



# **Annual Report and Financial Statements for The Sentinel Fund ICVC**

For the year ended 31 July 2020

**HEAD OFFICE**  
1 SOVEREIGN COURT  
GRAHAM STREET  
BIRMINGHAM  
B1 3JR

**MARGETTS FUND MANAGEMENT LTD**

[www.margetts.com](http://www.margetts.com)  
VAT No. (GB) 795 0415 16  
Registered in England No. 4158249

**DEALING**  
PO BOX 17067  
BIRMINGHAM  
B2 2HL

TELEPHONE: 0121 236 2380  
FACSIMILE: 0121 236 2330

Authorised and Regulated by  
the Financial Conduct Authority

TELEPHONE: 0345 607 6808  
FACSIMILE: 0121 236 8990

## **ACD**

Margetts Fund Management Limited  
1 Sovereign Court  
Graham Street  
Birmingham  
B1 3JR

Tel: 0121 236 2380

Fax: 0121 236 2330

*(Authorised and regulated by the Financial Conduct Authority)*

## **Directors of the ACD**

T J Ricketts

M D Jealous

A S Weston

A J M Quay (non-exec)

J M Vessey (non-exec)

A Nugent (non-exec)

T H Ricketts - *resigned 01 August 2020*

## **Depositary**

The Bank of New York Mellon (International) Limited  
One Canada Square  
London  
E14 5AL

*(Authorised and regulated by the Financial Conduct Authority)*

## **Administrator and Registrar**

Margetts Fund Management Ltd  
PO Box 17067  
Birmingham  
B2 2HL

Tel: 0345 607 6808

Fax: 0121 236 8990

*(Authorised and regulated by the Financial Conduct Authority)*

## **Auditors**

Shipleys LLP  
Chartered Accountants & Statutory Auditors  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

## List of Investment Advisers for sub funds

### Defensive Portfolio

(1 August 2019 – 04 January 2020)  
Margetts Fund Management Limited  
1 Sovereign Court  
Graham Street  
Birmingham  
B1 3JR

*(Authorised and regulated by the Financial  
Conduct Authority)*

(05 January 2020 - 31 July 2020)  
Atlantic House Fund Management LLP  
One Eleven  
Edmund Street  
Birmingham  
B3 2HJ

*(Authorised and regulated by the Financial  
Conduct Authority)*

### Sentinel Enterprise Portfolio

Stonehage Fleming Investment Management Ltd  
15 Suffolk Street  
London  
SW1Y 4HG  
*(Authorised and regulated by the Financial Conduct Authority)*

### Sentinel Universal Portfolio

(1 July 2019 - 30 April 2020)  
Premier Fund Managers Limited  
Eastgate Court  
Gildford  
GU1 3DE

*(Authorised and regulated by the Financial  
Conduct Authority)*

(1 May 2020 - 31 July 2020)  
Margetts Fund Management Limited  
1 Sovereign Court  
Birmingham  
B1 3JR

*(Authorised and regulated by the Financial  
Conduct Authority)*

### Sentinel Income Portfolio

Aegon Asset Management  
3 Lochside Crescent  
Edinburgh  
EH12 9SA  
*(Authorised and regulated by the Financial Conduct Authority)*

### Sentinel Growth Portfolio

Artemis Investment Management LLP  
Cassini House  
57 St James's Street  
London  
SW1A 1LD  
*(Authorised and regulated by the Financial Conduct Authority)*

## Contents

Statement of ACD's Responsibilities	1
Statement of Depositary's Responsibilities	2
Report of the Depositary	2
Independent Auditors' Report to the Shareholders of the Sentinel Defensive Fund	3
Value Assessment	7
Certification of Accounts by Directors of the ACD	7
Remuneration	7
Notes to all sub fund's financial statements	8
Accounting policies	8
Distribution policy	8
Risk management policies	9
<b>Sentinel Defensive Portfolio Report &amp; Accounts</b>	
Investment Adviser's Report	10
Portfolio Statement	12
Net Asset Value per Share and Comparative Tables	14
Financial Statements	
Statement of Total Return	16
Statement of Change in Net Assets Attributable to Shareholders	16
Balance Sheet	17
Notes to the Financial Statements	18
Distribution Table	23
<b>Sentinel Enterprise Portfolio Report &amp; Accounts</b>	
Investment Adviser's Report	24
Portfolio Statement	26
Net Asset Value per Share and Comparative Tables	28
Financial Statements	
Statement of Total Return	31

Statement of Change in Net Assets Attributable to Shareholders	31
Balance Sheet	32
Notes to the Financial Statements	33
Distribution Table	38

### **Sentinel Universal Portfolio Report & Accounts**

Investment Adviser's Report	39
Portfolio Statement	42
Net Asset Value per Share and Comparative Tables	44
Financial Statements	
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 Table	54

### **Sentinel Income Portfolio Report & Accounts**

Investment Adviser's Report	55
Portfolio Statement	58
Net Asset Value per Share and Comparative Tables	64
Financial Statements	
Statement of Total Return	66
Statement of Change in Net Assets Attributable to Shareholders	66
Balance Sheet	67
Notes to the Financial Statements	68
Distribution Table	76

### **Sentinel Growth Portfolio Report & Accounts**

Investment Adviser's Report	77
Portfolio Statement	81

Net Asset Value per Share and Comparative Tables	84
Financial Statements	
Statement of Total Return	86
Statement of Change in Net Assets Attributable to Shareholders	86
Balance Sheet	87
Notes to the Financial Statements	88
Distribution Table	95
ICVC General Information	96

## Statement of ACD's Responsibilities

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

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

In preparing the financial statements the ACD is required to:

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

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

In so far as the ACD is aware:

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

## **Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Sentinel Defensive Fund of the Sentinel Fund ("the Company") for the Year Ended 31 July 2020**

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from the 22<sup>nd</sup> July 2014 the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Depositary must ensure that:

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

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

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

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

For and on behalf of  
The Bank of New York Mellon (International) Limited  
One Canada Square  
London  
E14 5AL

Manager  
23 December 2020



# **Independent Auditor's Report**

To the shareholders of Sentinel Fund ICVC

## **Opinion**

We have audited the financial statements of Sentinel Fund ICVC (the Fund), for the year ending 31 July 2020 which comprise the Statement of Change in Net Assets Attributable to shareholders, the Balance Sheet, the Statement of Total Return, the related notes and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Association (the 'Statement of Recommended Practice for Authorised Funds').

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

Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the fund's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Fund's affairs as at 31 July 2020 and of the net income and net capital gains/losses on the property of the Fund for the year then ended;
- have been properly prepared in accordance with the Prospectus, the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority and United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for Opinion**

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

## **Conclusions relating to going concern**

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

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

## **Independent Auditor's Report (continued)**

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

## **Independent Auditor's Report (continued)**

### **Responsibilities of Authorised Corporate Director**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

## **Independent Auditor's Report (continued)**

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

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

23 December 2020

## Value Assessment

A detailed value assessment report for the Sentinel ICVC can be found on our website <https://www.margetts.com/>.

## Certification of Accounts by Directors of the ACD

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

**T J Ricketts**

**M D Jealous**

*Margetts Fund Management Ltd*  
23 December 2020

## Authorised Status

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

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

## Remuneration

In accordance with the requirements of COLL 4.5.7(7) the total amount of remuneration paid by the ACD to its staff for the financial year ended 30 September 2019 is:

	<b>£</b>
<b>Fixed Remuneration</b>	<b>3,747,526</b>
<b>Variable Remuneration</b>	<b>1,129,255</b>
<b>Total Remuneration</b>	<b><u>4,876,781</u></b>
 <b>Full Time Equivalent number of staff</b>	 <b>51</b>
 <b>Analysis of senior management</b>	
<b>Senior management</b>	<b>1,952,276</b>
<b>Staff whose actions may have a material impact on the funds</b>	<b>-</b>
<b>Other</b>	<b>-</b>
	<b><u>1,952,276</u></b>

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

## Notes to all sub fund's financial statements

As at 31 July 2020

### Accounting policies

#### a) Basis of accounting

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

#### b) Basis of valuation of investments

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

#### c) Foreign exchange rates

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

#### d) Revenue

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

#### e) Expenses

The ACD's periodic charge is deducted from Income for all sub funds, with exception of Sentinel Income Portfolio's charge is deducted from Capital. All of the other expenses are also charged against Income except for costs associated with the purchase and sale of investments which are charged against Capital.

#### f) Taxation

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

### Distribution policy

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

## Risk management policies

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

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

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

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

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

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

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

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

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

# Sentinel Defensive Portfolio Report & Accounts

## Investment Adviser's Report

*For the year ended 31 July 2020*

### Investment Objective

The investment objective of the Sub-Fund is to provide medium term capital growth from a portfolio of investments.

### Investment Review

The Fund does not have a performance target and is not constrained by any index, IA sector or similar factor. The Bank of England Base Rate + 2% can be used as the comparator benchmark. The fund is likely to generate returns in excess of cash deposits but with a lower volatility than would normally be associated with equity markets. Therefore cash (Bank of England Base Rate) plus 2% reflects this.

Sentinel Defensive A	-1.76%
Sentinel Defensive B	-1.10%

*Source: FE Analytics, quoted on a total return, bid to bid, UK sterling basis.*

### Benchmark

The Bank of England Base Rate plus 2%	0.48%
---------------------------------------	-------

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

### Market Review

Atlantic House took over the management of the Sentinel Defensive Portfolio on the 5<sup>th</sup> of January 2020.

The beginning of 2020 was positive for global risk assets. US-China relations had begun to thaw, sparking a renewed equity rally and optimism for the rest of the year. This optimism began to disappear as markets began to appreciate just how much the COVID-19 virus would affect our daily lives. In a matter of weeks, countries went into a state of lockdown, taking the global economy to the brink of disaster. Global markets saw the sharpest and deepest drawdown on record, implied volatility hit all time highs and unemployment reached levels not seen since the great depression.

Ultimately the combined actions of monetary and fiscal policymakers went a long way to save the global economy from further pain. There has been an unprecedented level of support provided to economies, a feature which is likely to remain in place for some time.

After the initial fall in global markets, both corporate credit and equities rallied strongly. Investors were able to see the light at the end of the tunnel. A return to some level of normality, with additional support from governments and central banks, leaves risk assets as the only place investors can go to meet the vast savings needs that the world was already struggling with.

### Portfolio Activity

Following the change in management, the team began moving the asset allocation of the fund towards the agreed investment mandate. This work at the beginning of the year placed the fund on stable footing as the fund held a large cash balance going into the beginning of the COVID crisis. The fund experienced a maximum drawdown of 7.43%, in line with expectations given the asset mix of the fund.

At the height of the crisis, we took advantage of significant dislocations in the corporate credit markets. Short dated corporate bonds issued by high quality firms with strong business models were added at prices which seemed unthinkable just a few weeks earlier. The fund also added positions in defined return investments referencing global equity indices. These positions aided the recovery in the fund's Net Asset Value (NAV) as risk assets moved into a 'V' shaped recovery.



## **Sentinel Defensive Portfolio Report & Accounts (continued)**

As market conditions normalised, the fund rotated out of some of the corporate bonds which were added in the crisis. Due to the compression in credit spreads, some of the positions no longer exhibited the attractive risk reward characteristics that they showed when the positions were first instigated.

The fund is invested in a diverse set of assets. The fund's equity risk is accessed through predictable, defensive, Defined Return investments. These investments allow us to predict the fund's likely returns over a wide range of market scenarios. They also allow the fund to achieve its objective in all but the bleakest of market conditions. The fund's corporate bond portfolio provides stable returns whilst balancing the risk reward in the current environment of low credit spreads and economic uncertainty.

Atlantic House Investments  
*Manager*  
30 November 2020

### **Investor Notice**

The ACD hereby notifies shareholders that, with effect from 20<sup>th</sup> January 2020, the management of the fund was delegated to Atlantic House Fund Management.

Following the change in management, the AMC of the fund increased from 1.2% to 1.35% for the 'A' shares and from 0.45% to 0.60% for the 'B' shares. This change took effect on 13<sup>th</sup> April 2020.

# Portfolio Statement

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	Total Net Assets	
			31.07.20 %	31.07.19 %
	<b>Total Convertible Bonds</b>	-	-	<b>2.16</b>
	<b>UK Government Bonds</b>			
1,492,091	UK Treasury Inflation Linked 1.25 11/22/27	3,031,275	3.75	
4,853,600	UK Treasury 3.75 09/07/20	4,870,248	6.03	
	<b>Total UK Government Bonds</b>	<b>7,901,523</b>	<b>9.78</b>	<b>-</b>
	<b>Closed-Ended</b>			
205,475	Blue Capital Global Reinsurance Fund Ltd	4,957	-	
40,409	Boussard & Gavaudan EUR Ord	598,800	0.74	
20,000	DW Catalyst Fund Limited	-	-	
132,536	DW Catalyst Redemption Shares	-	-	
200,000	Life Settlement Assets A	276,583	0.34	
	<b>Total Closed-Ended</b>	<b>880,340</b>	<b>1.08</b>	<b>4.39</b>
	<b>Corporate Bonds</b>			
390	APQ Global Limited 3.% CULS 30/09/24	1,696,500	2.10	
3,000,000	Argentum Capital S.A.	2,976,300	3.68	
200,000	AWLN 3.666 07/30/24	397,708	0.49	
1,000,000	Coventry Building Society 5.875 09/28/22	1,111,480	1.38	
3,500,000	His Markit Ltd 5 01/11/22	2,897,100	3.59	
2,000,000	Lloyds Banking Group Plc 1.875 01/15/26	2,027,860	2.51	
3,000,000	LVMH Moet Hennessy Vuitt 1 02/11/23	3,032,430	3.75	
2,240,000	Pension Insurance 6.5 07/03/24	2,613,206	3.23	
1,000,000	Scottish & Southern Energy 5.875 09/22/22	1,110,510	1.37	
1,043,000	Scottish Widows 5.5 06/16/23	1,139,832	1.41	
2,000,000	Siemens Finance Company 1 20/02/2025	2,053,360	2.54	
1,000,000	Smithsonian Institution 1.218 01/09/25	786,471	0.97	
2,500,000	Tesco Plc 5 24/03/23	2,740,325	3.39	
2,700,000	Wells Fargo Bank 5.25 08/01/2023	3,027,699	3.75	
	<b>Total Corporate Bonds</b>	<b>27,610,781</b>	<b>34.16</b>	<b>24.12</b>
	<b>REITs</b>			
1,720,000	Supermarket Income Reit PLC	1,892,000	2.34	
	<b>Total REITs</b>	<b>1,892,000</b>	<b>2.34</b>	<b>3.34</b>
	<b>Preference Shares</b>			
3,000,000	BUPA Finance PLC 6.125 PERP	2,999,910	3.71	
29,854	FRM Credit Alpha Limited GBP	14,240	0.02	
390,161	GLI Finance ZDP	417,472	0.52	
185,000	Inland ZDP Plc ZDP 10P	271,950	0.34	
60,000	JZ Capital 2021 6%	540,000	0.67	
	<b>Total Preference Shares</b>	<b>4,243,572</b>	<b>5.26</b>	<b>10.82</b>
	<b>Money Markets</b>			
8,074,467	Royal London Short Term Money Market Fund	8,245,646	10.21	
	<b>Total Money Markets</b>	<b>8,245,646</b>	<b>10.21</b>	<b>6.79</b>

## Portfolio Statement (continued)

		Total Net Assets		
Holding	Portfolio of Investments	Value (£)	31.07.20 %	31.07.19 %
Shares				
450,000	Dexion Redemption Shares 2013	-	-	
490,000	EJF Investments Ord 2022 ZDP	553,700	0.69	
126666	JZ Capital Partners Ltd ZDP 2022	278,665	0.34	
Total Shares		832,365	1.03	3.23
Structured Products				
5,346,521	Atlantic House Defined Returns Fund B GBP	7,630,555	9.45	
4,000,000	Barc Eur Autocall FTSE 100	3,969,600	4.91	
3,500,000	Citi Sd3e 2030 Revcon 13Mar2030	3,148,950	3.90	
1,300,000	HSBC 5 Year GBP Pref MTN	1,422,200	1.76	
1,000,000	HSBC Bank PLC 26/09/2022	1,045,401	1.30	
500,000	Natixis FTSE 100 11 Aug 2020	589,900	0.74	
3,500,000	Phoenix GRP Hld PLC 1/8 07/20/22	3,628,556	4.49	
Total Structured Products		13,804,607	17.10	33.81
Portfolio of Investments		73,041,389	90.41	88.66
Net Current Assets		7,746,000	9.59	11.34
Net Assets		80,787,389	100.00	100.00

The investments have been valued in accordance with note 1(b).

## Net Asset Value per Share and Comparative Tables

### A Accumulation share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	128.4170	127.0711	128.9282
Return before operating charges *	-0.2386	2.2059	-0.0171
Operating charges	-1.7800	-0.8600	-1.8400
Return after operating charges	-2.0186	1.3459	-1.8571
Distribution on income shares	0.0000	0.0000	0.0000
Closing NAV per share	126.3984	128.4170	127.0711
Retained distribution on acc shares	0.0000	0.0000	0.0000

\* After direct transaction costs of 0.0156 0.0704 0.0437

### Performance

Return after charges -1.57% 1.06% -1.44%

### Other Information

Closing net asset value (£)	2,994,930	3,360,030	3,745,102
Closing number of shares	2,369,437	2,616,499	2,947,249
OCF	1.52%	1.39%	1.39%
Direct transaction costs	0.01%	0.06%	0.03%

### Prices

Highest share price (pence)	129.10	128.94	130.00
Lowest share price (pence)	119.32	126.90	127.30

### B Accumulation share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	135.0215	132.7213	133.8076
Return before operating charges *	-0.3525	3.2002	-0.1763
Operating charges	-0.8700	-0.9000	-0.9100
Return after operating charges	-1.2225	2.3002	-1.0863
Distribution on income shares	0.0000	0.0000	0.0000
Closing NAV per share	133.7990	135.0215	132.7213
Retained distribution on acc shares	0.6802	0.7436	0.4052

\* After direct transaction costs of 0.0164 0.0738 0.0455

### Performance

Return after charges -0.91% 1.73% -0.81%

### Other Information

Closing net asset value (£)	76,337,043	68,990,830	67,758,871
Closing number of shares	57,053,533	51,096,188	51,053,506
OCF	0.77%	0.64%	0.64%
Direct transaction costs	0.01%	0.06%	0.03%

### Prices

Highest share price (pence)	136.05	135.49	135.18
Lowest share price (pence)	125.94	132.92	132.92

## Net Asset Value per Share and Comparative Tables (continued)

### B Income share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	132.2461	130.7090	132.2260
Return before operating charges *	-0.3441	3.1556	-0.2060
Operating charges	-0.8500	-0.8900	-0.9100
Return after operating charges	-1.1941	2.2656	-1.1160
Distribution on income shares	-0.6661	-0.7285	-0.4010
Closing NAV per share	130.3859	132.2461	130.7090

\* After direct transaction costs of

	0.0161	0.0727	0.0446
--	--------	--------	--------

### Performance

Return after charges	-0.90%	1.73%	-0.84%
----------------------	--------	-------	--------

### Other Information

Closing net asset value (£)	1,455,416	1,350,389	1,023,864
Closing number of shares	1,116,238	1,021,118	783,316
OCF	0.77%	0.64%	0.64%
Direct transaction costs	0.01%	0.06%	0.03%

### Prices

Highest share price (pence)	133.26	133.43	133.54
Lowest share price (pence)	123.35	130.92	131.31

### Risk Warning

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

### Fund Performance

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

### Synthetic Risk and Reward Indicator

Typically Lower Returns

Typically Higher Returns

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Lower Risk

Higher Risk

The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile.

## Financial statements

### Statement of total return

For the year ended 31 July 2020

	Notes	31.07.20	31.07.19
Income		£	£
Net capital gains/(losses)	1	(1,209,268)	1,549,798
Other losses	2	-	(700,889)
Revenue	4	920,347	877,543
Expenses	5	(536,917)	(489,830)
Finance costs: Interest	7	(174)	(7,608)
Net revenue before taxation		383,256	380,105
Net revenue after taxation		383,256	380,105
<b>Total return before distributions</b>		<b>(826,012)</b>	<b>1,229,014</b>
Finance costs: Distribution	7	(388,303)	(383,796)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,214,315)</b>	<b>845,218</b>

### Statement of change in net assets attributable to shareholders

For the year ended 31 July 2020

	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		73,701,249		72,527,837
Amounts receivable on issue of shares	14,222,390		7,460,172	
Amounts payable on cancellation of shares	(6,311,108)		(7,513,726)	
Dilution levy	1,095		1,797	
		7,912,377		(51,757)
Change in net assets attributable to shareholders from investment activities		(1,214,315)		845,218
Retained distribution on accumulation shares		388,078		379,951
<b>Closing net assets attributable to shareholders</b>		<b>80,787,389</b>		<b>73,701,249</b>

## Balance sheet

As at 31 July 2020

	Notes		31.07.20		31.07.19
		£	£	£	£
<b>Assets</b>					
Investment assets			73,041,388		65,342,473
Debtors	8	520,649		359,463	
Bank balances		8,035,824		13,215,369	
<b>Total other assets</b>			<b>8,556,473</b>		<b>13,574,832</b>
<b>Total assets</b>			<b>81,597,861</b>		<b>78,917,305</b>
<b>Liabilities</b>					
Creditors	9	331,262		5,208,617	
Distribution payable on income shares		7,435		7,439	
Bank overdrafts		471,775		-	
<b>Total other liabilities</b>			<b>810,472</b>		<b>5,216,056</b>
<b>Net assets attributable to shareholders</b>			<b>80,787,389</b>		<b>73,701,249</b>

# Notes to the financial statements

As at 31 July 2020

## 1 Net capital losses

Proceeds from sales on investments during the year  
Original cost of investments sold during the year  
Gains realised on investments sold during the year  
Net (appreciation)/depreciation thereon already recognised in prior periods  
Net realised (depreciation)/appreciation for the year  
Net unrealised depreciation for the year  
Net (losses)/gains on non-derivative securities  
Net gains/(losses) on derivatives  
**Net capital (losses)/gains on investments**

31.07.20

£

31.07.19

£

64,831,567	64,067,797
(63,926,455)	(62,533,933)
905,112	1,533,864
(1,361,600)	602,142
(456,488)	2,136,006
(882,059)	(314,397)
(1,338,547)	1,821,609
129,279	(271,811)
<b>(1,209,268)</b>	<b>1,549,798</b>

## 2 Other losses

Other losses  
**Total other losses**

-	(700,889)
<b>-</b>	<b>(700,889)</b>

## 3 Purchases, sales and transaction costs

### Collective Investment Schemes

Purchases excluding transaction costs  
Commissions: 0.00% [0.02%]  
Stamp duty and other charges: 0.00% [0.04%]  
Trustee transaction charges: 0.00% [0.00%]  
**Purchases including transaction costs**

5,200,000	32,744,277
-	6,155
-	12,926
43	1,214
<b>5,200,043</b>	<b>32,764,572</b>

Sales excluding transaction costs  
Commissions: 0.00% [0.03%]  
Trustee transaction charges: 0.00% [0.00%]  
**Sales including transaction costs**

6,891,537	52,323,532
-	(13,803)
(9)	(2,313)
<b>6,891,528</b>	<b>52,307,416</b>

### Debt Securities

Purchases excluding transaction costs  
Trustee transaction charges: 0.00% [0.00%]  
**Purchases including transaction costs**

-	30,764,629
-	306
<b>-</b>	<b>30,764,935</b>

Sales excluding transaction costs  
Trustee transaction charges: 0.00% [0.00%]  
**Sales including transaction costs**

-	11,758,068
-	(248)
<b>-</b>	<b>11,757,820</b>

### Equities/ETFs

Purchases excluding transaction costs  
Commissions: 0.01% [0.00%]  
Trustee transaction charges: 0.00% [0.00%]  
**Purchases including transaction costs**

21,410,583	-
1,500	-
52	-
<b>21,412,135</b>	<b>-</b>

Sales excluding transaction costs  
Commissions: 0.02% [0.00%]  
Trustee transaction charges: 0.00% [0.00%]  
**Sales including transaction costs**

24,998,936	-
(4,378)	-
(372)	-
<b>24,994,186</b>	<b>-</b>

### Bonds

Purchases excluding transaction costs  
Commissions: 0.01% [0.00%]  
Trustee transaction charges: 0.00% [0.00%]  
**Purchases including transaction costs**

47,658,926	-
3,000	-
199	-
<b>47,662,125</b>	<b>-</b>

Sales excluding transaction costs  
Trustee transaction charges: 0.00% [0.00%]  
**Sales including transaction costs**

32,941,094	-
(156)	-
<b>32,940,938</b>	<b>-</b>



Trustee transaction charges have been deducted in determining net capital  
Transaction charges are displayed as percentage of purchase/sale

<b>Total commissions: 0.01% [0.03%]</b>	<b>8,878</b>	<b>19,958</b>
<b>Total stamp duty and other charges: 0.00% [0.02%]</b>	<b>-</b>	<b>12,926</b>
<b>Total trustee transaction charges: 0.00% [0.01%]</b>	<b>831</b>	<b>4,081</b>

Total charges displayed as percentage of average net asset value

**Average portfolio dealing spread : 0.95% [1.02%]**

<b>4 Revenue</b>	<b>31.07.20</b>	<b>31.07.19</b>
	£	£
UK franked dividends	66,391	126,217
UK unfranked dividends	118,563	111,675
Bond interest	100,654	-
Gross bond interest	454,880	359,865
Overseas franked income	25,128	31,927
Overseas gross unfranked income	144,877	230,306
Bank interest	9,854	17,553
<b>Total revenue</b>	<b>920,347</b>	<b>877,543</b>

## 5 Expenses

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

ACD's periodic charge	416,270	354,312
-----------------------	---------	---------

*Payable to the Depositary associates of the Depositary and agents of either:*

Depositary's fee	34,244	32,186
Safe custody	12,677	12,452
	<b>46,921</b>	<b>44,638</b>

*Other expenses:*

FCA fee	143	142
Audit fee	7,280	7,860
Transfer agency fee	60,163	60,069
Price Data provision	6,056	21,421
Professional Fee	84	1,388
<b>Total expenses</b>	<b>536,917</b>	<b>489,830</b>

## 6 Taxation

a) Analysis of the tax charge for the year:

UK Corporation tax	-	-
Irrecoverable income tax	-	-
Current tax charge (note 8b)	-	-
<b>Total tax charge</b>	<b>-</b>	<b>-</b>

b) Factors affecting the tax charge for the year:

Net income before taxation	383,256	380,105
Corporation tax at 20%	76,652	76,021
<i>Effects of:</i>		
UK dividends	(18,304)	(31,629)
Utilisation of excess management expenses	(58,348)	(44,392)
Corporation tax charge	-	-
Irrecoverable income tax	-	-
<b>Current tax charge for the year (note 8a)</b>	<b>-</b>	<b>-</b>

c) Provision for deferred taxation

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

d) Factors that may affect future tax changes

The fund has unutilised management expenses of £2,093,585 (prior year £2,385,325). The fund does not expect to be able to utilise this in the foreseeable future.

## 7 Finance costs

	31.07.20	31.07.19
	£	£
<b>Distributions</b>		
Final	395,513	387,390
	395,513	387,390
Amounts deducted on cancellation of shares	11,941	9,136
Amounts received on issue of shares	(19,151)	(12,730)
Finance costs: Distributions	388,303	383,796
Finance costs: Interest	174	7,608
<b>Total finance costs</b>	<b>388,477</b>	<b>391,404</b>
<b>Represented by:</b>		
Net revenue after taxation	383,256	380,105
Income shortfall	5,078	3,668
Balance of revenue brought forward	20	43
Balance of revenue carried forward	(51)	(20)
<b>Finance costs: Distributions</b>	<b>388,303</b>	<b>383,796</b>

## 8 Debtors

	31.07.20	31.07.19
	£	£
Amounts receivable for issue of shares	809	80,288
Amounts receivable for investment securities sold	947	-
<i>Accrued income:</i>		
UK franked dividends	25,112	24,407
Bond interest	470,199	227,267
Overseas gross unfranked income	-	3,900
	495,311	255,574
Taxation recoverable	23,582	23,601
<b>Total debtors</b>	<b>520,649</b>	<b>359,463</b>

## 9 Creditors

Amounts payable for cancellation of shares	195,130	94,023
Amounts payable for investment securities purchased	-	5,000,000
<i>Accrued expenses:</i>		
<i>Amounts payable to the ACD, associates and agents:</i>		
ACD's periodic charge	43,160	30,214
<i>Amounts payable to the Depositary, associates and agents:</i>		
Depositary's fees	2,998	2,757
Transaction charges	173	20
Safe custody fee	2,362	1,304
	5,533	4,081
Other creditors	7,533	14,200
<i>Taxation payable:</i>		
Corporation tax	79,906	66,099
<b>Total creditors</b>	<b>331,262</b>	<b>5,208,617</b>

## 10 Contingent liabilities and commitments

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

## 11 Related party transactions

Margetts Fund Management Ltd as ACD, is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issues, and paid on cancellations are disclosed in the statement of change in net assets attributable to shareholders and note 7.

Amounts paid to Margetts Fund Management Ltd in respect of management services are disclosed in note 5 and amounts due at the end of the year in note 9.

All other amounts paid to, or received from, the related parties, together with the outstanding balances are disclosed in the financial statements.

## 12 Shareholders' funds

	<b>A Acc</b>	<b>B Acc</b>	<b>B Inc</b>
Opening number of shares	2,616,499	51,096,188	1,021,118
Shares issued	12,032	17,255,033	246,968
Shares converted	-	-	-
Shares redeemed	(259,094)	(11,297,688)	(151,848)
Closing number of shares	<u>2,369,437</u>	<u>57,053,533</u>	<u>1,116,238</u>

## 13 Post balance sheet events

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

## 14 Fair Value Techniques

<b>Assets</b>	<b>31.07.20</b>	<b>31.07.19</b>
	<b>£</b>	<b>£</b>
Quoted prices for identical instruments in active markets	73,041,388	65,342,473
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable data	-	-
Valuation techniques using non-observable data	-	-
	<u><b>73,041,388</b></u>	<u><b>65,342,473</b></u>

## 15 Securities Financing Transactions (SFT) and Total Return Swaps (TRS)

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

## 16 Risk disclosures

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

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

i	Interest risk	31.07.20	31.07.19
		£	£
	Floating rate assets (pounds sterling):	11,067,099	12,741,722
	Floating rate assets (us dollars):	-	382,340
	Floating rate assets (euro):	-	91,352
	Floating rate assets (ron):	-	(45)
	Floating rate liabilities (pounds sterling):	(471,775)	-
	Assets on which interest is not paid (pounds sterling):	33,238,563	35,569,748
	Assets on which interest is not paid (us dollars):	281,540	3,581,413
	Assets on which interest is not paid (euro):	598,800	1,078,592
	Assets on which interest is paid (pounds sterling):	32,728,289	23,743,163
	Assets on which interest is paid (us dollars):	3,683,570	1,729,020
	Liabilities on which interest is not paid (pounds sterling):	(338,697)	(5,216,056)
	<b>Net Assets</b>	<b>80,787,389</b>	<b>73,701,249</b>

ii.	Currency risk	31.07.20	31.07.19
		£	£
	GBP	76,223,479	66,838,577
	US Dollars	3,965,110	5,692,773
	Euro	598,800	1,169,944
	Ron	-	(45)
	<b>Net Assets</b>	<b>80,787,389</b>	<b>73,701,249</b>

Fixed rate financial assets have the below weighted average yield and period for which income is fixed:

	31.07.20		31.07.19	
	Years	%	Years	%
GBP	2.43	4.14	1.36	2.68
US Dollars	2.86	4.19	-	-

## 17 Periodic disclosure

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

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

There have been no new arrangements introduced for managing the liquidity of the Fund. The risk characteristics of the Fund are explained in the Prospectus.

## Periodic disclosure (continued)

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

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

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

At the end of the reporting period the total amount of leverage, expressed as a ratio, calculated using the commitment approach was 1:0.90 and using the gross method was 1:0.90.

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

The Fund does not currently, and does not envisage in the future, intentionally employing leverage as a part of its investment strategy. However it does invest in some instruments, such as convertible bonds and structured products, which embed derivatives and it utilises derivative hedging instruments. Some of these hedging instruments do not meet all the commitment leverage methodology requirements for them to be offset against the positions they are hedging. The majority of derivative hedging instruments are held to offset interest rate, currency and general equity exposures, reducing the risks the Fund is exposed to. In addition, the Fund may experience a small amount of leverage when using its permitted 10% of net asset value short term borrowing facility used in the course of the routine settlement of positions. Consequently, the maximum leverage of the Fund calculated using the 'commitment leverage' methodology and "gross leverage" methodology has therefore been set at 1.5:1 and 2:1 respectively.

There have been no arrangements made by the Depositary to discharge itself of contractual liability.

## Distribution Table

*For the year ended 31 July 2020 - in pence per share*

### *Final*

Group 1 – shares purchased prior to 01 February 2020

Group 2 – shares purchased on or after 01 February 2020

### *B Accumulation shares*

Units	Net Income	Equalisation	Allocating 30.09.20	Allocated 30.09.19
Group 1	0.6802	-	0.6802	0.7436
Group 2	0.6608	0.0194	0.6802	0.7436

### *B Income shares*

Units	Net Income	Equalisation	Payable 30.09.20	Paid 30.09.19
Group 1	0.6661	-	0.6661	0.7285
Group 2	0.6383	0.0278	0.6661	0.7285

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

# Sentinel Enterprise Portfolio Report & accounts

## Investment Adviser's Report

For the year ended 31 July 2020

### Investment Objective

To provide long term growth principally through capital growth as well as income from a portfolio of investments.

### Investment Review

The Fund does not have a performance target and is not constrained by any index, IA sector or similar factor. The IA (Investment Association) Flexible Investment Sector is used as the comparator. This is considered appropriate for investors to use when comparing performance as the Fund is a member of this sector, which is made up of funds with a similar strategy as defined by the IA.

Sentinel Enterprise A	8.91%
Sentinel Enterprise B	9.73%

### Benchmark

IA Flexible Investment Sector	-1.99%
-------------------------------	--------

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

World equity markets experienced a turbulent but ultimately flat period for the twelve months ended 31 July 2020, with the MSCI World Index (including Emerging Markets and dividends) returning exactly zero percent during the period. The Sentinel Enterprise Portfolio returned +9.73% over the same period (all data in GBP). The relatively moderate return was largely as a result of the GBP reporting currency strengthening. The majority of investments in the Fund are priced in USD. Thus, whilst the underlying investments performed well, this was offset by the Pound strengthening by +7.1% against the Dollar over the period.

The first half of the reporting period (Aug 2019 – Jan 2020) should be considered against the backdrop of a traditionally weak calendar year third quarter stock market season, further moderation of the global economic outlook, high risk of recession in parts of Europe and unsettling geopolitical risks in the Middle East and Hong Kong. Global trade and the manufacturing sector in particular experienced weak activity, caused to some extent by uncertainties around the threatening US-Sino trade war. The inversion of the US yield curve caused material anxiety about growing risks for an imminent US recession.

These issues, however, quickly faded in the second half of the reporting period when world equity markets were hit by the unexpected global COVID-19 pandemic. With China taking strong action to contain the virus and delivering positive results in this context, most observers initially underestimated the pace and the scale of the potential infections globally. Most governments were ill prepared for the necessary actions and treatments, with the result that most countries had to lock down social interactions, with immensely negative economic effects. Along with this, following the drop in oil demand and the oil price, negotiations between Russia and Saudi Arabia to limit supplies failed, causing a further collapse in the oil price. This triggered spikes in the cost of higher yielding corporate debt and a further collapse in investor confidence.

The market started recovering from heavily oversold positions in March. The globally synchronised strong monetary and fiscal support in the most important economies continues to be a critical factor in stabilising the capital markets. New COVID-19 infection rates and fatalities dropped throughout the northern hemisphere (apart from in the USA). China's economy reacted well to the phasing out of their lockdown. The gradual ending of lockdown measures in the rest of the world offers hope of the worst being behind us and that a global economic recovery process can begin, albeit from a very low base and possibly at a relatively moderate pace.

## **Investment Adviser's Report (continued)**

We believe low interest rates (and negative interest rates in some cases) will continue to be the investor challenge for some time to come. Along with this, the pandemic may well cause the restructuring of economic activity in some forms, from even higher utilisation of technological capacity to changes in travel patterns and office utilisation. Investors have to ensure they thoroughly understand these strategic changes and invest for the 'new future' rather than considering the apparent cheap valuations of the 'old economy' opportunities.

The 'Yearning for Growth' theme is expected to continue for some time to come. We believe our investment philosophy is withstanding the COVID-19 test, and continued expected effects, well.

The most significant portfolio changes during the period have been selling out of positions in Anheuser-Busch Inbev and 3M. The proceeds were used to initiate a new position in Edwards Lifesciences and top up existing holdings in Stryker and Colgate-Palmolive. Edwards is the leading producer of medical equipment used for treating patients with cardiovascular disease, the most common cause of death worldwide.

Stonehage Fleming Investment Management Limited  
*Investment Advisers*  
09 October 2020

## **Investor Notice**

The ACD hereby notifies shareholders that the prospectus has been updated with effect from August 2019. The update adds wording regarding the benchmarks that apply to the fund. This change is included for clarification of the operation of the benchmark and there has been no change to the way in which the fund is managed.

## Portfolio statement

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	31.07.20 %	31.07.19 %
	<b>Total Industrials</b>	-	-	<b>1.20</b>
	<b>Beverages</b>			
92,090	Diageo PLC	2,617,198	2.36	
24,647	Pepsico Inc	2,607,288	2.36	
	<b>Total Beverages</b>	<b>5,224,486</b>	<b>4.72</b>	<b>9.27</b>
	<b>Consumer Discretionary</b>			
43,279	Nestle	3,942,948	3.56	
	<b>Total Consumer Discretionary</b>	<b>3,942,948</b>	<b>3.56</b>	<b>4.03</b>
	<b>Consumer Staples</b>			
48,107	Colgate Palmolive Co	2,852,934	2.58	
26,139	Estee Lauder Companies CI A	3,967,240	3.58	
57,672	Nike Inc B	4,324,957	3.91	
51,084	Reckitt Benckiser Group PLC	3,973,824	3.59	
	<b>Total Consumer Staples</b>	<b>15,118,955</b>	<b>13.66</b>	<b>14.25</b>
	<b>Consumer Cyclical</b>			
2,583	Amazon.com INC	6,278,619	5.67	
10,208	LVMH Moet Hennessy Louis Vuitton	3,433,165	3.10	
	<b>Total Consumer Cyclical</b>	<b>9,711,784</b>	<b>8.77</b>	<b>5.95</b>
	<b>Financial Services</b>			
498,000	AIA Group Ltd	3,423,571	3.09	
49,017	PayPal Holdings Inc	7,386,443	6.67	
17,661	S&P Global Inc	4,751,482	4.29	
41,377	Visa Inc Class A	6,052,372	5.47	
	<b>Total Financial Services</b>	<b>21,613,868</b>	<b>19.52</b>	<b>18.86</b>
	<b>Healthcare</b>			
17,743	Becton Dickinson & Co	3,835,138	3.46	
49,795	Edwards Lifesciences Corp	2,999,713	2.71	
31,219	Essilorluxottica	3,132,868	2.83	
7,963	Intuitive Surgical Inc	4,193,423	3.79	
20,266	Stryker Corp	3,009,227	2.72	
48,029	Zoetis Inc	5,599,939	5.06	
	<b>Total Healthcare</b>	<b>22,770,308</b>	<b>20.57</b>	<b>17.49</b>
	<b>Media</b>			
26,437	Walt Disney Co	2,375,390	2.15	
	<b>Total Media</b>	<b>2,375,390</b>	<b>2.15</b>	<b>3.42</b>



## Portfolio statement (continued)

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	31.07.20 %	31.07.19 %
	<b>Restaurants</b>			
21,537	Mcdonald S Corp	3,213,507	2.90	
	<b>Total Restaurants</b>	<b>3,213,507</b>	<b>2.90</b>	<b>4.46</b>
	<b>Technology</b>			
27,942	Accenture Plc A	4,822,657	4.36	
13,326	Adobe Systems Inc	4,549,842	4.11	
4,416	Alphabet Inc	5,031,309	4.54	
42,111	Microsoft Corp	6,634,359	5.99	
98,800	Tencent Holdings Ltd	5,278,970	4.77	
	<b>Total Technology</b>	<b>26,317,137</b>	<b>23.77</b>	<b>20.38</b>
	<b>Portfolio of Investments</b>	<b>110,288,383</b>	<b>99.62</b>	<b>99.31</b>
	<b>Net Current Assets</b>	<b>415,635</b>	<b>0.38</b>	<b>0.69</b>
	<b>Net Assets</b>	<b>110,704,018</b>	<b>100.00</b>	<b>100.00</b>

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

## Net Asset Value per Share and Comparative Tables

### A Accumulation share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	186.2708	153.2852	137.4001
Return before operating charges *	19.5403	35.5156	18.2851
Operating charges	-2.9000	-2.5300	-2.4000
Return after operating charges	16.6403	32.9856	15.8851
Distribution on income shares	0.0000	0.0000	0.0000
Closing NAV per share	202.9111	186.2708	153.2852
Retained distribution on acc shares	0.0000	0.0000	0.0000
 * After direct transaction costs of	 0.0249	 0.0023	 0.0172

### Performance

Return after charges	8.93%	21.52%	11.56%
----------------------	-------	--------	--------

### Other Information

Closing net asset value (£)	5,807,249	5,776,880	5,211,722
Closing number of shares	2,861,968	3,101,334	3,400,015
OCF	1.58%	1.59%	1.62%
Direct transaction costs	0.01%	0.00%	0.01%

### Prices

Highest share price (pence)	208.44	188.63	156.89
Lowest share price (pence)	153.15	140.48	134.57

### A Income share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	192.3316	156.9299	138.8701
Return before operating charges *	13.1010	35.4017	18.0598
Operating charges	-2.9000	0.0000	0.0000
Return after operating charges	10.2010	35.4017	18.0598
Distribution on income shares	0.0000	0.0000	0.0000
Closing NAV per share	202.5326	192.3316	156.9299
 * After direct transaction costs of	 0.0252	 0.0000	 0.0151

### Performance

Return after charges	5.30%	22.56%	13.00%
----------------------	-------	--------	--------

### Other Information

Closing net asset value (£)	23	13	11
Closing number of shares	12	7	7
OCF	1.58%	1.59%	1.62%
Direct transaction costs	0.01%	0.00%	0.01%

### Prices

Highest share price (pence)	208.03	188.26	156.58
Lowest share price (pence)	152.85	140.21	134.31

## Net Asset Value per Share and Comparative Tables (continued)

### B Accumulation share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	196.9419	160.8574	143.1076
Return before operating charges *	20.8292	37.5045	19.1298
Operating charges	-1.6200	-1.4200	-1.3800
Return after operating charges	19.2092	36.0845	17.7498
Distribution on income shares	0.0000	0.0000	0.0000
Closing NAV per share	216.1511	196.9419	160.8574
Retained distribution on acc shares	0.2550	0.8704	0.6223
 * After direct transaction costs of	 0.0265	 0.0024	 0.0181

### Performance

Return after charges	9.75%	22.43%	12.40%
----------------------	-------	--------	--------

### Other Information

Closing net asset value (£)	103,033,317	96,456,220	74,465,399
Closing number of shares	47,667,259	48,976,986	46,292,805
OCF	0.83%	0.84%	0.87%
Direct transaction costs	0.01%	0.00%	0.01%

### Prices

Highest share price (pence)	222.00	199.43	164.62
Lowest share price (pence)	162.69	147.86	140.29

### B Income share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	190.0539	155.9183	139.2517
Return before operating charges *	20.1712	36.3492	18.6188
Operating charges	-1.5700	-1.3700	-1.3500
Return after operating charges	18.6012	34.9792	17.2688
Distribution on income shares	-0.2464	-0.8436	-0.6022
Closing NAV per share	208.4087	190.0539	155.9183
 * After direct transaction costs of	 0.0256	 0.0001	 0.0178

### Performance

Return after charges	9.79%	22.43%	12.40%
----------------------	-------	--------	--------

### Other Information

Closing net asset value (£)	1,843,174	1,685,007	1,203,500
Closing number of shares	884,403	886,330	771,879
OCF	0.83%	0.84%	0.87%
Direct transaction costs	0.01%	0.00%	0.01%

### Prices

Highest share price (pence)	214.30	193.31	160.18
Lowest share price (pence)	157.05	143.32	136.51

## Net Asset Value per Share and Comparative Tables (continued)

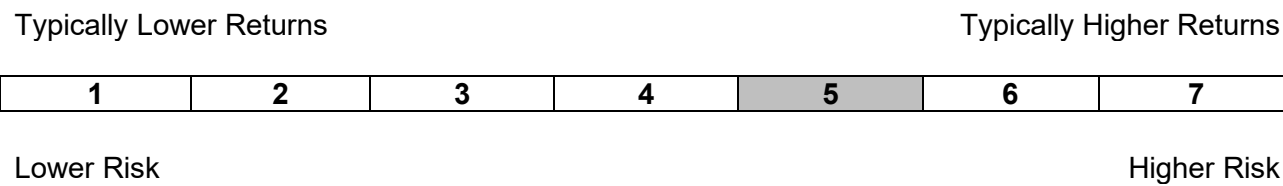
### Risk Warning

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

### Fund Performance

The performance of the fund is shown in the Investment Adviser’s Report.

### Synthetic Risk and Reward Indicator



The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile.

## Financial statements

### Statement of total return

For the year ended 31 July 2020

	Notes		31.07.20		31.07.19
Income		£	£	£	£
Net capital gains/(losses)	1		9,615,638		18,662,377
Revenue	3	1,004,153		1,147,150	
Expenses	4	(881,951)		(773,366)	
Finance costs: Interest	6	(31,111)		11,922	
Net revenue before taxation		91,091		385,706	
Net revenue after taxation			91,091		385,706
<b>Total return before distributions</b>			<b>9,706,729</b>		<b>19,048,083</b>
Finance costs: Distribution	6		(123,691)		(398,687)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>9,583,038</b>		<b>18,649,396</b>

### Statement of change in net assets attributable to shareholders

For the year ended 31 July 2020

		£	£	£	£
<b>Opening net assets attributable to shareholders</b>			103,918,120		80,880,632
Amounts receivable on issue of shares	9,092,767			10,006,641	
Amounts payable on cancellation of shares	(12,028,572)			(6,016,280)	
Dilution levy	17,113			38	
			(2,918,692)		3,990,399
Change in net assets attributable to shareholders from investment activities			9,583,038		18,649,396
Retained distribution on accumulation shares			121,552		397,693
<b>Closing net assets attributable to shareholders</b>			<b>110,704,018</b>		<b>103,918,120</b>

## Balance sheet

As at 31 July 2020

	Notes		31.07.20		31.07.19
<b>Assets</b>		£	£	£	£
Investment assets			110,288,383		103,198,383
Debtors	7	332,410		218,873	
Bank balances		2,637,113		3,131,627	
<b>Total other assets</b>			<b>2,969,523</b>		<b>3,350,500</b>
<b>Total assets</b>			<b>113,257,906</b>		<b>106,548,883</b>
<b>Liabilities</b>					
Creditors	8	221,243		172,805	
Distribution payable on income shares		2,179		6,975	
Bank overdrafts		2,330,466		2,450,984	
<b>Total other liabilities</b>			<b>2,553,888</b>		<b>2,630,764</b>
<b>Net assets attributable to shareholders</b>			<b>110,704,018</b>		<b>103,918,120</b>

# Notes to the financial statements

As at 31 July 2020

## 1 Net capital gains

	31.07.20	31.07.19
	£	£
Proceeds from sales on investments during the year	13,286,810	16,749,979
Original cost of investments sold during the year	(10,886,339)	(15,504,240)
Gains realised on investments sold during the year	2,400,471	1,245,739
Net appreciation thereon already recognised in prior periods	(3,983,179)	(2,647,409)
Net realised depreciation for the year	(1,582,708)	(1,401,670)
Net unrealised appreciation for the year	11,199,885	20,141,973
Net gains/(losses) on non-derivative securities	9,617,177	(77,926)
Net (losses)/gains on derivatives	(1,539)	18,740,303
<b>Net capital gains on investments</b>	<b>9,615,638</b>	<b>18,662,377</b>

## 2 Purchases, sales and transaction costs

### Collective Investment Schemes

Purchases excluding transaction costs	10,748,079	23,364,298
Commissions: 0.02% [0.01%]	1,631	2,778
Stamp duty and other charges: 0.08% [0.06%]	9,121	13,369
Trustee transaction charges: 0.00% [0.00%]	359	834
<b>Purchases including transaction costs</b>	<b>10,759,190</b>	<b>23,381,279</b>

Sales excluding transaction costs	13,288,869	16,754,184
Commissions: 0.01% [0.02%]	(1,596)	(3,781)
Stamp duty and other charges: 0.00% [0.00%]	(463)	(90)
Trustee transaction charges: 0.00% [0.00%]	(544)	(424)
<b>Sales including transaction costs</b>	<b>13,286,266</b>	<b>16,749,889</b>

Trustee transaction charges have been deducted in determining net capital

Transaction charges are displayed as percentage of purchase/sale

<b>Total commission: 0.00% [0.01%]</b>	<b>3,227</b>	<b>6,559</b>
<b>Total stamp duty and other charges: 0.01% [0.02%]</b>	<b>9,584</b>	<b>13,459</b>
<b>Total trustee transaction charges: 0.00% [0.00%]</b>	<b>903</b>	<b>1,258</b>

Total charges displayed as percentage of average net asset value

**Average portfolio dealing spread : 0.04% [0.07%]**

## 3 Revenue

UK franked dividends	156,121	159,084
Overseas franked income	827,860	902,854
Overseas gross unfranked income	19,627	85,048
Bank interest	545	164
<b>Total revenue</b>	<b>1,004,153</b>	<b>1,147,150</b>

## 4 Expenses

	31.07.20 £	31.07.19 £
<i>Payable to the ACD, associates of the ACD and agents of either:</i>		
ACD's periodic charge	746,690	644,905
<i>Payable to the Depositary associates of the Depositary and agents of either:</i>		
Depositary's fee	41,958	37,200
Safe custody	25,633	22,698
	<u>67,591</u>	<u>59,898</u>
<i>Other expenses:</i>		
FCA fee	143	142
Audit fee	7,280	7,860
Transfer agency fee	60,163	60,007
Professional fees	84	84
Income on short position	-	470
<b>Total expenses</b>	<b><u>881,951</u></b>	<b><u>773,366</u></b>

## 5 Taxation

a) Analysis of the tax charge for the year:

UK Corporation tax	-	-
Irrecoverable income tax	-	-
Current tax charge (note 8b)	-	-
<b>Total tax charge</b>	<b>-</b>	<b>-</b>

b) Factors affecting the tax charge for the year:

Net income before taxation	91,091	385,706
Corporation tax at 20%	<u>18,219</u>	<u>77,142</u>
<i>Effects of:</i>		
UK dividends	(196,796)	(212,388)
Utilisation of excess management expenses	<u>178,577</u>	<u>135,246</u>
Corporation tax charge	-	-
Irrecoverable income tax	-	-
<b>Current tax charge for the year (note 8a)</b>	<b>-</b>	<b>-</b>

c) Provision for deferred taxation

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

d) Factors that may affect future tax changes

The fund has unutilised management expenses of £6,958,240 (prior year £6,065,355). The fund does not expect to be able to utilise this in the foreseeable future.



## 6 Finance costs

	31.07.20	31.07.19
	£	£
<b>Distributions</b>		
Final	123,731	404,668
	123,731	404,668
Amounts deducted on cancellation of shares	2,895	15,173
Amounts received on issue of shares	(2,935)	(21,154)
Finance costs: Distributions	123,691	398,687
Finance costs: Interest	31,111	(11,922)
<b>Total finance costs</b>	<b>154,802</b>	<b>386,765</b>
<b>Represented by:</b>		
Net revenue after taxation	91,091	385,706
<i>Expenses charged to capital</i>		
ACD's periodic charge	46	-
Shortfall income	32,535	12,979
Balance of revenue brought forward	28	62
Adjustment to revenue brought forward	-	(32)
Balance of revenue carried forward	(9)	(28)
<b>Finance costs: Distributions</b>	<b>123,691</b>	<b>398,687</b>

## 7 Debtors

	31.07.20	31.07.19
	£	£
Amounts receivable for issue of shares	139,971	89,006
<i>Accrued income:</i>		
UK franked dividends	16,736	4,753
Overseas franked dividends	37,958	15,586
Overseas gross unfranked income	-	153
Bank interest	2	-
	54,696	20,492
Taxation recoverable	137,743	109,375
<b>Total debtors</b>	<b>332,410</b>	<b>218,873</b>

## 8 Creditors

Amounts payable for cancellation of shares	130,494	89,753
<i>Accrued expenses:</i>		
<i>Amounts payable to the ACD, associates and agents:</i>		
ACD's periodic charge	70,112	64,115
<i>Amounts payable to the Depositary, associates and agents:</i>		
Depositary's fees	3,816	3,607
Transaction charges	369	40
Safe custody fee	3,714	2,161
	7,899	5,808
Other creditors	12,738	13,129
<b>Total creditors</b>	<b>221,243</b>	<b>172,805</b>

## 9 Contingent liabilities and commitments

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

## 10 Related party transactions

Margetts Fund Management Ltd as ACD, is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issues, and paid on cancellations are disclosed in the statement of change in net assets attributable to shareholders and note 6.

Amounts paid to Margetts Fund Management Ltd in respect of management services are disclosed in note 4 and amounts due at the end of the year in note 8.

## 11 Shareholders' funds

	<b>A Acc</b>	<b>A Inc</b>	<b>B Acc</b>	<b>B Inc</b>
Opening number of shares	3,101,334	7	48,976,986	886,330
Shares issued	67,536	5	10,036,929	96,354
Shares converted	(3,843)	-	3,618	-
Shares redeemed	(303,059)	-	(11,350,274)	(98,281)
Closing number of shares	<u>2,861,968</u>	<u>12</u>	<u>47,667,259</u>	<u>884,403</u>

## 12 Post balance sheet events

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

## 13 Fair Value Techniques

<b>Assets</b>	<b>31.07.20</b>	<b>31.07.19</b>
	£	£
Quoted prices for identical instruments in active markets	110,288,383	103,198,383
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable data	-	-
Valuation techniques using non-observable data	-	-
	<u>110,288,383</u>	<u>103,198,383</u>

## 14 Periodic disclosure

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

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

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

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

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

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

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

## Periodic disclosure (continued)

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

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

The Fund does not currently, and does not envisage in the future, intentionally employing leverage as a part of its investment strategy. However it does invest in some instruments, such as convertible bonds and structured products, which embed derivatives and it utilises derivative hedging instruments. Some of these hedging instruments do not meet all the commitment leverage methodology requirements for them to be offset against the positions they are hedging. The majority of derivative hedging instruments are held to offset interest rate, currency and general equity exposures, reducing the risks the Fund is exposed to. In addition, the Fund may experience a small amount of leverage when using its permitted 10% of net asset value short term borrowing facility used in the course of the routine settlement of positions. Consequently, the maximum leverage of the Fund calculated using the 'commitment leverage' methodology and "gross leverage" methodology has therefore been set at 1.1:1 and 1.1:1 respectively.

There have been no arrangements made by the Depositary to discharge itself of contractual liability.

## 15 Risk disclosures

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

<b>i. Interest risk</b>		<b>31.07.20</b>	<b>31.07.19</b>
		<b>£</b>	<b>£</b>
Floating rate assets (pounds sterling):		2,623,908	3,131,566
Floating rate assets (us dollars):		13,205	61
Floating rate liabilities (pounds sterling):		(2,330,466)	(2,450,984)
Assets on which interest is not earned (pounds sterling):		6,923,433	7,320,642
Assets on which interest is not earned (us dollars):		84,485,837	77,152,862
Assets on which interest is not earned (euros):		6,566,033	7,694,797
Assets on which interest is not earned (swiss francs):		3,942,948	4,189,822
Assets on which interest is not earned (hong kong dollars):		8,702,542	7,059,133
Liabilities on which interest is not paid (pounds sterling):		(223,422)	(179,780)
<b>Net Assets</b>		<b>110,704,018</b>	<b>103,918,120</b>

<b>ii. Currency risk</b>		<b>31.07.20</b>	<b>31.07.19</b>
		<b>£</b>	<b>£</b>
Pounds Sterling		6,993,453	7,821,445
US Dollars		84,499,042	77,152,923
Euro		6,566,033	7,694,797
Swiss Francs		3,942,948	4,189,822
Hong Kong Dollars		8,702,542	7,059,133
<b>Net Assets</b>		<b>110,704,018</b>	<b>103,918,120</b>

## Risk disclosures (continued)

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

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

## 16 Securities Financing Transactions (SFT) and Total Return Swaps (TRS)

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

### Distribution Table

*For the year ended 31 July 2020 - in pence per share*

*Final*

Group 1 – shares purchased prior to 01 February 2020

Group 2 – shares purchased on or after 01 February 2020

*B Accumulation share*

Units	Net Income	Equalisation	Allocating 30.09.20	Allocated 30.09.19
Group 1	0.2550	-	0.2550	0.8120
Group 2	0.2007	0.0543	0.2550	0.8120

*B Income share*

Units	Net Income	Equalisation	Payable 30.09.20	Paid 30.09.19
Group 1	0.2464	-	0.2464	0.7869
Group 2	0.2387	0.0077	0.2464	0.7869

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

# Sentinel Universal Portfolio Report & accounts

## Investment Adviser's Report

For the year ended 31 July 2020

### Investment Objective

The investment objective of the Sub-Fund is to provide capital growth from a portfolio of investments.

### Investment Review

The Fund does not have a performance target and is not constrained by any index, IA sector or similar factor. The IA (Investment Association) Mixed Investment 40-85% Shares Sector is used as the comparator. This is considered appropriate for investors to use when comparing performance as the Fund is a member of this sector, which is made up of funds with a similar strategy as defined by the IA.

Sentinel Universal A	-6.23%
Sentinel Universal B	-5.66%

### Benchmark

IA Mixed Investment 40-85% Shares	-2.53%
-----------------------------------	--------

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

### Performance

The fund produced a return of -10.6% for the period 31/7/19 to 30/4/20, when the Manager then ceased to manage the fund, in a very difficult period for markets due to the onset of the coronavirus. This compares to a return for the IA Mixed Investment 40-85% Shares sector of -8.0%.

### Market review

In the first six months of the period global equity markets performed well, being supported by interest rate cuts in the US and the Eurozone, and then by an easing of the trade tensions between the US and China. Into the autumn, global equities made some further ground but were also quite volatile, as the US again raised tariffs on Chinese imports. However, markets were supported by the US Federal Reserve (Fed) finally delivering by cutting the federal funds rate twice to a range of 1.75-2.0%. The ECB also reduced interest rates further, taking the deposit rate down to -0.5%. In the UK Boris Johnson won the Conservative Party leadership campaign and hence became Prime Minister, but political uncertainty remained high which led to a fall in sterling.

Global equity markets performed well in Q4 2019, as sentiment was supported by a further cut in US interest rates, and towards the end of the year the US and China agreed to Phase One of a trade deal. In October the Fed took the federal funds rate down to 1.5-1.75%. The ECB also started up their quantitative easing (QE) programme again. In the UK, markets were dominated by Brexit developments. Initially the pound rose as Prime Minister Boris Johnson managed to secure a new deal to exit the EU, however this failed to get through Parliament thus the departure date from the EU was extended from 31<sup>st</sup> October to 31<sup>st</sup> January, and eventually a general election was called in December. The Conservatives then won the election with a sizeable majority, which saw a further rise in the pound, while this also led to a sharp rise in UK equities.

## Investment Adviser's Report (continued)

After an unremarkable start to the year, equity markets then collapsed in March due to the dramatic spread of the coronavirus to Europe and then to the US, as fears grew over the very negative impact this could have on economic growth. The oil price also collapsed as a spat between Saudi Arabia and Russia failed to agree on cuts in oil production, which merely added to investor concerns. In response to the escalation of the coronavirus, interest rates were slashed in the US as well as the UK in dramatic fashion in an attempt to support economic growth. There was also an expansion of the QE programmes of buying government bonds in the US, the UK and Europe. The Fed also introduced a variety of packages to support markets, and in particular a number of measures to support investment grade credit. Governments also introduced a range of massive fiscal stimulus packages to support economic growth to prevent a health crisis from turning into an economic crisis. As well as equity markets weakening sharply, corporate bonds and credit markets also weakened as the financial system became very dislocated, until the Fed's measures kicked in to support the credit markets. Government bond markets initially performed well as they acted as a safe haven from equity markets, but then came under some pressure as the sizes of the fiscal measures became apparent, with the much higher budget deficits that would result.

Towards the end of the period there was a decent recovery in equity and credit markets following the introduction of a substantial US stimulus package, with similar supportive measures announced in the UK and elsewhere. Geographically, US equities led the pack once again, while Asian and European shares also did well. UK and Japan, as more 'value'-biased markets, struggled to keep up, though still performed well in absolute terms, while small and mid-caps generally outperformed large caps. Corporate bonds, asset-backed securities and specialist credit funds snapped back strongly, as investors returned after March's sell-off.

### Portfolio activity

Over the period the fund's exposure to equities declined, largely due to market movements and the sharp sell-off in equity markets in March. However, early in the period we raised UK equities to an overweight position, as we felt the market was very unloved and that valuations were attractive. UK holdings that we added to included Man GLG UK Income, GAM UK Equity Income, Evenlode Income and the Vanguard FTSE 100 ETF. The strong performance of UK equities after the general election in December, particularly of small and medium-sized companies, vindicated this increase in UK equity exposure. We also increased exposure to Asia ex-Japan that had seen weakness as a result of the protests in Hong Kong. In contrast, we took some profits in European equities by reducing Montanaro European Income that had been a strong performer. We also reduced 'Other Equity' exposure, taking profits in Legg Mason RARE Global Infrastructure Income that had enjoyed a strong year, in part due to its bond-like utility exposure, with proceeds switched to a new fund BNY Mellon Global Infrastructure, which invests in a slightly larger universe of infrastructure assets to lessen the sensitivity to interest rates. We also sold out of Polar Healthcare Blue Chip that had performed strongly, with some of the proceeds added to Polar Global Insurance that had seen some weakness.

Early in the period the allocation to bonds was slightly reduced as we took profits in M&G Credit Income that had performed well, while adding to the more defensive Liontrust Absolute Return Bond. The exposure to Alternatives was increased by adding a new holding, the J.P.Morgan Global Core Real Assets Fund that will invest in private pooled assets such as real estate, infrastructure and transport with a high degree of inflation proofing. Exposure to Alternatives was also boosted as we added a new holding in the form of Sanlam US Absolute Return Fund. This fund aimed to achieve equity-like returns over a full market cycle, with a broadly neutral stance relative to the US equity market, and this holding performed well in the sharp equity sell-off in March. Having taken profits in Target Healthcare, a specialist care home REIT, we subsequently invested in a similar fund, Impact Healthcare, as it completed a capital raise during the period.

## Investment Adviser's Report (continued)

As equity markets declined very sharply in March, we did use this as an opportunity to selectively top up a number of equity holdings. For example, in the UK we added to Man GLG UK Income and to GAM UK Equity Income. On the international equity side, we added to holdings such as GLG Japan Core Alpha and Lindsell Train Japanese Equity. We had been concerned over corporate bond valuations for some time, and in early March we took decisive action to further reduce bond exposure, as we considered that these were very vulnerable following the weakness in equities. We reduced exposure to holdings such as Royal London Short Duration Credit, TCW Unconstrained Bond and TwentyFour Monument Bond.

Subsequently, corporate bonds weakened sharply, and towards the end of March we decided to reinstate some of this bond exposure at lower price levels, adding back to funds such as TCW Unconstrained Bond as well as Barings Global Investment Grade Strategy. Within the Specialist Bond category, we also added a new holding in Sequoia Infrastructure Income that invests in the debt of economic infrastructure projects. Due to the reduction in corporate bonds in early March, with only some of this exposure being added back at the lower price levels, overall bond exposure declined, hence the allocation to cash rose over the period as a whole.

### Outlook

With equity markets having rebounded strongly, investors continue to assess the outlook for the virus and the potential for economic recovery, but the growth in cases in many southern US states is a concern, and this could disrupt the easing of the lockdown in the US, while further cases are also erupting throughout Europe. However, the ongoing record low interest rates and various monetary and fiscal stimulus measures implemented globally will likely remain supportive for equity markets for the time being. We remain positive on UK equities as we think the gloom surrounding the UK economy is priced in. Any sniff of better news on the dividend front, as well as clarification on Brexit, may well result in the UK performing strongly versus global equities. However, we remain cautious on expensively-priced US equities. We continue to like specialist credit strategies from both a fundamental valuation and technical perspective and while they have already seen a very decent rally, we anticipate further strength, though we prefer a shorter maturity stance. We expect volatility in markets to remain elevated, which should create ongoing opportunities.

Premier Fund Managers Ltd  
*Investment Adviser*  
23 September 2020

# Portfolio Statement

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	Total Net Assets	
			31.07.20 %	31.07.19 %
	<b>Total Finance</b>	-	-	
	<b>UK</b>			
1,634,720	Invesco UK Enhanced Index Fund (UK) Z	3,411,661	2.93	
3,479,167	iShares UK Equity Index Fund	6,794,814	5.84	
1,773,716	Legal & General UK Index Trust C Class	4,838,696	4.17	
1,150,714	M&G Credit Income Investment Trust plc	1,104,684	0.96	
1,165,000	Residential Secure Income plc	1,055,490	0.91	
275,140	Vanguard FTSE 100 UCITS ETC	7,207,292	6.20	
	Vanguard U.K. Government Bond Index Fund			
15,370	GBP Acc	2,991,413	2.57	
	Vanguard U.K. Short-Term Investment Grade			
52,571	Bond Index Fund GBP Acc	6,109,810	5.25	
	<b>Total UK</b>	<b>33,513,860</b>	<b>28.83</b>	<b>30.66</b>
	<b>Bonds</b>			
	iShares Corporate Bond Index Fund (UK) D			
3,556,609	Acc	6,181,387	5.31	
	iShares North American Equity Index Fund			
2,055,698	(UK) D Acc	8,944,340	7.69	
	L&G Short Dated Sterling Corporate Bond			
9,932,741	Index Fund C Class Acc	5,865,284	5.04	
2,067,700	Royal London Short Duration Credit Z	2,113,190	1.82	
	<b>Total Bonds</b>	<b>23,104,201</b>	<b>19.86</b>	<b>18.00</b>
	<b>Europe (excl. UK)</b>			
561,622	Alcentra European Floating Rate Income	494,284	0.42	
	<b>Total Europe (excl. UK)</b>	<b>494,284</b>	<b>0.42</b>	<b>11.09</b>
	<b>Global</b>			
492	FRM Credit Alpha	235	-	
	<b>Total Global</b>	<b>235</b>	<b>-</b>	<b>22.07</b>
	<b>Emerging Markets</b>			
3,535,550	Fidelity Index Emerging Markets P Acc	5,748,097	4.94	
	<b>Total Emerging Markets</b>	<b>5,748,097</b>	<b>4.94</b>	<b>3.12</b>
	<b>US</b>			
3,650,598	Fidelity Index US Fund P Acc	9,169,206	7.88	
1,359,238	HSBC American Index Fund Acc C	9,074,275	7.80	
	<b>Total US</b>	<b>18,243,481</b>	<b>15.68</b>	<b>-</b>
	<b>Japan</b>			
2,003,778	iShares Japan Equity Index Fund	4,382,262	3.77	
	<b>Total Japan</b>	<b>4,382,262</b>	<b>3.77</b>	<b>3.17</b>



## Portfolio Statement (continued)

Holding	Portfolio of Investments	Value (£)	31.07.20 %	31.07.19 %
	<b>Asia Pacific</b>			
6,764,861	ASI Asia Pacific Equity Enhanced Index Fund B Acc	11,065,283	9.51	
	<b>Total Asia Pacific</b>	<b>11,065,283</b>	<b>9.51</b>	<b>1.52</b>
	<b>Healthcare</b>			
1,100,000	Impact Healthcare REIT PLC	1,105,500	0.95	
	<b>Total Healthcare</b>	<b>1,105,500</b>	<b>0.95</b>	<b>1.77</b>
	<b>Property</b>			
1,650,000	AEW UK REIT Ord	808,500	0.69	
1,000,000	AEW UK Long Lease REIT	810,000	0.70	
1,679,622	UK Mortgages LTD	1,049,764	0.90	
	<b>Total Property</b>	<b>2,668,264</b>	<b>2.29</b>	<b>3.83</b>
	<b>Private Equity</b>			
95,668	Better Capital PCC Limited (2009)	16,455	0.01	
2,057,143	Better Capital PCC Limited (2012)	16,457	0.01	
227,791	PSource Structured Debt	-	-	
	<b>Total Private Equity</b>	<b>32,912</b>	<b>0.02</b>	<b>0.20</b>
	<b>Europe Excluding UK</b>			
1,175,278	HSBC European Index Fund Acc C	11,045,265	9.49	
	<b>Europe Excluding UK Total</b>	<b>11,045,265</b>	<b>9.49</b>	<b>-</b>
	<b>Portfolio of Investments</b>	<b>111,403,644</b>	<b>95.76</b>	<b>95.43</b>
	<b>Net Current Assets</b>	<b>4,932,912</b>	<b>4.24</b>	<b>4.57</b>
	<b>Net Assets</b>	<b>116,336,556</b>	<b>100.00</b>	<b>100.00</b>

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

## Net Asset Value per Share and Comparative Tables

### A Accumulation share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	197.7488	191.6248	184.2787
Return before operating charges *	-9.8496	8.6240	9.8761
Operating charges	-2.5100	-2.5000	-2.5300
Return after operating charges	-12.3596	6.1240	7.3461
Closing NAV per share	185.3892	197.7488	191.6248
Retained distribution on acc shares	3.0954	3.8457	2.6603

* After direct transaction costs of	0.0166	0.0020	0.0330
-------------------------------------	--------	--------	--------

### Performance

Return after charges	-6.25%	3.20%	3.99%
----------------------	--------	-------	-------

### Other Information

Closing net asset value (£)	6,332,819	7,531,556	7,719,899
Closing number of shares	3,415,959	3,808,649	4,028,653
OCF	1.42%	1.81%	1.84%
Direct transaction costs	0.01%	0.00%	0.02%

### Prices

Highest share price (pence)	207.06	198.55	192.08
Lowest share price (pence)	157.78	179.23	180.52

### A Income share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	194.6011	188.9809	181.7362
Return before operating charges *	-12.4733	5.6202	7.2447
Operating charges	-0.6600	0.0000	0.0000
Return after operating charges	-13.1333	5.6202	7.2447
Distribution on income shares	0.0000	0.0000	0.0000
Closing NAV per share	181.4678	194.6011	188.9809

* After direct transaction costs of	0.0047	0.0000	0.0280
-------------------------------------	--------	--------	--------

### Performance

Return after charges	-6.75%	2.97%	3.99%
----------------------	--------	-------	-------

### Other Information

Closing net asset value (£)	20	10	-
Closing number of shares	10	5	-
OCF	1.42%	1.81%	1.84%
Direct transaction costs	0.01%	0.00%	0.02%

### Prices

Highest share price (pence)	204.10	195.71	189.33
Lowest share price (pence)	155.53	176.67	177.93

## Net Asset Value per Share and Comparative Tables (continued)

### B Accumulation share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	207.2076	199.5924	190.7895
Return before operating charges *	-10.6258	8.7452	9.9729
Operating charges	-1.1200	-1.1300	-1.1700
Return after operating charges	-11.7458	7.6152	8.8029
Closing NAV per share	195.4618	207.2076	199.5924
Retained distribution on acc shares	4.4586	5.2105	3.9330
 * After direct transaction costs of	 0.0175	 0.0021	 0.0345
<b>Performance</b>			
Return after charges	-5.67%	3.82%	4.61%
<b>Other Information</b>			
Closing net asset value (£)	108,026,365	102,734,869	92,510,403
Closing number of shares	55,276,240	49,580,653	46,349,666
OCF	0.67%	1.06%	1.09%
Direct transaction costs	0.01%	0.00%	0.02%
<b>Prices</b>			
Highest share price (pence)	217.58	208.04	200.06
Lowest share price (pence)	165.96	187.13	187.63

### B Income share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	186.0328	183.8979	179.3387
Return before operating charges *	-9.3728	7.9352	9.3383
Operating charges	-1.0100	-1.0300	-1.1000
Return after operating charges	-10.3828	6.9052	8.2383
Distribution on income shares	-3.9823	-4.7703	-3.6791
Closing NAV per share	171.6677	186.0328	183.8979
 * After direct transaction costs of	 0.0156	 0.0018	 0.0324
<b>Performance</b>			
Return after charges	-5.58%	3.75%	4.59%
<b>Other Information</b>			
Closing net asset value (£)	1,959,206	2,113,953	1,776,461
Closing number of shares	1,141,279	1,136,333	966,004
OCF	0.67%	1.06%	1.09%
Direct transaction costs	0.01%	0.00%	0.02%
<b>Prices</b>			
Highest share price (pence)	195.35	189.71	186.46
Lowest share price (pence)	147.25	172.42	174.88

## Net Asset Value per Share and Comparative Tables (continued)

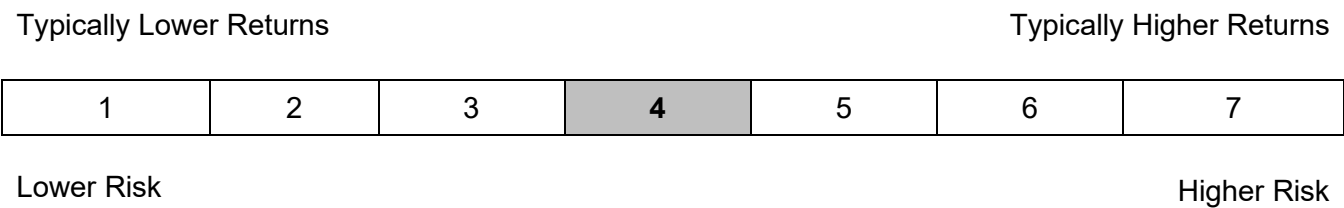
### Risk Warning

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

### Fund Performance

The performance of the fund is shown in the Investment Adviser’s Report.

### Synthetic Risk and Reward Indicator



The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile.

## Statement of total return

For the year ended 31 July 2020

	Notes		31.07.20		31.07.19
Income		£	£	£	£
Net capital gains/(losses)	1		(8,975,544)		1,349,807
Revenue	3	3,261,899		3,559,143	
Expenses	4	(698,980)		(647,827)	
Finance costs: Interest	6	(4,497)		-	
Net revenue before taxation		2,558,422		2,911,316	
Taxation	5	(50,299)		(210,680)	
Net revenue after taxation			2,508,123		2,700,636
<b>Total return before distributions</b>			<b>(6,467,421)</b>		<b>4,050,443</b>
Finance costs: Distribution	6		(2,508,127)		(2,700,635)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(8,975,548)</b>		<b>1,349,808</b>

## Statement of change in net assets attributable to shareholders

For the year ended 31 July 2020

		£	£	£	£
<b>Opening net assets attributable to shareholders</b>			112,380,388		102,006,763
Amounts receivable on issue of shares	18,189,864			11,219,692	
Amounts payable on cancellation of shares	(7,770,532)			(4,888,257)	
Dilution levy	3,297			-	
			10,422,629		6,331,435
Change in net assets attributable to shareholders from investment activities			(8,975,548)		1,349,808
Retained distribution on accumulation shares			2,509,087		2,692,382
<b>Closing net assets attributable to shareholders</b>			<b>116,336,556</b>		<b>112,380,388</b>

## Balance sheet

As at 31 July 2020

	Notes		31.07.20		31.07.19
		£	£	£	£
<b>Assets</b>					
Investment assets			111,403,644		107,249,392
Debtors	7	1,034,132		1,973,714	
Bank balances		4,628,931		3,973,015	
<b>Total other assets</b>			<b>5,663,063</b>		<b>5,946,729</b>
<b>Total assets</b>			<b>117,066,707</b>		<b>113,196,121</b>
<b>Liabilities</b>					
Creditors	8	710,494		782,570	
Distribution payable on income shares		19,657		33,163	
<b>Total other liabilities</b>			<b>730,151</b>		<b>815,733</b>
<b>Net assets attributable to shareholders</b>			<b>116,336,556</b>		<b>112,380,388</b>

# Notes to the financial statements

As at 31 July 2020

## 1 Net capital losses

Proceeds from sales on investments during the year	139,660,497	56,515,958
Original cost of investments sold during the year	(141,030,436)	(52,243,416)
(Losses)/Gains realised on investments sold during the year	(1,369,939)	4,272,542
Net appreciation thereon already recognised in prior periods	(9,005,967)	(6,203,177)
Net realised depreciation for the year	(10,375,906)	(1,930,635)
Net unrealised appreciation for the year	1,412,910	3,315,157
Net (losses)/gains on non-derivative securities	(8,962,996)	1,384,522
Net losses on currencies	(12,548)	(34,715)
<b>Net capital (losses)/gains on investments</b>	<b>(8,975,544)</b>	<b>1,349,807</b>

## 2 Purchases, sales and transaction costs

### Collective Investment Schemes

Purchases excluding transaction costs	121,285,934	54,770,791
Commissions: 0.00% [0.07%]	-	37,530
Trustee transaction charges: 0.00% [0.00%]	1,312	465
<b>Purchases including transaction costs</b>	<b>121,287,246</b>	<b>54,808,786</b>

Sales excluding transaction costs	123,613,562	45,442,949
Trustee transaction charges: 0.00% [0.00%]	(1,419)	(317)
<b>Sales including transaction costs</b>	<b>123,612,143</b>	<b>45,442,632</b>

### Equities/ETFs

Purchases excluding transaction costs	31,330,097	9,089,053
Commissions: 0.00% [0.04%]	2,714	3,738
Stamp duty & other charges: 0.00% [0.185%]	-	15,987
Trustee transaction charges: 0.00% [0.00%]	300	119
<b>Purchases including transaction costs</b>	<b>31,333,111</b>	<b>9,108,897</b>

Sales excluding transaction costs	16,050,986	11,080,796
Commissions: 0.03% [0.07%]	(4,051)	(7,787)
Trustee transaction charges: 0.00% [0.00%]	(242)	(177)
<b>Sales including transaction costs</b>	<b>16,046,693</b>	<b>11,072,832</b>

*Trustee transaction charges have been deducted in determining net capital  
Transaction charges are displayed as percentage of purchase/sale*

<b>Total commission 0.01% [0.05%]</b>	<b>6,765</b>	<b>49,055</b>
<b>Total stamp duty &amp; other charges: 0.00% [0.02%]</b>	<b>-</b>	<b>15,987</b>
<b>Total trustee transaction charges : 0.00% [0.00%]</b>	<b>3,273</b>	<b>1,078</b>

*Total charges displayed as percentage of average net asset value*

**Average portfolio dealing spread : 0.30% [0.23%]**

### 3 Revenue

	31.07.20 £	31.07.19 £
UK franked dividends	1,868,596	1,486,222
UK unfranked dividends	283,560	257,139
Bond interest	187,423	173,157
Gross bond interest	66,361	118,075
Overseas franked income	438,335	371,699
Overseas gross unfranked income	330,246	1,021,876
Rebate of annual management charges / renewal commission	87,378	126,511
Bank interest	-	4,464
<b>Total revenue</b>	<b>3,261,899</b>	<b>3,559,143</b>

### 4 Expenses

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

ACD's periodic charge	571,165	524,072
-----------------------	---------	---------

*Payable to the Depositary associates of the Depositary and agents of either:*

Depositary's fee	45,715	42,973
Safe custody	13,952	11,323

	59,667	54,296
--	--------	--------

*Other expenses:*

FCA fee	143	142
---------	-----	-----

Audit fee	7,550	7,860
-----------	-------	-------

Professional fees	798	1,388
-------------------	-----	-------

Transfer agency fee	59,657	60,069
---------------------	--------	--------

<b>Total expenses</b>	<b>698,980</b>	<b>647,827</b>
-----------------------	----------------	----------------

### 5 Taxation

a) Analysis of the tax charge for the year:

UK Corporation tax	42,299	217,404
--------------------	--------	---------

Irrecoverable income tax	-	-
--------------------------	---	---

Current tax charge (note 8b)	42,299	217,404
------------------------------	--------	---------

Deferred tax (note 8c)	8,000	(6,724)
------------------------	-------	---------

<b>Total tax charge</b>	<b>50,299</b>	<b>210,680</b>
-------------------------	---------------	----------------

b) Factors affecting the tax charge for the year:

Net income before taxation	2,558,422	2,911,316
----------------------------	-----------	-----------

Corporation tax at 20%	511,685	582,264
------------------------	---------	---------

*Effects of:*

UK dividends	(461,386)	(371,584)
--------------	-----------	-----------

Movement in income accruals	(8,000)	6,724
-----------------------------	---------	-------

Corporation tax charge	42,299	217,404
------------------------	--------	---------

Irrecoverable income tax	-	-
--------------------------	---	---

<b>Current tax charge for the year (note 8a)</b>	<b>42,299</b>	<b>217,404</b>
--	---------------	----------------

c) Factors that may affect future tax changes

The fund has unutilised management expenses of £0 (prior year £0). The fund does not expect to be able to utilise this in the foreseeable future.



## 6 Finance costs

	31.07.20	31.07.19
	£	£
<b>Distributions</b>		
Interim	1,416,212	1,029,790
Final	1,137,179	1,714,534
	<u>2,553,391</u>	<u>2,744,324</u>
Amounts deducted on cancellation of shares	58,443	26,709
Amounts received on issue of shares	(103,707)	(70,398)
Finance costs: Distributions	<u>2,508,127</u>	<u>2,700,635</u>
Finance costs: Interest	4,497	-
<b>Total finance costs</b>	<b><u>2,512,624</u></b>	<b><u>2,700,635</u></b>
<b>Represented by:</b>		
Net revenue after taxation	2,508,123	2,700,636
Balance of revenue brought forward	40	39
Balance of revenue carried forward	(36)	(40)
<b>Finance costs: Distributions</b>	<b><u>2,508,127</u></b>	<b><u>2,700,635</u></b>

## 7 Debtors

	31.07.20	31.07.19
	£	£
Amounts receivable for issue of shares	151,917	95,749
Amounts receivable for investment securities sold	612,863	1,456,961
<i>Accrued income:</i>		
UK franked dividends	216,866	185,784
UK unfranked dividends	40,000	-
Bond interest	-	14,550
Gross bond interest	-	39,717
Overseas franked dividends	-	1,566
Overseas gross unfranked income	-	160,336
	<u>256,866</u>	<u>401,953</u>
Other receivables	12,486	19,051
<b>Total debtors</b>	<b><u>1,034,132</u></b>	<b><u>1,973,714</u></b>

## 8 Creditors

Amounts payable for cancellation of shares	428,489	71,038
Amounts payable for investment securities purchased	-	350,000
<i>Accrued expenses:</i>		
<i>Amounts payable to the ACD, associates and agents:</i>		
ACD's periodic charge	49,640	47,429
<i>Amounts payable to the Depositary, associates and agents:</i>		
Depositary's fees	3,957	3,812
Transaction charges	2,743	180
Safe custody fee	2,298	1,022
	<u>8,998</u>	<u>5,014</u>
Other creditors	12,524	13,130
<i>Taxation creditors:</i>		
Corporation tax	210,843	295,959
<b>Total creditors</b>	<b><u>710,494</u></b>	<b><u>782,570</u></b>

## 9 Contingent liabilities and commitments

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

## 10 Related party transactions

Margetts Fund Management Ltd as ACD, is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issues, and paid on cancellations are disclosed in the statement of change in net assets attributable to shareholders and note 6.

Amounts paid to Margetts Fund Management Ltd in respect of management services are disclosed in note 4 and amounts due at the end of the year in note 8.

## 11 Shareholders' funds

	<b>A Acc</b>	<b>A Inc</b>	<b>B Acc</b>	<b>B Inc</b>
Opening number of shares	3,808,649	5	49,580,653	1,136,333
Shares issued	4,715	5	14,472,319	93,239
Shares converted	-	-	-	-
Shares redeemed	(397,405)	-	(8,776,732)	(88,293)
Closing number of shares	<u>3,415,959</u>	<u>10</u>	<u>55,276,240</u>	<u>1,141,279</u>

## 12 Risk disclosures

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

<b>i Interest risk</b>	<b>31.07.20</b>	<b>31.07.19</b>
	<b>£</b>	<b>£</b>
Floating rate assets (pounds sterling):	4,628,611	3,972,655
Floating rate assets (euro):	(4)	(4)
Floating rate assets (us dollars):	324	364
Assets on which interest is not paid (pounds sterling):	112,437,776	108,422,943
Assets on which interest is not paid (dollars):	-	3,918,158
Liabilities on which interest is not paid (pounds sterling):	(730,151)	(3,933,728)
<b>Net Assets</b>	<b><u>116,336,556</u></b>	<b><u>112,380,388</u></b>

<b>ii. Currency risk</b>	<b>31.07.20</b>	<b>31.07.19</b>
	<b>£</b>	<b>£</b>
GBP	116,336,236	108,461,870
Euro	(4)	(4)
US Dollars	324	3,918,522
<b>Net Assets</b>	<b><u>116,336,556</u></b>	<b><u>112,380,388</u></b>

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

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

## 13 Post balance sheet events

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

## 14 Fair Value Techniques

<b>Assets</b>	<b>31.07.20</b>	<b>31.07.19</b>
	£	£
Quoted prices for identical instruments in active markets	111,403,644	107,249,392
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable data	-	-
Valuation techniques using non-observable data	-	-
	<b>111,403,644</b>	<b>107,249,392</b>

## 15 Periodic disclosure

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

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

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

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

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

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

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

At the end of the reporting period the total amount of leverage, expressed as a ratio, calculated using the commitment approach was 1:0.96 and using the gross method was 1:0.96.

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

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

There have been no arrangements made by the Depositary to discharge itself of contractual liability.

## 16 Securities Financing Transactions (SFT) and Total Return Swaps (TRS)

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

## Distribution Table

For the year ended 31 July 2020 - in pence per share

### Interim

Group 1 – shares purchased prior to 01 August 2019

Group 2 – shares purchased on or after 01 August 2019

#### A Accumulation shares

Units	Net Income	Equalisation	Allocated 31.03.20	Allocated 31.03.19
Group 1	1.7981	-	1.7981	1.3608
Group 2	1.0116	0.7865	1.7981	1.3608

#### B Accumulation shares

Units	Net Income	Equalisation	Allocated 31.03.20	Allocated 31.03.19
Group 1	2.5173	-	2.5173	2.0102
Group 2	1.8016	0.7157	2.5173	2.0102

#### B Income shares

Units	Net Income	Equalisation	Paid 31.03.20	Paid 31.03.19
Group 1	2.2599	-	2.2599	1.8519
Group 2	0.8646	1.3953	2.2599	1.8519

### Final

Group 1 – shares purchased prior to 01 February 2020

Group 2 – shares purchased on or after 01 February 2020

#### A Accumulation shares

Units	Net Income	Equalisation	Allocating 30.09.20	Allocated 30.09.19
Group 1	1.2973	-	1.2973	2.4849
Group 2	0.2686	1.0287	1.2973	2.4849

#### B Accumulation shares

Units	Net Income	Equalisation	Allocating 30.09.20	Allocated 30.09.19
Group 1	1.9413	-	1.9413	3.2003
Group 2	1.2182	0.7231	1.9413	3.2003

#### B Income shares

Units	Net Income	Equalisation	Payable 30.09.20	Paid 30.09.19
Group 1	1.7224	-	1.7224	2.9184
Group 2	1.3479	0.3745	1.7224	2.9184

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

# Sentinel Income Portfolio Report & accounts

## Investment Adviser's Report

For the year ended 31 July 2020

### Investment Objective

The objective of the Sub-Fund is to seek through a combination of capital growth and primarily income, total returns above LIBOR on a rolling three year basis. Additionally, over any annual period, the Sub-Fund will be managed with the aim of reducing any falls to less than 50% of any fall in the FT World index.

Returns above LIBOR are not guaranteed over any period and capital is at risk in seeking to achieve the objective.

The ACD will charge some or all of the AMC to the Sub-Fund's capital account. This will increase the distributable income by that amount and reduce the capital by a similar amount. This may constrain capital growth.

### Investment Performance

The Fund does not have a performance target and is not constrained by any index, IA sector or similar factor. The IA (Investment Association) Mixed Investment 20-60% Shares Sector is used as the comparator. This is considered appropriate for investors to use when comparing performance as the Fund is a member of this sector, which is made up of funds with a similar strategy as defined by the IA.

Sentinel Income B	-3.00%
-------------------	--------

### Benchmark

IA Mixed Investment 20-60% Shares Sector	-2.13%
--	--------

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

### Market Comments

The period began with political instability to the fore in the shape of the US/China trade war and the ongoing saga of Brexit. However, better-than-expected economic data, particularly in the US, and signals from a number of central banks that interest rates would remain low provided some support to equity markets. The backdrop improved somewhat towards the end of 2019 as investors welcomed both the phase-one trade agreement between the US and China and the UK Conservative Party's emphatic election victory, which reduced the level of Brexit uncertainty.

As we moved into 2020 the environment became more challenging due mainly to the coronavirus outbreak in China. Measures to counteract the spread of the virus have wrought material harm on the global economy in the form of an immediate demand shock as entire economies were closed down. The magnitude of the sell-off in markets was such that almost all assets were impacted. Periods when equity markets fall are frequent but it is unprecedented for equities to fall by so much so quickly, and rare for all other risk assets to fall significantly at the same time.

Central banks and governments responded swiftly to offer support to economies with stimulus packages that were unprecedented in their size and reach. Risk markets bounced back from the extreme falls in the previous quarter. The recovery, however, was not universal and certainly not uniform. In the sell-off, markets were largely indiscriminate, but in the recovery phase the perceived 'winners' such as technology companies have gained much more than the 'losers', such as travel and leisure companies. Income generation in particular was impacted, given some companies suspended dividends either for financial prudence or at the insistence of regulators

## Investment Adviser's Report (continued)

### Fund Comments

The Fund's exposure to equities was the largest source of positive returns over the six-month period to 31<sup>st</sup> January 2020. Other components were also positive, with no component detracting from the overall return. Investors were rewarded for taking risk during the period. Over the six months to end January 2020 the Fund increased in value by 4.66% which was ahead of the median fund in the IA Mixed Investment 20% - 60% Equity Sector, which increased by 1.27% over the same period, and was accomplished whilst still limiting Fund volatility to less than half that of global equities. The Fund's exposure to alternative income-generating assets such as listed infrastructure performed well and continued to provide good diversification benefits. Our exposure to fixed income markets was also a positive contributor. We favoured credit over duration risk with a bias to the lower end of investment grade/higher end of sub-investment grade rated issuers. The Fund's exposure to bank bonds in particular, bolstered performance.

The next few months of 2020 saw risk assets declining heavily. We had not anticipated a global pandemic and whilst not positioned aggressively 'risk on', the portfolio was not positioned for the consequences of such an unprecedented event and this was undoubtedly a difficult period for the Fund. Diversification is an important driver of the attractive risk-adjusted returns provided by multi-asset funds; but when all asset classes fall sharply at the same time diversification evaporates. This happened in the period from 20 February to 23 March 2020 as correlations aligned across all asset classes during drawdown and diversification played little benefit. March was a scramble for cash so even traditional safe havens sold off. To help to defend the Fund, the exposure to equities, listed real estate and infrastructure assets was reduced by over 19% during Q1. We sold some securities where dividends would not be paid and the fundamental investment case had significantly weakened, such as airports. We held onto other securities where a prompt return to business-as-usual would allow share prices to recover and for dividends to be restored. Proceeds from sales were either held in cash or invested in US Treasury bonds.

We entered the last quarter of the Fund's financial year with a cautious stance including a 13% allocation to cash and an 18% allocation to US Treasuries. Through the quarter we redeployed some 18% of NAV from essentially risk-free to risk assets as we sought to take advantage of attractive valuations and a risk rally increasingly bolstered by the ongoing actions of central banks and governments. Material quantities of monetary and fiscal stimulus provided liquidity to the system and acted as significant support to risk markets.

Our preferred asset class was to increase exposure to Fixed Income. At a time when many companies were looking to protect balance sheets and conserve cash by reducing or withdrawing discretionary dividend payments to shareholders, the merits of contractual income via mandatory coupon payments looked increasingly attractive, especially in the higher quality Investment Grade companies who benefit from balance sheet strength to weather economic slowdowns. We were able to capture attractive primary market opportunities as companies paid a premium to shore up their liquidity through new issues. Risk-adjusted this was the largest contributor to fund performance in Q4.

Global Equity Income delivered the single largest contribution to absolute fund performance in the last quarter. As domestic UK equities lagged the wider market our exposure to global ideas was beneficial; unfortunately a large part of the recovery phase has been led by a narrow selection of growth technology stocks, many of whom pay no or only a small dividend yield and therefore tend not to have a natural home in an income focused portfolio.

Infrastructure securities also recovered, and a number of our long-term positions contributed positively. Exposure to European utilities and Renewable Energy added value. Real Estate recovered some ground but the global economic shutdown and the impact of the virus on communal working created a new challenge for the asset class. We reduced our exposure to sectors such as hotels, leisure and offices in favour of logistics, residential and data warehouses where there is structural demand and more reliable rental income streams.

## **Investment Adviser's Report (continued)**

Bouts of volatility are to be expected from here as economic fundamentals will take some time to fully recover and the timing of any return to “business as usual” is far from clear. We will continue to invest in high-conviction stock ideas, always mindful of how we allocate resources in the prevailing market environment. Recent incremental trades have been designed to capture structural growth acceleration with a focus on sustainable ideas, strong balance sheets and income safety, as we consider these market themes to be entrenched for the longer term.

Brooks Macdonald Asset Management Ltd

*Investment Adviser*

23 October 2020

## Portfolio statement

As at 31 July 2020

Holding	Portfolio of Investments	Total Net Assets		
		Value (£)	31.07.20 %	31.07.19 %
	<b>Global</b>			
	<b>Total Global</b>	-	-	18.67
	<b>US</b>			
	<b>Total US</b>	-	-	7.60
	<b>Asia Pacific</b>			
	<b>Total Asia Pacific</b>	-	-	6.44
	<b>Property</b>			
	<b>Total Property</b>	-	-	1.12
	<b>Structured Products</b>			
	<b>Total Structured Products</b>	-	-	4.06
	<b>UK</b>			
	<b>Total UK</b>	-	-	14.08
	<b>Europe</b>			
	<b>Total Europe</b>	-	-	2.51
	<b>Utilities</b>			
93,505	EDP - Energias de Portugal SA	363,289	0.48	
56,537	EDP - Energias de Portugal SA Ord	4,538	0.01	
25,074	Enagas SA	481,332	0.64	
35,043	Endesa SA	760,459	1.01	
54,368	Enel SpA	382,746	0.51	
882,925	Greencoat Renewables Plc	970,335	1.28	
70,267	Iberdrola SA	697,859	0.93	
169,659	Infratil Ltd	415,467	0.55	
70,625	National Grid PLC	638,309	0.85	
1,976	NextEra Energy Inc	426,003	0.57	
14,401	SSE PLC	188,473	0.25	
	<b>Total Utilities</b>	<b>5,328,810</b>	<b>7.08</b>	-
	<b>Technology</b>			
3,319	Broadcom Inc	807,617	1.08	
86,000	Delta Electronics Inc	454,234	0.61	
1,644	Fidelity National Information Services Inc	184,773	0.25	
400	Keyence Corp	122,781	0.16	
9,765	Maxim Integrated Products Inc	510,757	0.68	
2,614	Microsoft Corp	411,821	0.55	
5,905	Taiwan Semiconductor Manufacturing Co Ltd	357,811	0.48	
2,300	Tokyo Electron Ltd	481,290	0.64	
	<b>Total Technology</b>	<b>3,331,084</b>	<b>4.45</b>	-



## Portfolio statement (continued)

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	Total Net Assets	
			31.07.20 %	31.07.19 %
	<b>Real Estate</b>			
7,227	Americold Realty Trust	223,984	0.30	
194,764	Ascendas Real Estate Investment Trust	374,797	0.50	
582,900	Ascott Residence Trust	284,492	0.38	
17,596	Deutsche Wohnen SE	662,723	0.88	
5,522	Digital Realty Trust Inc	680,747	0.91	
5,444	Eiffage SA	363,783	0.49	
684	Equinix Inc	412,570	0.55	
234,954	Grainger PLC	677,137	0.90	
328	GLP J-REIT	416,732	0.56	
29,873	Inmobiliaria Colonial SOCIMI SA	194,023	0.26	
6,243	LEG Immobilien AG	669,122	0.89	
136	Nippon Prologis REIT Inc	353,459	0.47	
194,553	Secure Income REIT Plc	499,028	0.67	
24,729	Segro PLC	239,154	0.32	
146,300	UOL Group Ltd	526,347	0.70	
	<b>Total Real Estate</b>	<b>6,578,098</b>	<b>8.78</b>	-
	<b>Financial Services</b>			
239,181	3i Infrastructure plc	701,996	0.94	
4,216	Allianz SE	678,601	0.91	
288,462	BBGI Global Infrastructure SA	484,616	0.65	
2,049	CME Group Inc	261,588	0.35	
21,400	DBS Group Holdings Ltd	232,168	0.31	
87,908	Direct Line Insurance Group PLC	261,966	0.35	
623,916	Greencoat UK Wind Plc	910,917	1.21	
275,735	HICL Infrastructure PLC	463,786	0.62	
475,978	International Public Partnerships Limited	781,556	1.04	
710,818	JLEN Environmental Assets Group Ltd	849,428	1.13	
4,004	JPMorgan Chase & Co	297,193	0.40	
113,536	Legal & General Group PLC	242,626	0.32	
10,035	Macquarie Group Ltd	665,768	0.89	
2,500	Nationwide Building Society	397,583	0.53	
587,803	NextEnergy Solar Fund Ltd	630,125	0.84	
500,000	Octopus Renewables Infrastructure Trust plc	562,500	0.75	
45,361	Phoenix Group Holdings PLC	302,376	0.40	
57,000	Ping An Insurance Group Co	459,377	0.61	
762,119	The Renewables Infrastructure Group	1,012,093	1.35	
1,123	Zurich Insurance Group AG	321,273	0.43	
	<b>Total Financial Services</b>	<b>10,517,536</b>	<b>14.03</b>	-
	<b>Consumer Defensive</b>			
2,946	Nestle SA	268,396	0.36	
3,737	PepsiCo Inc	395,319	0.53	
91,810	Tesco PLC	201,661	0.27	
	<b>Total Consumer Defensive</b>	<b>865,376</b>	<b>1.16</b>	-

## Portfolio statement (continued)

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	Total Net Assets	
			31.07.20 %	31.07.19 %
	<b>Industrials</b>			
27,032	Atlantia SpA	327,155	0.44	
18,055	Compania de Distribucion Integral Logista Holdings SA	256,325	0.34	
8,255	Eaton Corp PLC	590,268	0.79	
13,500	Komatsu Ltd	196,785	0.26	
2,363	Lockheed Martin Corp	687,823	0.92	
7,914	Schneider Electric SE	718,256	0.96	
45,000	Simplo Technology Co Ltd	395,350	0.53	
37,953	Transurban Group	282,768	0.38	
	<b>Total Industrials</b>	<b>3,454,730</b>	<b>4.62</b>	<b>-</b>
	<b>Healthcare</b>			
3,551	AstraZeneca PLC	304,836	0.41	
10,655	Dechra Pharmaceuticals PLC	308,782	0.41	
3,481	Gilead Sciences Inc	185,978	0.25	
15,890	GlaxoSmithKline PLC	246,803	0.33	
1,574	Johnson & Johnson	176,277	0.24	
16,667	Pfizer Inc	492,609	0.66	
24,900	Takeda Pharmaceutical Co Ltd	700,500	0.93	
	<b>Total Healthcare</b>	<b>2,415,785</b>	<b>3.23</b>	<b>-</b>
	<b>Basic Materials</b>			
3,570	Air Products & Chemicals Inc	786,024	1.05	
7,257	Albemarle Corp	459,472	0.61	
17,295	Mondi PLC	238,671	0.32	
	<b>Total Basic Materials</b>	<b>1,484,167</b>	<b>1.98</b>	<b>-</b>
	<b>Consumer Cyclical</b>			
341,875	Taylor Wimpey PLC	396,917	0.53	
	<b>Total Consumer Cyclical</b>	<b>396,917</b>	<b>0.53</b>	<b>-</b>
	<b>Bonds</b>			
300,000	Aercap Holdings 5.875 10/10/79	174,017	0.23	
200,000	AerCap Ireland Global 6.5 15/07/25	164,023	0.22	
200,000	Anheuser-Busch InBev 5.45 01/23/39	200,893	0.27	
100,000	APT Pipelines Ltd 2 15/07/30	96,436	0.13	
300,000	APT Pipelines 4.25 07/15/27	260,177	0.35	
200,000	ARD Finance 5 06/30/27	175,377	0.23	
300,000	Aroundtown S.A. 3.625 04/10/31	319,587	0.43	
200,000	Arqiva Broad Finance 6.75 09/30/23	207,080	0.28	
200,000	Assemlin Financing Float 05/15/25	170,451	0.23	
300,000	AT&T Inc 4.85 03/01/2039	288,460	0.38	
2,800,000	Australian Government 1.75 21/06/51	1,519,788	2.03	
200,000	AXA S.A. 5.453 Perpetual	225,046	0.30	
300,000	Banca Monte Dei Paschi 3.625 24/09/24	275,632	0.37	
300,000	Banca Monte Dei Paschi Siena 10.5 23/07/29	300,627	0.40	

## Portfolio statement (continued)

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	Total Net Assets	
			31.07.20 %	31.07.19 %
400,000	Banco Bilbao 5.875 PERP	342,103	0.46	
400,000	Banco Bilbao Vizcaya Argentaria S.A. 6.5	291,017	0.39	
600,000	Banco Santander 5.25 PERP	499,425	0.67	
300,000	Bank of America Corporation 5.875 Perpetual	245,569	0.33	
600,000	Bankia SA 6.375 PERP	513,927	0.69	
300,000	Barclays 7.125 Perpetual	304,065	0.41	
300,000	Bazalgette Finance PLC 2.375 29/11/27	325,167	0.43	
300,000	Boston Scientific Corp 0.625 01/12/27	267,619	0.36	
300,000	BP Capital Markets Plc 3.625 PERP	276,002	0.37	
300,000	BP Capital Markets Plc 4.25 PERP	310,296	0.41	
300,000	Bupa A Finance PLC 5 12/08/26	337,578	0.45	
600,000	Caixabank 6.75 Perpetual	542,292	0.72	
175,000	Carpenter Technology 6.75 15/07/28	139,086	0.19	
200,000	CBR Fashion Holding 5.125 10/01/22	157,692	0.21	
12,000	Cleveland Cliffs Inc 6.75 03/15/2026	9,142	0.01	
100,000	CNP Assurances 6.875 30/09/41	96,219	0.13	
200,000	Cogent Communications Gr 4.375 30/06/24	181,928	0.24	
400,000	Commerzbank Ag 6.125 PERP	340,222	0.45	
350,000	Commscope Inc 7.125 07/01/28	285,935	0.38	
300,000	Constellium SE 5.625 15/06/28	241,722	0.32	
100,000	CPUK Finance 4.25 28/08/22	97,496	0.13	
600,000	Credit Suisse 7.5 PERP	504,731	0.67	
400,000	Direct Line Insurance Group 4 05/06/32	430,424	0.57	
200,000	DKT Holdings 9.375 06/17/23	154,630	0.21	
300,000	DWR CYMRU 1.625 03/31/26	302,787	0.40	
200,000	ENBW International Finance BV 0.625 17/04/25	185,281	0.25	
300,000	Enel Spa 8.75 09/24/73	266,667	0.36	
300,000	Ethias Group 5 01/14/26	297,600	0.40	
400,000	Eurogrid GmbH 1.113 15/05/32	384,780	0.51	
400,000	Eurofins Scientific 2.875 PERP	357,409	0.48	
200,000	Experian Finance Plc 3.25 04/07/32	237,570	0.32	
200,000	Ford Motor Credit Co. LLC 4.389 01/08/26	156,595	0.21	
300,000	Fresenius Medical Care US Finance II 3.75 06/15/29	260,105	0.35	
225,000	Gartner Group Inc 4.5 01/07/28	183,020	0.24	
200,000	GEMS MENASA Ltd 7.125 07/31/26	149,015	0.20	
200,000	General Motors 4.2 03/01/21	156,131	0.21	
100,000	GLP Capital 4 01/15/31	78,699	0.10	
300,000	Hannover Rueck 1.75 08/10/40	272,732	0.36	
400,000	Health Care Service Corp 3.2 01/06/50	333,104	0.44	
200,000	Helios Towers Aktien Group Ltd 7 18/12/25	158,860	0.21	
200,000	HSBC 5.844 Perpetual	267,068	0.36	
500,000	ING Groep 6.75 Perpetual	399,750	0.53	
300,000	Intesa Sanpaolo Spa 5.148 06/10/30	322,326	0.43	
300,000	Kantar UK Ltd 5.75 10/31/26	260,277	0.35	
400,000	KBC Groep NV 4.25 Perpetual	339,040	0.45	
100,000	Legal & General Group 4.5 01/11/50	107,994	0.14	

## Portfolio statement (continued)

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	Total Net Assets	
			31.07.20 %	31.07.19 %
300,000	Logicor Fin S.A.R.L. 2.75 01/15/30	301,311	0.40	
300,000	McLaren Finance 5 08/01/22	242,100	0.32	
100,000	MGM Resorts International 6.75 01/05/2025	79,663	0.11	
300,000	Moodys Corporation 0.95 25/02/30	283,083	0.38	
200,000	MPT Operating Partnership 3.692 06/05/28	201,626	0.27	
200,000	MPT Operating Partnership 5.25 08/01/26	161,315	0.22	
300,000	Nasdaq Inc 3.25 28/04/2050	259,762	0.35	
300,000	National Grid Electricity Transmission 0.823 07/07/32	275,154	0.37	
200,000	Nidda Healthcare Holdings 3.5 09/30/24	177,728	0.24	
200,000	Orange SA 1.625 07/04/32	200,531	0.27	
200,000	Panther BF Aggregator 4.375 05/15/26	180,106	0.24	
200,000	Par Petroleum 7.75 12/15/25	132,145	0.18	
300,000	PayPal Holdings Inc 2.85 01/10/29	259,483	0.35	
100,000	Pearson Funding Plc 3.75 04/06/30	108,004	0.14	
400,000	Phoenix Group Holdings PLC 5.625 Perpetual	301,561	0.40	
200,000	Pinnacle Bidco 6.375 02/15/25	169,084	0.23	
200,000	Platin 1426 5.375 06/15/23	171,487	0.23	
200,000	Prime Security Serv Borrower LLC 6.25 01/15/28	160,973	0.21	
125,000	Prologis International Funding II 1.625 17/06/32	119,642	0.16	
300,000	Prosus Nv 2.031 03/08/32	273,000	0.36	
200,000	Prudential PLC 5.625 10/20/51	228,666	0.30	
200,000	Prudential PLC 6.25 10/20/68	239,420	0.32	
600,000	Rabobank 6.5 Perpetual	590,828	0.79	
500,000	RBS Group PLC 8 Perpetual	431,792	0.58	
300,000	Rothsay Life 3.375 12/07/26	304,635	0.41	
300,000	Royal Caribbean Cruises 9.125 15/06/23	236,026	0.31	
300,000	Santander UK Group Holdings 7.375 PERP	307,893	0.41	
200,000	Sazka Group 3.875 02/15/27	157,478	0.21	
200,000	Sazka Group 4.125 11/20/24	167,904	0.22	
300,000	Servicios Medio Ambiente 1.661 04/12/26	272,486	0.36	
100,000	Severn Trent Water Utilities 2 02/06/40	107,437	0.14	
600,000	Starbucks Corporation 3.5 15/11/50	517,560	0.69	
300,000	State Street Corp 3.152 30/03/2031	265,607	0.35	
400,000	Swedbank 6 Perpetual	313,282	0.42	
400,000	Swiss Re Finance 4.25 Perp	309,471	0.41	
500,000	Takeda Pharmaceutical 1.375 09/07/32	465,179	0.60	
300,000	Telereal Secured Finance 4.01 12/10/31	233,227	0.31	
200,000	Tenneco 5 07/15/24	165,174	0.22	
300,000	Tesco 2.75 04/27/30	321,450	0.43	
400,000	Teva Pharmaceut FIN BV 2.95 12/18/22	302,465	0.40	
400,000	Tullow Oil 7 03/01/25	183,497	0.24	
300,000	UBS Group 7 Perpetual	256,766	0.34	
300,000	UBS Group AG 5.125 PERP	235,300	0.31	
200,000	Unicredit 6.625 Perpetual	178,103	0.24	
500,000	UniCredit 7.5 Perpetual	476,588	0.64	
600,000	United Mexican States 4.15 03/28/27	507,313	0.68	

## Portfolio statement (continued)

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	Total Net Assets	
			31.07.20 %	31.07.19 %
200,000	United Utilities Wat Fin 1.875 03/06/42	212,438	0.28	
200,000	Upjohn Finance 1.362 06/23/27	185,547	0.25	
4,129,200	US Treasury 2.875 05/15/2028	3,763,262	5.02	
5,296,200	US Treasury 1.5 15/02/30	4,437,109	5.92	
300,000	Verizon Communications 0.875 19/03/32	273,235	0.36	
200,000	Vermilion Energy Inc 5.625 03/15/25	130,313	0.17	
300,000	Virgin Money UK Plc 8 PERP	272,571	0.36	
300,000	Visa Inc 2.05 15/04/30	248,463	0.33	
300,000	Volkswagen International Finance 3.875 PERP	271,613	0.36	
	Volkswagen International Finance Nv 3.875 PERP	621,948	0.83	
700,000	Vonovia Finance Bv 1 09/07/30	452,729	0.60	
250,000	Wesco Distribution Inc 7.25 15/06/28	210,047	0.28	
100,000	Xpo Logistics Inc 6.25 01/05/25	82,629	0.11	
	<b>Total Bonds</b>	<b>39,743,900</b>	<b>52.98</b>	<b>32.36</b>
	<b>Portfolio of Investments</b>	<b>74,116,403</b>	<b>98.84</b>	<b>86.84</b>
	<b>Forward Contracts</b>	<b>1,179,663</b>	<b>1.57</b>	<b>-</b>
	<b>Net Current Assets</b>	<b>-312,560</b>	<b>-0.42</b>	<b>13.16</b>
	<b>Net Assets</b>	<b>74,983,506</b>	<b>100.00</b>	<b>100.00</b>

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

## Net Asset Value per Share and Comparative Tables

### B Accumulation share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	121.8778	118.2863	115.0650
Return before operating charges *	-2.6316	4.3415	4.0213
Operating charges	-1.3000	-0.7500	-0.8000
Return after operating charges	-3.9316	3.5915	3.2213
Distribution on income shares	0.0000	0.0000	0.0000
Closing NAV per share	117.9462	121.8778	118.2863
Retained distribution on acc shares	3.8703	2.4542	3.1042

\* After direct transaction costs of 0.0183 0.0010 0.0223

### Performance

Return after charges -3.23% 3.04% 2.80%

### Other Information

Closing net asset value (£)	73,038,710	58,695,498	47,511,969
Closing number of shares	61,925,465	48,159,295	40,166,925
OCF	0.80%	0.94%	1.11%
Direct transaction costs	0.02%	0.00%	0.02%

### Prices

Highest share price (pence)	130.32	122.14	118.74
Lowest share price (pence)	99.28	109.60	112.55

### B Income share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	110.8480	109.8781	109.7145
Return before operating charges *	-2.3545	3.9279	3.8650
Operating charges	-1.1700	-0.6900	-0.7600
Return after operating charges	-3.5245	3.2379	3.1050
Distribution on income shares	-3.4790	-2.2680	-2.9414
Closing NAV per share	103.8445	110.8480	109.8781

\* After direct transaction costs of 0.0171 0.0009 0.0210

### Performance

Return after charges -3.18% 2.95% 2.83%

### Other Information

Closing net asset value (£)	1,944,796	2,230,524	2,554,282
Closing number of shares	1,872,797	2,012,236	2,324,651
OCF	0.80%	0.94%	1.11%
Direct transaction costs	0.02%	0.00%	0.02%

### Prices

Highest share price (pence)	116.92	112.03	112.95
Lowest share price (pence)	88.93	101.81	105.84

## Net Asset Value per Share and Comparative Tables (continued)

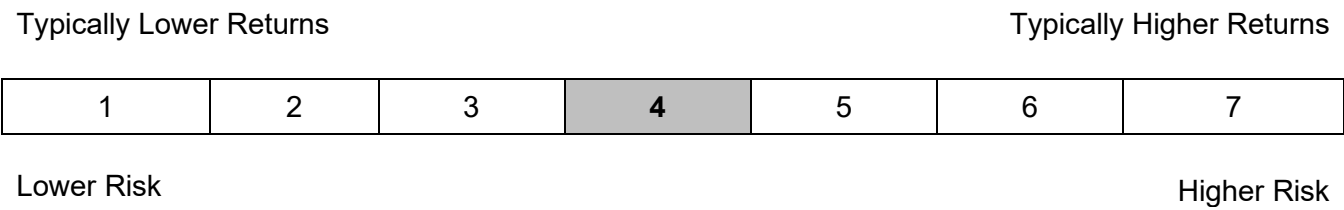
### Risk Warning

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

### Fund Performance

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

### Synthetic Risk and Reward Indicator



The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile

## Statement of total return

For the year ended 31 July 2020

	Notes		31.07.20		31.07.19
Income		£	£	£	£
Net capital gains/(losses)	1		(4,011,935)		1,016,906
Other gains	2		314,586		-
Revenue	4	2,410,893		1,263,088	
Expenses	5	(536,227)		(338,636)	
Finance costs: Interest	7	(2,745)		(1)	
Net revenue before taxation		1,871,922		924,451	
Taxation	6	(116,509)		(58,160)	
Net revenue after taxation			1,755,413		866,291
<b>Total return before distributions</b>			<b>(1,941,936)</b>		<b>1,883,197</b>
Finance costs: Distribution	7		(2,155,576)		(1,103,518)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(4,097,512)</b>		<b>779,679</b>

## Statement of change in net assets attributable to shareholders

For the year ended 31 July 2020

		£	£	£	£
<b>Opening net assets attributable to shareholders</b>			60,926,022		50,066,251
Amounts receivable on issue of shares	19,512,119			12,008,719	
Amounts payable on cancellation of shares	(3,513,385)			(3,036,088)	
Dilution levy	(7,586)			376	
			15,991,148		8,973,007
Change in net assets attributable to shareholders from investment activities			(4,097,512)		779,679
Retained distribution on accumulation shares			2,163,848		1,107,085
<b>Closing net assets attributable to shareholders</b>			<b>74,983,506</b>		<b>60,926,022</b>



## Balance sheet

As at 31 July 2020

	Notes		31.07.20		31.07.19
<b>Assets</b>		£	£	£	£
Investment assets			75,296,066		52,906,792
Debtors	8	568,093		294,111	
Bank balances		2,023,773		8,002,916	
<b>Total other assets</b>			<b>2,591,866</b>		<b>8,297,027</b>
<b>Total assets</b>			<b>77,887,932</b>		<b>61,203,819</b>
<b>Liabilities</b>					
Creditors	9	2,194,619		258,850	
Distribution payable on income shares		16,415		18,947	
Bank overdrafts		693,392		-	
<b>Total other liabilities</b>			<b>2,904,426</b>		<b>277,797</b>
<b>Net assets attributable to shareholders</b>			<b>74,983,506</b>		<b>60,926,022</b>

# Notes to the financial statements

As at 31 July 2020

## 1 Net capital losses

Proceeds from sales on investments during the year	101,085,017
Original cost of investments sold during the year	(102,571,382)
Losses realised on investments sold during the year	(1,486,365)
Net appreciation thereon already recognised in prior periods	(2,951,332)
Net realised depreciation for the year	(4,437,697)
Net unrealised appreciation for the year	159,685
Net (losses)/gains on non-derivative securities	(4,278,012)
Net gains on derivatives	266,077
<b>Net capital losses on investments</b>	<b>(4,011,935)</b>

31.07.20	31.07.19
£	£
101,085,017	18,977,947
(102,571,382)	(19,376,321)
(1,486,365)	(398,374)
(2,951,332)	(270,993)
(4,437,697)	(669,367)
159,685	1,686,273
(4,278,012)	1,016,906
266,077	-
<b>(4,011,935)</b>	<b>1,016,906</b>

## 2 Other gains

Other gains	314,586
	<b>314,586</b>

314,586	-
<b>314,586</b>	<b>-</b>

## 3 Purchases, sales and transaction costs

### Collective Investment Schemes

Purchases excluding transaction costs	-
Commissions: 0.00% [0.00%]	-
Stamp duty: 0.00% [0.03%]	-
Trustee transaction charges: 0.00% [0.00%]	-
<b>Purchases including transaction costs</b>	<b>-</b>

18,993,383	886
5,731	250
<b>19,000,250</b>	

Sales excluding transaction costs	45,535,280
Trustee transaction charges: 0.00% [0.00%]	(645)
<b>Sales including transaction costs</b>	<b>45,534,635</b>

15,417,922	(112)
<b>15,417,810</b>	

### Equities and EFTs

Purchases excluding transaction costs	51,352,835
Commissions: 0.06% [0.00%]	28,962
Stamp duty: 0.11% [0.00%]	57,256
Trustee transaction charges: 0.01% [0.00%]	6,486
<b>Purchases including transaction costs</b>	<b>51,445,539</b>

3,231,286	-
-	-
37	
<b>3,231,323</b>	

Sales excluding transaction costs	20,810,606
Commissions: 0.04% [0.00%]	(8,385)
Stamp duty: 0.02% [0.00%]	(3,150)
Trustee transaction charges: 0.01% [0.00%]	(3,066)
<b>Sales including transaction costs</b>	<b>20,796,005</b>

2,181,286	-
-	-
(9)	
<b>2,181,277</b>	

### Structured Products

Purchases excluding transaction costs	-
Trustee transaction charges: 0.00% [0.00%]	-
<b>Purchases including transaction costs</b>	<b>-</b>

2,703,434	19
<b>2,703,453</b>	

Sales excluding transaction costs	-
Trustee transaction charges: 0.00% [0.00%]	-
<b>Sales including transaction costs</b>	<b>-</b>

1,378,740	(9)
<b>1,378,731</b>	

### 3 Purchases, sales and transaction costs (continued)

Bonds		31.07.20	31.07.19
		£	£
Purchases excluding transaction costs		75,380,998	-
<b>Purchases including transaction costs</b>		<b>75,380,998</b>	<b>-</b>
Sales excluding transaction costs		34,739,131	-
<b>Sales including transaction costs</b>		<b>34,739,131</b>	<b>-</b>
<i>Trustee transaction charges have been deducted in determining net capital</i>			
<i>Transaction charges are displayed as percentage of purchase/sale</i>			
<b>Total commissions: 0.06% [0.00%]</b>		<b>37,347</b>	<b>886</b>
<b>Total stamp duty: 0.09% [0.01%]</b>		<b>60,406</b>	<b>5,731</b>
<b>Total trustee transaction charges: 0.02% [0.00%]</b>		<b>10,197</b>	<b>436</b>

*Total charges displayed as percentage of average net asset value*

### 4 Revenue

	31.07.20	31.07.19
	£	£
UK franked dividends	402,385	630,444
UK unfranked dividends	48,029	108,800
Bond interest	23,730	189,996
Gross bond interest	33,527	130,990
Overseas franked income	886,996	3,211
Overseas gross unfranked income	1,013,860	198,974
Bank interest	2,366	673
<b>Total revenue</b>	<b>2,410,893</b>	<b>1,263,088</b>

### 5 Expenses

<i>Payable to the ACD, associates of the ACD and agents of either:</i>		
ACD's periodic charge	400,146	237,244
<i>Payable to the Depositary associates of the Depositary and agents of either:</i>		
Depositary's fee	30,018	24,971
Safe custody	36,604	5,857
	<b>66,622</b>	<b>30,828</b>
<i>Other expenses:</i>		
FCA fee	143	142
Audit fee	7,876	7,860
Transfer agency fee	59,863	59,926
Licence	-	84
Professional fee	1,087	1,304
Price data provision	128	1,248
Broker commission	362	-
<b>Total expenses</b>	<b>536,227</b>	<b>338,636</b>

## 6 Taxation

a) Analysis of the tax charge for the year:

	31.07.20 £	31.07.19 £
UK Corporation tax	119,684	54,135
Irrecoverable income tax	-	-
Current tax charge (note 8b)	119,684	54,135
Deferred tax (note 8c)	(3,175)	4,025
<b>Total tax charge</b>	<b>116,509</b>	<b>58,160</b>

b) Factors affecting the tax charge for the year:

Net income before taxation	1,871,922	924,451
Corporation tax at 20%	374,385	184,891
<i>Effects of:</i>		
UK dividends	(257,876)	(126,731)
Movement in income accruals	3,175	(4,025)
Corporation tax charge	119,684	54,135
<b>Current tax charge for the year (note 8a)</b>	<b>119,684</b>	<b>54,135</b>

c) Provision for deferred taxation

Provision at start of year	4,595	570
Deferred tax charge in year	(3,175)	4,025
<b>Provision at end of year</b>	<b>1,420</b>	<b>4,595</b>

## 7 Finance costs

### Distributions

	31.07.20 £	31.07.19 £
Interim (Q1)	497,991	640,382
Interim (Q2)	525,177	-
Interim (Q3)	579,602	-
Final	627,743	513,302
	2,230,513	1,153,684
Amounts deducted on cancellation of shares	17,410	18,717
Amounts received on issue of shares	(92,347)	(68,883)
Finance costs: Distributions	2,155,576	1,103,518
Finance costs: Interest	2,745	1
<b>Total finance costs</b>	<b>2,158,321</b>	<b>1,103,519</b>

Represented by:

Net revenue after taxation	1,755,413	866,291
<i>Expenses charged to capital</i>		
ACD's periodic charge	400,146	237,244
Balance of revenue brought forward	28	11
Balance of revenue carried forward	(11)	(28)
<b>Finance costs: Distributions</b>	<b>2,155,576</b>	<b>1,103,519</b>

<b>8 Debtors</b>	<b>31.07.20</b>	<b>31.07.19</b>
	£	£
Amounts receivable for issue of shares	37,413	142,923
Amounts receivable for investment securities sold	28,725	-
<i>Accrued income:</i>		
UK franked dividends	83,146	113,377
UK unfranked dividends	7,101	22,975
Bond interest	353,427	-
Gross bond interest	-	17,672
Overseas franked dividends	23,937	-
Overseas gross unfranked income	10,503	3,012
	<u>478,114</u>	<u>157,036</u>
Taxation recoverable	23,841	(5,848)
<b>Total debtors</b>	<b>568,093</b>	<b>294,111</b>

## 9 Creditors

Amounts payable for cancellation of shares	83,048	66,093
Amounts payable for investment securities purchased	1,770,502	-
<i>Accrued expenses:</i>		
<i>Amounts payable to the ACD, associates and agents:</i>		
ACD's periodic charge	37,613	22,938
<i>Amounts payable to the Depositary, associates and agents:</i>		
Depositary's fees	2,777	2,350
Transaction charges	3,941	-
Safe custody fee	6,116	529
	<u>12,834</u>	<u>2,879</u>
Other creditors	16,320	13,226
Corporation tax	274,302	153,714
<b>Total creditors</b>	<b>2,194,619</b>	<b>258,850</b>

## 10 Contingent liabilities and commitments

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

## 11 Related party transactions

Margetts Fund Management Ltd as ACD, is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issues, and paid on cancellations are disclosed in the statement of change in net assets attributable to shareholders and note 6.

Amounts paid to Margetts Fund Management Ltd in respect of management services are disclosed in note 4 and amounts due at the end of the year in note 8.

## 12 Shareholders' funds

	<b>B Acc</b>	<b>B Inc</b>
Opening number of shares	48,159,295	2,012,236
Shares issued	22,124,571	406,959
Shares converted	24,252	(26,665)
Shares redeemed	(8,382,653)	(519,733)
Closing number of shares	<u>61,925,465</u>	<u>1,872,797</u>

## 13 Post balance sheet events

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

## 14 Risk disclosures

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

i	interest risk	31.07.20 £	31.07.19 £
	Floating rate assets (pounds sterling):	1,791,054	8,002,916
	Floating rate assets (australian dollar):	55	-
	Floating rate assets (swiss francs):	84	-
	Floating rate assets (hong kong dollar):	10	-
	Floating rate assets (mexican peso):	710	-
	Floating rate assets (new zealand dollar):	14,048	-
	Floating rate assets (singapore dollar):	22,215	-
	Floating rate assets (US dollar):	195,495	-
	Floating rate assets (South African Rand):	102	-
	Floating rate liabilities (pounds sterling):	(693,392)	-
	Assets on which interest is not paid (pounds sterling):	69,184,162	53,200,903
	Assets on which interest is not paid (euro):	13,707,428	-
	Assets on which interest is not paid (US dollars):	12,062,387	-
	Assets on which interest is not paid (swiss francs):	589,670	-
	Assets on which interest is not paid (australian dollar):	2,458,253	-
	Assets on which interest is not paid (singapore dollar):	1,425,071	-
	Assets on which interest is not paid (japanese yen):	3,591,669	-
	Assets on which interest is not paid (hong kong dollar):	459,377	-
	Assets on which interest is not paid (new zealand dollar):	415,467	-
	Assets on which interest is not paid (chinese yuan):	7,628	-
	Assets on which interest is not paid (taiwan dollar):	1,206,687	-
	Assets on which interest is paid (pounds sterling):	5,037,820	-
	Assets on which interest is paid (US dollars):	15,597,912	-
	Assets on which interest is paid (euro):	6,192,785	-
	Assets on which interest is paid (austrailian dollars):	1,519,788	-
	Liabilities on which interest is not paid (pounds sterling):	(4,009,956)	(277,797)
	Liabilities on which interest is not paid (euro):	(20,128,648)	-
	Liabilities on which interest is not paid (US dollar):	(27,216,519)	-
	Liabilities on which interest is not paid (swiss francs):	(500,213)	-
	Liabilities on which interest is not paid (chinese yuan):	(446,403)	-
	Liabilities on which interest is not paid (australian dollar):	(4,087,968)	-
	Liabilities on which interest is not paid (taiwan dollar):	(1,388,307)	-
	Liabilities on which interest is not paid (singapore dollar):	(1,590,113)	-
	Liabilities on which interest is not paid (new zealand dollar):	(434,851)	-
	<b>Net Assets</b>	<b>74,983,506</b>	<b>60,926,022</b>

## 14 Risk disclosures (continued)

ii. Currency risk	31.07.20	31.07.19
	£	£
GBP	71,309,688	60,926,022
Euro	(228,435)	-
US Dollar	639,275	-
Swiss Franc	89,541	-
Australian Dollar	(109,872)	-
Singapore Dollar	(142,827)	-
Japanese Yen	3,591,669	-
Mexican Peso	710	-
Hong Kong Dollar	459,387	-
New Zealand Dollar	(5,336)	-
South Africa Rand	102	-
Taiwan Dollar	(181,620)	-
Chinese Yuan	(438,775)	-
<b>Net Assets</b>	<b>74,983,506</b>	<b>60,926,022</b>

Fixed rate financial assets have the below weighted average yield and period for which income is fixed:

	Years	%	Years	%
GBP	12.37	4.00	-	-
Euro	8.72	2.90	-	-
US Dollars	11.11	3.55	-	-
Australian Dollar	30.91	1.75	-	-

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

## 15 Fair Value Techniques

Assets	31.07.20	31.07.19
	£	£
Quoted prices for identical instruments in active markets	74,116,403	52,906,792
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable data	1,179,663	-
Valuation techniques using non-observable data	-	-
	<b>75,296,066</b>	<b>52,906,792</b>

## 16 Periodic disclosure

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

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

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

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

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

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

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

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

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

The Fund does not currently, and does not envisage in the future, intentionally employing leverage as a part of its investment strategy. However it does invest in some instruments, such as convertible bonds and structured products, which embed derivatives and it utilises derivative hedging instruments. Some of these hedging instruments do not meet all the commitment leverage methodology requirements for them to be offset against the positions they are hedging. The majority of derivative hedging instruments are held to offset interest rate, currency and general equity exposures, reducing the risks the Fund is exposed to. In addition, the Fund may experience a small amount of leverage when using its permitted 10% of net asset value short term borrowing facility used in the course of the routine settlement of positions. Consequently, the maximum leverage of the Fund calculated using the 'commitment leverage' methodology and "gross leverage" methodology has therefore been set at 1.5:1 and 2:1 respectively.

There have been no arrangements made by the Depositary to discharge itself of contractual liability.

## 16 Securities Financing Transactions (SFT) and Total Return Swaps (TRS)

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



## Distribution Table

For the year ended 31 July 2020 - in pence per share

### Interim

Group 1 – shares purchased prior to 01 August 2019

Group 2 – shares purchased on or after 01 August 2019

#### B Accumulation shares

Units	Net Income	Equalisation	Allocated 31.12.19	Allocated 31.12.18
Group 1	0.9445	-	0.9445	-
Group 2	0.5358	0.4087	0.9445	-

#### B Income shares

Units	Net Income	Equalisation	Paid 31.12.19	Paid 31.12.18
Group 1	0.8595	-	0.8595	-
Group 2	0.5697	0.2898	0.8595	-

### Interim

Group 1 – shares purchased prior to 01 November 2019

Group 2 – shares purchased on or after 01 November 2019

#### B Accumulation shares

Units	Net Income	Equalisation	Allocated 31.03.20	Allocated 31.03.19
Group 1	0.9573	-	0.9573	1.4277
Group 2	0.6014	0.3559	0.9573	1.4277

#### B Income shares

Units	Net Income	Equalisation	Paid 31.03.20	Paid 31.03.19
Group 1	0.8640	-	0.8640	1.3264
Group 2	0.3766	0.4874	0.8640	1.3264

### Interim

Group 1 – shares purchased prior to 01 February 2020

Group 2 – shares purchased on or after 01 February 2020

#### B Accumulation shares

Units	Net Income	Equalisation	Allocated 30.06.20	Allocated 30.06.19
Group 1	0.9813	-	0.9813	-
Group 2	0.6194	0.3619	0.9813	-

#### B Income shares

Units	Net Income	Equalisation	Paid 30.06.20	Paid 30.06.19
Group 1	0.8790	-	0.8790	-
Group 2	0.7063	0.1727	0.8790	-

### Final

Group 1 – shares purchased prior to 01 February 2020

Group 2 – shares purchased on or after 01 February 2020

#### B Accumulation share

Units	Net Income	Equalisation	Allocating 30.09.20	Allocated 30.09.19
Group 1	0.9872	-	0.9872	1.0265
Group 2	0.4846	0.5026	0.9872	1.0265

## Distribution Table (continued)

### *B Income shares*

<b>Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Payable 30.09.20</b>	<b>Paid 30.09.19</b>
Group 1	0.8765	-	0.8765	0.9416
Group 2	0.1999	0.6766	0.8765	0.9416

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

# Sentinel Growth Portfolio Report & accounts

## Investment Adviser's Report

*For the year ended 31 July 2020*

### Investment Objective

The objective of the Sub-Fund is to seek through a combination of capital growth and income, returns above the IA Mixed Investment 40% - 85% shares sector on a rolling three year basis. Additionally, over any annual period, the Sub-Fund will be managed with the aim of reducing any falls to less than 75% of the fall in the FT World Index.

### Investment Review

The Fund does not have a performance target and is not constrained by any index, IA sector or similar factor. The IA (Investment Association) Mixed Investment 40-85% Shares Sector is used as the comparator. This is considered appropriate for investors to use when comparing performance as the Fund is a member of this sector, which is made up of funds with a similar strategy as defined by the IA.

Sentinel Growth	3.00%
-----------------	-------

### Benchmark

IA Mixed Investment 40-85% Shares	-2.53%
-----------------------------------	--------

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

### Market Commentary

Global equities have enjoyed yet another year of positive returns despite the global pandemic and the recession stemming from lockdown measures taken to protect the public from the virus. US technology shares, many of which have been selected in our Online Services and Screen Time themes, have dominated the global equity market's rise over the year. Meanwhile the companies governments have turned to for healthcare solutions are also the world leaders we have selected in our healthcare themes, such as Roche and Thermo Fisher. Overall the last year has allowed us to show how the fund protects capital when markets fell in the first quarter, also how our themes can sometimes come through more strongly when there are unexpected challenges to be faced.

The Sentinel Growth portfolio rose 4.3% from last year to year-end (31 July 2020). The majority of returns came from the equity portion of the portfolio, but the fixed-income element contributed credibly to the overall returns. Performance came mainly from two areas – Online Services (again) and Automation. Additionally scientific equipment came through the crisis well. In most other areas our thematic and quality bias buffeted the portfolio from the worst of the pandemic downgrades, but helped protect downside rather than propel absolute performance. This is true in the equity portion but also valid in fixed income. Bonds had a good year but the return from our equities was superior. The bonds in your portfolio behaved exactly as we would have liked in the last 12 months – they provided the stability to returns in a most difficult period, and brought us capital gains. As the year progressed we have become slightly concerned about inflation. Conventional bonds now offer little in the way of coupon and as such we have moved some of our fixed-income exposure towards inflation-protected bonds.

Over the period in question, investment success was found across the regions with all the major blocks contributing. In our effort to ensure diversification and employ valuation control, we actually found ourselves underperforming in the technology sector. What matters to us is the contribution from the stocks, not the index weight, and on this count they contributed handsomely. Clearly not owning Oil & Gas again proved a good decision from the perspective of preserving capital.

## Investment Adviser's Report (continued)

	Sentinel - Equity Portion		
	End %	Av %	Base
Online Services	17.2	15.7	4.26
Emerging Market Consumer	15.6	12.8	4.21
Automation	12.5	14.2	2.24
Healthcare Costs	16.4	16.5	2.09
Scientific Equipment	5.7	8.5	1.65
Screen Time	11.1	7.7	1.14
High Quality Assets	9.5	13.3	0.65
Media Content	0.0	0.1	-0.02
Retiree Spending Power	0.0	0.8	-0.58
Tourism	2.9	9.1	-0.72

As we approached the end of the year, we started to take a few profits where valuations had risen more quickly than we might have expected. We will use this cash to further broaden and diversify the portfolio and lower the average valuation.

### Our themes:

**Online Services** (16% of the equity portfolio) – This theme led investment returns in the fund and many of our investments here have proved their worth to each of us over lockdown – especially Amazon.com. Last year we added an investment in JD.com which provides similar services in China. This theme has also benefited from continued investment in the semiconductor industry with both Synopsys and Cadence seeing growth in demand for new chip designs.

**Screen Time** (8% of the portfolio) – Again the lockdown has accelerated the trend towards spending more time in front of screen, especially working from home. The equity market continues to attribute low valuations to telecoms companies providing these connections, but such defensive holdings worked well when markets fell in the first quarter.

**Automation** (13% of the portfolio) – The current recession is leading governments worldwide to encourage industrial investment and to engage in spending on public works. The rise in industrial demand for automation now seems to be coming through, especially in Asia.

**Emerging Market Consumer** (11% of the portfolio) – We had moderated the size of the exposure to this theme, but falls in share prices during the lockdown have thrown up better-value opportunities to invest for the longer term. This has allowed us, for instance, to buy a holding in Hermes alongside our long-term Louis Vuitton investment.

**Healthcare Costs** (11% of the portfolio) – Although many of our selected investments are central to helping contain the pandemic (such as Roche the global leader in virus testing) much of this work will be done as a public service and for very low margins. Also, the chances of Mr Biden replacing Mr Trump as US President will raise concerns of pressure on US healthcare pricing, even if we see benefits from that change in other ways, such as a reduced likelihood of US-China trade wars.

**Scientific Equipment** (10% of the portfolio) – Investments in this area seem more likely to benefit from increased testing both for viruses and other human and animal health issues. The companies themselves have continued to grow through the crisis showing the merit of continued research and development of new products in past years.

**Low Carbon World** (9% of the portfolio) - This theme gave very strong returns over the year and some investors may be surprised that we have taken some profits. However, the very large 'green' initiatives being undertaken by governments currently are encouraging more competitors to enter the renewable energy area. Some, such as oil majors, have large balance sheets but few relevant skills. This is bringing down returns on investment and the 'sell-on' values when fields are developed. Despite these factors, some of the better-known shares in this area have become very fashionable and now trade on rather high multiples of future cashflows.

## Investment Adviser's Report (continued)

**Fintech** (7% of the portfolio) During the year we recognized the accelerating development of digital solutions to financial services. Companies such as Mastercard and Visa have grown their share of payments at the expense of the local bank branch and these branches increasingly need to automate their services. We invest very little of the fund in traditional banks as the challenges thrown up by 'fintech' offerings remind us of the problems they face.

**High Quality Assets** (9% of the portfolio) – Despite bond yields falling again, our property holdings performed rather poorly again this year, with the exception of warehouse investments. We are concerned that the very high levels of government spending to try to create jobs after lockdown may take the world from its current disinflationary period into one of higher inflation. As a result, we have invested in gold mines – the gold price already seems to be strengthening on this basis.

**Discontinued themes:** At the start of this reporting period, we sold our remaining holdings in our **Tourism** theme. This proved fortuitous ahead of lockdown and we do not claim we foresaw the pandemic. However, our concerns about the scale of mass tourism worldwide and the security, biosecurity and environmental impacts were very much on our mind. We believe that travel will return, but that this theme will be constrained in future in ways it has not been in the past.

Five largest stock contributors to performance

Company	Theme
Thermo Fisher Scientific	Health Care Equip. & Serv.
Equinix	Real Estate Investment Trusts
Daifuku	Industrial Engineering
Synopsys	Software & Computer Services
Orsted	Gas, Water & Multiutilities

Five largest stock detractors from performance

Company	Theme
Apple	Technology Hardware & Equip
China Tower	Technology Hardware & Equip.
Land Securities Group	Real Estate Investment Trusts
Charles Schwab	Financial Services
Walt Disney	Media

Source: Artemis. Since inception to 31 July 2020. Equity portion only. Benchmark FTSE World TR.

### Outlook

Over the last six months, investors have worried about the impact of the coronavirus and been reassured by the support governments have put in to prop up economies; we take almost the opposite view. Our selection of companies with strong business models, robust balance sheets and records of investing for the future have proved their worth through the pandemic. Many see expected future growth brought forward by the crisis, such as higher levels of online shopping and greater amounts of home working. We see these changes as persisting even when virus levels have fallen.

## Investment Adviser's Report (continued)

We are wary that interest rates have again been cut to levels which force investors to take risk. The UK government 10-year bond today (31 July 2020, Bloomberg) yields all of 10 basis points per annum. Our equity portfolio yields about 10 times that without us having any preference for higher yielding equities. So investors are pushed into equities and other riskier assets whether they want the risk or not. No doubt much of this pressure has resulted in some shares, such as Amazon and perhaps Orsted in wind power becoming very fashionable. Our role here is to monitor the value for money in each of our holdings and to seek out less fashionable companies which still have high-quality business models and strong future prospects. We will continue to do that.

However, we are also wary that governments are pledging very large amounts of spending when government debt levels are already very high. The lockdown itself has produced a deflationary shock and rising unemployment; no doubt many small businesses will struggle to survive. The government spending cannot help all of these, nor do large-scale infrastructure projects create jobs in the way they did in the 1930s. The money issued by governments in this period may well look for a home and, after years of inflation levels falling, we may see inflation rise over the next year or two, albeit from very low levels.

Such a reversal would prove a challenge firstly for investors in traditional government bonds (who may look at the 10 basis points on offer with fresh eyes), but also to equity investors who believe past winning investments will simply carry on winning. We therefore continue to monitor value for money in our holdings and to diversify the portfolio by industry and region, thus bringing a diverse range of valuations. We see a fresh range of challenges currently and anticipate further challenges in the year ahead, but the companies we have chosen to include in the portfolio have done us proud this year and give us confidence they will in the years to come.

### **Sustainable Investing**

Over recent years a number of investment houses have made much of the sustainability of their investments or how their funds score on measures of environmental, social and governance factors. As we aim for longer term investment success, we have always included these factors in our selection process. Our interpretation of the factors is based on common sense and real-life situations, rather than any tick list or one-size-fits-all screen. As an example, we think that air travel may remain essential in large Asian countries while the environmental damage of cheap flights may become unacceptable in Europe.

We are not, however, looking to change the world, nor do we presume to have an ethical code that all would follow. Our aim is to invest in companies which prosper without damaging society or the environment something that is likely to make profitability more sustainable. We believe that this is an aim that we share with our investors and that this perspective is, and has always been, central to the management of a successful Investment portfolio.

Artemis Investment Management LLP  
*Investment Adviser*  
24 August 2020

## Portfolio statement

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	31.07.20 %	31.07.19 %
	<b>UK</b>			
14,258	Reckitt Benckiser Group PLC	1,109,130	1.29	
838,484	Vodafone Group PLC	969,791	1.13	
	<b>Total UK</b>	<b>2,078,920</b>	<b>2.42</b>	<b>4.84</b>
	<b>Bonds</b>			
2,100,000	UK 1.75% Treasury Gilt 2022	2,181,123	2.54	
1,739,988	UK 2 1/4% Treasury Gilt 2023	1,867,633	2.17	
	<b>Total Bonds</b>	<b>4,048,756</b>	<b>4.71</b>	<b>5.17</b>
	<b>Europe</b>			
5,788	Air Liquide SA	740,641	0.86	
16,005	Fresenius Medical Care AG & Co	1,103,813	1.28	
1,071	Hermes International	673,029	0.78	
3831	L'oreal	982,166	1.14	
3,323	LVMH Moet Hennessy Louis Vuitton	1,117,595	1.30	
8,059	Orsted A/S	884,255	1.03	
16,233	Sanofi-Aventis	1,310,953	1.52	
	<b>Total Europe</b>	<b>6,812,452</b>	<b>7.91</b>	<b>16.88</b>
	<b>US Government</b>			
4,580,000	US Treasury Inflation Linked 0.5 01/15/28	3,940,447	4.58	
5,268,000	US Treasury Note 2.25 11/15/27	4,581,699	5.33	
	<b>Total US Government</b>	<b>8,522,146</b>	<b>9.91</b>	<b>13.48</b>
	<b>Japan</b>			
15,700	Daifuku Co Ltd	1,082,037	1.26	
6,200	Daikin Industries Ltd	839,791	0.98	
13,100	Harmonic Drive Systems	562,382	0.65	
12,000	Hoya Corp	899,140	1.05	
3,200	Keyence Corp	982,249	1.14	
40,000	Komatsu Ltd	583,065	0.68	
28,600	Nabtesco Corp	621,145	0.72	
17,500	OMRON Corp	972,982	1.13	
112,000	Sumitomo Forestry Co Ltd	966,496	1.12	
10,500	Sysmex Corp	618,452	0.72	
9,500	Toyota Industries Corp	365,882	0.43	
	<b>Total Japan</b>	<b>8,493,621</b>	<b>9.88</b>	<b>7.49</b>
	<b>South Korean</b>			
62,098	LG Uplus Corp	451,729	0.53	
22,406	Samsung Electronics Co Ltd	819,284	0.95	
	<b>Total South Korean</b>	<b>1,271,013</b>	<b>1.48</b>	<b>-</b>

## Portfolio statement (continued)

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	31.07.20 %	31.07.19 %
<b>US</b>				
6,772	Accenture PLC	1,168,815	1.37	
15,573	Agilent Technologies	1,152,541	1.35	
1,249	Alphabet Inc	1,423,031	1.67	
511	Amazon.com Inc	1,242,112	1.45	
4,181	Apple Inc	1,365,763	1.59	
12,682	Avery Dennison Corp	1,104,219	1.28	
7,957	Becton Dickinson & Co	1,719,900	2.00	
9,456	Cadence Design Systems Inc	793,328	0.92	
32,177	Citigroup Inc	1,236,550	1.44	
12,957	Colgate-Palmolive Co	768,401	0.89	
35,407	Comcast Corp	1,164,002	1.35	
8,589	Digital Realty Trust Inc	1,058,844	1.23	
2,998	Equinix Inc	1,808,313	2.10	
71,313	Freeport-Mcmoran Inc	707,870	0.82	
8,604	Fidelity National Info Serv	967,025	1.12	
10,370	Fiserv Inc	794,640	0.92	
3,494	Illumina Inc	1,025,302	1.19	
4,288	Mastercard	1,016,357	1.18	
22,599	Merck & Co. Inc.	1,393,339	1.62	
8,765	Microsoft Corp	1,380,878	1.61	
18,414	Newmont Mining Corp	978,986	1.14	
8,203	Norfolk Southern Corp	1,211,228	1.41	
2,440	Nvidia Corporation	795,924	0.93	
13,870	PerkinElmer	1,266,799	1.47	
6,966	Paypal Holdings Inc	1,049,717	1.22	
41,736	Schwab (charles) Corp	1,062,639	1.24	
1,722	Servicenow Inc	580,831	0.68	
2,866	S&P Global Inc	771,063	0.90	
3,729	Salesforce.com Inc	558,233	0.65	
7,778	Synopsys	1,190,304	1.38	
6,033	Thermo Fisher Scientific	1,918,639	2.23	
14,959	Trane Technologies PLC	1,285,008	1.49	
7,864	Union Pacific Corp	1,046,741	1.22	
5,060	UnitedHealth Group	1,176,481	1.37	
4,698	VISA Inc	687,194	0.80	
19,698	Uber Technologies Inc	457,945	0.53	
6,751	Waters Corp	1,105,544	1.29	
<b>Total US</b>		<b>40,434,506</b>	<b>47.05</b>	<b>42.34</b>
<b>Canada</b>				
51,396	Barrick Gold Corp	1,136,026	1.32	
<b>Total Canada</b>		<b>1,136,026</b>	<b>1.32</b>	<b>1.39</b>
<b>Switzerland</b>				
5,485	Roche Holding AG	1,481,973	1.72	
27,667	Sig Combibloc Group AG	374,341	0.44	
<b>Total Switzerland</b>		<b>1,856,315</b>	<b>2.16</b>	<b>-</b>



## Portfolio statement (continued)

As at 31 July 2020

Holding	Portfolio of Investments	Value (£)	31.07.20 %	31.07.19 %
	<b>Asia (Excluding Japan)</b>			
441,984	Ascendas Real Estate Inv Trt	850,538	0.99	
608,043	China Life Insurance Co Ltd	1,078,924	1.25	
926,000	China Merchants Port Holdings Co Ltd	826,146	0.96	
4,614,000	China Tower Corp Ltd	635,764	0.74	
114,744	Taiwan Semiconductor Manufacturing Co Ltd	1,248,111	1.45	
17,600	Tencent Holdings Ltd	940,383	1.09	
	<b>Total Asia (Excluding Japan)</b>	<b>5,579,866</b>	<b>6.48</b>	<b>6.06</b>
	<b>France Government</b>			
1,660,000	Govt of France 0.1 03/01/28	1,621,779	1.89	
	<b>Total France Government</b>	<b>1,621,779</b>	<b>1.89</b>	<b>-</b>
	<b>Portfolio of Investments</b>	<b>81,855,400</b>	<b>95.21</b>	<b>97.66</b>
	<b>Net Current Assets</b>	<b>4,117,766</b>	<b>4.79</b>	<b>2.34</b>
	<b>Net Assets</b>	<b>85,973,166</b>	<b>100.00</b>	<b>100.00</b>

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

## Net Asset Value per Share and Comparative Tables

### B Accumulation share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	130.3750	115.0809	109.0723
Return before operating charges *	4.2372	16.3241	6.8686
Operating charges	-1.1800	-1.0300	-0.8600
Return after operating charges	3.0572	15.2941	6.0086
Distribution on income shares	0.0000	0.0000	0.0000
Closing NAV per share	133.4322	130.3750	115.0809
Retained distribution on acc shares	0.8492	1.1052	0.8998
 * After direct transaction costs of	 0.1013	 0.0178	 0.1325

### Performance

Return after charges	2.34%	13.29%	5.51%
----------------------	-------	--------	-------

### Other Information

Closing net asset value (£)	84,440,215	77,268,095	65,341,129
Closing number of shares	63,283,219	59,266,030	56,778,431
OCF	0.87%	0.87%	0.88%
Direct transaction costs	0.10%	0.02%	0.12%

### Prices

Highest share price (pence)	137.99	131.42	116.53
Lowest share price (pence)	113.14	104.55	105.57

### B Income share class

Change in net assets per share	31/07/2020	31/07/2019	31/07/2018
Opening net asset value per share	125.4217	111.6539	106.6551
Return before operating charges *	4.2170	15.8404	6.6440
Operating charges	-1.2700	-1.0000	-0.7600
Return after operating charges	2.9470	14.8404	5.8840
Distribution on income shares	-0.8170	-1.0726	-0.8852
Closing NAV per share	127.5517	125.4217	111.6539
 * After direct transaction costs of	 0.1125	 0.0179	 0.1329

### Performance

Return after charges	2.35%	13.29%	5.52%
----------------------	-------	--------	-------

### Other Information

Closing net asset value (£)	1,532,951	1,345,970	950,147
Closing number of shares	1,201,827	1,073,156	850,976
OCF	0.87%	0.87%	0.88%
Direct transaction costs	0.10%	0.02%	0.12%

### Prices

Highest share price (pence)	132.75	127.51	113.95
Lowest share price (pence)	108.84	101.43	103.24

## Net Asset Value per Share and Comparative Tables (continued)

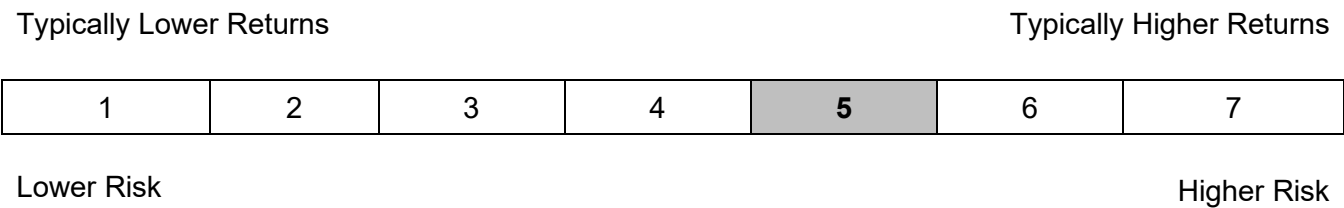
### Risk Warning

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

### Fund Performance

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

### Synthetic Risk and Reward Indicator



The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile.

## Statement of total return

For the year ended 31 July 2020

	Notes		31.07.20		31.07.19
Income		£	£	£	£
Net capital gains/(losses)	1		1,437,515		8,605,931
Revenue	3	1,231,462		1,269,210	
Expenses	4	(698,684)		(609,117)	
Finance costs: Interest	6	(318)		(161)	
		<u>532,460</u>		<u>659,932</u>	
Net revenue before taxation			532,460		659,932
Net revenue after taxation			<u>1,969,975</u>		<u>9,265,863</u>
<b>Total return before distributions</b>			<b>1,969,975</b>		<b>9,265,863</b>
Finance costs: Distribution	6		(532,481)		(659,903)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,437,494</b>		<b>8,605,960</b>

## Statement of change in net assets attributable to shareholders

For the year ended 31 July 2020

		£	£	£	£
<b>Opening net assets attributable to shareholders</b>			78,614,065		66,291,276
Amounts receivable on issue of shares	11,718,226			8,721,275	
Amounts payable on cancellation of shares	(6,340,142)			(5,660,446)	
Dilution levy	<u>6,122</u>			<u>992</u>	
			5,384,206		3,061,821
Change in net assets attributable to shareholders from investment activities			1,437,494		8,605,960
Retained distribution on accumulation shares			537,401		655,008
<b>Closing net assets attributable to shareholders</b>			<b>85,973,166</b>		<b>78,614,065</b>

## Balance sheet

As at 31 July 2020

	Notes		31.07.20		31.07.19
		£	£	£	£
<b>Assets</b>					
Investment assets			81,855,400		76,772,635
Debtors	7	469,814		879,118	
Bank balances		5,141,128		2,516,378	
<b>Total other assets</b>			<b>5,610,942</b>		<b>3,395,496</b>
<b>Total assets</b>			<b>87,466,342</b>		<b>80,168,131</b>
<b>Liabilities</b>					
Creditors	8	1,483,357		1,542,555	
Distribution payable on income shares		9,819		11,511	
<b>Total other liabilities</b>			<b>1,493,176</b>		<b>1,554,066</b>
<b>Net assets attributable to shareholders</b>			<b>85,973,166</b>		<b>78,614,065</b>

# Notes to the financial statements

As at 31 July 2020

## 1 Net capital gains

	31.07.20	31.07.19
	£	£
Proceeds from sales on investments during the year	92,876,500	59,373,766
Original cost of investments sold during the year	(88,161,584)	(58,453,924)
Gains realised on investments sold during the year	4,714,916	919,842
Net appreciation thereon already recognised in prior periods	(11,764,816)	(2,008,024)
Net realised depreciation for the year	(7,049,900)	(1,088,182)
Net unrealised appreciation for the year	9,146,493	9,941,585
Net gains on non-derivative securities	2,096,593	8,853,403
Net losses on currencies	(659,078)	(247,472)
<b>Net capital gains on investments</b>	<b>1,437,515</b>	<b>8,605,931</b>

## 2 Purchases, sales and transaction costs

### Equities & ETFs

Purchases excluding transaction costs	89,556,671	63,357,101
Commissions: 0.02% [0.03%]	21,673	17,174
Stamp duty and other charges: 0.00% [0.06%]	-	40,401
Trustee transaction charges: 0.01% [0.01%]	7,483	4,359
<b>Purchases including transaction costs</b>	<b>89,585,827</b>	<b>63,419,035</b>
Sales excluding transaction costs	85,868,264	59,059,517
Commissions: 0.03% [0.03%]	(21,925)	(15,100)
Stamp duty and other charges: 0.00% [0.02%]	-	(10,180)
Trustee transaction charges: 0.01% [0.01%]	(9,037)	(6,172)
<b>Sales including transaction costs</b>	<b>85,837,302</b>	<b>59,028,065</b>

### Bonds

Purchases excluding transaction costs	6,629,959	-
<b>Purchases including transaction costs</b>	<b>6,629,959</b>	-
Sales excluding transaction costs	7,030,161	-
<b>Sales including transaction costs</b>	<b>7,030,161</b>	-

Trustee transaction charges have been deducted in determining net capital  
Transaction charges are displayed as percentage of purchase/sale

<b>Total commission: 0.05% [0.05%]</b>	<b>43,598</b>	<b>32,274</b>
<b>Total stamp duty and other charges: 0.00% [0.07%]</b>	<b>-</b>	<b>50,581</b>
<b>Total trustee transaction charges : 0.02% [0.02%]</b>	<b>16,520</b>	<b>10,531</b>

Total charges displayed as percentage of average net asset value

**Average portfolio dealing spread : 0.10% [0.13%]**

## 3 Revenue

UK franked dividends	120,138	92,912
Gross bond interest	75,900	113,985
Overseas franked income	832,448	814,735
Overseas gross unfranked income	175,235	227,163
Property Rental	25,614	20,263
Bank interest	2,127	152
<b>Total revenue</b>	<b>1,231,462</b>	<b>1,269,210</b>

## 4 Expenses

	31.07.20 £	31.07.19 £
<i>Payable to the ACD, associates of the ACD and agents of either:</i>		
ACD's periodic charge	559,618	480,581
<i>Payable to the Depositary associates of the Depositary and agents of either:</i>		
Depositary's fee	34,790	30,718
Safe custody	33,035	25,025
	<u>67,825</u>	<u>55,743</u>
<i>Other expenses:</i>		
FCA fee	143	142
Audit fee	7,737	7,860
Licence fee	-	84
Transfer agency fee	60,163	59,970
Professional fees	1,004	2,519
Tax & Market fee	2,194	2,218
<b>Total expenses</b>	<u><b>698,684</b></u>	<u><b>609,117</b></u>

## 5 Taxation

a) Analysis of the tax charge for the year:

UK Corporation tax	-	-
Irrecoverable income tax	-	-
Current tax charge (note 8b)	-	-
<b>Total tax charge</b>	<u><b>-</b></u>	<u><b>-</b></u>

b) Factors affecting the tax charge for the year:

Net income before taxation	532,460	659,932
Corporation tax at 20%	<u>106,492</u>	<u>131,987</u>
<i>Effects of:</i>		
UK dividends	(190,517)	(181,529)
Movement in income accruals	169	-
Utilisation of excess management expenses	83,856	49,542
Corporation tax charge	-	-
Irrecoverable income tax	-	-
<b>Current tax charge for the year (note 8a)</b>	<u><b>-</b></u>	<u><b>-</b></u>

c) Provision for deferred taxation

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

d) Factors that may affect future tax changes

The fund has unutilised management expenses of £1,427,705 (prior year £1,008,425). The fund does not expect to be able to utilise this in the foreseeable future.

## 6 Finance costs

	31.07.20	31.07.19
	£	£
<b>Distributions</b>		
Final	547,220	666,519
	547,220	666,519
Amounts deducted on cancellation of shares	19,065	17,937
Amounts received on issue of shares	(33,804)	(24,553)
Finance costs: Distributions	532,481	659,903
Finance costs: Interest	318	161
<b>Total finance costs</b>	<b>532,799</b>	<b>660,064</b>
<b>Represented by:</b>		
Net revenue after taxation	532,460	659,932
Balance of revenue brought forward	32	3
Balance of revenue carried forward	(11)	(32)
<b>Finance costs: Distributions</b>	<b>532,481</b>	<b>659,903</b>

## 7 Debtors

	31.07.20	31.07.19
	£	£
Amounts receivable for issue of shares	88,442	16,057
Amounts receivable for investment securities sold	22,016	628,907
<i>Accrued income:</i>		
Bond interest	51,977	-
Overseas franked dividends	232,696	102,698
Bank interest	42	93,059
	284,715	195,757
Taxation recoverable	74,641	38,397
<b>Total debtors</b>	<b>469,814</b>	<b>879,118</b>

## 8 Creditors

Amounts payable for cancellation of shares	75,459	121,371
Amounts payable for investment securities purchased	1,329,536	1,355,354
<i>Accrued expenses:</i>		
<i>Amounts payable to the ACD, associates and agents:</i>		
ACD's periodic charge	51,399	45,935
<i>Amounts payable to the Depositary, associates and agents:</i>		
Depositary's fees	3,162	2,878
Transaction charges	5,006	1,874
Safe custody fee	5,600	2,013
	13,768	6,765
Other creditors	13,195	13,130
<b>Total creditors</b>	<b>1,483,357</b>	<b>1,542,555</b>

## 9 Contingent liabilities and commitments

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



## 10 Related party transactions

Margetts Fund Management Ltd as ACD, is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issues, and paid on cancellations are disclosed in the statement of change in net assets attributable to shareholders and note 6.

Amounts paid to Margetts Fund Management Ltd in respect of management services are disclosed in note 4 and amounts due at the end of the year in note 8.

## 11 Shareholders' funds

	<b>B Acc</b>	<b>B Inc</b>
Opening number of shares	59,266,030	1,073,156
Shares issued	15,350,273	166,625
Shares converted	-	-
Shares redeemed	(11,333,084)	(37,954)
Closing number of shares	<u>63,283,219</u>	<u>1,201,827</u>

## 12 Post balance sheet events

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

## 13 Fair Value Techniques

<b>Assets</b>	<b>31.07.20</b>	<b>31.07.19</b>
	<b>£</b>	<b>£</b>
Quoted prices for identical instruments in active markets	81,855,400	76,772,635
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable data	-	-
Valuation techniques using non-observable data	-	-
	<u>81,855,400</u>	<u>76,772,635</u>

## 14 Securities Financing Transactions (SFT) and Total Return Swaps (TRS)

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

## 15 Risk disclosures

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

i. Interest risk	31.07.20 £	31.07.19 £
Floating rate assets (pounds sterling):	5,141,534	2,561,519
Floating rate assets (us dollars):	-	(9,504)
Floating rate assets (euro):	-	(35,637)
 Floating rate liabilities (us dollars):	 (406)	 -
Assets on which interest is not earned (pounds sterling):	2,548,734	4,687,049
Assets on which interest is not earned (us dollars):	40,434,506	33,286,981
Assets on which interest is not earned (euro):	5,928,196	6,449,335
Assets on which interest is not earned (swedish krona):	-	638,418
Assets on which interest is not earned (japanese yen):	8,493,622	5,887,311
Assets on which interest is not earned (hong kong dollar):	3,481,218	1,242,134
Assets on which interest is not earned (singapore dollar):	850,538	3,192,746
Assets on which interest is not earned (south korean won):	1,271,013	329,349
Assets on which interest is not earned (swiss francs):	1,856,315	4,668,730
Assets on which interest is not earned (danish krone):	884,255	1,510,753
Assets on which interest is not earned (Taiwan dollar):	1,248,111	-
Assets on which interest is not earned (canadian dollar):	1,136,026	1,091,603
 Assets on which interest is earned (pounds sterling):	 4,048,756	 4,063,908
Assets on which interest is earned (us dollar):	8,522,146	10,603,436
Assets on which interest is earned (euro):	1,621,779	-
 Liabilities on which interest is not paid (pounds sterling):	 (1,493,176)	 (1,554,066)
<b>Net Assets</b>	<b>85,973,166</b>	<b>78,614,065</b>

ii. Currency risk	31.07.20 £	31.07.19 £
GBP	10,245,847	9,758,410
US Dollars	48,956,246	43,880,914
Euro	7,549,975	6,413,698
Canadian Dollar	1,136,026	1,091,603
Danish Krone	884,255	1,510,753
Swiss Francs	1,856,315	4,668,730
Hong Kong Dollar	3,481,218	1,242,134
South Korean Won	1,271,013	329,349
Singapore Dollar	850,538	3,192,746
Swedish Krona	-	638,418
Japanese Yen	8,493,622	5,887,311
Taiwan dollar	1,248,111	-
<b>Net Assets</b>	<b>85,973,166</b>	<b>78,614,065</b>

## 15 Risk disclosures (continued)

Fixed rate financial assets have the below weighted average yield and period for which income is fixed:

	31.07.20		31.07.19	
	Years	%	Years	%
GBP	2.57	1.98	3.57	1.98
Euro	7.30	2.25	-	-
US Dollars	7.59	0.10	11.97	4.75

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

There are no material amounts of non-interest bearing financial assets and liabilities, other than collective investment schemes, which do not have maturity dates.

## 16 Periodic disclosure

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

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

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

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

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

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

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

At the end of the reporting period the total amount of leverage, expressed as a ratio, calculated using the commitment approach was 1:0.95 and using the gross method was 1:0.95.

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

The Fund does not currently and does not envisage in the future intentionally employing leverage as a part of its investment strategy. However the manager may hedge foreign currency exposure and also hedge mainstream currencies as a proxy for other currencies which are believed to be closely correlated but will not meet all the commitment leverage methodology requirements for then to be offset against the positions they are hedging. The Fund may experience a small amount of leverage when using its permitted 10% of net asset value short term borrowing facility used in the course of the routine settlement of positions. The maximum leverage of the Fund calculated using the 'commitment leverage' methodology has therefore been set at 1.5:1. The maximum leverage of the Fund calculated using the 'gross leverage' methodology has also been set at 2:1.

There have been no arrangements made by the Depositary to discharge itself of contractual liability.

## Distribution Table

For the year ended 31 July 2020 - in pence per share

*Final*

Group 1 – shares purchased prior to 01 February 2020

Group 2 – shares purchased on or after 01 February 2020

### *B Accumulation*

<b>Shares</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Allocating 30.09.20</b>	<b>Allocated 30.09.19</b>
Group 1	0.8492	-	0.8492	1.1052
Group 2	0.4748	0.3744	0.8492	1.1052

### *B Income*

<b>Shares</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Payable 30.09.20</b>	<b>Paid 30.09.19</b>
Group 1	0.8170	-	0.8170	1.0726
Group 2	0.5787	0.2383	0.8170	1.0726

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

## **ICVC General Information**

### **Valuation Point**

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

### **Buying and Selling of Shares**

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

### **Prices**

The most recent mid prices of shares are published on the Margetts website at [www.margetts.com](http://www.margetts.com).

### **Other Information**

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

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

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

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

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

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