

TM Investment Funds

Annual Report & Accounts
for the year ended 31st December 2021



THEESIS UNIT TRUST MANAGEMENT LIMITED

Authorised and regulated by the Financial Conduct Authority

TM Investment Funds

Contents

	Page
Management and Professional Service Providers' Details*	3
Report of the Authorised Corporate Director*	4
Investment Objectives and Policies*	4
Report of the Investment Managers*	7
Constitution*	10
Sub-Fund Cross-Holdings	10
Regulatory Disclosure*	10
Remuneration Disclosures	11
Securities Financing Transaction Regulation Disclosures	11
Certification of Annual Report & Accounts by Directors	11
Responsibilities of the Authorised Corporate Director	12
Statement of the Depositary's Responsibilities	13
Report of the Depositary	13
Independent Auditor's Report to the Shareholders	14
Statement of Accounting Policies, Distribution Policies and Risk Management Policies	17
TM CRUX European Opportunities Fund	
Portfolio Statement*	22
Sub-fund Information*	23
Statement of Total Return	29
Statement of Change in Net Assets Attributable to Shareholders	29
Balance Sheet	30
Notes to the Financial Statements	31
Distribution Tables	38

* These collectively comprise the Authorised Corporate Director's Report.

TM Investment Funds

Contents *(continued)*

	Page
TM CRUX UK Opportunities Fund	
Portfolio Statement*	40
Sub-fund Information*	41
Statement of Total Return	47
Statement of Change in Net Assets Attributable to Shareholders	47
Balance Sheet	48
Notes to the Financial Statements	49
Distribution Tables	56
TM Tellworth UK Select Fund	
Portfolio Statement*	59
Sub-fund Information*	62
Assessment of Value	62
Statement of Total Return	68
Statement of Change in Net Assets Attributable to Shareholders	68
Balance Sheet	69
Notes to the Financial Statements	70
Distribution Tables	80

* These collectively comprise the Authorised Corporate Director's Report.

TM Investment Funds

Management and Professional Service Providers' Details

Authorised Corporate Director:

Thesis Unit Trust Management Limited
Exchange Building
St John's Street
Chichester
West Sussex PO19 1UP
Tel: 01243 531 234

*Authorised and regulated by
the Financial Conduct Authority*

Investment Managers:

BennBridge Ltd.
Windsor House, 5 Station Court, Station Road
Great Shelford, Cambridge CB22 5NE

*Authorised and regulated by
the Financial Conduct Authority*

CRUX Asset Management Limited
48 Pall Mall
St James's
London SW1Y 5JG

*Authorised and regulated by
the Financial Conduct Authority*

Administrator, Registrar and Fund Accountant:

Northern Trust Global Services SE, UK Branch
50 Bank Street
Canary Wharf
London E14 5NT

*Authorised and regulated by
the Financial Conduct Authority*

Dealing Office:

Thesis Unit Trust Management Limited
Sunderland SR43 4AZ
Tel: 0333 300 0375
Fax: 020 7982 3924

*Authorised and regulated by
the Financial Conduct Authority*

Auditor:

Ernst & Young LLP
1 More London Place
London SE1 2AF

Directors of the ACD:

D. W. Tyerman - Chief Executive Officer
S. R. Mugford - Finance Director
S. E. Noone - Client Service Director
D. K. Mytnik - Non-Executive Director
V. R. Smith - Non-Executive Director
W. D. Prew - Independent Non-Executive Director
C. J. Willson - Independent Non-Executive Director
N. C. Palios - Non-Executive Chair

S.R. Mugford and D.W. Tyerman also hold directorships of other companies within the Thesis group and perform senior management roles within these companies, particularly Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Authorised Corporate Director.

D.K. Mytnik, V.R. Smith and N.C. Palios also hold non-executive directorships of other companies within the Thesis group. They are not engaged in other business activities that are of significance to TM Investment Funds (the "Company"). W. D. Prew is a Director of Indos Financial Limited, the primary business of which is the provision of Alternative Investment Fund Managers Directive independent depositary services to Alternative Investment Funds. INDOS Financial Limited is a wholly owned subsidiary within the JTC plc group, a fund, corporate services and private clients service provider. Neither INDOS Financial Limited nor JTC plc provide services to the investment funds managed by the Authorised Corporate Director.

Depositary:

Northern Trust Global Services SE, UK Branch*
50 Bank Street
Canary Wharf
London E14 5NT

*Authorised and regulated by
the Financial Conduct Authority*

Northern Trust Investor Services Limited**
50 Bank Street
Canary Wharf
London E14 5NT

*Authorised and regulated by
the Financial Conduct Authority*

* the Depositary of the Company up to 26th November 2021

** the Depositary of the Company from 27th November 2021

TM Investment Funds

Report of the Authorised Corporate Director (“ACD”)

for the year ended 31st December 2021

Thesis Unit Trust Management Limited (the “ACD”) is pleased to present the ACD’s Annual Report & Accounts for the TM Investment Funds (the “Company”) for the year ended 31st December 2021.

The Company is an umbrella fund with three sub-funds namely, TM CRUX European Opportunities Fund*, TM CRUX UK Opportunities Fund* and TM Tellworth UK Select Fund (the “sub-funds”).

*The sub-fund is no longer available for investments.

Investment Objectives and Policies

As noted above and in note 2(a), the TM CRUX European Opportunities and TM CRUX UK Opportunities sub-funds are no longer open to investments, the narrative below relates to their Investment Objectives at a prior date and is no longer applicable.

TM CRUX European Opportunities Fund

The objective of the sub-fund is to achieve capital growth. The sub-fund will seek to achieve returns that are 2% p.a. in excess of the FTSE World Europe ex-UK Index over a rolling three year period, though there is no guarantee that it will do so.

The portfolio will consist principally of listed equity securities, issued by companies established or operating in Europe (excluding the UK).

The sub-fund may also invest in other transferable securities, money market instruments, cash and near cash and derivatives. The sub-fund may invest in other collective investment schemes, but such investment will be limited to a maximum of 10% of the scheme property of the sub-fund. Derivatives will be used only for the purpose of Efficient Portfolio Management.

CRUX Asset Management Limited intends to adopt a long-only strategy in its management of the sub-fund, and to adopt a Business Cycle Approach (details of which are set out in the section headed “Additional Information for Investors”).

The investment strategy applied in order to achieve the sub-fund’s objective is to look for “opportunities” in the market to buy cyclical assets during depressed levels of economic activity and to buy defensive assets ahead of expected declines in economic activity.

The “opportunities” are as a result of advantageous circumstances or combination of circumstances, as found by the Managers of the sub-fund which offer an objective of 2% p.a. in excess of the Index return.

The ACD reserves the right to change the Reference Benchmark following consultation with the Depositary and in accordance with the rules in COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate or a benchmark administrator has given notification of discontinuance of the benchmark. Shareholders will be notified of such a change, FCA approval will be applied for and the Prospectus updated and the change noted in the subsequent annual and half-yearly reports.

TM CRUX UK Opportunities Fund

The objective of the sub-fund is to achieve capital growth. The sub-fund will seek to achieve returns that are 2% p.a. in excess of the FTSE All-Share Index over a rolling three year period, though there is no guarantee that it will do so.

The portfolio will consist principally of listed equity securities, issued by companies established or operating in the UK.

The sub-fund may also invest in other transferable securities, money market instruments, cash and near cash and derivatives. The sub-fund may invest in other collective investment schemes, but such investment will be limited to a maximum of 10% of the scheme property of the sub-fund. Derivatives will be used only for the purpose of Efficient Portfolio Management.

CRUX Asset Management Limited intends to adopt a long-only strategy in its management of the sub-fund, and to adopt a Business Cycle Approach (details of which are set out in the section headed “Additional Information for Investors”).

The investment strategy applied in order to achieve the sub-fund’s objective is to look for “opportunities” in the market to buy cyclical assets during depressed levels of economic activity and to buy defensive assets ahead of expected declines in economic activity.

The “opportunities” are as a result of advantageous circumstances or combination of circumstances, as found by the Managers of the sub-fund which offer an objective of 2% p.a. in excess of the Index return.

TM Investment Funds

Report of the Authorised Corporate Director (“ACD”) *for the year ended 31st December 2021 (continued)*

Investment Objectives and Policies *(continued)*

TM CRUX UK Opportunities Fund (continued)

The ACD reserves the right to change the Reference Benchmark following consultation with the Depositary and in accordance with the rules in COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate or a benchmark administrator has given notification of discontinuance of the benchmark. Shareholders will be notified of such a change, FCA approval will be applied for and the Prospectus updated and the change noted in the subsequent annual and half-yearly reports.

TM Tellworth UK Select Fund

The objective of the sub-fund is to achieve positive annual returns with lower volatility than the FTSE All-Share Index. The sub-fund will seek to achieve returns that are in excess of one month SONIA (SONIA1M IR), after fees, over a three year rolling period though there is no guarantee that it will do so. Investors should note that capital is at risk, and, while the sub-fund aims to achieve positive returns in all market conditions over each year, there is no guarantee that it will do so over that, or any, time period.

The portfolio will consist principally (approximately 80%) of listed equity securities issued by companies established or operating in the UK and derivative instruments which may give either long or short exposure to listed equity securities. These companies will have market capitalization of over £500m at the time of investment.

The sub-fund may also invest in other transferable securities, money market instruments, cash and near cash. The sub-fund may invest in other collective investment schemes, but such investment will be limited to a maximum of 10% of the scheme property of the sub-fund.

BennBridge Ltd intends to adopt both long and short strategies in its management of the sub-fund, and to adopt a Business Cycle Approach (details of which are set out in the section headed “Additional Information for Investors” of the Prospectus).

The ACD reserves the right to change the Reference Benchmark following consultation with the Depositary and in accordance with the rules in COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate or a benchmark administrator has given notification of discontinuance of the benchmark. Shareholders will be notified of such a change, FCA approval will be applied for and the Prospectus updated and the change noted in the subsequent annual and half-yearly reports.

Target Benchmark

TM CRUX European Opportunities Fund

The target of the sub-fund was to seek to achieve returns that are 2% p.a. in excess of the FTSE World Europe ex-UK Index, as set out in the objective above. Therefore the Index was a target for the returns. The benchmark could have been also used for performance comparison because the constituents were representative of the areas in which the sub-fund itself was likely to invest.

TM CRUX UK Opportunities Fund

The target of the sub-fund was to seek to achieve returns that are 2% p.a. in excess of the FTSE All-Share Index, as set out in the objective above. Therefore the Index was a target for the returns. The benchmark could have been also used for performance comparison because the constituents were representative of the areas in which the sub-fund itself was likely to invest.

TM Tellworth UK Select Fund

The sub-fund is managed with reference to a benchmark. The sub-fund's performance target is to exceed one month SONIA (SONIA1M IR) (after fees) and the sub-fund's performance should be assessed against this performance target as the ACD considers it to set a reasonable minimum performance for the sub-fund to achieve taking into account a number of factors including (for instance) the investment strategy pursued by the Investment Manager and the assets in which the sub-fund will principally invest.

TM Investment Funds

Report of the Authorised Corporate Director (“ACD”)

for the year ended 31st December 2021 (continued)

Important Information

The TM CRUX European Opportunities and the TM CRUX UK Opportunities sub-funds merged via a scheme of arrangement with the TM CRUX European Fund (a sub-fund of TM CRUX OEIC) and the TM CRUX UK Core Fund (a sub-fund of TM CRUX Funds ICVC) respectively, effective 10th July 2020. These funds are administered outside of Northern Trust Global Services SE, UK Branch.

The financial statements for the sub-funds above are prepared on a basis other than going concern for the year ended 31st December 2021, where assets have been recorded using a realisable value and liabilities have been recorded using a settlement value.

The depositary of the Company has changed with effect from 27th November 2021. The depositary of the Company was Northern Trust Global Services SE, UK branch (“NTGS-UK”). NTGS-UK is the UK branch of Northern Trust Global Services SE, which is a bank established in Luxembourg, and was permitted to provide trustee and depositary services into the UK by virtue of having extra permissions in the UK.

As a consequence of the UK’s decision to leave the European Union, however, the UK financial services regulator which regulates NTGS-UK, the Financial Conduct Authority (“FCA”), has provided that UK branches of EU banks are no longer able to provide trustee and depositary services into the UK and those services have to be provided from a UK incorporated company. The FCA has provided a grace period for firms to implement the new rules which came into force on 1st January 2021.

In order to comply with the new rules, Northern Trust has established Northern Trust Investor Services Limited (“NTISL”) to be the new trustee and depositary. NTISL is a company established in England and Wales and is authorised by the FCA to be a trustee and depositary. NTISL will provide the same services as NTGS-UK with the same processes and procedures in place. The change of depositary took place on 27th November 2021. Prospectus of the Company has been amended to reflect the details of NTISL as from that date.

Impact of COVID-19

The outbreak of the novel coronavirus (COVID-19), declared by the World Health Organisation as a pandemic on 11th March 2020, has caused disruption to businesses and economic activity which has been reflected in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice.

This assessment is made as at the date of issue of these financial statements and is based additionally on the following:

- a. the ability, post the announcement of the World Health Organisation of the COVID-19 pandemic, of the ACD and its third party suppliers to continue business as usual as each entity moved their operational functionality from an office based to a working from home environment; and
- b. whilst it is recognised that COVID-19 presents many challenges from an investment perspective, it is considered that these do not impact the ability of the Company to continue as a going concern due to its liquid balance sheet resources that are considerably in excess of annual operating expenditure.

From time to time, major macroeconomic events occur and cause significant short-term volatility to capital markets. Russia’s military action is an example of such an event. We are monitoring the situation very closely and will continue to manage our funds in line with their respective objectives.

Thesis Unit Trust Management Limited
Authorised Corporate Director
27th April 2022

TM Investment Funds

Report of the Investment Managers

for the year ended 31st December 2021

TM Crux European Opportunities Fund

There is no investment manager's report, as the sub-fund did not hold any investments as it ceased investment activity on 10th July 2020.

TM Investment Funds

Report of the Investment Managers

for the year ended 31st December 2021 (continued)

TM Crux UK Opportunities Fund

There is no investment manager's report, as the sub-fund did not hold any investments as it ceased investment activity on 10th July 2020.

TM Investment Funds

Report of the Investment Managers

for the year ended 31st December 2021 (continued)

TM Tellworth UK Select Fund

The sub-fund produced a second solid year with a net return on the F-class of 12.93%, very similar to the prior year, albeit at a lower volatility of 6.30%*. UK stock markets provided excellent dispersion throughout the year - the key ingredient for a successful year in a bottom-up long/short stock-picking strategy, that aims to remove macro and market risk factors.

By design, no one particular trend or theme helped returns systematically during the year. Fund returns are a culmination of lots of small 'bets' on individual company performance against a relevant benchmark, that pay off at different times throughout the year, very often at earnings events.

The first half of the year was particularly strong, however, with several key consumer dynamics – like the focus on home improvement and certain sub-market products like pets – allowing us to identify trends before other investors using alternative data models. As the year progressed, we aimed to identify businesses with particular staying power in the face of the normalisation of global economies post-pandemic. This culminated in several sets of 'pair trades' where we invested long in well-managed businesses with strong supply chains and cashflow dynamics and invested short in recent COVID-19 winners that employ heavy marketing models and just in time shipping, providing us with good payoffs as the supply chain 'crisis' embedded in the second half.

In non-consumer sectors, there were relatively few themes driving overall stock picking. Our aim continues to be to find long term winners at reasonable prices, partnered with occasional deep value shares where the market has been excessively pessimistic. And vice versa on the short side. Holding periods remained consistent with the prior year at c.5months for longs and c.4 months for shorts.

2021 Performance

Time Period	1 Month	3 Month	6 Month	1 Year
Return	0.67%	3.13%	4.88%	12.93%

Largest Positions in the Year

Our highest conviction Long ideas throughout the year were:

Sage Group – as high as 2.7% of NAV – a formerly unloved accounting software provider that was successfully able to re-invest in its product suite and inflecting top-line growth. The shares subsequently rose well over 35% from our initial buy and we were able to trim into the H1 results, taking the position into a 'normal position size' of c1%.

Next – as high as 2.8% of NAV – our thesis hinges on Next being the very best apparel logistics operator in the UK, with a potential equivalent product to Zalando in Europe, on a much lower multiple. We also note significant market share take in the year, and a successful transition from being a COVID-19 winner to maintaining estimate momentum as physical stores opened. We entered the position in May 2021 and the shares have weakened since our buy, although broadly in line with domestic market.

Clarifications

There are no collective investment vehicles that pose a potentially significant risk to the fund. Our view on their valuation is gained via independently valuing the portfolio holdings if possible, or by taking a view of the types of asset held and their likely collective valuation, via using fund reported line-by-lines and making adjustments based on peer multiples.

*Source: Northern Trust and Landytech

BennBridge Ltd.
Investment Manager
14th March 2022

TM Investment Funds

Constitution

The TM Investment Funds (the “Company”) is an authorised investment company with variable capital for the purposes of the Financial Services and Markets Act 2000 (the “Act”). The Company is structured as an umbrella scheme for the purposes of the OEIC Regulations. Each sub-fund would be a UCITS scheme if it had a separate authorisation order. The Company is a UCITS scheme, being a category of authorised scheme for the purposes of COLL 1.2.1R. The Company was authorised by the FCA pursuant to an authorisation order dated 5th August 2014 and was launched on 11th August 2014. The Company registration number is IC0001019. The head office of the Company is at Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP and this is also the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Shareholders are not liable for the debts of the Company.

Currently, the Company has three sub-funds as provided on page 4.

The base currency of the Company is Pounds Sterling.

Sub-funds established by the Company are segregated portfolios of assets, and accordingly, the assets of a sub-fund belong exclusively to that sub-fund, and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other sub-fund, and shall not be available for any such purpose.

Sub-Fund Cross-Holdings

No sub-fund held shares in any other sub-fund within the Company during the current or prior year.

Regulatory Disclosure

This document has been issued by Thesis Unit Trust Management Limited (authorised and regulated by the Financial Conduct Authority).

Past performance is not necessarily a guide to future performance. The value of shares can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of shares to fluctuate. Any references in this report to other investments held within this Company should not be read as a recommendation to the investor to buy and sell the same, but are included as illustration only.

TM Investment Funds

Remuneration Disclosures *(unaudited)*

The provisions of the UCITS V Directive took effect on 18th March 2016. That legislation requires Thesis Unit Trust Management Limited (the “Authorised Fund Manager”), to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management and do not encourage risk taking that is inconsistent with the risk profile and the instrument of incorporation of the Company nor impair compliance with the Authorised Fund Manager’s duty to act in the best interest of the Company.

The Authorised Fund Manager is part of a larger group within which remuneration policies are the responsibility of a Remuneration Committee comprised entirely of non-executive directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the group are calculated primarily by reference to the performance of each individual and the profitability of the relevant business unit. The performance of individuals working on the business of the Authorised Fund Manager is assessed primarily by reference to non-financial criteria, especially the effectiveness of their oversight monitoring of delegates appointed to perform investment advisory or fund administration services for the Company.

Within the group, some staff are employed directly by the Authorised Fund Manager and others are employed by a service company, Thesis Services Limited. The costs of staff employed by Thesis Services Limited are allocated between entities within the group based on the estimate of time devoted to each.

The table below shows the total remuneration paid by the Authorised Fund Manager and the service company to all the staff working on its business for the financial year ended 30th April 2021.

	Senior Management	Risk Takers	Control	Other	Total
Number of Staff	5	11	3	22	41
Fixed remuneration	£708,093	£817,571	£139,201	£807,887	£2,472,752
Variable remuneration	£91,078	£75,000	£5,000	£39,250	£210,328

Management have carried out a review of the general principles within the remuneration policy and the implementation of the remuneration policy during the year and following this review, no changes have been considered necessary.

Securities Financing Transaction Regulation Disclosures

During the year, the sub-fund (TM Tellworth UK Select Fund) held Contracts For Difference (“CFDs”). In accordance with the Regulation (EU) No 2015/2365 for SFTR, which indicates that the definition of Securities Financing Transaction in this Regulation does not include derivative contracts as defined in Regulation (EU) No 648/2012 (which refers to the definition of derivative contracts in Directive 2004/39/EC), CFDs are among the derivative contracts as defined in the Directive 2004/39/EC. Since CFDs are not considered margin lending transactions under SFTRs, no further disclosure is made with regard to this.

Certification of Annual Report & Accounts by Directors

In accordance with the requirements of the Open-Ended Investment Companies Regulations 2001 (the “OEIC Regulations”) and the Collective Investment Schemes sourcebook (“COLL Rules”), we hereby certify this Annual Report & Accounts on behalf of the ACD, Thesis Unit Trust Management Limited.

D.W. TYERMAN Director

S. E. NOONE Director

27th April 2022

TM Investment Funds

Responsibilities of the Authorised Corporate Director (“ACD”)

The Open-Ended Investment Companies Regulations 2001 (the "OEIC Regulations") and the Collective Investment Schemes sourcebook (“COLL Rules”) published by the FCA requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Company and of the net expense and net capital gains/(losses) on the property of the Company for the year.

In preparing the financial statements, the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now known as The Investment Association) in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

For the reasons stated in the ACD's Report and note 2(a), the financial statements of the TM CRUX European Opportunities and the TM CRUX UK Opportunities have been prepared on a basis other than going concern.

Thesis Unit Trust Management Limited
Authorised Corporate Director
West Sussex
27th April 2022

TM Investment Funds

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the TM Investment Funds (the "Company") for the Year Ended 31st December 2021

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

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

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

The Depositary must ensure that:

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

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

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Northern Trust Investor Services Limited
UK Trustee and Depositary Services
27th April 2022

TM Investment Funds

Independent Auditor's Report to the Shareholders of TM Investment Funds

Opinion

We have audited the financial statements of TM Investment Funds (the "Company") comprising each its sub-funds for the year ended 31st December 2021, which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables and the accounting policies of the Company, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31st December 2021 and of the net revenue/expense and the net capital gains/losses on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 below. 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.

Emphasis of matter – TM CRUX European Opportunities Fund and TM CRUX UK Opportunities Fund's Financial Statements prepared on other than going concern basis

We draw attention to Note 2(a) of the financial statements which explains that the Authorised Corporate Director ("the ACD") intends to terminate TM CRUX European Opportunities and TM CRUX UK Opportunities sub-funds and therefore does not consider it be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements for these sub-funds have been prepared on a basis other than going concern as described in Note 2(a). The financial statements for the Company as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

The financial statements for the TM CRUX European Opportunities Fund and the TM CRUX Opportunities Fund have been prepared on a basis other than going concern as disclosed in Note 2(a).

In auditing the financial statements of the remaining sub-fund, we have concluded that the 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 remaining sub-fund'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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the remaining sub-fund's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

TM Investment Funds

Independent Auditor's Report to the Shareholders of TM Investment Funds *(continued)*

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Instrument of Incorporation;
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the ACD's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the ACD

As explained more fully in the ACD's responsibilities statement set out on page 12, 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 and each of its sub-funds' 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 wind up or terminate the Company or individual sub-funds, to cease operations, or has 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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

TM Investment Funds

Independent Auditor's Report to the Shareholders of TM Investment Funds *(continued)*

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), the Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrator and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified fraud risks in relation to incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of the ACD's classification of material special dividends as either a capital or revenue return.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the ACD with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Company.

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

Use of our report

This report is made solely to the Company's Shareholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. 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.

Ernst & Young LLP
Statutory Auditor
London
27th April 2022

TM Investment Funds

TM Investment Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 31st December 2021

1. Statement of Compliance

The financial statements have been prepared in accordance with the United Kingdom Generally Accepted Accounting Practice (UK GAAP), as defined within the UK Financial Reporting Standard (FRS 102) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' (the "SORP"), issued by the Investment Management Association (now known as the Investment Association) in May 2014 and amended in June 2017.

2. Summary of Significant Accounting Policies

a) Basis of Preparation

The financial statements of the TM Tellworth UK Select Fund has been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The TM CRUX European Opportunities and the TM CRUX UK Opportunities sub-funds merged via a scheme of arrangement with the TM CRUX European Fund and the TM CRUX UK Core Fund respectively, effective 10th July 2020. TM CRUX European Opportunities and the TM CRUX UK Opportunities sub-funds shares were closed for investments on 10th July 2020 and the ACD intends to terminate the sub-funds within twelve months of issuing the financial statements. Consequently, the ACD no longer regards the going concern basis of accounting to be appropriate. The financial statements have been prepared on a basis other than going concern, where assets have been recorded using a realisable value and liabilities have been recorded using a settlement value.

The principal accounting policies which have been applied consistently are set out below.

b) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Pounds Sterling, which is the Company's functional and presentation currency rounded to the nearest £'000 or as stated otherwise.

c) Valuation of Investments

Quoted investments are valued at bid-market value as at 12 noon on the last working day of the accounting year, net of any accrued interest which is included in the balance sheet as accrued revenue. Where values cannot be readily determined, the securities are valued at the ACD's best assessment of their fair value. Purchases and sales are recognised when a legally binding and unconditional right to obtain, or an obligation to deliver, an asset or liability arises.

Contract For Difference ("CFD") are traded on the OTC market. The fair value of CFD is derived by taking the difference between the quoted price of the underlying security and the contract price.

All realised and unrealised gains and losses on investments are recognised as net capital gains/(losses) in the Statement of Total Return. Unrealised gains and losses comprise changes in the fair value of investments for the year and from reversal of prior year's unrealised gains and losses for investments which were realised in the accounting year. Realised gains and losses represent the difference between an instrument's initial carrying amount and disposal amount.

d) Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rates of exchange ruling as at 12 noon on the last working day of the accounting year.

e) Revenue

Revenue from quoted equity and non-equity shares is recognised when the security is quoted ex-dividend as a gross amount of any withholding taxes but excludes any other taxes such as attributable tax credits. Bank interest and other revenue are recognised on an accruals basis.

Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

Special dividends are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Where there is evidence to treat all or some of such receipts as revenue, such amounts are recognised as dividend revenue of the Company. Any tax treatment would follow the accounting treatment of the principal amount.

TM Investment Funds

TM Investment Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 31st December 2021 (continued)

2. Summary of Significant Accounting Policies (continued)

e) Revenue (continued)

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment. The effective yield basis amortises any discount or premium on the purchase of a debt security over its remaining life.

Returns from derivative securities are taken to capital and/or revenue depending on the motive and circumstances surrounding the particular transaction.

f) Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments) are charged against revenue for the year on an accruals basis.

For TM Tellworth UK Select Fund, in addition to the Investment manager's fee, the Investment Manager is entitled to a performance fee (the "Performance Fee") in relation to the sub-fund. The Performance Fee will be paid out of the net assets of the sub-fund. The Performance Fee shall be calculated and shall accrue at each valuation point and the accrual will be reflected in the net asset value ("NAV") per share of the sub-fund. The NAV shall be the value of the Scheme Property of the sub-fund less the liabilities of the sub-fund as calculated in accordance with the Instrument of Incorporation. The first period for calculation of the Performance Fee ("Performance Period") shall begin at the end of the initial offer period of the sub-fund and shall finish on 31st December 2014. Subsequent Performance Periods shall be calculated in respect of each period of twelve months beginning on 1st January and ending on the following 31st December.

The Performance Fee will be paid annually in arrears as soon as practicable after the close of business on the Business Day following the end of the relevant Performance Period. The Performance Fee for each Performance Period shall be equal to 15% (for A Shares and R Shares) and 10% (for F Shares) of the amount, if any, by which the NAV before Performance Fee accrual of the sub-fund exceeds the Hurdle Adjusted Net Asset Value ("HANAV") of the sub-fund on the last Business Day of the Performance Period. In addition, the Performance Fee with respect to any redemption of Shares during the Performance Period will crystallise, accumulate and also be paid annually in arrears.

HANAV means, in respect of the initial Performance Period of the sub-fund, the initial offer price of a Share multiplied by the number of Shares of the sub-fund issued during the initial offer period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by the value of any cancellations which have taken place since the initial offer period, adjusted by the Hurdle Return (as defined below) over the course of the Performance Period. For each subsequent Performance Period of the sub-fund, the HANAV means either (i) where a Performance Fee was payable in respect of the prior Performance Period, the NAV of the sub-fund at the end of the prior Performance Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by the value of any cancellations which have taken place since the beginning of such Performance Period, adjusted by the Hurdle Return over the course of the Performance Period; or (ii) where no Performance Fee was payable in respect of the prior Performance Period, the HANAV of the sub-fund at end of the prior Performance Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by the value of any cancellations which have taken place since the beginning of such Performance Period, adjusted by the Hurdle Return over the course of the Performance Period.

For the avoidance of doubt any underperformance versus the Hurdle will be carried forward from one Performance Period to the next and must be recouped before any additional Performance Fee will accrue. The impact on the performance fee calculation as a result of transactions in Shares in the sub-fund is effectively neutral.

On a dealing day where there is a net inflow, it will result in an increase to both the NAV and the HANAV by the value of the inflow. The performance fee is based on a percentage of the excess of the NAV over the HANAV, so an inflow will not by itself impact the performance fee liability, as the value of the excess is not impacted by an inflow.

On a dealing day where there is a net outflow of for example, 5%, if there was any performance fee accrual on the dealing day, then 5% of the accrual would crystallise. The HANAV would also fall by 5%. So the value of any excess or underperformance pertaining to the shares still in issue after the net outflow will not be impacted by the net outflow.

"Hurdle Return" means the performance of the one month SONIA (SONIA1M IR) over the course of the Performance Period.

Gross Asset Value ("GAV") means the net asset value of the Scheme Property of the sub-fund before accounting for the payment of any Performance Fee and/or any dividend.

TM Investment Funds

TM Investment Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 31st December 2021 (continued)

2. Summary of Significant Accounting Policies (continued)

g) Taxation

Corporation tax is provided at the rate of 20% of taxable revenue after the deduction of allowable expenses. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

h) Contracts for Difference

TM Tellworth UK Select Fund use CFD instruments (both long and short) for investment purposes, in the pursuit of its investment objective. These instruments held within the sub-fund have been accounted for in accordance with the Statement of Recommended Practice for UK Authorised Funds (SORP 2014) and amended in June 2017.

In the case of long CFDs, sub-fund is exposed to the mark to market movement within the underlying securities and are entitled to any dividend declared on those underlying investments. In return for gaining such exposure, the sub-fund pays interest to the counterparty with which the CFD transaction is arranged. A completely opposite situation arises in the case of short CFDs. In the case of short CFDs, the sub-fund also pays a stock lending fee to the counterparty.

The dividend earned on the long CFDs is classified as revenue whilst the dividend paid on short CFDs is classified as interest payable and similar charges. The net interest paid on CFD positions is classified as interest payable and similar charges and so are the stock lending fees.

3. Distribution Policies

a) Basis of Distribution

When appropriate, the Company will allocate any surplus net revenue as a dividend distribution. Distributions of revenue of the Company are made on or before the annual income allocation date and on or before the interim income allocation date, where applicable, in each year. The income available for distribution is determined in accordance with COLL. It comprises all revenue received or receivable for the account of the Company in respect of the accounting year concerned, after deducting net charges and expenses paid or payable out of such revenue.

Where expenses are transferred to capital for distribution purposes this will increase the amount of revenue for distribution, this will however erode capital and may constrain capital growth.

b) Unclaimed distributions

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the capital of the Company in accordance with COLL.

4. Risk Management Policies

Market price risk

Market risk is the risk that the fair value or future cash flows from financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates or underlying investment prices. The Company can be exposed to market risk by virtue of its investment into equities and other financial instruments. The Company may also from time to time utilise derivatives for the purpose of efficient portfolio management and for hedging purposes. These instruments may be volatile, involve certain special risks and can expose investors to a risk of loss. When used for hedging purposes, there may be an imperfect correlation between these instruments and the investment or market sectors being hedged, although this basis risk will be monitored weekly and any material breakdown in correlation can generally be corrected by delta hedging the position or liquidation.

Market risk is managed through active portfolio management.

Foreign currency risk

Foreign currency risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Company and its sub-funds hold overseas securities or collective investment schemes, which may have holdings in overseas securities and consequently the balance sheet can be affected by movements in foreign exchange rates. At times, the Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

TM Investment Funds

TM Investment Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies for the year ended 31st December 2021 (continued)

4. Risk Management Policies (continued)

Interest rate risk

Interest rate risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in interest rates.

The Company may invest in fixed and floating rate securities. The revenue of the Company may be affected by changes to interest rates relevant to particular securities or as a result of the Investment Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

In general, if interest rates rise, the income potential of the Company also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Company). A decline in interest rates will in general have the opposite effect.

Interest rate risk is not actively managed.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due. The main liability of the Company is the redemption of any units that investors wish to sell.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Company. To the extent that a counterparty defaults on its obligation and the Company is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Company's maximum exposure to credit risk (not taking account of the value of any collateral or other securities held) in the event that counterparties fail to perform their obligations as of 31st December 2021 in relation to each class of recognised financial assets including derivatives, is the carrying amount of those assets in the balance sheet.

Exposure

For the TM CRUX European Opportunities Fund and the TM CRUX UK Opportunities Fund, exposure to market risk is calculated using the "commitment approach" methodology. In relation to Position Risk (issuer concentration), this approach involves converting derivative positions into the equivalent positions of the underlying assets. The commitment approach is a simplistic way of identifying the level of exposure that a sub-fund has through derivatives to the underlying equities, bonds, commodities, currencies etc. However, it does have its limitations and therefore is only used as long as the use of derivatives by the sub-fund is "non-sophisticated".

Value at Risk ("VaR") is an advanced risk methodology employed by TM Tellworth UK Select Fund. It provides a means of estimating the maximum potential loss that a Fund could suffer within a certain time horizon and with a certain degree of confidence. The calculation of VaR is performed using complex statistical probability, modelling and with reference to specified quantitate standards.

TM Tellworth UK Select Fund employs the VaR approach to measure the potential loss to that Fund due to market risks. The Absolute VaR is calculated on a 95% confidence level with a 20-day horizon & 250 days of history.

Objectives, policies and processes for managing risks

The risks identified above are subject to management and monitoring through the ACD's Risk Management Programme. The principal objectives of the programme are:

- To ensure that all risks are identified and monitored, and that preventive or mitigating actions are implemented
- To assess, review and challenge current and emerging risks
- To minimise the risk of loss to investors
- To administer the sub-fund in a manner which complies with COLL and the SORP

The ACD has built a Funds Oversight Programme which comprises a range of rolling independent checks including the specific use of derivatives. The results of the programme are reported to the Investment Committee with escalation through to the Operating Committee and the ACD Board. Results of the Funds Oversight Programme are made available to the Depositary as part of their audit programme on the ACD and are also collated into a pack for review and analysis by the Investment Committee on a monthly basis.

TM Investment Funds

TM Investment Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies for the year ended 31st December 2021 (continued)

4. Risk Management Policies (continued)

There have not been any changes from the prior year.

Methods used to measure risks

Market price risk

The following checks are also performed as part of the Funds Oversight Programme on a daily basis as follows: limit breaches or positions approaching limits; leverage; eligibility; global exposure; counterparty exposure; collateral cover; OTC pricing check; fair value pricing.

Liquidity risk

Liquidity risk is controlled through monitoring the liquidity of all instruments used, including derivatives, in the context of the investment objectives and liquidity requirements of the Company. Cash positions are monitored and reported to ensure the Company has sufficient capacity to meet obligations arising from investment in financial derivative positions.

Procedures are in place to review the Company's weightings to ensure liquidity requirements will be met in the event of extreme market movements to meet the obligation at expiry/ maturity. The process involves at least daily assessment of any impending cash liability to ensure sufficient cash can be raised to cover such liability when it falls due. Any evaluation of OTC products proposed will involve an assessment of liquidity risk by ensuring the counterparty is obliged, upon request, to close positions prior to expiry.

Liquidity risk increases with more complex bespoke transactions due to the inability to easily unwind a position at market prices.

The Company's liquidity is also monitored through a daily check, which assesses the Company's ability to liquidate the portfolio within 7 working days to settlement. Any portfolio that has less than 80% liquidity is marked as a higher risk, and details are reported to the Fund Risk committee, and are then monitored for significant changes either to the Company's makeup and/or shares being traded in the Company. These liquidity levels are stress tested on assumptions of reduced market liquidity and increased investor trading. The full process for this check is documented and is available upon request.

Credit risk

Credit risk is mitigated through regular monitoring of counterparties and issuer concentration. Additionally, the ACD undertakes a cash management check on the Company, testing for any negative balances and balances in excess of £1 million. Any balances highlighted are discussed with the Investment Manager to ensure that the Company does not take on any unnecessary counterparty risk with the relevant bank and that the strategy is being adhered to.

TM Investment Funds

TM CRUX European Opportunities Fund

Portfolio Statement

as at 31st December 2021

The sub-fund ceased investment activity on 10th July 2020 and held no investments for the year ended 31st December 2021 and 31st December 2020.

TM Investment Funds

TM CRUX European Opportunities Fund

Sub-fund Information

The Comparative Tables on pages 24 to 27 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

TM Investment Funds

TM CRUX European Opportunities Fund

Sub-fund Information *(continued)*

Comparative Tables

£ A Income Shares

For the year to	31/12/2021 ¹ (pence per share)	31/12/2020 ² (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	–	126.45	115.71
Return before operating charges*	–	(8.12)	14.65
Operating charges	–	(0.61)	(1.11)
Return after operating charges*	–	(8.73)	13.54
Distributions on income shares	–	(2.22)	(2.80)
Last net asset value per share	–	115.50	–
Closing net asset value per share	–	–	126.45
 *After direct transaction costs of ³ :	–	0.23	0.10
Performance			
Return after charges	–%	(6.90)%	11.70%
Other Information			
Closing net asset value (£'000)	–	–	2,529
Closing number of shares	–	–	1,999,803
Operating charges ⁴	–%	0.98%	0.90%
Direct transaction costs	–%	0.20%	0.08%
Prices			
Highest share price	–	132.00	129.60
Lowest share price	–	94.04	114.60

¹ As at the year ended 31st December 2021, there were no shares in issue as Share Class £ A Income Shares closed on 10th July 2020.

² As at the year ended 31st December 2020, there were no shares in issue. Share class performance provided was as at 10th July 2020 being the last net asset value date before shares were transferred. Share class £ A Income Shares closed on 10th July 2020.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM CRUX European Opportunities Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

£ A Accumulation Shares

For the year to	31/12/2021 ¹ (pence per share)	31/12/2020 ² (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	–	138.94	124.31
Return before operating charges*	–	(9.36)	15.84
Operating charges	–	(0.68)	(1.21)
Return after operating charges*	–	(10.04)	14.63
Distributions	–	(6.65)	(3.05)
Retained distributions on accumulation shares	–	6.65	3.05
Last net asset value per share	–	128.90	–
Closing net asset value per share	–	–	138.94

*After direct transaction costs of ³:

	–	0.26	0.11
--	---	------	------

Performance

Return after charges	–%	(7.23)%	11.77%
----------------------	----	---------	--------

Other Information

Closing net asset value (£'000)	–	–	3,986
Closing number of shares	–	–	2,869,169
Operating charges ⁴	–%	0.98%	0.90%
Direct transaction costs	–%	0.20%	0.08%

Prices

Highest share price	–	145.30	142.40
Lowest share price	–	103.60	123.20

¹ As at the year ended 31st December 2021, there were no shares in issue as Share Class £ A Accumulation Shares closed on 10th July 2020.

² As at the year ended 31st December 2020, there were no shares in issue. Share class performance provided was as at 10th July 2020 being the last net asset value date before shares were transferred. Share class £ A Income Shares closed on 10th July 2020.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM CRUX European Opportunities Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

£ F Income Shares

For the year to	31/12/2021 ¹ (pence per share)	31/12/2020 ² (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	–	126.33	115.59
Return before operating charges*	–	(8.21)	14.58
Operating charges	–	(0.54)	(0.98)
Return after operating charges*	–	(8.75)	13.60
Distributions on income shares	–	(1.88)	(2.86)
Last net asset value per share	–	115.70	–
Closing net asset value per share	–	–	126.33
 *After direct transaction costs of ³ :	–	0.23	0.10

Performance

Return after charges	–%	(6.93)%	11.77%
----------------------	----	---------	--------

Other Information

Closing net asset value (£'000)	–	–	7,514
Closing number of shares	–	–	5,947,678
Operating charges ⁴	–%	0.88%	0.80%
Direct transaction costs	–%	0.20%	0.08%

Prices

Highest share price	–	131.80	129.50
Lowest share price	–	93.93	114.50

¹ As at the year ended 31st December 2021, there were no shares in issue as Share Class £ F Income Shares closed on 10th July 2020.

² As at the year ended 31st December 2020, there were no shares in issue. Share class performance provided was as at 10th July 2020 being the last net asset value date before shares were transferred. Share class £ A Income Shares closed on 10th July 2020.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM CRUX European Opportunities Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

£ F Accumulation Shares

For the year to	31/12/2021 ¹ (pence per share)	31/12/2020 ² (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	–	139.56	124.84
Return before operating charges*	–	(9.26)	15.79
Operating charges	–	(0.60)	(1.07)
Return after operating charges*	–	(9.86)	14.72
Distributions	–	(1.92)	(3.09)
Retained distributions on accumulation shares	–	1.92	3.09
Last net asset value per share	–	129.70	–
Closing net asset value per share	–	–	139.56

*After direct transaction costs of ³:

	–	0.25	0.11
--	---	------	------

Performance

Return after charges	–%	(7.07)%	11.79%
----------------------	----	---------	--------

Other Information

Closing net asset value (£'000)	–	–	50,382
Closing number of shares	–	–	36,101,205
Operating charges ⁴	–%	0.88%	0.80%
Direct transaction costs	–%	0.20%	0.08%

Prices

Highest share price	–	146.00	143.10
Lowest share price	–	104.10	123.70

¹ As at the year ended 31st December 2021, there were no shares in issue as Share Class £ F Accumulation Shares closed on 10th July 2020.

² As at the year ended 31st December 2020, there were no shares in issue. Share class performance provided was as at 10th July 2020 being the last net asset value date before shares were transferred. Share class £ A Income Shares closed on 10th July 2020.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM CRUX European Opportunities Fund

Sub-fund Information *(continued)*

Risk and Reward Indicator (“RRI”)

As the sub-fund ceased investment activity on 10th July 2020, the RRI table is not disclosed.

TM Investment Funds

TM CRUX European Opportunities Fund

Statement of Total Return

for the year ended 31st December 2021

		£'000	2021 £'000	£'000	2020 £'000
	Notes				
Income					
Net capital losses	5		(21)		(4,393)
Revenue	7	1		706	
Expenses	8	6		(263)	
Interest payable and similar charges		—		(2)	
Net revenue before taxation		7		441	
Taxation	9	94		(358)	
Net revenue after taxation for the year			101		83
Total return before distributions			80		(4,310)
Distributions	10		—		(789)
Change in net assets attributable to shareholders from investment activities			80		(5,099)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st December 2021

		£'000	2021 £'000	£'000	2020 £'000
	Note				
Opening net assets attributable to shareholders			—		64,411
Amounts receivable on issue of shares		—		1,477	
Amounts payable on cancellation of shares		—		(61,367)	
			—		(59,890)
Amounts payable to TM CRUX European Fund			(80)		(67)
Change in net assets attributable to shareholders from investment activities			80		(5,099)
Retained distribution on accumulation shares	10		—		645
Closing net assets attributable to shareholders			—		—

TM Investment Funds

TM CRUX European Opportunities Fund

Balance Sheet

as at 31st December 2021

	Notes	31/12/2021 £'000	31/12/2020 £'000
Assets			
Current assets:			
Debtors	11	178	219
Cash and bank balances		2,722	2,780
Total assets		2,900	2,999
Liabilities			
Creditors:			
Bank overdrafts		(2,552)	(2,690)
Other creditors	12	(348)	(309)
Total liabilities		(2,900)	(2,999)
Net assets attributable to shareholders		–	–

TM Investment Funds

TM CRUX European Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021

1. Accounting Policies

The accounting, distribution and risk management policies are provided in notes 1 to 4 which can be found on pages 17 to 21.

5. Net Capital Losses

Net capital losses comprise:

	2021 £'000	2020 £'000
Non-derivative securities	–	(4,337)
Forward currency contracts	–	11
Currency losses	(15)	(59)
Transaction charges	(6)	(8)
Net capital losses	(21)	(4,393)

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 23.

There are no direct transaction costs as at 31st December 2021 since the sub-fund ceased investment activity on 10th July 2020.

Analysis of direct transaction costs for the year ended 31st December 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	30,715	12	73	30,800	0.04	0.24
	30,715	12	73	30,800		
Sales						
Equities	85,199	(17)	–	85,182	0.02	–
	85,199	(17)	–	85,182		

Derivative purchases and sales

– –

Total cost as percentage of average net asset value

0.06% 0.14%

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was Nil% (31st December 2020: Nil%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

7. Revenue

	2021 £'000	2020 £'000
Bank interest	–	1
Franked UK dividends	–	13
FX on overseas tax reclaims	1	–
Overseas dividends	–	692
	1	706

TM Investment Funds

TM CRUX European Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

8. Expenses

	2021 £'000	2020 £'000
Payable to the ACD or associates of the ACD:		
ACD's periodic charge	—	212
	—	212
Payable to the Depositary or associates of the Depositary:		
Depositary's fee	—	9
Safe custody charges	(6)	(2)
	(6)	7
Other expenses:		
Audit fees ¹	—	8
Calastone fees	—	6
Legal fees	—	16
Printing fees	—	1
Registration fees	—	13
	—	44
Total expenses	(6)	263

¹ Total audit fees of £5,000 will be borne by CRUX Asset Management Limited (31st December 2020: £6,800), exclusive of VAT.

TM Investment Funds

TM CRUX European Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

9. Taxation

	2021 £'000	2020 £'000
a) Analysis of charge for the year:		
Overseas tax reclaims	(87)	–
Overseas withholding tax	(7)	358
Total current taxation	(94)	358
Deferred tax charge	–	–
Total taxation	(94)	358
b) Factors affecting taxation charge for the year:		
Net revenue before taxation	7	441
Net revenue multiplied by the standard rate of corporation tax of 20% (2020: 20%)	1	88
Effects of:		
Excess management expenses not utilised	(1)	53
Franked UK dividends	–	(3)
Non-taxable overseas dividends	–	(138)
Overseas tax reclaims	(87)	–
Overseas withholding tax	(7)	358
Total tax charge (note 9a)	(94)	358
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £2,404,106 (31st December 2020: £1,447,307) arising as a result of having unutilised management expenses. However, the potential deferred tax asset will expire on sub-fund's termination.

TM Investment Funds

TM CRUX European Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

10. Distributions

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

	2021 £'000	2020 £'000
Interim distribution	–	113
Interim accumulation	–	645
Final distribution	–	–
Final accumulation	–	–
	<u>–</u>	<u>758</u>
Add: Revenue deducted on shares cancelled	–	37
Deduct: Revenue received on shares created	–	(6)
Net distribution for the year	<u>–</u>	<u>789</u>

Reconciliation between net revenue and distribution

	2021 £'000	2020 £'000
Net revenue after taxation	100	83
Deficit transferred to capital	(100)	706
	<u>–</u>	<u>789</u>

11. Debtors

	2021 £'000	2020 £'000
Overseas tax recoverable	178	219
	<u>178</u>	<u>219</u>

12. Other creditors

	2021 £'000	2020 £'000
Accrued expenses	34	44
Amounts payable to TM CRUX European Fund	116	67
Provision to be transferred to TM CRUX European Fund	198	198
	<u>348</u>	<u>309</u>

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the ACD.

Thesis Unit Trust Management Limited acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of share transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the ACD's periodic charges and, if any, rebates received are disclosed in note 8. The amount payable at year end is £Nil (31st December 2020: £Nil).

TM Investment Funds

TM CRUX European Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

13. Related Parties (continued)

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

14. Equalisation

Equalisation is accrued income included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

There is no equalisation applied for the year ended 31st December 2021, as there are no active share classes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 31st December 2021 (31st December 2020: £Nil).

16. Share Classes

Prior to scheme of arrangement, the sub-fund had four share classes: £ A Income Shares, £ A Accumulation Shares, £ F Income Shares and £ F Accumulation Shares. The distribution per share class is given in the distribution tables on pages 38 and 39. All share classes closed on 10th July 2020.

The ACD's periodic charge and Investment manager's fee of each share class was as follows:

	ACD's periodic charge*	Investment manager's fee
£ A Income	0.07%	0.75%
£ A Accumulation	0.07%	0.75%
£ F Income	0.07%	0.65%
£ F Accumulation	0.07%	0.65%

*ACD is charged on a sliding scale as per latest Prospectus.

17. Financial Instruments

The sub-fund ceased investment activity on 10th July 2020. The sub-fund held no investments for the year ended 31st December 2021.

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

As at 31st December 2021, the sub-fund had no market risk exposure as it ceased investment activity on 10th July 2020.

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

As at 31st December 2021, the sub-fund had no foreign currency exposure as it ceased investment activity on 10th July 2020.

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

The sub-fund does not have any direct interest rate risk as a majority of its financial assets are related to interest receivable on bank deposits and payable on bank overdrafts positions.

TM Investment Funds

TM CRUX European Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial assets as at 31st December 2021:

	Floating Rate Financial Assets 2021 £'000	Fixed Rate Financial Assets 2021 £'000	Financial Assets Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency				
Euro	670	—	—	670
Pound sterling	1,849	—	—	1,849
Swiss franc	203	—	—	203
	2,722	—	—	2,722

Interest rate risk profile of financial assets as at 31st December 2020:

	Floating Rate Financial Assets 2020 £'000	Fixed Rate Financial Assets 2020 £'000	Financial Assets Not Carrying Interest 2020 £'000	Total 2020 £'000
Currency				
Euro	717	—	—	717
Pound sterling	1,855	—	—	1,855
Swiss franc	208	—	—	208
	2,780	—	—	2,780

Interest rate risk profile of financial liabilities as at 31st December 2021:

	Floating Rate Financial Liabilities 2021 £'000	Financial Liabilities Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency			
Euro	(628)	—	(628)
Pound sterling	(1,724)	—	(1,724)
Swiss franc	(200)	—	(200)
	(2,552)	—	(2,552)

TM Investment Funds

TM CRUX European Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial liabilities as at 31st December 2020:

	Floating Rate Financial Liabilities 2020 £'000	Financial Liabilities Not Carrying Interest 2020 £'000	Total 2020 £'000
Currency			
Euro	(672)	–	(672)
Pound sterling	(1,813)	–	(1,813)
Swiss franc	(205)	–	(205)
	<u>(2,690)</u>	<u>–</u>	<u>(2,690)</u>

Short term debtors and creditors are excluded in the interest rate risk tables above.

The sub-fund's net cash holdings of £169,848 (31st December 2020: £90,675) are held in floating rate deposit accounts, whose rates are determined by reference to BOE for GBP or the respective central bank rates for other currencies.

- *Credit risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21. There were no securities held by the sub-fund as at 31st December 2021.
- *Fair value* - in the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

There were no securities held by the sub-fund as at 31st December 2021 (31st December 2020: £Nil).

19. Leverage

There are two ways in which the ACD can introduce leverage to the sub-fund. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the ACD manages the sub-fund. There are no collateral, asset re-use or guarantee arrangements involved in the ACD's current approach to leverage.

The maximum leverage permitted is 100%. It is expected that the ACD will operate the sub-fund well within these limits. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The ACD sets maximum leverage levels and operates the sub-fund within these levels at all times.

As at year end 31st December 2021, there is no leverage since the sub-fund ceased investment activity as indicated in note 2(a).

TM Investment Funds

TM CRUX European Opportunities Fund

Distribution Tables

for the year ended 31st December 2021

Interim Distribution £ A Income Shares (in pence per share)*

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Income	Equalisation (note 14)	2021 Net Distribution Paid	2020 Net Distribution Paid
1	—	—	—	2.2198
2	—	—	—	2.2198

Interim Accumulation £ A Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Accumulation	Equalisation (note 14)	2021 Net Accumulation	2020 Net Accumulation
1	—	—	—	6.6509
2	—	—	—	6.6509

Interim Distribution £ F Income Shares (in pence per share)*

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Income	Equalisation (note 14)	2021 Net Distribution Paid	2020 Net Distribution Paid
1	—	—	—	1.8790
2	—	—	—	1.8790

Interim Accumulation £ F Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Accumulation	Equalisation (note 14)	2021 Net Accumulation	2020 Net Accumulation
1	—	—	—	1.9214
2	—	—	—	1.9214

TM Investment Funds

TM CRUX European Opportunities Fund

Distribution Tables

for the year ended 31st December 2021 (continued)

Final Distribution £ A Income Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 31st December 2021

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	—	—	—	—
2	—	—	—	—

Final Accumulation £ A Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 31st December 2021

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	—	—	—	—
2	—	—	—	—

Final Distribution £ F Income Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 31st December 2021

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	—	—	—	—
2	—	—	—	—

Final Accumulation £ F Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 31st December 2021

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	—	—	—	—
2	—	—	—	—

* The sub-fund ceased investment activity on 10th July 2020, hence no distributions were made for the year ended 31st December 2021.

TM Investment Funds

TM CRUX UK Opportunities Fund

Portfolio Statement

as at 31st December 2021

The sub-fund ceased investment activity on 10th July 2020 and held no investments for the year ended 31st December 2021 and 31st December 2020.

TM Investment Funds

TM CRUX UK Opportunities Fund

Sub-fund Information

The Comparative Tables on pages 42 to 45 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

TM Investment Funds

TM CRUX UK Opportunities Fund

Sub-fund Information *(continued)*

Comparative Tables

£ A Income Shares

For the year to	31/12/2021 ¹ (pence per share)	31/12/2020 ² (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	—	98.76	84.91
Return before operating charges*	—	(18.39)	18.72
Operating charges	—	(0.55)	(1.03)
Return after operating charges*	—	(18.94)	17.69
Distributions on income shares	—	(0.19)	(3.84)
Last net asset value per share	—	79.63	—
Closing net asset value per share	—	—	98.76
 *After direct transaction costs of ³ :	—	0.30	0.24
Performance			
Return after charges	—%	(19.18)%	20.83%
Other Information			
Closing net asset value (£'000)	—	—	50
Closing number of shares	—	—	50,155
Operating charges ⁴	—%	1.22%	1.14%
Direct transaction costs	—%	0.35%	0.26%
Prices			
Highest share price	—	99.78	102.00
Lowest share price	—	66.56	83.08

¹ As at the year ended 31st December 2021, there were no shares in issue as Share Class £ A Income Shares closed on 10th July 2020.

² As at the year ended 31st December 2020, there were no shares in issue. Share class performance provided was as at 10th July 2020 being the last net asset value date before shares were transferred. Share class £ A Income Shares closed on 10th July 2020.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM CRUX UK Opportunities Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

£ A Accumulation Shares

For the year to	31/12/2021 ¹ (pence per share)	31/12/2020 ² (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	—	111.55	92.08
Return before operating charges*	—	(20.33)	20.58
Operating charges	—	(0.62)	(1.11)
Return after operating charges*	—	(20.95)	19.47
Distributions	—	(0.22)	(4.19)
Retained distributions on accumulation shares	—	0.22	4.19
Last net asset value per share	—	90.60	—
Closing net asset value per share	—	—	111.55

*After direct transaction costs of ³:

	—	0.34	0.26
--	---	------	------

Performance

Return after charges	—%	(18.78)%	21.14%
----------------------	----	----------	--------

Other Information

Closing net asset value (£'000)	—	—	2,277
Closing number of shares	—	—	2,041,468
Operating charges ⁴	—%	1.22%	1.14%
Direct transaction costs	—%	0.35%	0.26%

Prices

Highest share price	—	112.70	112.80
Lowest share price	—	75.18	90.08

¹ As at the year ended 31st December 2021, there were no shares in issue as Share Class £ A Accumulation Shares closed on 10th July 2020.

² As at the year ended 31st December 2020, there were no shares in issue. Share class performance provided was as at 10th July 2020 being the last net asset value date before shares were transferred. Share class £ A Income Shares closed on 10th July 2020.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM CRUX UK Opportunities Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

£ F Income Shares

For the year to	31/12/2021 ¹ (pence per share)	31/12/2020 ² (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	—	97.61	83.92
Return before operating charges*	—	(18.21)	18.48
Operating charges	—	(0.50)	(0.92)
Return after operating charges*	—	(18.71)	17.56
Distributions on income shares	—	(0.19)	(3.87)
Last net asset value per share	—	78.71	—
Closing net asset value per share	—	—	97.61
 *After direct transaction costs of ³ :	—	0.30	0.23

Performance

Return after charges	—%	(19.17)%	20.92%
----------------------	----	----------	--------

Other Information

Closing net asset value (£'000)	—	—	2,795
Closing number of shares	—	—	2,863,612
Operating charges ⁴	—%	1.12%	1.04%
Direct transaction costs	—%	0.35%	0.26%

Prices

Highest share price	—	98.63	100.90
Lowest share price	—	65.80	82.14

¹ As at the year ended 31st December 2021, there were no shares in issue as Share Class £ F Income Shares closed on 10th July 2020.

² As at the year ended 31st December 2020, there were no shares in issue. Share class performance provided was as at 10th July 2020 being the last net asset value date before shares were transferred. Share class £ A Income Shares closed on 10th July 2020.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM CRUX UK Opportunities Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

£ F Accumulation Shares

For the year to	31/12/2021 ¹ (pence per share)	31/12/2020 ² (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	—	112.02	92.34
Return before operating charges*	—	(20.43)	20.70
Operating charges	—	(0.57)	(1.02)
Return after operating charges*	—	(21.00)	19.68
Distributions	—	(0.22)	(4.31)
Retained distributions on accumulation shares	—	0.22	4.31
Last net asset value per share	—	91.02	—
Closing net asset value per share	—	—	112.02
 *After direct transaction costs of ³ :	—	0.34	0.26

Performance

Return after charges	—%	(18.75)%	21.31%
----------------------	----	----------	--------

Other Information

Closing net asset value (£'000)	—	—	13,368
Closing number of shares	—	—	11,933,887
Operating charges ⁴	—%	1.12%	1.04%
Direct transaction costs	—%	0.35%	0.26%

Prices

Highest share price	—	113.20	113.20
Lowest share price	—	75.51	90.37

¹ As at the year ended 31st December 2021, there were no shares in issue as Share Class £ F Accumulation Shares closed on 10th July 2020.

² As at the year ended 31st December 2020, there were no shares in issue. Share class performance provided was as at 10th July 2020 being the last net asset value date before shares were transferred. Share class £ A Income Shares closed on 10th July 2020.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM CRUX UK Opportunities Fund

Sub-fund Information *(continued)*

Risk and Reward Indicator (“RRI”)

As the sub-fund ceased investment activity on 10th July 2020, the RRI table is not disclosed.

TM Investment Funds

TM CRUX UK Opportunities Fund

Statement of Total Return

for the year ended 31st December 2021

	Notes	£'000	2021 £'000	£'000	2020 £'000
Income					
Net capital losses	5		–		(3,324)
Revenue	7	–		184	
Expenses	8	–		(147)	
Net revenue before taxation		–		37	
Taxation	9	–		(1)	
Net revenue after taxation for the year			–		36
Total return before distributions			–		(3,288)
Distributions	10		–		(38)
Change in net assets attributable to shareholders from investment activities			–		(3,326)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st December 2021

	Note	£'000	2021 £'000	£'000	2020 £'000
Opening net assets attributable to shareholders			–		18,490
Amounts receivable on issue of shares		–		259	
Amounts payable on cancellation of shares		–		(15,406)	
			–		(15,147)
Amounts payable to TM CRUX UK Core Fund			–		(45)
Change in net assets attributable to shareholders from investment activities			–		(3,326)
Retained distribution on accumulation shares	10		–		28
Closing net assets attributable to shareholders			–		–

TM Investment Funds

TM CRUX UK Opportunities Fund

Balance Sheet

as at 31st December 2021

	Note	31/12/2021 £'000	31/12/2020 £'000
Assets			
Current assets:			
Cash and bank balances		<u>244</u>	<u>242</u>
Total assets		<u>244</u>	<u>242</u>
Liabilities			
Creditors:			
Bank overdrafts		(74)	(74)
Other creditors	12	<u>(170)</u>	<u>(168)</u>
Total liabilities		<u>(244)</u>	<u>(242)</u>
Net assets attributable to shareholders		<u><u>–</u></u>	<u><u>–</u></u>

TM Investment Funds

TM CRUX UK Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021

1. Accounting Policies

The accounting, distribution and risk management policies are provided in notes 1 to 4 which can be found on pages 17 to 21.

5. Net Capital Losses

Net capital losses comprise:

	2021 £'000	2020 £'000
Non-derivative securities	–	(3,363)
Currency gains	–	41
Transaction charges	–	(2)
Net capital losses	–	(3,324)

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 41.

There are no direct transaction costs as at 31st December 2021 since the sub-fund ceased investment activity on 10th July 2020.

Analysis of direct transaction costs for the year ended 31st December 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	9,848	4	44	9,896	0.04	0.45
	9,848	4	44	9,896		
Sales						
Equities	23,336	(4)	–	23,332	0.02	–
	23,336	(4)	–	23,332		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.05%	0.30%			

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was Nil% (31st December 2020: Nil%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

7. Revenue

	2021 £'000	2020 £'000
Franked UK dividends	–	181
Overseas dividends	–	3
	–	184

TM Investment Funds

TM CRUX UK Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

8. Expenses

	2021 £'000	2020 £'000
Payable to the ACD or associates of the ACD:		
ACD's periodic charge	–	23
Investment manager's fee	–	52
ACD's periodic charge rebates adjustment	–	49
	<u>–</u>	<u>124</u>
Payable to the Depositary or associates of the Depositary:		
Depositary's fee	–	5
Safe custody charges	–	1
	<u>–</u>	<u>6</u>
Other expenses:		
Audit fees ¹	–	8
Calastone fees	–	2
Legal fees	–	1
Printing fees	–	1
Registration fees	–	5
	<u>–</u>	<u>17</u>
Total expenses	<u>–</u>	<u>147</u>

¹ Total audit fees of £5,000 will be borne by CRUX Asset Management Limited (31st December 2020: £6,800), exclusive of VAT.

TM Investment Funds

TM CRUX UK Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

9. Taxation

	2021 £'000	2020 £'000
a) Analysis of charge for the year:		
Overseas withholding tax	—	1
Total current taxation	—	1
Deferred tax charge	—	—
Total taxation	—	1
b) Factors affecting taxation charge for the year:		
Net revenue before taxation	—	37
Net revenue multiplied by the standard rate of corporation tax of 20% (2020: 20%)	—	7
Effects of:		
Excess management expenses not utilised	—	30
Franked UK dividends	—	(36)
Non-taxable overseas dividends	—	(1)
Overseas withholding tax	—	1
Total tax charge (note 9a)	—	1
c) Deferred tax		
Deferred tax charge (note 9a)	—	—
Provision at start of year	—	—
Provision at end of year	—	—

The sub-fund has not recognised a deferred tax asset of £494,735 (31st December 2020: £495,033) arising as a result of having unutilised management expenses. However, the potential deferred tax asset will expire on sub-fund's termination.

TM Investment Funds

TM CRUX UK Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

10. Distributions

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

	2021 £'000	2020 £'000
Interim distribution	–	4
Interim accumulation	–	28
Final distribution	–	–
Final accumulation	–	–
	<u>–</u>	<u>32</u>
Add: Revenue deducted on shares cancelled	–	7
Deduct: Revenue received on shares created	–	(1)
Net distribution for the year	<u><u>–</u></u>	<u><u>38</u></u>

Reconciliation between net revenue and distribution

	2021 £'000	2020 £'000
Net revenue after taxation	–	36
Deficit transferred to capital	–	2
	<u><u>–</u></u>	<u><u>38</u></u>

11. Debtors

There are no outstanding payables as at 31st December 2021 (31st December 2020: £Nil).

12. Other creditors

	2021 £'000	2020 £'000
Accrued expenses	14	12
Amounts payable to TM CRUX UK Core Fund	45	45
Provision to be transferred to TM CRUX UK Core Fund	111	111
	<u><u>170</u></u>	<u><u>168</u></u>

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the ACD.

Thesis Unit Trust Management Limited acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of share transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the ACD's periodic charges and, if any, rebates received are disclosed in note 8. The amount payable at year end is £Nil (31st December 2020: £Nil).

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

TM Investment Funds

TM CRUX UK Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

14. Equalisation

Equalisation is accrued income included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

There is no equalisation applied for the year ended 31st December 2021, as there are no active share classes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 31st December 2021 (31st December 2020: £Nil).

16. Share Classes

Prior to scheme of arrangement, the sub-fund had four share classes: £ A Income Shares, £ A Accumulation Shares, £ F Income Shares and £ F Accumulation Shares. The distribution per share class is given in the distribution tables on pages 56 to 58. All share classes closed on 10th July 2020.

The ACD's periodic charge and Investment manager's fee of each share class was as follows:

	ACD's periodic charge*	Investment manager's fee
£ A Income	0.16%	0.75%
£ A Accumulation	0.16%	0.75%
£ F Income	0.16%	0.65%
£ F Accumulation	0.16%	0.65%

*ACD is charged on a sliding scale as per latest Prospectus.

17. Financial Instruments

The sub-fund ceased investment activity on 10th July 2020. The sub-fund held no investments for the year ended 31st December 2021.

18. Risks Disclosures

- *Market price risk* – risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

As at 31st December 2021, the sub-fund had no market risk exposure as it ceased investment activity on 10th July 2020.

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

As at 31st December 2021, the sub-fund had no foreign currency exposure as it ceased investment activity on 10th July 2020.

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

The sub-fund does not have any direct interest rate risk as a majority of its financial assets are related to interest receivable on bank deposits and payable on bank overdrafts positions.

Interest rate risk profile of financial assets as at 31st December 2021:

	Floating Rate Financial Assets 2021 £'000	Fixed Rate Financial Assets 2021 £'000	Financial Assets Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency				
Pound sterling	244	–	–	244
	244	–	–	244

TM Investment Funds

TM CRUX UK Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial assets as at 31st December 2020:

	Floating Rate Financial Assets 2020 £'000	Fixed Rate Financial Assets 2020 £'000	Financial Assets Not Carrying Interest 2020 £'000	Total 2020 £'000
Currency				
Pound sterling	242	–	–	242
	242	–	–	242

Interest rate risk profile of financial liabilities as at 31st December 2021:

	Floating Rate Financial Liabilities 2021 £'000	Financial Liabilities Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency			
Pound sterling	(74)	–	(74)
	(74)	–	(74)

Interest rate risk profile of financial liabilities as at 31st December 2020:

	Floating Rate Financial Liabilities 2020 £'000	Financial Liabilities Not Carrying Interest 2020 £'000	Total 2020 £'000
Currency			
Pound sterling	(74)	–	(74)
	(74)	–	(74)

Short term debtors and creditors are excluded in the interest rate risk tables above.

The sub-fund's net cash holdings of £169,649 (31st December 2020: £167,481) are held in floating rate deposit accounts, whose rates are determined by reference to BOE for GBP.

- *Credit risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21. There were no securities held by the sub-fund as at 31st December 2021.
- *Fair value* - in the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

There were no securities held by the sub-fund as at 31st December 2021 (31st December 2020: £Nil).

TM Investment Funds

TM CRUX UK Opportunities Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

19. Leverage

There are two ways in which the ACD can introduce leverage to the sub-fund. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the ACD manages the sub-fund. There are no collateral, asset re-use or guarantee arrangements involved in the ACD's current approach to leverage.

The maximum leverage permitted is 100%. It is expected that the ACD will operate the sub-fund well within these limits. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The ACD sets maximum leverage levels and operates the sub-fund within these levels at all times.

As at year end 31st December 2021, there is no leverage since the sub-fund ceased investment activity as indicated in note 2(a).

TM Investment Funds

TM CRUX UK Opportunities Fund

Distribution Tables

for the year ended 31st December 2021

Interim Distribution £ A Income Shares (in pence per share)*

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Income	Equalisation (note 14)	2021 Net Distribution Paid	2020 Net Distribution Paid
1	—	—	—	—
2	—	—	—	—

Interim Accumulation £ A Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Accumulation	Equalisation (note 14)	2021 Net Accumulation	2020 Net Accumulation
1	—	—	—	—
2	—	—	—	—

Interim Distribution £ F Income Shares (in pence per share)*

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Income	Equalisation (note 14)	2021 Net Distribution Paid	2020 Net Distribution Paid
1	—	—	—	—
2	—	—	—	—

Interim Accumulation £ F Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Accumulation	Equalisation (note 14)	2021 Net Accumulation	2020 Net Accumulation
1	—	—	—	—
2	—	—	—	—

Second Interim Distribution £ A Income Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 10th July 2021

Group	Net Income	Equalisation (note 14)	2021 Net Distribution Paid	2020 Net Distribution Paid
1	—	—	—	0.1923
2	—	—	—	0.1923

TM Investment Funds

TM CRUX UK Opportunities Fund

Distribution Tables

for the year ended 31st December 2021 (continued)

Second Interim Accumulation £ A Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 10th July 2021

Group	Net Accumulation	Equalisation (note 14)	2021 Net Accumulation	2020 Net Accumulation
1	—	—	—	0.2189
2	—	—	—	0.2189

Second Interim Distribution £ F Income Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 10th July 2021

Group	Net Income	Equalisation (note 14)	2021 Net Distribution Paid	2020 Net Distribution Paid
1	—	—	—	0.1923
2	—	—	—	0.1923

Second Interim Accumulation £ F Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 10th July 2021

Group	Net Accumulation	Equalisation (note 14)	2021 Net Accumulation	2020 Net Accumulation
1	—	—	—	0.2225
2	—	—	—	0.2225

Final Distribution £ A Income Shares (in pence per share)*

Group 1: Shares purchased prior to 10th July 2021

Group 2: Shares purchased from 10th July 2021 to 31st December 2021

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	—	—	—	—
2	—	—	—	—

Final Accumulation £ A Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 10th July 2021

Group 2: Shares purchased from 10th July 2021 to 31st December 2021

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	—	—	—	—
2	—	—	—	—

TM Investment Funds

TM CRUX UK Opportunities Fund

Distribution Tables

for the year ended 31st December 2021 (continued)

Final Distribution £ F Income Shares (in pence per share)*

Group 1: Shares purchased prior to 10th July 2021

Group 2: Shares purchased from 10th July 2021 to 31st December 2021

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	—	—	—	—
2	—	—	—	—

Final Accumulation £ F Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 10th July 2021

Group 2: Shares purchased from 10th July 2021 to 31st December 2021

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	—	—	—	—
2	—	—	—	—

* The sub-fund ceased investment activity on 10th July 2020, hence no distributions were made for the year ended 31st December 2021.

TM Investment Funds

TM Tellworth UK Select Fund

Portfolio Statement

as at 31st December 2021

Holdings		Market value £	Percentage of total net assets %
DEBT SECURITIES 80.77% (83.47%)			
Government Bonds 80.77% (83.47%)			
United Kingdom 80.77% (83.47%)			
GBP 1,500,000	UK Gilt 0.125% 31/01/2023	1,493,553	2.45
GBP 14,550,000	UK Gilt 0.50% 22/07/2022	14,581,894	23.92
GBP 13,320,000	UK Gilt 1.75% 07/09/2022	13,452,811	22.07
GBP 5,515,000	UK Gilt 4.00% 07/03/2022	5,552,549	9.11
GBP 500,000	United Kingdom Gilt 0.75% 22/07/2023	501,862	0.82
GBP 500,000	United Kingdom Gilt 2.25% 07/09/2023	513,725	0.84
GBP 4,450,000	United Kingdom Treasury Bill 0.00% 25/04/2022	4,448,659	7.30
GBP 8,700,000	United Kingdom Treasury Bill 0.00% 09/05/2022	8,696,307	14.26
		49,241,360	80.77
TOTAL DEBT SECURITIES		49,241,360	80.77

FINANCIAL DERIVATIVE INSTRUMENTS 0.46% (-0.15%)

Holdings		Underlying Exposure- Derivatives £	Market value £	Percentage of total net assets %
Contracts for Difference 0.42% (-0.15%)				
(15,151)	CFD Admiral Group ¹	(475,363)	(6,894)	(0.01)
(124,292)	CFD Ashmore Group ¹	(363,430)	(6,712)	(0.01)
11,503	CFD Ashtead Group ¹	685,809	6,212	0.01
(13,596)	CFD ASOS ¹	(326,372)	(27,396)	(0.04)
(21,398)	CFD Associated British Foods ¹	(428,388)	(4,514)	(0.01)
(57,640)	CFD Bakkavor Group ¹	(73,376)	(1,095)	—
282,499	CFD Balfour Beatty ¹	745,797	44,070	0.07
(19,161)	CFD BHP Group ¹	(420,488)	(9,293)	(0.01)
(219,537)	CFD Boohoo Group ¹	(271,732)	(11,167)	(0.02)
178,144	CFD BP ¹	590,191	(6,223)	(0.01)
(66,964)	CFD Britvic ¹	(618,747)	(21,428)	(0.03)
141,518	CFD Bytes Technology Group ¹	802,761	42,102	0.07
42,917	CFD Computacenter ¹	1,250,172	56,221	0.09
17,236	CFD Cranswick ¹	641,179	6,550	0.01
105,729	CFD Dart Group ¹	1,162,490	143,284	0.23
317,151	CFD Devolver Digital-DI REGS144A ¹	646,988	52,330	0.09
179,494	CFD DFS Furniture ¹	455,466	39,937	0.07
(787,438)	CFD Dixons Carphone ¹	(899,254)	6,734	0.01
(203,944)	CFD Domino's Pizza Group ¹	(935,899)	(47,519)	(0.08)
168,100	CFD Dr. Martens-WI ¹	724,679	77,830	0.13
72,921	CFD Draper Esprit ¹	744,523	58,337	0.10
31,680	CFD Dunelm Group ¹	439,243	5,284	0.01

TM Investment Funds

TM Tellworth UK Select Fund

Portfolio Statement

as at 31st December 2021 (continued)

Holdings		Underlying Exposure- Derivatives £	Market value £	Percentage of total net assets %
Contracts for Difference (continued)				
110,000	CFD easyJet ¹	613,690	8,706	0.01
460,644	CFD Elementis ¹	608,971	18,886	0.03
(18,665)	CFD FD Technologies ¹	(379,366)	(17,504)	(0.03)
8,362	CFD Flutter Entertainment ¹	973,964	53,308	0.09
(469)	CFD FTSE 250 Index ¹	(11,023,892)	(442,431)	(0.73)
24,157	CFD Future ¹	925,696	69,089	0.11
7,170	CFD Games Workshop Group ¹	718,076	22,227	0.04
220,599	CFD Glencore International ¹	829,728	33,697	0.06
52,375	CFD Grafton Group UTS ¹	644,474	19,641	0.03
(24,516)	CFD Halma ¹	(783,286)	(27,948)	(0.05)
(23,355)	CFD Hargreaves Lansdown ¹	(316,110)	(7,123)	(0.01)
(31,713)	CFD HomeServe ¹	(278,282)	(5,867)	(0.01)
113,781	CFD Howden Joinery Group ¹	1,031,766	41,871	0.07
(114,899)	CFD HSBC Holdings ¹	(513,196)	(5,573)	(0.01)
119,415	CFD IG Group Holdings ¹	975,621	35,227	0.06
(22,294)	CFD IMI ¹	(388,807)	(15,160)	(0.02)
385,711	CFD iShares Core FTSE 100 UCITS ETF ¹	2,771,719	65,957	0.11
(94,313)	CFD ITM Power ¹	(371,593)	(23,012)	(0.04)
(562,737)	CFD ITV ¹	(623,794)	(23,354)	(0.04)
(153,926)	CFD J Sainsbury ¹	(423,373)	(4,156)	(0.01)
(198,413)	CFD Jupiter Management ¹	(512,104)	(12,897)	(0.02)
(179,020)	CFD Kingfisher ¹	(622,721)	(22,039)	(0.04)
(125,170)	CFD Luceco ¹	(429,020)	(36,808)	(0.06)
(223,818)	CFD MADE.com Group-WI ¹	(316,926)	(31,334)	(0.05)
(72,173)	CFD Majestic Wine ¹	(466,959)	13,713	0.02
338,241	CFD Man Group ¹	765,778	33,707	0.06
364,695	CFD Marks & Spencer Group ¹	843,904	21,152	0.03
128,534	CFD Marshalls ¹	894,918	26,671	0.04
(75,210)	CFD Morgan Advanced Materials ¹	(268,312)	(18,991)	(0.03)
(26,801)	CFD MSBEUK01 ¹	(2,698,057)	(125,429)	(0.21)
16,703	CFD Next ¹	1,358,288	59,129	0.10
(136,868)	CFD On the Beach Group ¹	(390,074)	(73,224)	(0.12)
177,106	CFD OSB Group ¹	982,053	88,553	0.14
(209,111)	CFD PZ Cussons ¹	(426,586)	(24,257)	(0.04)
137,597	CFD Redrow ¹	965,381	42,930	0.07
15,918	CFD Renishaw ¹	767,566	33,746	0.06
19,548	CFD RHI Magnesita ¹	644,693	34,795	0.06
168,312	CFD Royal Mail ¹	862,599	14,980	0.02
85,292	CFD Sage Group ¹	729,332	27,208	0.04
(35,722)	CFD Softcat ¹	(644,425)	(25,005)	(0.04)
(4,826)	CFD Spirax-Sarco Engineering ¹	(773,367)	(26,173)	(0.04)
177,676	CFD Spirent Communications ¹	491,807	12,082	0.02
(127,389)	CFD SSP ¹	(312,039)	(29,745)	(0.05)
(200,881)	CFD Strix Group ¹	(611,683)	(47,207)	(0.08)
86,158	CFD Team17 Group ¹	672,032	25,869	0.04

TM Investment Funds

TM Tellworth UK Select Fund

Portfolio Statement

as at 31st December 2021 (continued)

Holdings	Underlying Exposure- Derivatives £	Market value £	Percentage of total net assets %
Contracts for Difference (continued)			
(104,899) CFD THG ¹	(241,268)	(14,892)	(0.02)
(131,473) CFD Trainline ¹	(367,204)	(9,597)	(0.02)
(192,214) CFD TUI ¹	(442,092)	(30,370)	(0.05)
92,914 CFD Vesuvius ¹	417,370	21,184	0.03
(33,020) CFD Victrex ¹	(804,697)	(27,795)	(0.04)
61,026 CFD Watches OF Switzerland Group ¹	883,657	41,498	0.07
64,520 CFD Wetherspoon ¹	616,005	70,811	0.12
(31,422) CFD WH Smith ¹	(465,753)	(42,970)	(0.07)
(58,329) CFD WPP ¹	(653,431)	(19,394)	(0.03)
49,517 CFD Yougov ¹	777,417	108,937	0.18
	294,337	251,969	0.42
Contracts for Difference - Unfunded 0.04% (0.00%)			
35,754 CFD Oxford Instruments		28,603	0.04
TOTAL FINANCIAL DERIVATIVE INSTRUMENTS		280,572	0.46
Net investments 81.23% (83.32%)		49,521,932	81.23
Net other assets		11,444,847	18.77
Total net assets		60,966,779	100.00

Note: Comparative figures shown in brackets relate to 31st December 2020.

All securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

¹ OTC contracts based on underlying equities which are listed equities.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority (ESMA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

TM Investment Funds

TM Tellworth UK Select Fund

Sub-fund Information

The Comparative Tables on pages 63 to 66 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value

A statement on the Assessment of Value will be available for all applicable funds managed by Thesis Unit Trust Management Limited. This report will be published at www.tutman.co.uk within four months of the annual accounting reference date.

TM Investment Funds

TM Tellworth UK Select Fund

Sub-fund Information *(continued)*

Comparative Tables

£ A Income Shares

For the year to	31/12/2021 (pence per share)	31/12/2020 (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	103.42	91.98	95.06
Return before operating charges*	15.87	12.70	(1.73)
Operating charges	(1.39)	(1.23)	(1.35)
Performance fees	(2.30)	(0.03)	–
Return after operating charges*	12.18	11.44	(3.08)
Distributions on income shares	–	–	–
Closing net asset value per share	115.60	103.42	91.98
 *After direct transaction costs of ¹ :	 (0.34)	 (0.03)	 0.04
Performance			
Return after charges	11.78%	12.44%	(3.24)%
Other Information			
Closing net asset value (£'000)	94	36	34
Closing number of shares	81,031	34,962	37,083
Operating charges ²	1.25%	1.25%	1.47%
Performance fees	2.08%	0.03%	–%
Direct transaction costs	(0.31)%	(0.03)%	0.04%
Prices			
Highest share price	116.57	104.15	96.12
Lowest share price	103.68	90.15	87.16

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM Tellworth UK Select Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

£ A Accumulation Shares

For the year to	31/12/2021 <i>(pence per share)</i>	31/12/2020 <i>(pence per share)</i>	31/12/2019 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	103.54	92.08	95.18
Return before operating charges*	16.28	12.72	(1.75)
Operating charges	(1.41)	(1.23)	(1.35)
Performance fees	(2.23)	(0.03)	–
Return after operating charges*	12.64	11.46	(3.10)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	116.18	103.54	92.08
 *After direct transaction costs of ¹ :	 (0.35)	 (0.03)	 0.04
Performance			
Return after charges	12.21%	12.45%	(3.26)%
Other Information			
Closing net asset value (£'000)	7,352	934	994
Closing number of shares	6,328,515	902,135	1,079,152
Operating charges ²	1.25%	1.25%	1.47%
Performance fees	1.97%	0.03%	–%
Direct transaction costs	(0.31)%	(0.03)%	0.04%
Prices			
Highest share price	116.71	104.27	96.24
Lowest share price	103.79	90.25	87.26

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM Tellworth UK Select Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

£ F Income Shares

For the year to	31/12/2021 (pence per share)	31/12/2020 (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	106.26	94.37	97.31
Return before operating charges*	16.36	12.92	(1.80)
Operating charges	(1.16)	(1.01)	(1.14)
Performance fees	(1.39)	(0.02)	–
Return after operating charges*	13.81	11.89	(2.94)
Distributions on income shares	–	–	–
Closing net asset value per share	120.07	106.26	94.37
 *After direct transaction costs of ¹ :	 (0.36)	 (0.03)	 0.04
Performance			
Return after charges	13.00%	12.60%	(3.02)%
Other Information			
Closing net asset value (£'000)	111	13	10
Closing number of shares	92,440	11,826	11,389
Operating charges ²	1.00%	1.00%	1.22%
Performance fees	1.20%	0.02%	–%
Direct transaction costs	(0.31)%	(0.03)%	0.04%
Prices			
Highest share price	120.57	107.05	98.53
Lowest share price	106.54	92.46	89.35

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Investment Funds

TM Tellworth UK Select Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

£ F Accumulation Shares

For the year to	31/12/2021 (pence per share)	31/12/2020 (pence per share)	31/12/2019 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	106.40	94.41	97.29
Return before operating charges*	16.05	13.03	(1.74)
Operating charges	(0.95)	(1.01)	(1.14)
Performance fees	(1.23)	(0.03)	–
Return after operating charges*	13.87	11.99	(2.88)
Distributions	–	–	(0.15)
Retained distributions on accumulation shares	–	–	0.15
Closing net asset value per share	120.27	106.40	94.41
 *After direct transaction costs of ¹ :	 (0.36)	 (0.03)	 0.04
Performance			
Return after charges	13.04%	12.70%	(2.96)%
Other Information			
Closing net asset value (£'000)	53,410	1,289	1,137
Closing number of shares	44,408,520	1,212,000	1,204,207
Operating charges ²	0.81% ³	1.00%	1.22%
Performance fees	1.04%	0.03%	–%
Direct transaction costs	(0.31)%	(0.03)%	0.04%
Prices			
Highest share price	120.73	107.19	98.51
Lowest share price	106.68	92.57	89.33

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

³ Due to large subscriptions in this share class during the year, the £ F Accumulation Shares benefited from economies of scale. This explains the differential in OCF between this class and other classes in the sub-fund.

TM Investment Funds

TM Tellworth UK Select Fund

Sub-fund Information *(continued)*

Risk and Reward Indicator (“RRI”)

Lower Risk

Typically lower rewards

Higher Risk

Typically higher rewards



The RRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

TM Investment Funds

TM Tellworth UK Select Fund

Statement of Total Return

for the year ended 31st December 2021

	Notes	£'000	2021 £'000	£'000	2020 £'000
Income					
Net capital gains	5		2,797		290
Revenue	7	119		10	
Expenses	8	(519)		(68)	
Net expense before taxation		(400)		(58)	
Taxation	9	–		–	
Net expense after taxation for the year			(400)		(58)
Total return before distributions			2,397		232
Distributions	10		1		–
Change in net assets attributable to shareholders from investment activities			2,398		232

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st December 2021

	£'000	2021 £'000	£'000	2020 £'000
Opening net assets attributable to shareholders		2,272		2,175
Amounts receivable on issue of shares	57,521		827	
Amounts payable on cancellation of shares	(1,306)		(963)	
		56,215		(136)
Dilution levy		82		1
Change in net assets attributable to shareholders from investment activities		2,398		232
Closing net assets attributable to shareholders		60,967		2,272

TM Investment Funds

TM Tellworth UK Select Fund

Balance Sheet

as at 31st December 2021

	Notes	31/12/2021 £'000	31/12/2020 £'000
Assets			
Fixed assets:			
Investments		50,854	1,951
Current assets:			
Debtors	11	740	58
Cash and bank balances		11,170	360
Total assets		62,764	2,369
Liabilities			
Investment liabilities		(1,332)	(58)
Creditors:			
Bank overdrafts		(77)	(16)
Other creditors	12	(388)	(23)
Total liabilities		(1,797)	(97)
Net assets attributable to shareholders		60,967	2,272

TM Investment Funds

TM Tellworth UK Select Fund

Notes to the Financial Statements

for the year ended 31st December 2021

1. Accounting Policies

The accounting, distribution and risk management policies are provided in notes 1 to 4 which can be found on pages 17 to 21.

5. Net Capital Gains

Net capital gains comprise:

	2021 £'000	2020 £'000
Non-derivative securities	12	(1)
Derivative securities	2,970	327
Derivative charges	(135)	(12)
Currency losses	(13)	–
Transaction charges	(37)	(24)
Net capital gains	2,797	290

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 62.

Analysis of direct transaction costs for the year ended 31st December 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Debt Securities	75,757	–	–	75,757	–	–
Collective Investment Schemes	471	–	–	471	–	–
Equities	897	–	–	897	–	–
	77,125	–	–	77,125		
Sales						
Debt Securities	28,005	–	–	28,005	–	–
Collective Investment Schemes	3,448	–	–	3,448	–	–
Equities	1,026	–	–	1,026	–	–
	32,479	–	–	32,479		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		–%	–%			

TM Investment Funds

TM Tellworth UK Select Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

6. Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 31st December 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Debt Securities	2,934	—	—	2,934	—	—
	2,934	—	—	2,934		
Sales						
Debt Securities	2,849	—	—	2,849	—	—
Equities	115	—	—	115	—	—
	2,964	—	—	2,964		
Derivative purchases and sales		—	—			
Total cost as percentage of average net asset value		—%	—%			

The sub-fund utilises derivative instruments, including contract for differences. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments. Therefore, purchase and sale amounts for derivative transactions are not quantified in the above analysis. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instrument.

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.02% (31st December 2020: 0.21%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

7. Revenue

	2021 £'000	2020 £'000
Franked UK dividends	1	—
Interest on debt securities	16	6
Contracts for difference	102	4
	119	10

TM Investment Funds

TM Tellworth UK Select Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

8. Expenses

	2021 £'000	2020 £'000
Payable to the ACD or associates of the ACD:		
ACD's periodic charge	50	34
Investment manager's fee	135	12
Performance fees	296	3
	<u>481</u>	<u>49</u>
Payable to the Depositary or associates of the Depositary:		
Depositary's fee	13	9
Safe custody charges	6	4
	<u>19</u>	<u>13</u>
Other expenses:		
Audit fees ¹	9	9
Calastone fees	1	1
Legal fees	4	4
Printing fees	2	2
Registration fees	8	7
Subsidy of other expenses by the ACD	(5)	(17)
	<u>19</u>	<u>6</u>
Total expenses	<u><u>519</u></u>	<u><u>68</u></u>

¹ Total audit fees of £7,500 (31st December 2020: £7,500), exclusive of VAT.

TM Investment Funds

TM Tellworth UK Select Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

9. Taxation

	2021 £'000	2020 £'000
a) Analysis of charge for the year:		
Corporation tax	—	—
Total current taxation	—	—
Deferred tax charge	—	—
Total taxation	—	—
b) Factors affecting taxation charge for the year:		
Net expense before taxation	(400)	(58)
Net expense multiplied by the standard rate of corporation tax of 20% (2020: 20%)	(80)	(12)
Effects of:		
Excess management expenses not utilised	80	12
Total tax charge (note 9a)	—	—
c) Deferred tax		
Deferred tax charge (note 9a)	—	—
Provision at start of year	—	—
Provision at end of year	—	—

The sub-fund has not recognised a deferred tax asset of £401,691 (31st December 2020: £321,470) arising as a result of having unutilised management expenses of £2,008,454 (31st December 2020: £1,607,348). The unutilised management expenses will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

TM Investment Funds

TM Tellworth UK Select Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

10. Distributions

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

	2021 £'000	2020 £'000
Interim distribution	—	—
Final distribution	—	—
	<u>—</u>	<u>—</u>
Add: Revenue deducted on shares cancelled	—	—
Deduct: Revenue received on shares created	(1)	—
Net distribution for the year	(1)	—

Reconciliation between net revenue and distribution

	2021 £'000	2020 £'000
Net expense after taxation	(400)	(58)
Deficit transferred to capital	399	60
Add: Expenses allocated to capital	—	(2)
	<u>(1)</u>	<u>—</u>

11. Debtors

	2021 £'000	2020 £'000
Accrued revenue	253	10
Amount receivable for issue of shares	481	31
Prepaid expenses	6	17
	<u>740</u>	<u>58</u>

12. Other creditors

	2021 £'000	2020 £'000
Accrued expenses	360	23
Amount payable for cancellation of shares	28	—
	<u>388</u>	<u>23</u>

TM Investment Funds

TM Tellworth UK Select Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the ACD.

Thesis Unit Trust Management Limited acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of share transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the ACD's periodic charges and, if any, rebates received are disclosed in note 8. The amount payable at year end is £32,179 (31st December 2020: £4,953).

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

14. Equalisation

Equalisation is accrued income included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 31st December 2021 (31st December 2020: £Nil).

16. Share Classes

The sub-fund currently has four share classes: £ A Income, £ A Accumulation, £ F Income and £ F Accumulation. All classes have the same rights on winding up. The distribution per share is given in the distribution tables on pages 80 and 81.

The ACD's periodic charge and Investment manager's fee of each share class is as follows:

	ACD's periodic charge*	Investment manager's fee
£ A Income	0.17%	0.75%
£ A Accumulation	0.17%	0.75%
£ F Income	0.17%	0.50%
£ F Accumulation	0.17%	0.50%

*ACD is charged on a sliding scale as per latest Prospectus.

The following table shows the shares in issue during the year:

Share Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
£ A Income Shares	34,962	53,076	(7,007)	—	81,031
£ A Accumulation Shares	902,135	5,832,822	(406,442)	—	6,328,515
£ F Income Shares	11,826	121,101	(40,487)	—	92,440
£ F Accumulation Shares	1,212,000	43,881,412	(684,892)	—	44,408,520

TM Investment Funds

TM Tellworth UK Select Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

17. Financial Instruments

In pursuing its investment objective set out on pages 4 to 6, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, shares in collective investment vehicles, fixed and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity; and
- derivatives and other financial instruments in the form of contracts for difference.

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

At 31st December 2021, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £2,476,097 (31st December 2020: £94,666).

The VaR for the sub-fund for the year ended 31st December 2021 and 31st December 2020 are as follows:

	2021	2020
Highest utilisation of VaR	4.49%	3.74%
Lowest utilisation of VaR	0.61%	0.79%
Average utilisation of VaR	1.73%	1.67%

- *Foreign currency risk* – risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

The sub-fund does not have significant exposure to currency risk as all assets and liabilities are predominantly held in Sterling. The sub-fund converts all receipts of revenue, received in currency, into Sterling on the day of receipt.

- *Interest rate risk* – risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

Interest rate risk profile of financial assets as at 31st December 2021:

	Floating Rate Financial Assets 2021 £'000	Fixed Rate Financial Assets 2021 £'000	Financial Assets Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency				
Pound sterling	11,170	49,241	1,613	62,024
	11,170	49,241	1,613	62,024

TM Investment Funds

TM Tellworth UK Select Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial assets as at 31st December 2020:

	Floating Rate Financial Assets 2020 £'000	Fixed Rate Financial Assets 2020 £'000	Financial Assets Not Carrying Interest 2020 £'000	Total 2020 £'000
Currency				
Pound sterling	360	1,896	55	2,311
	360	1,896	55	2,311

Interest rate risk profile of financial liabilities as at 31st December 2021:

	Floating Rate Financial Liabilities 2021 £'000	Financial Liabilities Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency			
Pound sterling	(77)	(1,332)	(1,409)
	(77)	(1,332)	(1,409)

Interest rate risk profile of financial liabilities as at 31st December 2020:

	Floating Rate Financial Liabilities 2020 £'000	Financial Liabilities Not Carrying Interest 2020 £'000	Total 2020 £'000
Currency			
Pound sterling	(16)	(58)	(74)
	(16)	(58)	(74)

At 31st December 2021, if interest rates increased or decreased by 0.1% against all debt securities, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £8,316 (31st December 2020: £(91)).

Short term debtors and creditors are excluded in the interest rate risk tables above.

The sub-fund's net cash holdings of £11,092,601 (31st December 2020: £343,531) are held in floating rate deposit accounts, whose rates are determined by reference to BOE for GBP.

TM Investment Funds

TM Tellworth UK Select Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

18. Risks Disclosures (continued)

- *Credit risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

Where the ACD invests in bonds there is also the risk that the issuer will default on the coupon payments and the capital amount lent to the issuer. The capital value of investments will fall in the event of a default or perceived increase of credit risk of an issuer.

The portfolio at the year end has been analysed into the credit ratings as shown below:

Credit Quality	2021 £'000	2020 £'000
Investment grade debt securities	49,241	1,896
Below investment grade debt securities	—	—
Unrated debt securities	—	—
Other investments	1,613	55
	50,854	1,951

- *Counterparty exposure risk* - The type of derivatives held at the balance sheet date was contracts for difference. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty Name¹	2021 £'000	2020 £'000
Contracts for Difference		
Goldman Sachs	66	5
Merrill Lynch	1,474	46
Morgan Stanley	44	1
Contracts for Difference - Unfunded		
Bank of America	—	1
Merrill Lynch	29	2
Total	1,613	55

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the sub-fund's exposure to that counterparty.

TM Investment Funds

TM Tellworth UK Select Fund

Notes to the Financial Statements

for the year ended 31st December 2021 (continued)

18. Risks Disclosures (continued)

- *Fair value* - in the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31st December 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Debt Securities	49,241	–	–	49,241
Contracts for Difference	–	1,584	–	1,584
Contracts for Difference - Unfunded	–	29	–	29
	49,241	1,613	–	50,854
Liabilities				
Contracts for Difference	–	(1,332)	–	(1,332)
Valuation technique as at 31st December 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Debt Securities	1,896	–	–	1,896
Contracts for Difference	–	55	–	55
	1,896	55	–	1,951
Liabilities				
Contracts for Difference	–	(58)	–	(58)

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

19. Leverage

There are two ways in which the ACD can introduce leverage to the sub-fund. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the ACD manages the sub-fund. There are no collateral, asset re-use or guarantee arrangements involved in the ACD's current approach to leverage.

The maximum leverage permitted is 100%. It is expected that the ACD will operate the sub-fund well within these limits. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The ACD sets maximum leverage levels and operates the sub-fund within these levels at all times.

The sub-fund has not employed significant leverage in the current year or prior year.

20. Post Balance Sheet Event

The latest NAV per share Class F Accumulation Shares of 122.50p as at the close of business on 22nd April 2022 had increased on average by 1.86% compared to the NAV at the year end of 120.27p.

TM Investment Funds

TM Tellworth UK Select Fund

Distribution Tables

for the year ended 31st December 2021

Interim Distribution £ A Income Shares (in pence per share)*,**

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Income	Equalisation (note 14)	2021 Net Distribution Paid	2020 Net Distribution Paid
1	—	—	—	—
2	—	—	—	—

Interim Accumulation £ A Accumulation Shares (in pence per share)*,**

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Accumulation	Equalisation (note 14)	2021 Net Accumulation	2020 Net Accumulation
1	—	—	—	—
2	—	—	—	—

Interim Distribution £ F Income Shares (in pence per share)*,**

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Income	Equalisation (note 14)	2021 Net Distribution Paid	2020 Net Distribution Paid
1	—	—	—	—
2	—	—	—	—

Interim Accumulation £ F Accumulation Shares (in pence per share)*,**

Group 1: Shares purchased prior to 1st January 2021

Group 2: Shares purchased from 1st January 2021 to 30th June 2021

Group	Net Accumulation	Equalisation (note 14)	2021 Net Accumulation	2020 Net Accumulation
1	—	—	—	—
2	—	—	—	—

TM Investment Funds

TM Tellworth UK Select Fund

Distribution Tables

for the year ended 31st December 2021 (continued)

Final Distribution £ A Income Shares (in pence per share)*,**

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 31st December 2021

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	—	—	—	—
2	—	—	—	—

Final Accumulation £ A Accumulation Shares (in pence per share)*,**

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 31st December 2021

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	—	—	—	—
2	—	—	—	—

Final Distribution £ F Income Shares (in pence per share)*,**

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 31st December 2021

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	—	—	—	—
2	—	—	—	—

Final Accumulation £ F Accumulation Shares (in pence per share)*,**

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased from 1st July 2021 to 31st December 2021

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	—	—	—	—
2	—	—	—	—

* Expenses exceeded revenue during the period, as a result no distributions were paid or allocated.

** There were no group 2 shares for this period.



Thesis Unit Trust Management Limited
Exchange Building
St. John's Street
Chichester
West Sussex PO19 1UP
www.tutman.co.uk