
| 1,764,718 | Trojan | 2,265,721 | 3.28 |
| 42,000 | Vanguard FTSE 250 | 1,336,440 | 1.94 |
| 26,257 | Vanguard Global Corporate Bond Index | 2,669,529 | 3.87 |
| 18,082 | Vanguard Global Short-Term Bond Index | 1,930,085 | 2.80 |
| 10,332 | Vanguard S&P 500 | 641,565 | 0.93 |
| 26,887 | Vanguard U.S. Government Bond Index | 2,846,336 | 4.12 |
| 96,000 | Xtrackers II Global Government Bond | 2,431,680 | 3.52 |
| | | 68,520,529 | 99.26 |

Volare Cautious Fund

Portfolio Statement (continued)

As at 31 May 2022

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|---------------------------------|-------------------|--------------------------|
| | Portfolio of investments | 68,520,529 | 99.26 |
| | Net other assets | 512,923 | 0.74 |
| | Net assets | 69,033,452 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

Comparative figures shown above in square brackets relate to 31 May 2021.

Gross purchases for the year: £38,139,853 [2021: £36,789,970] (See Note 15).

Total sales net of transaction costs for the year: £20,563,767 [2021: £35,985,150] (See Note 15).

Volare Cautious Fund

Statement of Total Return For the year ended 31 May 2022

| | Note | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|---|------|----------------------|--------------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (1,993,733) | | 3,396,680 |
| Revenue | 3 | 751,248 | | 927,232 | |
| Expenses | 4 | (293,458) | | (276,425) | |
| Interest paid and similar charges | 5 | (4,887) | | (1,315) | |
| Net revenue before taxation | | 452,903 | | 649,492 | |
| Taxation | 6 | (32,320) | | (70,566) | |
| Net revenue after taxation | | | 420,583 | | 578,926 |
| Total return before distributions | | | (1,573,150) | | 3,975,606 |
| Finance costs: Distributions | 7 | | (424,521) | | (578,927) |
| Change in net assets attributable to Shareholders from investment activities | | | (1,997,671) | | 3,396,679 |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2022

| | | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|--|--|----------------------|-------------------|----------------------|-------------------|
| | | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | | 53,039,977 | | 47,901,991 |
| Amounts received on issue of Shares | | 30,166,059 | | 10,054,133 | |
| Less: Amounts paid on cancellation of Shares | | (12,551,192) | | (8,904,230) | |
| | | | 17,614,867 | | 1,149,903 |
| Change in net assets attributable to Shareholders from investment activities (see above) | | | (1,997,671) | | 3,396,679 |
| Retained distribution on accumulation Shares | | | 376,279 | | 591,404 |
| Closing net assets attributable to Shareholders | | | 69,033,452 | | 53,039,977 |

Volare Cautious Fund

Balance Sheet As at 31 May 2022

| | | 31/05/22 | | 31/05/21 | |
|--|------|-----------|-------------------|-----------|-------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | | 68,520,529 | | 52,309,392 |
| Current assets: | | | | | |
| Debtors | 8 | - | | 100,595 | |
| Cash and bank balances | 9 | 1,272,325 | | 1,056,648 | |
| Total current assets | | | 1,272,325 | | 1,157,243 |
| Total assets | | | 69,792,854 | | 53,466,635 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Other creditors | 10 | (759,402) | | (426,658) | |
| Total creditors | | | (759,402) | | (426,658) |
| Total liabilities | | | (759,402) | | (426,658) |
| Net assets attributable to Shareholders | | | | | |
| | | | 69,033,452 | | 53,039,977 |

Volare Cautious Fund

Notes to the Financial Statements

For the year ended 31 May 2022

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 14.

| 2 Net capital (losses)/gains | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|---------------------------------|---------------------------------|
| | £ | £ |
| Net capital gains during the year comprise | | |
| Currency gains | 115 | - |
| Non-derivative securities | (1,985,579) | 3,398,723 |
| Post merger cash transfer | (6,541) | - |
| Rebates from underlying investments | - | (13) |
| Transaction charges | (1,728) | (2,030) |
| Total net capital (losses)/gains | (1,993,733) | 3,396,680 |

| 3 Revenue | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Bank interest | - | 1,054 |
| Franked dividends from Collective Investment Schemes | 217,718 | 212,867 |
| Interest income from Collective Investment Schemes | 260,881 | 401,162 |
| Offshore funds dividends | 73,586 | 311,551 |
| Offshore funds interest | 199,241 | - |
| Rebates (refunded) / received from underlying funds | (178) | 598 |
| Total revenue | 751,248 | 927,232 |

Volare Cautious Fund

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

| 4 Expenses | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 189,771 | 171,910 |
| Fund accounting fees | 17,919 | 20,518 |
| Registration fees | 30,708 | 30,185 |
| | 238,398 | 222,613 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 21,128 | 24,155 |
| Safe custody fees | 13,931 | 13,768 |
| | 35,059 | 37,923 |
| Other expenses | | |
| Audit fees* | 11,201 | 9,469 |
| EMX/Calastone fees | 3,863 | 6,377 |
| FCA fees | 96 | 43 |
| Legal fees | 3,591 | - |
| LEI licence fee | 78 | - |
| Printing, postage, stationery and typesetting costs | 1,172 | - |
| | 20,001 | 15,889 |
| Total expenses | 293,458 | 276,425 |

* Audit fees of £9,325 + VAT have been charged in the current year (2021: £7,900 + VAT).

| 5 Interest paid and similar charges | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Overdraft interest | 4,887 | 1,315 |
| Total Interest paid and similar charges | 4,887 | 1,315 |

Volare Cautious Fund

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

| 6 Taxation | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|---------------------------------|---------------------------------|
| | £ | £ |
| (a) Analysis of the tax charge in the year | | |
| Adjustments in respect of prior periods | - | 472 |
| Corporation tax | 32,320 | 70,094 |
| Total current tax charge (Note 6 (b)) | 32,320 | 70,566 |
| Deferred tax (Note 6 (c)) | - | - |
| Total taxation for the year | 32,320 | 70,566 |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2021: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|---------------------------------|---------------------------------|
| | £ | £ |
| Net revenue before taxation | 452,903 | 649,492 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 90,581 | 129,899 |
| Effects of: | | |
| Adjustments in respect of prior periods | - | 472 |
| Revenue not subject to corporation tax | (58,261) | (59,805) |
| Total tax charge for the year | 32,320 | 70,566 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the balance sheet date in the current year (2021: Nil).

Volare Cautious Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

7 Finance costs

Distributions

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

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Final | 376,279 | 591,404 |
| Add: Revenue paid on cancellation of Shares | 65,656 | 62,316 |
| Deduct: Revenue received on issue of Shares | (17,414) | (74,793) |
| Net distribution for the year | 424,521 | 578,927 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|----------------|----------------|
| Net revenue after taxation | 420,583 | 578,927 |
| Expenses charged to capital | 3,985 | - |
| Net movement in revenue account | (47) | - |
| Net distribution for the year | 424,521 | 578,927 |

Details of the distributions per Share are set out in the distribution table on page 68.

8 Debtors

| | 31/05/22 | 31/05/21 |
|---|----------|----------------|
| | £ | £ |
| Accrued revenue | - | 28,729 |
| Amounts due for rebates from underlying funds | - | 178 |
| Amounts receivable for creation of Shares | - | 71,688 |
| Total debtors | - | 100,595 |

9 Cash and bank balances

| | 31/05/22 | 31/05/21 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Cash and bank balances | 1,272,325 | 1,056,648 |
| Total cash and bank balances | 1,272,325 | 1,056,648 |

Volare Cautious Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

| 10 Creditors | 31/05/22 | 31/05/21 |
|--|-----------------|-----------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 662,105 | 321,231 |
| Corporation tax payable | 32,322 | 70,093 |
| | 694,427 | 391,324 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fees | 20,595 | 15,312 |
| Fund accounting fees | 1,500 | 1,784 |
| Registration fees | 20,823 | 5,385 |
| | 42,918 | 22,481 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 3,208 | 2,149 |
| Safe custody fees | 6,775 | 1,119 |
| Transaction charges | 864 | 72 |
| | 10,847 | 3,340 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 11,190 | 9,469 |
| FCA fees | 20 | 44 |
| | 11,210 | 9,513 |
| Total creditors | 759,402 | 426,658 |

11 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

12 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|--------------------|----------|
| A Accumulation | 0.35 |
| Z Accumulation | 0.00 |

Each Share Class has equal rights in the event of the wind up of any Fund.

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/21 | Issued | Cancelled | Converted | 31/05/22 |
|----------------|-----------------|---------------|------------------|------------------|-----------------|
| A Accumulation | 43,420,574 | 22,291,746 | (6,889,629) | - | 58,822,691 |
| Z Accumulation | 1,050,901 | (326,309) | (58,330) | - | 666,262 |

Volare Cautious Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

13 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: Nil).

14 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets | | |
|--|-----------------------------|------------------------|-------------------|
| | Monetary exposures | Non-monetary exposures | Total |
| | £ | £ | £ |
| 31/05/22 | | | |
| US Dollar | 2,378 | - | 2,378 |
| Total foreign currency exposure | 2,378 | - | 2,378 |
| Sterling | 510,545 | 68,520,529 | 69,031,074 |
| Total net assets | 512,923 | 68,520,529 | 69,033,452 |

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £216 (2021: £Nil). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £264 (2021: £Nil). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)
For the year ended 31 May 2022

14 Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|------------------------|---------------------------------------|------------------------------------|---|-------------------|
| | £ | £ | £ | £ |
| 31/05/22 | | | | |
| Sterling | 1,269,947 | - | 68,520,529 | 69,790,476 |
| US Dollar | 2,378 | - | - | 2,378 |
| Total | 1,272,325 | - | 68,520,529 | 69,792,854 |
| 31/05/21 | | | | |
| Sterling | 1,056,648 | - | 52,409,987 | 53,466,635 |
| Total | 1,056,648 | - | 52,409,987 | 53,466,635 |

| Currency Liabilities | Floating rate financial liabilities | Financial liabilities not carrying interest | Total |
|-----------------------------|--|--|----------------|
| | £ | £ | £ |
| 31/05/22 | | | |
| Sterling | - | 759,402 | 759,402 |
| Total | - | 759,402 | 759,402 |
| 31/05/21 | | | |
| Sterling | - | 426,658 | 426,658 |
| Total | - | 426,658 | 426,658 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase | Decrease |
|------|-----------------|-----------------|
| | £ | £ |
| 2022 | 6,852,053 | 6,852,053 |
| 2021 | 5,230,939 | 5,230,939 |

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2022, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

Volare Cautious Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

| 15 Portfolio transaction costs | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|---|-------------------------|-------------------|-------------------------|-------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs: | | | | |
| Collective Investment Schemes | 38,139,853 | | 36,789,970 | |
| | 38,139,853 | | 36,789,970 | |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | | 38,139,853 | | 36,789,970 |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs: | | | | |
| Collective Investment Schemes | 20,563,767 | | 35,985,150 | |
| | 20,563,767 | | 35,985,150 | |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | | 20,563,767 | | 35,985,150 |

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

| | 01/06/21 to 31/05/22 % | 01/06/20 to 31/05/21 % |
|---|------------------------------|------------------------------|
| Transaction costs as percentage of principal amounts | | |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |

Volare Cautious Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

15 Portfolio transaction costs (continued)

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| Transaction costs as percentage of average net asset value | % | % |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

16 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

17 Fair value disclosure

| Valuation technique | 31/05/22 | | 31/05/21 | |
|--|-------------------|-------------|-------------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| | £ | £ | £ | £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | - | - | - | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 68,520,529 | - | 52,309,392 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 68,520,529 | - | 52,309,392 | - |

** The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Cautious Fund

Distribution Table

As at 31 May 2022

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2021

Group 2 Shares purchased on or after 1 June 2021 to 31 May 2022

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/22 (p) | Distribution paid 31/07/21 (p) |
|-----------------------------------|-----------------------|---------------------|--|---|
| Share Class A Accumulation | | | | |
| Group 1 | 0.6249 | - | 0.6249 | 1.3239 |
| Group 2 | 0.0000 | 0.6249 | 0.6249 | 1.3239 |
| Share Class Z Accumulation | | | | |
| Group 1 | 1.3052 | - | 1.3052 | 1.5741 |
| Group 2 | 0.7193 | 0.5859 | 1.3052 | 1.5741 |

Volare Defensive Fund

Investment Manager's Report For the year ended 31 May 2022

Investment Objective

The Fund aims to achieve capital growth (the increase in value of investments) whilst operating within a volatility range (variance) of between 2% and 4.75% over rolling 5 year periods.

The Fund's primary objective is to control volatility (variance) and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility (variance).

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 40% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 90% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

Mid 2021 we made the decision to reduce duration within the Fund and take some of the profits on the US Treasury Inflation-Protected Securities (TIPS) we were holding, reducing our allocation to the CG Dollar fund and taking up a position in the Vanguard Global Short Term Bond Index fund. This fund tracks the Bloomberg Barclays Global Aggregate Ex US MBS 1-5 Year and has an overall duration of 2.8. No other significant changes.

Later in the year we reduced our exposure to Fundsmith, Blackrock Global Event Driven and Henderson Absolute Return to introduce the LF Ruffer Diversified Return fund, which is more active and uses a wider range of asset classes than some of our multi-asset managers.

With uncertainty high at the time, we expected volatility to remain elevated and as such we decided to sell the high Beta Morgan Stanley US Advantage fund. While recent performance to this point had been poor, this was a position we had taken profits on multiple times since its inclusion as the position size grew due to strong performance. The proceeds were allocated to the Legal & General US Index fund.

At the start of 2022 we sold out of BlackRock Global Event Driven due to concerns around the Mergers & Acquisitions ("M&A") market over the following year. Geopolitical tensions remain high which may see a disruption to cross border activity. While this fund sits within the alternatives space it does carry some low Beta equity risk. This was allocated to cash.

We also took a decision to reduce the UK equity levels of the Fund by reducing our weight in the LF Lindsell Train UK Equity fund and keep the allocation as cash until we saw another opportunity to deploy. Recession risk has clearly risen across all markets over the last few months as energy prices act as a dampener on demand. We feel this risk is particularly acute in the UK where we face significant inflationary pressures that are unlikely to ease any time soon.

Investment Manager's Report (continued) For the year ended 31 May 2022

Outlook

We expect volatility to remain elevated over the coming months with sharp moves across all asset classes. The next few months will be critical in monitoring the impact of the US Federal Reserve's ("the Fed's) rate rises on inflation, economic growth and consumer sentiment. If the rate rises start to have an impact on wage growth, job demand and inflation, then the Fed may decide to pause the rate rises or even take a more dovish stance. This could simply be by reverting back to 0.25% rate rises instead of the mooted 0.50% or 0.75%, which some analysts expect at the next two Fed meetings. The key will lie in the inflation and growth data, but also within the Fed minutes where we will glean useful information on the future trajectory of rate rises, the terminal rate of interest, and how hawkish Fed is likely to be.

The key metric that we are looking at is whether inflation is becoming more entrenched and likely to settle at a much higher future level. If we believe that this will happen, then we would consider shifting the portfolio into assets that would be beneficiaries of this environment such as commodity producers, energy companies and gold. We continue to assess the viability of including real assets exposure in the portfolios. If recessionary indicators rise, then we would look towards Treasuries. If not, then might look towards higher yielding fixed interest exposure.

Our cash levels have been raised at a couple of points this year, in order to provide more optionality and protection. Our view is to redeploy this into the markets, where we have seen depressed levels of valuation, but only once the time is right. Whilst many of the highly valued companies have come down (typically those tech names in the US), they were at really lofty levels before the re-rating.

We expect that volatility will remain elevated over the coming months as the market digests new inflation data and the Fed tries to tackle inflation and bring economic growth down through a series of rate rises but also tries to avert a full-blown recession. We continue to have a strong preference towards high quality companies because we believe that this type of business is more resilient across the cycle and more likely to allow us to compound earnings at a suitable level of risk.

Investment Manager

LGT Wealth Management UK LLP

28 June 2022

Volare Defensive Fund

Performance record

As at 31 May 2022

| | A Accumulation | | | Z Accumulation | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31/05/22 (p) | 31/05/21 (p) | 31/05/20 (p) | 31/05/22 (p) | 31/05/21 (p) | 31/05/20 (p) |
| Change in net assets per Share | | | | | | |
| Opening net asset value per Share | 108.38 | 103.15 | 101.68 | 109.19 | 103.60 | 101.68 |
| Return before operating charges* | (2.50) | 6.48 | 2.69 | (2.53) | 6.47 | 2.79 |
| Operating charges | (1.49) | (1.25) | (1.22) | (1.11) | (0.88) | (0.87) |
| Return after operating charges* | (3.99) | 5.23 | 1.47 | (3.64) | 5.59 | 1.92 |
| Distributions | (0.14) | (0.95) | (0.77) | (1.11) | (1.24) | (1.08) |
| Retained distributions on accumulation | 0.14 | 0.95 | 0.77 | 1.11 | 1.24 | 1.08 |
| Closing net asset value per Share | 104.39 | 108.38 | 103.15 | 105.55 | 109.19 | 103.60 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Performance | | | | | | |
| Return after operating charges | (3.68%) | 5.07% | 1.45% | (3.33%) | 5.40% | 1.89% |
| Other information | | | | | | |
| Closing net asset value | £36,217,673 | £3,493,092 | £2,749,392 | £400,910 | £115,140 | £105,000 |
| Closing number of Shares | 34,693,847 | 3,222,924 | 2,665,383 | 379,818 | 105,451 | 101,356 |
| Operating charges | 1.36% | 1.17% | 1.19% | 1.01% | 0.82% | 0.84% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | | | |
| Highest Share price | 112.38 | 108.57 | 105.77 | 113.32 | 109.32 | 106.16 |
| Lowest Share price | 104.64 | 102.71 | 95.23 | 105.76 | 103.18 | 95.60 |

Highest and lowest share prices are based on official published daily NAVs.

Volare Defensive Fund

Portfolio Statement As at 31 May 2022

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|--|-------------------|--------------------------|
| Collective Investment Schemes 98.81% [93.96%] | | | |
| 1,811,324 | Allianz Fixed Income Macro | 1,964,744 | 5.36 |
| 500,908 | Allianz Gilt Yield | 882,800 | 2.41 |
| 174,329 | Allianz Strategic Bond | 205,412 | 0.56 |
| 213,199 | AXA US Short Duration High Yield Acc | 320,652 | 0.88 |
| 634 | AXA US Short Duration High Yield Inc | 551 | 0.00 |
| 5,990 | Barings Emerging Markets Local Debt | 493,818 | 1.35 |
| 5,998 | Barings Emerging Markets Sovereign Debt | 570,929 | 1.56 |
| 26,398 | BlackRock Emerging Markets Local Currency Bond | 478,073 | 1.31 |
| 565,335 | BlackRock European Absolute Alpha | 850,207 | 2.32 |
| 6,764 | BlueBay Financial Capital Bond | 1,008,118 | 2.75 |
| 5,909 | BlueBay Global Sovereign Opportunities | 626,783 | 1.71 |
| 350,000 | BMO Commercial Property | 408,800 | 1.12 |
| 6,837 | Brown Advisory Global Leaders | 85,936 | 0.23 |
| 4,864 | BSF Emerging Companies Absolute Return | 497,587 | 1.36 |
| 1,254 | CG Absolute Return | 177,847 | 0.48 |
| 1,490 | Eleva Absolute Return Europe | 1,791,663 | 4.89 |
| 98,785 | ES AllianceBernstein Sustainable US Equity | 123,975 | 0.34 |
| 695,238 | Federated Hermes Global High Yield Credit | 885,872 | 2.42 |
| 1,640 | Federated Hermes Sterling Cash Plus | 175,654 | 0.48 |
| 48,599 | Fidelity Global Dividend | 141,181 | 0.39 |
| 14,332 | Fundsmith Equity | 82,435 | 0.23 |
| 0 | GAM Star Cat Bond | - | 0.00 |
| 1,182 | GemCap Semper Total Return | 106,599 | 0.29 |
| 8,000 | Invesco AT1 Capital Bond | 302,280 | 0.83 |
| 750 | Invesco EQQQ NASDAQ-100 | 183,435 | 0.50 |
| 1,165,046 | Invesco Global Targeted Returns | 1,239,492 | 3.38 |
| 4,550 | iShares Core £ Corporate Bond | 606,834 | 1.66 |
| 7,500 | iShares Global High Yield Corp Bond GBP Hedged | 660,900 | 1.80 |
| 5,750 | iShares J.P. Morgan \$ EM Bond | 412,068 | 1.13 |
| 18,250 | iShares J.P. Morgan EM Local Government Bond | 656,826 | 1.79 |
| 39,369 | iShares Overseas Corporate Bond Index | 62,231 | 0.17 |
| 17,500 | iShares Physical Gold | 497,544 | 1.36 |
| 260,522 | iShares UK Gilts All Stocks Index | 425,355 | 1.16 |
| 1,229,637 | Janus Henderson Absolute Return | 2,192,442 | 5.99 |
| 316,663 | Jupiter Strategic Bond | 305,580 | 0.83 |
| 10,125 | KLS Arete Macro | 1,184,936 | 3.24 |
| 12,918 | Legal & General US Index | 110,863 | 0.30 |
| 47,096 | LF Lindsell Train UK Equity | 91,559 | 0.25 |
| 195,297 | LF Ruffer Diversified Return | 208,636 | 0.57 |
| 76,844 | Liontrust Special Situations | 91,575 | 0.25 |
| 13,103 | Lumyna Sandbar Global Equity Market Neutral | 1,365,054 | 3.73 |
| 7,500 | Lyxor Core UK Government Bond | 919,275 | 2.51 |
| 10,003 | Lyxor/Tiedemann Arbitrage Strategy | 1,224,443 | 3.34 |
| 1,737,881 | M&G Global Macro Bond | 1,778,373 | 4.86 |

Volare Defensive Fund

Portfolio Statement (continued) As at 31 May 2022

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|---|-------------------|--------------------------|
| 330,887 | Man GLG Strategic Bond | 456,294 | 1.25 |
| 1,003 | Muzinich Emerging Markets Short Duration | 95,717 | 0.26 |
| 12,985 | Muzinich Global Tactical Credit | 1,225,396 | 3.35 |
| 1,706 | Muzinich Global Tactical Credit | 170,637 | 0.46 |
| 4,932 | Natixis ASG Managed Futures | 645,153 | 1.76 |
| 62,719 | Neuberger Berman Emerging Market Debt | 558,202 | 1.52 |
| 3,948 | Nomura Global Sustainable High Yield Bond | 451,425 | 1.23 |
| 44,750 | PIMCO GIS Global Investment Grade Credit | 879,336 | 2.40 |
| 6,655 | Schroder GAIA Contour Tech Equity | 579,378 | 1.59 |
| 163 | Schroder International Selection Asian Total Return | 68,016 | 0.19 |
| 54,165 | TB Evenlode Global Income | 83,945 | 0.23 |
| 2 | Threadneedle UK Equity Income | 3 | 0.00 |
| 33,292 | Threadneedle UK Equity Income L Acc | 118,187 | 0.32 |
| 183,029 | Trojan | 234,991 | 0.64 |
| 8,554 | TwentyFour Corporate Bond | 1,012,311 | 2.76 |
| 350,000 | TwentyFour Income | 365,750 | 1.00 |
| 7,250 | Vanguard FTSE 250 | 230,695 | 0.63 |
| 3,750 | Vanguard FTSE Developed Europe ex UK | 110,681 | 0.30 |
| 2,289 | Vanguard Global Short-Term Bond Index | 244,358 | 0.67 |
| 2,345 | Vanguard U.K. Long Duration Gilt Index | 335,563 | 0.92 |
| 2,389 | Vanguard U.S. Government Bond Index | 252,952 | 0.69 |
| 3,901 | Vontobel Emerging Markets Corporate Bond | 397,680 | 1.09 |
| 11,671 | Winton Absolute Return Futures | 1,265,954 | 3.46 |
| | | 36,181,961 | 98.81 |
| | Portfolio of investments | 36,181,961 | 98.81 |
| | Net other assets | 436,622 | 1.19 |
| | Net assets | 36,618,583 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

Comparative figures shown above in square brackets relate to 31 May 2021.

Gross purchases for the year: £34,934,506 [2021: £3,105,160] (See Note 15).

Total sales net of transaction costs for the year: £1,372,339 [2021: £2,619,937] (See Note 15).

Volare Defensive Fund

Statement of Total Return For the year ended 31 May 2022

| | | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|---|------|----------------------|------------------|----------------------|----------------|
| | Note | £ | £ | £ | £ |
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (833,749) | | 125,207 |
| Revenue | 3 | 115,329 | | 54,380 | |
| Expenses | 4 | (49,127) | | (15,300) | |
| Interest paid and similar charges | 5 | (47) | | (65) | |
| Net revenue before taxation | | 66,155 | | 39,015 | |
| Taxation | 6 | (10,024) | | (5,488) | |
| Net revenue after taxation | | | 56,131 | | 33,527 |
| Total return before distributions | | | (777,618) | | 158,734 |
| Finance costs: Distributions | 7 | | (55,735) | | (29,956) |
| Change in net assets attributable to Shareholders from investment activities | | | (833,353) | | 128,778 |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2022

| | | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|--|--|----------------------|-------------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | | 3,608,232 | | 2,854,392 |
| Amounts received on issue of Shares | | 38,903,444 | | 2,146,370 | |
| Less: Amounts paid on cancellation of Shares | | (5,110,936) | | (1,553,166) | |
| | | | 33,792,508 | | 593,204 |
| Change in net assets attributable to Shareholders from investment activities (see above) | | | (833,353) | | 128,778 |
| Retained distribution on accumulation Shares | | | 51,196 | | 31,858 |
| Closing net assets attributable to Shareholders | | | 36,618,583 | | 3,608,232 |

Volare Defensive Fund

Balance Sheet As at 31 May 2022

| | | 31/05/22 | | 31/05/21 | |
|--|------|-----------|-------------------|----------|------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | | 36,181,961 | | 3,390,794 |
| Current assets: | | | | | |
| Debtors | 8 | 37,150 | | 28,514 | |
| Cash and bank balances | 9 | 1,333,535 | | 211,578 | |
| Total current assets | | | 1,370,685 | | 240,092 |
| Total assets | | | 37,552,646 | | 3,630,886 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Other creditors | 10 | (934,063) | | (22,654) | |
| Total creditors | | | (934,063) | | (22,654) |
| Total liabilities | | | (934,063) | | (22,654) |
| Net assets attributable to Shareholders | | | | | |
| | | | 36,618,583 | | 3,608,232 |

Volare Defensive Fund

Notes to the Financial Statements For the year ended 31 May 2022

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 14.

| 2 Net capital (losses)/gains | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|--|-------------------------|-------------------------|
| | £ | £ |
| The net capital (losses)/gains during the year | | |
| Currency gains | 36,279 | - |
| Non-derivative securities | (869,340) | 129,516 |
| Post merger cash transfer | 1,624 | - |
| Rebates from underlying investments | - | (1) |
| Transaction charges | (2,312) | (4,308) |
| Net capital (losses)/gains | (833,749) | 125,207 |
| 3 Revenue | | |
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| Franked dividends from Collective Investment Schemes | 11,111 | 35,393 |
| Interest income from Collective Investment Schemes | 75,980 | 18,948 |
| Offshore funds dividends | 4,925 | - |
| Offshore funds interest | 23,313 | - |
| Rebates received from underlying funds | - | 39 |
| Total revenue | 115,329 | 54,380 |
| 4 Expenses | | |
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 27,523 | 11,325 |
| Fund accounting fees | 17,791 | 20,521 |
| Investment manager subsidy | (37,737) | (54,166) |
| Registration fees | 8,821 | 6,443 |
| | 16,398 | (15,877) |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 12,611 | 18,020 |
| Safe custody fees | 2,629 | 1,935 |
| | 15,240 | 19,955 |
| Other expenses | | |
| Audit fees* | 11,201 | 9,469 |
| EMX/Calastone fees | 1,429 | 1,709 |
| FCA fees | 98 | 44 |
| Legal fees | 3,591 | - |
| Printing, postage, stationery and typesetting costs | 1,170 | - |
| | 17,489 | 11,222 |
| Total expenses | 49,127 | 15,300 |

* Audit fees of £9,325 + VAT have been charged in the current year (2021: £7,900 + VAT).

Volare Defensive Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

| | | |
|--|---------------------------------|---------------------------------|
| 5 Interest paid and similar charges | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| Overdraft Interest | 47 | 65 |
| Total Interest paid and similar charges | 47 | 65 |

| | | |
|---|---------------------------------|---------------------------------|
| 6 Taxation | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| (a) Analysis of the tax charge in the year | | |
| Adjustments in respect of prior periods | - | 7 |
| Corporation tax | 10,024 | 5,481 |
| Total current tax charge (Note 6 (b)) | 10,024 | 5,488 |
| Deferred tax (Note 6 (c)) | - | - |
| Total taxation for the year | 10,024 | 5,488 |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2021: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | | |
|---|---------------------------------|---------------------------------|
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| Net revenue before taxation | 66,155 | 39,015 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 13,231 | 7,803 |
| Effects of: | | |
| Adjustments in respect of prior periods | - | 7 |
| Revenue not subject to corporation tax | (3,207) | (2,322) |
| Total tax charge for the year | 10,024 | 5,488 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year (2021: Nil).

Volare Defensive Fund

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

7 Finance costs

Distributions

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

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Final | 51,196 | 31,858 |
| Add: Revenue paid on cancellation of Shares | 11,053 | 10,813 |
| Deduct: Revenue received on issue of Shares | (6,514) | (12,715) |
| Net distribution for the year | 55,735 | 29,956 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|---------------|---------------|
| Net revenue after taxation | 56,131 | 33,527 |
| Expenses charged to capital | (383) | - |
| Net movement in revenue account | (13) | - |
| Revenue deficit | - | (3,571) |
| Net distribution for the year | 55,735 | 29,956 |

Details of the distributions per Share are set out in the distribution table on page 85.

8 Debtors

| | 31/05/22 | 31/05/21 |
|---|---------------|---------------|
| | £ | £ |
| Accrued revenue | 11 | 1,893 |
| Amounts due for rebates from underlying funds | - | 16 |
| Amounts receivable from FP Octopus Investment Funds | 25,812 | - |
| Investment manager subsidy | 11,327 | 26,605 |
| Total debtors | 37,150 | 28,514 |

9 Cash and bank balances

| | 31/05/22 | 31/05/21 |
|-------------------------------------|------------------|----------------|
| | £ | £ |
| Cash and bank balances | 1,333,535 | 211,578 |
| Total cash and bank balances | 1,333,535 | 211,578 |

Volare Defensive Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

| 10 Creditors | 31/05/22 | 31/05/21 |
|--|-----------------|-----------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 793,874 | 1,609 |
| Corporation tax payable | 10,024 | 5,481 |
| | 803,898 | 7,090 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| Fund accounting fees | 1,500 | 1,914 |
| AMC fees | 11,329 | 1,039 |
| Registration fees | 6,219 | 1,142 |
| | 19,048 | 4,095 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 2,407 | 1,701 |
| Safe custody fees | 1,250 | 77 |
| Transaction charges | 1,250 | 180 |
| | 4,907 | 1,958 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 11,190 | 9,468 |
| Amounts payable to FP Octopus Investment Funds | 95,000 | - |
| FCA fees | 20 | 43 |
| | 106,210 | 9,511 |
| | | |
| Total creditors | 934,063 | 22,654 |

11 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

Significant Shareholdings

FundRock Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that 61.98% (2021: 53.30%) of the Fund's shares in issue are under the control of a single nominee and its related parties.

12 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|--------------------|----------|
| A Accumulation | 0.35 |
| Z Accumulation | 0.00 |

Each Share Class has equal rights in the event of the wind up of any Fund.

Notes to the Financial Statements (continued) For the year ended 31 May 2022

12 Share Classes (continued)

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/21 | Issued | Cancelled | Converted | 31/05/22 |
|----------------|-----------|------------|-------------|-----------|------------|
| A Accumulation | 3,222,924 | 35,362,957 | (3,892,034) | - | 34,693,847 |
| Z Accumulation | 105,451 | 340,010 | (65,643) | - | 379,818 |

13 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: nil).

14 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets | | |
|--|-----------------------------|------------------------|-------------------|
| | Monetary exposures | Non-monetary exposures | Total |
| | £ | £ | £ |
| 31/05/22 | | | |
| Euro | 8,531 | - | 8,531 |
| US Dollar | 882,088 | - | 882,088 |
| Total foreign currency exposure | 890,619 | - | 890,619 |
| Sterling | (453,997) | 36,181,961 | 35,727,964 |
| Total net assets | 436,622 | 36,181,961 | 36,618,583 |

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £80,965 (2021: £Nil). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £98,958 (2021: £Nil). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

14 Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets | Financial assets not carrying interest | Total |
|-----------------------------|--|--|-------------------|
| | £ | £ | £ |
| 31/05/22 | | | |
| Euro | 8,531 | - | 8,531 |
| Sterling | 442,916 | 36,219,111 | 36,662,027 |
| US Dollar | 882,088 | - | 882,088 |
| Total | 1,333,535 | 36,219,111 | 37,552,646 |
| 31/05/21 | | | |
| Sterling | 211,578 | 3,419,308 | 3,630,886 |
| Total | 211,578 | 3,419,308 | 3,630,886 |
| | | | |
| Currency Liabilities | Floating rate financial liabilities | Financial liabilities not carrying interest | Total |
| | £ | £ | £ |
| 31/05/22 | | | |
| Sterling | - | 934,063 | 934,063 |
| Total | - | 934,063 | 934,063 |
| 31/05/21 | | | |
| Sterling | - | 22,654 | 22,654 |
| Total | - | 22,654 | 22,654 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase | Decrease |
|------|-----------------|-----------------|
| | £ | £ |
| 2022 | 3,618,196 | 3,618,196 |
| 2021 | 339,079 | 339,079 |

Volare Defensive Fund

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

14 Derivatives and other financial instruments (continued)

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2022, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

| 15 Portfolio transaction costs | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|---|-------------------------|---|-------------------------|---|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs: | | | | |
| Collective Investment Schemes | 34,934,506 | | 3,105,160 | |
| | 34,934,506 | | 3,105,160 | |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | 34,934,506 | | 3,105,160 | |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs: | | | | |
| Collective Investment Schemes | 1,372,339 | | 2,619,937 | |
| | 1,372,339 | | 2,619,937 | |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | 1,372,339 | | 2,619,937 | |

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Volare Defensive Fund

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

15 Portfolio transaction costs (continued)

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| | % | % |
| Transaction costs as percentage of principal amounts | | |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | % | % |
| Transaction costs as percentage of average net asset value | | |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

16 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

17 Fair value disclosure

| | 31/05/22 | | 31/05/21 | |
|--|-------------------|------------------|------------------|------------------|
| Valuation technique | Assets £ | Liabilities £ | Assets £ | Liabilities £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | - | - | - | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 36,181,961 | - | 3,390,794 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 36,181,961 | - | 3,390,794 | - |

** The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Defensive Fund

Distribution Table

As at 31 May 2022

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2021

Group 2 Shares purchased on or after 1 June 2021 to 31 May 2022

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/22 (p) | Distribution paid 31/07/21 (p) |
|-----------------------------------|-----------------------|---------------------|--|---|
| Share Class A Accumulation | | | | |
| Group 1 | 0.1354 | - | 0.1354 | 0.9477 |
| Group 2 | 0.0000 | 0.1354 | 0.1354 | 0.9477 |
| Share Class Z Accumulation | | | | |
| Group 1 | 1.1112 | - | 1.1112 | 1.2438 |
| Group 2 | 0.5726 | 0.5386 | 1.1112 | 1.2438 |

Investment Manager's Report For the year ended 31 May 2022

Investment Objective

The Fund aims to achieve capital growth (the increase in value of investments) whilst operating within a volatility range (variance) of between 8% and 13% over rolling 5 year periods.

The Fund's primary objective is to control volatility (variance) and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility (variance).

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 85% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 40% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

Over the last year one of the key decisions we made was reducing our exposure to Fundsmith and reallocating to the Evenlode Global Income fund. This was part of an ongoing theme where we were taking profits on some of our larger positions, particularly in the global equity space in order to diversify manager risk. Whilst the Evenlode fund had a similar bias to Fundsmith, its investment process was much more valuation focused. This leads to a portfolio that may have been similar in terms of sector exposure but different in regional allocation.

We also sold out of the Jupiter UK Smaller Companies fund and used the allocation to buy the LF Ruffer Diversified Return fund ("the Ruffer fund") with the aim of moderately dialling down equity risk. Discussion around this mostly focused on the elevated recession risk at the time given the spread between the 2 year and 10 year US Treasury yields had turned negative, historically a good indicator for impending recession.

The Ruffer fund has two main objectives, not to lose money in any rolling twelve month period and to grow funds at a higher rate than would be achieved from cash. They use a 'long-only' investment approach using all conventional asset classes; global equities and bonds, currencies and derivatives when appropriate an active asset allocation and focused stock selection, with no leverage nor shorting. In order to avoid excessive market risk, they hold 'growth' and 'protective' assets alongside each other, varying the allocation to each over time.

In the absolute return space we typically want positions which are uncorrelated to our equity and fixed income allocation. The Ruffer fund has a different investment philosophy and toolkit to the rest of the managers within the Volare funds, meaning this allocation should provide sufficient diversification benefits.

Investment Manager's Report (continued) For the year ended 31 May 2022

Outlook

We expect volatility to remain elevated over the coming months with sharp moves across all asset classes. The next few months will be critical in monitoring the impact of the US Federal Reserve's ("the Fed's) rate rises on inflation, economic growth and consumer sentiment. If the rate rises start to have an impact on wage growth, job demand and inflation, then the Fed may decide to pause the rate rises or even take a more dovish stance. This could simply be by reverting back to 0.25% rate rises instead of the mooted 0.50% or 0.75%, which some analysts expect at the next two Fed meetings. The key will lie in the inflation and growth data, but also within the Fed minutes where we will glean useful information on the future trajectory of rate rises, the terminal rate of interest, and how hawkish Fed is likely to be.

The key metric that we are looking at is whether inflation is becoming more entrenched and likely to settle at a much higher future level. If we believe that this will happen, then we would consider shifting the portfolio into assets that would be beneficiaries of this environment such as commodity producers, energy companies and gold. We continue to assess the viability of including real assets exposure in the portfolios. If recessionary indicators rise, then we would look towards Treasuries. If not, then might look towards higher yielding fixed interest exposure.

Our cash levels have been raised at a couple of points this year, in order to provide more optionality and protection. Our view is to redeploy this into the markets, where we have seen depressed levels of valuation, but only once the time is right. Whilst many of the highly valued companies have come down (typically those tech names in the US), they were at really lofty levels before the re-rating.

We expect that volatility will remain elevated over the coming months as the market digests new inflation data and the Fed tries to tackle inflation and bring economic growth down through a series of rate rises but also tries to avert a full-blown recession. We continue to have a strong preference towards high quality companies because we believe that this type of business is more resilient across the cycle and more likely to allow us to compound earnings at a suitable level of risk.

Investment Manager

LGT Wealth Management UK LLP

28 June 2022

Volare Growth Fund

Performance record

As at 31 May 2022

| | A Accumulation | | | Z Accumulation | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31/05/22 (p) | 31/05/21 (p) | 31/05/20 (p) | 31/05/22 (p) | 31/05/21 (p) | 31/05/20 (p) |
| Change in net assets per Share | | | | | | |
| Opening net asset value per Share | 125.93 | 108.90 | 109.67 | 119.22 | 102.73 | 102.76 |
| Return before operating charges* | (5.45) | 18.69 | 0.70 | (5.18) | 17.68 | 0.99 |
| Operating charges | (1.64) | (1.66) | (1.47) | (1.13) | (1.19) | (1.02) |
| Return after operating charges* | (7.09) | 17.03 | (0.77) | (6.31) | 16.49 | (0.03) |
| Distributions | (0.85) | (1.06) | (1.31) | (1.24) | (1.40) | (1.60) |
| Retained distributions on accumulation | 0.85 | 1.06 | 1.31 | 1.24 | 1.40 | 1.60 |
| Closing net asset value per Share | 118.84 | 125.93 | 108.90 | 112.91 | 119.22 | 102.73 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Performance | | | | | | |
| Return after operating charges | (5.63%) | 15.64% | (0.70%) | (5.29%) | 16.05% | (0.03%) |
| Other information | | | | | | |
| Closing net asset value | £46,134,902 | £49,646,965 | £36,823,336 | £7,600,716 | £7,846,340 | £6,016,431 |
| Closing number of Shares | 38,820,099 | 39,423,170 | 33,814,017 | 6,731,861 | 6,581,344 | 5,856,293 |
| Operating charges | 1.29% | 1.36% | 1.35% | 0.94% | 1.01% | 1.00% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | | | |
| Highest Share price | 135.15 | 127.48 | 118.61 | 128.15 | 120.65 | 111.79 |
| Lowest Share price | 115.20 | 108.12 | 91.55 | 109.43 | 102.01 | 86.31 |

Highest and lowest share prices are based on official published daily NAVs.

Volare Growth Fund

Performance Information

As at 31 May 2022

Operating Charges

| Date | AMC* (%) | Other expenses (%) | Synthetic expense ratio** (%) | Transaction costs (%) | Operating Charges (%) |
|---------------|----------|--------------------|-------------------------------|-----------------------|-----------------------|
| 31/05/22 | | | | | |
| Share Class A | 0.35 | 0.18 | 0.76 | 0.00 | 1.29 |
| Share Class Z | 0.00 | 0.18 | 0.76 | 0.00 | 0.94 |
| 31/05/21 | | | | | |
| Share Class A | 0.35 | 0.22 | 0.78 | 0.01 | 1.36 |
| Share Class Z | 0.00 | 0.22 | 0.78 | 0.01 | 1.01 |

* Annual Management Charge

**The methodology for calculation of synthetic expense ratio has changed. Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include closed ended vehicles such as investment trusts.

The Operating Charge is the total expenses paid by the Fund in the year, annualised, against its average Net Asset Value. This will fluctuate as underlying costs change.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio.

An operating charges cap of 0.60% for the A accumulation share class and 0.25% for the Z accumulation share class is currently in effect. This is excluding any impact from the Synthetic expense ratio. Investment manager subsidy will be provided from the sponsor to ensure operating charge ratios do not exceed these limits.

Risk and Reward Profile

As at 31 May 2022

| | Typically lower rewards | | | | Typically higher rewards | | | |
|---------------|-------------------------|---|---|---|--------------------------|---|---|--|
| | ← | | | | → | | | |
| | Lower risk | | | | Higher risk | | | |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Share Class Z | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |

- The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a '5' on the scale. This is partly because the Fund invests in a mixture of investments, many of which have values that may fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may 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 of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Volare Growth Fund

Portfolio Statement As at 31 May 2022

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|---|-------------------|--------------------------|
| | Collective Investment Schemes 93.18% [97.29%] | | |
| 1,413,817 | AXA US Short Duration High Yield Acc | 2,126,381 | 3.96 |
| 31,503 | Baillie Gifford Japanese Smaller Companies | 1,262,341 | 2.35 |
| 197,852 | Brown Advisory Global Leaders | 2,486,997 | 4.63 |
| 1,436,142 | ES AllianceBernstein Sustainable US Equity | 1,802,358 | 3.35 |
| 1,084,646 | Fidelity Global Dividend | 3,150,897 | 5.86 |
| 352,573 | Fundsmith Equity | 2,027,895 | 3.77 |
| 759,953 | Impax Asian Environmental Markets | 1,670,377 | 3.11 |
| 2,639,886 | Jupiter Strategic Bond | 2,547,490 | 4.74 |
| 1,125,958 | Lazard Global Listed Infrastructure | 2,755,896 | 5.13 |
| 977,281 | LF Lindsell Train UK Equity | 1,899,932 | 3.54 |
| 1,077,889 | LF Ruffer Diversified Return | 1,151,509 | 2.14 |
| 1,945,496 | Liontrust Special Situations | 2,318,448 | 4.31 |
| 22,663 | Morgan Stanley Asia Opportunity (GBP) | 435,807 | 0.81 |
| 53,449 | Morgan Stanley Asia Opportunity (USD) | 1,262,000 | 2.35 |
| 172,603 | Morgan Stanley Global Brands | 2,727,128 | 5.08 |
| 109,549 | Morgan Stanley US Advantage | 1,504,107 | 2.80 |
| 18,243 | Muzinich Global Tactical Credit | 1,824,823 | 3.40 |
| 315,560 | Neuberger Berman Emerging Market Debt Blend | 2,540,261 | 4.73 |
| 180,702 | Polar Capital Global Insurance | 1,705,555 | 3.17 |
| 5,701 | Schroder International Selection Asian Total Return | 2,382,364 | 4.43 |
| 148,049 | Stewart Investors Asia Pacific Leaders Sustainability | 1,440,994 | 2.68 |
| 147,886 | T. Rowe US Smaller Companies Equity | 2,722,589 | 5.07 |
| 1,565,771 | TB Evenlode Global Income | 2,403,302 | 4.47 |
| 605,556 | Threadneedle UK Equity Income L Acc | 2,149,723 | 4.00 |
| 1,379,761 | Trojan | 1,771,475 | 3.30 |
| | | 50,070,649 | 93.18 |
| | Portfolio of investments | 50,070,649 | 93.18 |
| | Net other assets | 3,664,969 | 6.82 |
| | Net assets | 53,735,618 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

Comparative figures shown above in square brackets relate to 31 May 2021.

Gross purchases for the year: £8,579,288 [2021: £39,192,857] (See Note 15).

Total sales net of transaction costs for the year: £11,308,092 [2021: £31,693,622] (See Note 15).

Volare Growth Fund

Statement of Total Return For the year ended 31 May 2022

| | Note | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|---|------|----------------------|--------------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (3,686,375) | | 6,458,061 |
| Revenue | 3 | 715,399 | | 710,544 | |
| Expenses | 4 | (290,019) | | (256,473) | |
| Interest paid and similar charges | 5 | (2,247) | | (273) | |
| Net revenue before taxation | | 423,133 | | 453,798 | |
| Taxation | 6 | - | | - | |
| Net revenue after taxation | | | 423,133 | | 453,798 |
| Total return before distributions | | | (3,263,242) | | 6,911,859 |
| Finance costs: Distributions | 7 | | (425,154) | | (454,172) |
| Change in net assets attributable to Shareholders from investment activities | | | (3,688,396) | | 6,457,687 |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2022

| | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | 57,493,305 | | 42,839,767 |
| Amounts received on issue of Shares | 11,352,882 | | 19,857,779 | |
| Less: Amounts paid on cancellation of Shares | (11,834,297) | | (12,174,154) | |
| | | (481,415) | | 7,683,625 |
| Change in net assets attributable to Shareholders from investment activities (see above) | | (3,688,396) | | 6,457,687 |
| Retained distribution on accumulation Shares | | 412,124 | | 512,226 |
| Closing net assets attributable to Shareholders | | 53,735,618 | | 57,493,305 |

Volare Growth Fund

Balance Sheet As at 31 May 2022

| | | 31/05/22 | | 31/05/21 | |
|--|------|-----------|-------------------|-----------|-------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | | 50,070,649 | | 55,936,451 |
| Current assets: | | | | | |
| Debtors | 8 | 32,913 | | 314,680 | |
| Cash and bank balances | 9 | 3,907,291 | | 1,343,403 | |
| Total current assets | | | 3,940,204 | | 1,658,083 |
| Total assets | | | 54,010,853 | | 57,594,534 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Other creditors | 10 | (275,235) | | (101,229) | |
| Total creditors | | | (275,235) | | (101,229) |
| Total liabilities | | | (275,235) | | (101,229) |
| Net assets attributable to Shareholders | | | | | |
| | | | 53,735,618 | | 57,493,305 |

Volare Growth Fund

Notes to the Financial Statements For the year ended 31 May 2022

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 14.

| 2 Net capital (losses)/gains | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|---------------------------------|---------------------------------|
| | £ | £ |
| The net capital (losses)/gains during the year | | |
| Currency gains | 7,907 | - |
| Non-derivative securities | (3,692,630) | 6,461,162 |
| Transaction charges | (1,652) | (3,101) |
| Net capital (losses)/gains | (3,686,375) | 6,458,061 |

| 3 Revenue | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Franked dividends from Collective Investment Schemes | 277,926 | 429,392 |
| Interest income from Collective Investment Schemes | 172,437 | 280,440 |
| Offshore funds dividends | 105,585 | - |
| Offshore funds interest | 159,678 | - |
| Rebates (refunded) / received from underlying funds | (227) | 712 |
| Total revenue | 715,399 | 710,544 |

| 4 Expenses | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 179,482 | 148,310 |
| Fund accounting fees | 17,919 | 20,521 |
| Registration fees | 33,495 | 34,188 |
| | 230,896 | 203,019 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 23,024 | 23,505 |
| Safe custody fees | 15,615 | 13,136 |
| | 38,639 | 36,641 |
| Other expenses | | |
| Audit fees* | 11,201 | 9,469 |
| EMX/Calastone fees | 4,348 | 7,301 |
| FCA fees | 96 | 43 |
| Legal fees | 3,591 | - |
| LEI licence fee | 78 | - |
| Printing, postage, stationery and typesetting costs | 1,170 | - |
| | 20,484 | 16,813 |
| Total expenses | 290,019 | 256,473 |

* Audit fees of £9,325 + VAT have been charged in the current year (2021: £7,900 + VAT).

Notes to the Financial Statements (continued) For the year ended 31 May 2022

| 5 Interest paid and similar charges | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Overdraft Interest | 2,247 | 273 |
| Total Interest paid and similar charges | 2,247 | 273 |

| 6 Taxation | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| | £ | £ |
| (a) Analysis of the tax charge in the year | | |
| Corporation tax | - | - |
| Total current tax charge (Note 6 (b)) | - | - |
| Deferred tax (Note 6 (c)) | - | - |
| Total taxation for the year | - | - |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2021: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Net revenue before taxation | 423,133 | 453,798 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 84,627 | 90,759 |
| Effects of: | | |
| Movement in excess management expenses | (7,925) | (7,879) |
| Revenue not subject to corporation tax | (76,702) | (82,880) |
| Total tax charge for the year | - | - |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year (2021: Nil).

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,633 (2021: £12,558) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Volare Growth Fund

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

7 Finance costs

Distributions

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

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Final | 412,123 | 512,225 |
| Add: Revenue paid on cancellation of Shares | 61,069 | 64,309 |
| Deduct: Revenue received on issue of Shares | (48,038) | (122,365) |
| Net distribution for the year | 425,154 | 454,172 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|----------------|----------------|
| Net revenue after taxation | 423,133 | 453,798 |
| Expenses charged to capital | 2,044 | 374 |
| Net movement in revenue account | (23) | - |
| Net distribution for the year | 425,154 | 454,172 |

Details of the distributions per Share are set out in the distribution table on page 101.

8 Debtors

| | 31/05/22 | 31/05/21 |
|---|---------------|----------------|
| | £ | £ |
| Amounts due for rebates from underlying funds | - | 227 |
| Amounts receivable for creation of Shares | 32,913 | 314,453 |
| Total debtors | 32,913 | 314,680 |

9 Cash and bank balances

| | 31/05/22 | 31/05/21 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Cash and bank balances | 3,907,291 | 1,343,403 |
| Total cash and bank balances | 3,907,291 | 1,343,403 |

Volare Growth Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

| 10 Creditors | 31/05/22 | 31/05/21 |
|--|-----------------|-----------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 215,182 | 65,743 |
| | 215,182 | 65,743 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fees | 13,670 | 14,471 |
| Fund accounting fees | 1,500 | 1,786 |
| Registration fees | 21,889 | 6,163 |
| | 37,059 | 22,420 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 2,762 | 2,307 |
| Safe custody fees | 7,775 | 1,201 |
| Transaction charges | 1,247 | 45 |
| | 11,784 | 3,553 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 11,190 | 9,469 |
| FCA fees | 20 | 44 |
| | 11,210 | 9,513 |
| Total creditors | 275,235 | 101,229 |

11 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

12 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|--------------------|----------|
| A Accumulation | 0.35 |
| Z Accumulation | 0.00 |

Each Share Class has equal rights in the event of the wind up of any Fund.

Notes to the Financial Statements (continued) For the year ended 31 May 2022

12 Share Classes (continued)

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/21 | Issued | Cancelled | Converted | 31/05/22 |
|----------------|------------|-----------|-------------|-----------|------------|
| A Accumulation | 39,423,170 | 5,567,208 | (6,170,279) | - | 38,820,099 |
| Z Accumulation | 6,581,344 | 1,072,978 | (922,461) | - | 6,731,861 |

13 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: Nil).

14 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets | | |
|--|-----------------------------|------------------------|-------------------|
| | Monetary exposures | Non-monetary exposures | Total |
| | £ | £ | £ |
| 31/05/22 | | | |
| US Dollar | - | 1,262,000 | 1,262,000 |
| Total foreign currency exposure | - | 1,262,000 | 1,262,000 |
| Sterling | 2,415,461 | 50,058,139 | 52,473,600 |
| Total net assets | 2,415,461 | 51,320,139 | 53,735,600 |

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £114,727 (2021: £Nil). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £140,222 (2021: £Nil). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

14 Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets £ | Financial assets not carrying interest £ | Total £ |
|-----------------------------|--|---|--------------------|
| 31/05/22 | | | |
| Sterling | 3,907,291 | 48,841,562 | 52,748,853 |
| US Dollar | - | 1,262,000 | 1,262,000 |
| Total | 3,907,291 | 50,103,562 | 54,010,853 |
| 31/05/21 | | | |
| Sterling | - | 2,650,531 | 2,650,531 |
| US Dollar | 1,343,403 | 53,600,600 | 54,944,003 |
| Total | 1,343,403 | 56,251,131 | 57,594,534 |
| | | Financial liabilities not carrying interest | |
| Currency Liabilities | Floating rate financial liabilities £ | £ | Total £ |
| 31/05/22 | | | |
| Sterling | - | 275,235 | 275,235 |
| Total | - | 275,235 | 275,235 |
| 31/05/21 | | | |
| Sterling | - | 101,229 | 101,229 |
| Total | - | 101,229 | 101,229 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase £ | Decrease £ |
|------|-----------------------|-----------------------|
| 2022 | 5,007,065 | 5,007,065 |
| 2021 | 5,593,645 | 5,593,645 |

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

14 Derivatives and other financial instruments (continued)

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2022, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

| 15 Portfolio transaction costs | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|---|-------------------------|-------------------|-------------------------|-------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs: | | | | |
| Collective Investment Schemes | | 8,579,288 | | 39,192,857 |
| | | 8,579,288 | | 39,192,857 |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | | 8,579,288 | | 39,192,857 |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs: | | | | |
| Collective Investment Schemes | | 11,308,092 | | 31,693,622 |
| | | 11,308,092 | | 31,693,622 |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | | 11,308,092 | | 31,693,622 |

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

15 Portfolio transaction costs (continued)

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|---------------------------------|---------------------------------|
| | % | % |
| Transaction costs as percentage of principal amounts | | |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | % | % |
| Transaction costs as percentage of average net asset value | | |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

16 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

17 Fair value disclosure

| | 31/05/22 | | 31/05/21 | |
|--|-------------------|--------------------|-------------------|--------------------|
| Valuation technique | Assets | Liabilities | Assets | Liabilities |
| | £ | £ | £ | £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | - | - | - | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 50,070,649 | - | 55,936,451 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 50,070,649 | - | 55,936,451 | - |

** The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Growth Fund

Distribution Table

As at 31 May 2022

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2021

Group 2 Shares purchased on or after 1 June 2021 to 31 May 2022

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/22 (p) | Distribution paid 31/07/21 (p) |
|-----------------------------------|-----------------------|---------------------|--|---|
| Share Class A Accumulation | | | | |
| Group 1 | 0.8459 | - | 0.8459 | 1.0649 |
| Group 2 | 0.3515 | 0.4944 | 0.8459 | 1.0649 |
| Share Class Z Accumulation | | | | |
| Group 1 | 1.2440 | - | 1.2440 | 1.4040 |
| Group 2 | 0.4274 | 0.8166 | 1.2440 | 1.4040 |

Volare Strategic Income Fund

Investment Manager's Report For the year ended 31 May 2022

Investment Objective

The Fund aims to achieve an income target of 3.5% over a rolling five year period.

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 75% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 60% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets. The collective investment schemes in which the Fund invests will typically have investment strategies which seek to achieve income.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

In the third quarter ("Q3") of 2021 we took a decision to reduce duration and take profits on the Treasury Inflation-Protected Securities (TIPS) position we held. We chose to do this by switching out of the CG Dollar Fund and into the existing Neuberger Berman Emerging Markets Debt Blend fund while also adding a small amount of equity exposure via the Evenlode Global Income fund. The fund invests in high quality companies at a reasonable price. The fund's portfolio companies should be able to protect against inflation by passing on higher costs to the end consumer.

Coming into 2022 we reduced our position in Fundsmith and used this to increase our holding of the Morgan Stanley Global Brands Equity Income fund. This was part of an ongoing theme where we were taking profits on some of our larger positions, particularly in the global equity space in order to diversify manager risk. The Morgan Stanley Strategy has a similar bias towards high quality businesses but employs an option overlay strategy to generate a higher level of income.

Whilst we still had conviction in the Fundsmith strategy, we felt it was prudent to moderate the position further. The fund continues to grow in size and they may struggle to initiate positions in the kind of stocks they were historically able to add.

Outlook

We expect volatility to remain elevated over the coming months with sharp moves across all asset classes. The next few months will be critical in monitoring the impact of the US Federal Reserve's ("the Fed's") rate rises on inflation, economic growth and consumer sentiment. If the rate rises start to have an impact on wage growth, job demand and inflation, then the Fed may decide to pause the rate rises or even take a more dovish stance. This could simply be by reverting back to 0.25% rate rises instead of the mooted 0.50% or 0.75%, which some analysts expect at the next two Fed meetings. The key will lie in the inflation and growth data, but also within the Fed minutes where we will glean useful information on the future trajectory of rate rises, the terminal rate of interest, and how hawkish Fed is likely to be.

Investment Manager's Report (continued) For the year ended 31 May 2022

Outlook (continued)

The key metric that we are looking at is whether inflation is becoming more entrenched and likely to settle at a much higher future level. If we believe that this will happen, then we would consider shifting the portfolio into assets that would be beneficiaries of this environment such as commodity producers, energy companies and gold. We continue to assess the viability of including real assets exposure in the portfolios. If recessionary indicators rise, then we would look towards Treasuries. If not, then might look towards higher yielding fixed interest exposure.

Our cash levels have been raised at a couple of points this year, in order to provide more optionality and protection. Our view is to redeploy this into the markets, where we have seen depressed levels of valuation, but only once the time is right. Whilst many of the highly valued companies have come down (typically those tech names in the US), they were at really lofty levels before the re-rating.

We expect that volatility will remain elevated over the coming months as the market digests new inflation data and the Fed tries to tackle inflation and bring economic growth down through a series of rate rises but also tries to avert a full-blown recession. We continue to have a strong preference towards high quality companies because we believe that this type of business is more resilient across the cycle and more likely to allow us to compound earnings at a suitable level of risk.

Investment Manager

LGT Wealth Management UK LLP
28 June 2022

Volare Strategic Income Fund

Performance record

As at 31 May 2022

| | A Income | | | Z Income** |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31/05/22 (p) | 31/05/21 (p) | 31/05/20 (p) | 31/05/20 (p) |
| Change in net assets per Share | | | | |
| Opening net asset value per Share | 102.14 | 93.34 | 97.86 | 97.96 |
| Return before operating charges* | 1.49 | 13.23 | 0.26 | 0.27 |
| Operating charges | (1.24) | (1.32) | (1.31) | (0.97) |
| Return after operating charges* | 0.25 | 11.91 | (1.05) | (0.70) |
| Distributions | (3.24) | (3.11) | (3.47) | (3.41) |
| Retained distributions on accumulation | - | - | - | - |
| Closing net asset value per Share | 99.15 | 102.14 | 93.34 | 93.85 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 | 0.00 |
| Performance | | | | |
| Return after operating charges | 0.24% | 12.76% | (1.07%) | (0.71%) |
| Other information | | | | |
| Closing net asset value | £4,046,959 | £4,225,372 | £3,538,255 | £42,395 |
| Closing number of Shares | 4,081,693 | 4,136,891 | 3,790,779 | 45,172 |
| Operating charges | 1.28% | 1.33% | 1.36% | 1.01% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | |
| Highest Share price | 106.77 | 103.19 | 103.05 | 103.51 |
| Lowest Share price | 96.65 | 93.16 | 81.76 | 82.16 |

Highest and lowest share prices are based on official published daily NAVs.

**Share Class Z income was fully redeemed on 17 September 2020 and closed on 1 April 2021.

Volare Strategic Income Fund

Performance Information

As at 31 May 2022

Operating Charges

| Date | AMC* (%) | Other expenses (%) | Synthetic expense ratio** (%) | Investment Manager subsidy (%) | Transaction costs (%) | Operating Charges (%) |
|---------------|----------|--------------------|-------------------------------|--------------------------------|-----------------------|-----------------------|
| 31/05/22 | | | | | | |
| Share Class A | 0.35 | 1.32 | 0.68 | (1.11) | 0.04 | 1.28 |
| 31/05/21 | | | | | | |
| Share Class A | 0.35 | 1.71 | 0.73 | (1.61) | 0.15 | 1.33 |

* Annual Management Charge

**The methodology for calculation of synthetic expense ratio has changed. Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include closed ended vehicles such as investment trusts.

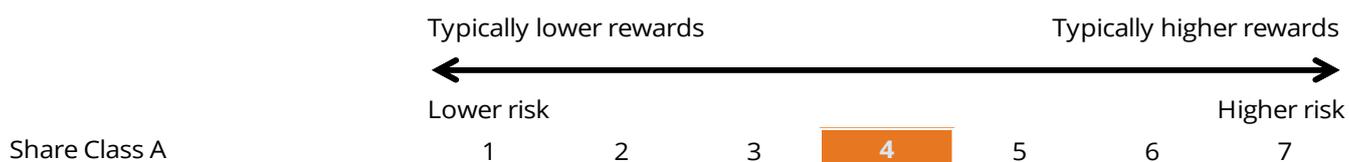
The Operating Charge is the total expenses paid by the Fund in the year, annualised, against its average Net Asset Value. This will fluctuate as underlying costs change.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio.

An operating charges cap of 0.60% for the A income share class is currently in effect. This is excluding any impact from the Synthetic expense ratio. Investment manager subsidy will be provided from the sponsor to ensure operating charge ratios do not exceed these limits.

Risk and Reward Profile

As at 31 May 2022



- The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a '4' on the scale. This is partly because the Fund invests in a mixture of investments, some of which have values that may fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may 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 of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Volare Strategic Income Fund

Portfolio Statement As at 31 May 2022

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|---|-------------------|--------------------------|
| Collective Investment Schemes 92.15% [96.59%] | | | |
| 304,179 | AXA US Short Duration High Yield Inc | 264,089 | 6.53 |
| 223,796 | Fidelity Global Dividend | 303,243 | 7.49 |
| 13,234 | Fundsmith Equity | 76,119 | 1.88 |
| 300,001 | Jupiter Strategic Bond | 268,921 | 6.65 |
| 135,657 | Lazard Global Listed Infrastructure Equity | 256,907 | 6.35 |
| 68,050 | LF Ruffer Diversified Return | 72,589 | 1.79 |
| 42,489 | Lindsell Train Global Equity | 165,991 | 4.10 |
| 21,897 | M&G Strategic Corporate Bond | 225,745 | 5.58 |
| 81,917 | Marlborough Multi Cap Income | 121,310 | 3.00 |
| 15,106 | Morgan Stanley Global Brands | 200,303 | 4.95 |
| 1,119 | Muzinich Emerging Markets Short Duration | 96,166 | 2.38 |
| 1,719 | Muzinich Global Tactical Credit | 167,510 | 4.14 |
| 23,301 | Neuberger Berman Emerging Market Debt Blend | 187,572 | 4.64 |
| 1,943 | RWC Enhanced Income | 157,190 | 3.88 |
| 493,463 | Schroder Asian Income Maximiser | 254,281 | 6.28 |
| 326,193 | Schroder Income Maximiser | 153,441 | 3.79 |
| 387,159 | Schroder US Equity Income Maximiser | 250,376 | 6.19 |
| 29,018 | Stewart Investors Asia Pacific Leaders Sustainability | 87,018 | 2.15 |
| 74,675 | TB Evenlode Global Income C Acc | 114,619 | 2.83 |
| 106,316 | TB Evenlode Global Income F Inc | 149,692 | 3.70 |
| 561 | Threadneedle UK Equity Income | 844 | 0.02 |
| 80,818 | Threadneedle UK Equity Income L Inc | 155,170 | 3.83 |
| | | 3,729,096 | 92.15 |
| Portfolio of investments | | 3,729,096 | 92.15 |
| Net other assets | | 317,863 | 7.85 |
| Net assets | | 4,046,959 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

Comparative figures shown above in square brackets relate to 31 May 2021.

Gross purchases for the year: £940,804 [2021: £1,906,933] (See Note 15).

Total sales net of transaction costs for the year: £1,203,245 [2021: £1,719,577] (See Note 15).

Volare Strategic Income Fund

Statement of Total Return For the year ended 31 May 2022

| | | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|---|------|----------------------|------------------|----------------------|----------------|
| | Note | £ | £ | £ | £ |
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (95,545) | | 340,206 |
| Revenue | 3 | 141,961 | | 123,984 | |
| Expenses | 4 | (26,617) | | (16,742) | |
| Interest paid and similar charges | 5 | (152) | | (319) | |
| Net revenue before taxation | | 115,192 | | 106,923 | |
| Taxation | 6 | (4,397) | | (6,286) | |
| Net revenue after taxation | | | 110,795 | | 100,637 |
| Total return before distributions | | | 15,250 | | 440,843 |
| Finance costs: Distributions | 7 | | (137,462) | | (117,381) |
| Change in net assets attributable to Shareholders from investment activities | | | (122,212) | | 323,462 |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2022

| | | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|--|--|----------------------|------------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | | 4,225,372 | | 3,580,650 |
| Amounts received on issue of Shares | | 760,413 | | 1,978,968 | |
| Less: Amounts paid on cancellation of Shares | | (816,614) | | (1,657,711) | |
| | | | (56,201) | | 321,257 |
| Change in net assets attributable to Shareholders from investment activities (see above) | | | (122,212) | | 323,462 |
| Undistributed income | | | - | | 3 |
| Closing net assets attributable to Shareholders | | | 4,046,959 | | 4,225,372 |

Volare Strategic Income Fund

Balance Sheet As at 31 May 2022

| | | 31/05/22 | | 31/05/21 | |
|--|------|----------|------------------|----------|------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | | 3,729,096 | | 4,081,203 |
| Current assets: | | | | | |
| Debtors | 8 | 101,652 | | 46,665 | |
| Cash and bank balances | 9 | 274,688 | | 148,185 | |
| Total current assets | | | 376,340 | | 194,850 |
| Total assets | | | 4,105,436 | | 4,276,053 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Distribution payable on income Shares | | (31,054) | | (28,676) | |
| Other creditors | 10 | (27,423) | | (22,005) | |
| Total creditors | | | (58,477) | | (50,681) |
| Total liabilities | | | (58,477) | | (50,681) |
| Net assets attributable to Shareholders | | | | | |
| | | | 4,046,959 | | 4,225,372 |

Volare Strategic Income Fund

Notes to the Financial Statements For the year ended 31 May 2022

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 14.

| 2 Net capital (losses)/gains | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|--|-------------------------|-------------------------|
| | £ | £ |
| The net capital (losses)/gains during the year | | |
| Currency (losses)/gains | (106) | - |
| Non-derivative securities | (93,829) | 345,535 |
| Rebates from underlying investments | - | (1) |
| Transaction charges | (1,610) | (5,328) |
| Net capital (losses)/gains | (95,545) | 340,206 |
| 3 Revenue | | |
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| Bank interest | - | 1 |
| Franked dividends from Collective Investment Schemes | 68,642 | 95,456 |
| Interest income from Collective Investment Schemes | 32,275 | 834 |
| Offshore funds dividends | 24,563 | 27,693 |
| Offshore funds interest | 16,481 | - |
| Total revenue | 141,961 | 123,984 |
| 4 Expenses | | |
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 14,523 | 13,269 |
| Fund accounting fees | 17,791 | 20,539 |
| Investment manager subsidy | (45,928) | (60,055) |
| Registration fees | 5,235 | 6,431 |
| | (8,379) | (19,816) |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 12,613 | 18,020 |
| Safe custody fees | 3,247 | 1,901 |
| | 15,860 | 19,921 |
| Other expenses | | |
| Audit fees* | 11,150 | 9,519 |
| EMX/Calastone fees | 3,070 | 7,072 |
| FCA fees | 95 | 46 |
| Legal fees | 3,591 | - |
| LEI licence fee | 78 | - |
| Printing, postage, stationery and typesetting costs | 1,152 | - |
| | 19,136 | 16,637 |
| Total expenses | 26,617 | 16,742 |

* Audit fees of £9,325 + VAT have been charged in the current year (2021: £7,900 + VAT).

Volare Strategic Income Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

| | | |
|--|---------------------------------|---------------------------------|
| 5 Interest paid and similar charges | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| Bank Interest | 152 | 319 |
| Total Interest paid and similar charges | 152 | 319 |

| | | |
|---|---------------------------------|---------------------------------|
| 6 Taxation | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| (a) Analysis of the tax charge in the year | | |
| Adjustments in respect of prior periods | - | 65 |
| Corporation tax | 4,397 | 6,221 |
| Total current tax charge (Note 6 (b)) | 4,397 | 6,286 |
| Deferred tax (Note 6 (c)) | - | - |
| Total taxation for the year | 4,397 | 6,286 |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2021: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | | |
|---|---------------------------------|---------------------------------|
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | £ | £ |
| Net revenue before taxation | 115,192 | 106,923 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 23,038 | 21,385 |
| Effects of: | | |
| Adjustments in respect of prior periods | - | 65 |
| Revenue not subject to corporation tax | (18,641) | (15,164) |
| Total tax charge for the year | 4,397 | 6,286 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year (2021: Nil).

Volare Strategic Income Fund

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

7 Finance costs

Distributions

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

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Interim | 107,325 | 92,960 |
| Final | 31,054 | 28,676 |
| Add: Revenue paid on cancellation of Shares | 3,803 | 8,233 |
| Deduct: Revenue received on issue of Shares | (4,720) | (12,488) |
| Net distribution for the year | 137,462 | 117,381 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|----------------|----------------|
| Net revenue after taxation | 110,795 | 100,637 |
| Expenses charged to capital | 26,669 | 16,742 |
| Net movement in revenue account | (2) | - |
| Undistributed income brought forward | - | 3 |
| Net distribution for the year | 137,462 | 117,381 |

Details of the distributions per Share are set out in the distribution table on page 116.

8 Debtors

| | 31/05/22 | 31/05/21 |
|---|----------------|---------------|
| | £ | £ |
| Accrued revenue | 5,462 | 16,654 |
| Amounts receivable for creation of Shares | 75,736 | - |
| Investment manager subsidy | 20,454 | 30,011 |
| Total debtors | 101,652 | 46,665 |

9 Cash and bank balances

| | 31/05/22 | 31/05/21 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Cash and bank balances | 274,688 | 148,185 |
| Total cash and bank balances | 274,688 | 148,185 |

Volare Strategic Income Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2022

| 10 Creditors | 31/05/22 | 31/05/21 |
|--|-----------------|-----------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 89 | - |
| Corporation tax payable | 4,397 | 6,221 |
| | 4,486 | 6,221 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fees | 1,169 | 1,244 |
| Fund accounting fees | 1,500 | 1,932 |
| Registration fees | 3,401 | 1,092 |
| | 6,070 | 4,268 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 2,407 | 1,701 |
| Safe custody fees | 2,000 | 89 |
| Transaction charges | 1,250 | 162 |
| | 5,657 | 1,952 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 11,190 | 9,519 |
| FCA fees | 20 | 45 |
| | 11,210 | 9,564 |
| Total creditors | 27,423 | 22,005 |

11 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

Significant Shareholdings

FundRock Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that 31.37% (2021: 25.12%) of the Fund's shares in issue are under the control of a single nominee and its related parties.

12 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|--------------------|----------|
| A Income | 0.35 |

Each Share Class has equal rights in the event of the wind up of any Fund.

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/21 | Issued | Cancelled | Converted | 31/05/22 |
|----------|-----------------|---------------|------------------|------------------|-----------------|
| A Income | 4,136,891 | 384,729 | (439,927) | - | 4,081,693 |

Notes to the Financial Statements (continued) For the year ended 31 May 2022

13 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: nil).

14 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The functional currency of the Fund is Sterling. All assets and liabilities of the Fund are denominated in Pound Sterling. There was no direct foreign currency exposure within the Fund at the balance sheet date. However, there was a significant foreign currency exposure within the Fund's holdings of Collective Investment Schemes since a proportion of their assets are denominated in currencies other than Sterling, with the effect their balance sheet and total returns can be affected by exchange rate fluctuations.

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets £ | Financial assets not carrying interest £ | Total £ |
|-------------------------|--|---|------------------|
| 31/05/22 | | | |
| Sterling | 274,688 | 3,830,748 | 4,105,436 |
| Total | 274,688 | 3,830,748 | 4,105,436 |
| 31/05/21 | | | |
| Sterling | 148,185 | 4,127,868 | 4,276,053 |
| Total | 148,185 | 4,127,868 | 4,276,053 |
| Currency Liabilities | Floating rate financial liabilities £ | Financial liabilities not carrying interest £ | Total £ |
| 31/05/22 | | | |
| Sterling | - | 58,477 | 58,477 |
| Total | - | 58,477 | 58,477 |
| 31/05/21 | | | |
| Sterling | - | 50,681 | 50,681 |
| Total | - | 50,681 | 50,681 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

14 Derivatives and other financial instruments (continued)

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase | Decrease |
|------|----------|----------|
| | £ | £ |
| 2022 | 372,910 | 372,910 |
| 2021 | 408,120 | 408,120 |

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2022, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

| 15 Portfolio transaction costs | 01/06/21 to 31/05/22 | | 01/06/20 to 31/05/21 | |
|---|-------------------------|------------------|-------------------------|------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs: | | | | |
| Collective Investment Schemes | | 940,804 | | 1,906,933 |
| | | 940,804 | | 1,906,933 |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | | 940,804 | | 1,906,933 |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs: | | | | |
| Collective Investment Schemes | | 1,203,245 | | 1,719,577 |
| | | 1,203,245 | | 1,719,577 |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | | 1,203,245 | | 1,719,577 |

Notes to the Financial Statements (continued)

For the year ended 31 May 2022

15 Portfolio transaction costs (continued)

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
|---|-------------------------|-------------------------|
| Transaction costs as percentage of principal amounts | % | % |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| | 01/06/21 to 31/05/22 | 01/06/20 to 31/05/21 |
| | % | % |
| Transaction costs as percentage of average net asset value | | |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

16 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

17 Fair value disclosure

| Valuation technique | 31/05/22 | | 31/05/21 | |
|--|------------------|------------------|------------------|------------------|
| | Assets £ | Liabilities £ | Assets £ | Liabilities £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | - | - | - | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 3,729,096 | - | 4,081,203 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 3,729,096 | - | 4,081,203 | - |

** The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Strategic Income Fund

Distribution Table As at 31 May 2022

First Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2021

Group 2 Shares purchased on or after 1 June 2021 to 31 August 2021

| | Net revenue (p) | Equalisation (p) | Distribution paid 31/10/21 (p) | Distribution paid 31/10/20 (p) |
|-----------------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.6931 | - | 0.6931 | 0.8523 |
| Group 2 | 0.2038 | 0.4893 | 0.6931 | 0.8523 |

Second Distribution in pence per Share

Group 1 Shares purchased prior to 1 September 2021

Group 2 Shares purchased on or after 1 September 2021 to 30 November 2021

| | Net revenue (p) | Equalisation (p) | Distribution paid 31/01/22 (p) | Distribution paid 31/01/21 (p) |
|-----------------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.9168 | - | 0.9168 | 0.7345 |
| Group 2 | 0.2732 | 0.6436 | 0.9168 | 0.7345 |

Third Distribution in pence per Share

Group 1 Shares purchased prior to 1 December 2021

Group 2 Shares purchased on or after 1 December 2021 to 28 February 2022

| | Net revenue (p) | Equalisation (p) | Distribution paid 30/04/22 (p) | Distribution paid 30/04/21 (p) |
|-----------------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.8703 | - | 0.8703 | 0.8273 |
| Group 2 | 0.0151 | 0.8552 | 0.8703 | 0.8273 |

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 March 2022

Group 2 Shares purchased on or after 1 March 2022 to 31 May 2022

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/22 (p) | Distribution paid 31/07/21 (p) |
|-----------------------------|-----------------------|---------------------|--|---|
| Share Class A Income | | | | |
| Group 1 | 0.7608 | - | 0.7608 | 0.6931 |
| Group 2 | 0.1867 | 0.5741 | 0.7608 | 0.6931 |

General Information

Classes of Shares

The Company can issue different classes of Shares in respect of the Fund. Holders of Income Shares are entitled to be paid the revenue attributable to such Shares, in respect of each annual accounting period, with the exception of Strategic Income Fund which pays quarterly distributions as detailed below (see Distribution Payment Dates). Holders of Accumulation Shares are not entitled to be paid the revenue attributable to such Shares, but that revenue is retained and accumulated for the benefit of Shareholders and is reflected in the price of Shares.

Buying and Selling Shares

The ACD will accept orders to deal in the Shares on normal business days between 9.00 am and 5.00 pm. Instructions to buy or sell Shares may be either in writing to: FundRock Partners Limited - LGT WM, PO Box 12391, Chelmsford, CM99 2EU or by telephone on 01268 445772* (UK only) or +44 1268 445772* (outside the UK) or by fax on 01268 441498* (UK only) or +44 1268 441498* (outside the UK). A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Valuation Point

The valuation point for the Fund is 12 noon on each dealing day (being each day which is a business day in London). Valuations may be made at other times under the terms contained within the Prospectus.

Prices

The prices of Shares for each class in the Fund will be posted via a link on www.fundlistings.com and prices can also be obtained by telephoning the Administrator on 01268 445772* (UK only) or +44 1268 445772* (outside the UK) during the ACD's normal business hours.

Report

The annual report of the Company will normally be published within two months of each annual accounting period, although the ACD reserves the right to publish the annual report at a later date but not later than four months from the end of each annual accounting period.

| | |
|--|-------------|
| Interim Financial Statements period ended: | 30 November |
| Annual Financial Statements year ended: | 31 May |

Distribution Payment Dates

| | |
|---------|--|
| Interim | 31 January, 30 April, 31 October (Strategic Income Fund) |
| Annual | 31 July |

* Please note that telephone calls may be recorded for monitoring and training purposes and to confirm investors' instructions.

Volare UCITS Portfolios

General Information (continued)

Remuneration Information

Under the UCITS V Directive, the ACD must establish and apply remuneration policies and practices that are consistent with and promote sound and effective risk management. Under the COLL Sourcebook, FundRock Partners (FP) as UK UCITS Manager, are required to disclose details on how those individuals whose actions can have a material impact on the Fund are remunerated (known as Identified Staff or 'Material Risk Takers').

The remuneration strategy across FundRock Partners is governed by the FundRock Partners' Board. FundRock Partners has chosen not to establish a Remuneration Committee. The FundRock Partners' Board has established a Remuneration Policy designed to ensure the UCITS Remuneration Code in the UK Financial Authority handbook is met proportionately for all UCITS Remuneration Code Staff.

FundRock Partners considers its activities as non complex due to the fact that regulation limits the UCITS strategies conducted and the scope of investment in such a way that investor risk is mitigated. The discretion of FundRock Partners and the portfolio manager is strictly controlled within certain pre-defined parameters as determined in the prospectus of each UK UCITS.

In its role as an UK UCITS Manager, FundRock Partners deems itself as lower risk due to the nature of the activities it conducts. Therefore FundRock Partners has provided a basic overview of how staff whose actions have a material impact on the Funds are remunerated.

| May 22 | Number of Beneficiaries ¹ | Total remuneration paid ² | Fixed remuneration | Variable remuneration paid | Carried interest paid by the UCITS |
|--|--------------------------------------|--------------------------------------|--------------------|----------------------------|------------------------------------|
| Total remuneration paid by FP during the financial year | 27 | 2,167,614 | 1,968,530 | 199,084 | 0 |
| Remuneration paid to employees of FP who have a material impact on the risk profile of the UCITS | 5 | 487,393 | 369,431 | 117,962 | 0 |
| Senior Management | 5 | 487,393 | 369,431 | 117,962 | 0 |
| Control functions | 5 | 487,393 | 369,431 | 117,962 | 0 |
| Employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers | 0 | 0 | 0 | 0 | 0 |

¹Number of beneficiaries represents employees of the FundRock Partners who are fully or partially involved in the activities of the UK UCITS as at 31 May 2022.

²Total remuneration paid represents total compensation of those employees of FundRock Partners who are fully or partially involved in the activities of the UK UCITS based on their time in the role during the reporting period. Due to FundRock Partners' operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable.

General Information (continued)

Remuneration Information (continued)

As at 31 December 2021, the number of beneficiaries involved in the activities of UK UCITS has increased because of organisational changes at FP. There were no material changes in FP's remuneration policy since the previous year end.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document ("KIID"), Supplementary Information Document ("SID") and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application.

Shareholders who have any complaints about the operation of the Company 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, Harbour Exchange Square, London E14 9SR.

Data Protection

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.

Effects of Personal Taxation

Investors should be aware that unless their Shares are held within an ISA, selling Shares is treated as a disposal for the purpose of Capital Gains tax.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may 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 of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Value Assessment

With effect from 30 September 2019, an authorised fund manager ("AFM") or a UCITS management company authorised by the FCA must perform a detailed assessment on whether its funds are providing value to investors and then publish an annual statement summarising the outcome. This statement can be part of a fund's annual long report or AFMs can produce a composite report covering two or more funds. In carrying out the value assessment, the AFMs must consider several criteria: quality of service, performance, AFM costs, economies of scale, comparable market rates, comparable services and classes of units. FundRock Partners Limited has chosen to use the composite report approach. The assessment will be published on the FundRock website within four months after the reference date - 30 June. <https://www.fundrock.com/investor-information/lgt-wealth-management-uk-llp/>

Contact Information

The Company and its Head Office

Volare UCITS Portfolios
6th Floor,
Bastion House,
140 London Wall,
London, EC2Y 5DN
Incorporated in England and Wales
under registration number IC001079
Website address: www.fundrock.com
(Authorised and regulated by the FCA)

Directors of the ACD

T. Gregoire
S. Gunson
X. Parain
P. Spendiff

Non-executive Directors

E. Personne
M. Vareika

Registrar

SS&C Financial Services International Ltd
Head Office:
SS&C House,
St Nicholas Lane,
Basildon,
Essex SS15 5FS

Customer Service Centre

FundRock Partners Limited - LGT WM
PO Box 12391,
Chelmsford CM99 2EU
Telephone: 01268 445 772* (within UK only)
Outside the UK: +44 1268 445 772*
Fax: 01268 441 498
Outside the UK: +44 1268 441 498

Auditor

Deloitte LLP
Statutory Auditor
110 Queen Street,
Glasgow G1 3BX

Authorised Corporate Director ("ACD")

FundRock Partners Limited
6th Floor,
Bastion House,
140 London Wall,
London, EC2Y 5DN
(Authorised and regulated by the FCA and
a member of the Investment Association)

Investment Manager and Sponsor

LGT Wealth Management UK LLP
14 Cornhill,
London EC3V 3NR
(Authorised and regulated by the FCA)

Depositary

to 20 November 2021
Societe General S.A. (London Branch),
One Bank Street,
Canary Wharf,
London E14 4SG
(Authorised by the Prudential Regulation
Authority ('PRA') and regulated by the
PRA and FCA)

from 20 November 2021
Citibank UK Limited,
Citigroup Centre,
Canada Square,
Canary Wharf,
London E14 5LB
(Authorised by the Prudential Regulation
Authority ('PRA') and regulated by the
PRA and FCA)

Fund Administrator

to 20 November 2021
Societe General S.A. (London Branch),
One Bank Street,
Canary Wharf,
London E14 4SG

from 20 November 2021
Apex Fund Services (UK) Limited
6th Floor,
140 London Wall,
London EC2Y 5DN

* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.



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