



## **CCM Intelligent Wealth Investment Funds ICVC**

Annual Report including long form financial statements  
for the year ended 30 April 2021

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## Authorised status

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CCM Intelligent Wealth Investment Funds ICVC (the 'Company') is an authorised umbrella investment company with variable capital (ICVC) under regulation 12 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 and is managed in accordance with the Financial Conduct Authority's (FCA) Investment Funds Sourcebook (FUND) and Collective Investment Schemes Sourcebook (COLL). CCM Intelligent Wealth Fund is the only sub-fund currently available for investment but there may be other sub-funds of the umbrella company available in the future.

The sub-fund (the 'Fund') is a Non-UCITS Retail Schemes (NURS) which comply with the requirements of the FCA FUND and COLL including the extended investment and borrowing powers in Chapter 5.

The Alternative Investment Fund Manager (AIFM) is responsible for managing the Fund (the Alternative Investment Fund (AIF)) and undertakes risk management for the Fund, in accordance with the AIFM Directive, the Alternative Investment Fund Managers Regulations 2013 and the FCA Rules. This role is performed by the Authorised Corporate Director (ACD), and references to the ACD in this Long Report include the AIFM as applicable.

Shareholders are not liable for the debts of the Company.

## Statement of the Authorised Corporate Director's responsibilities

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The Collective Investment Schemes Sourcebook published by the FCA, ('the COLL Rules') require the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net income and net gains or losses on the property of the Fund for the period.

In preparing the financial statements the ACD is responsible for:

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

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

## Approval of the annual report by the Authorised Corporate Director (ACD)

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In accordance with the requirements of a NURS which complies with the FCA FUND and COLL Sourcebooks and in accordance with COLL 4.5.8B R, I hereby approve the report on behalf of Carvetian Capital Management Limited for the year ended 30 April 2021.

*Stephen Cooke*  
*On behalf of Carvetian Capital Management Limited,*  
*the Authorised Corporate Director*  
*30 June 2021*

## Statement of the Depositary's responsibilities and report of the Depositary to the Shareholders of CCM Intelligent Wealth Investment Funds ICVC (the 'Company') for the year ended 30 April 2021

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The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), 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, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is 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 Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

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

## Independent auditor's report to the shareholders of CCM Intelligent Wealth Investment Funds ICVC ('the Company')

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### Opinion

We have audited the financial statements of The Intelligent Wealth Fund ('the Fund'), for the year ending 30 April 2021 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').

In our opinion the financial statements:

- give a true and fair view of the state of the Fund's affairs as at 30 April 2021 and of the net income and net capital gains on the property of the Fund for the year then ended;
- have been properly prepared in accordance with the Prospectus, the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority and United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### 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.

## Independent auditor's report to the shareholders of CCM Intelligent Wealth Investment Funds ICVC ('the Company')

(continued)

### 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 Fund Manager'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 Fund Manager'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 Fund Manager'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 ACD remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the fund and determined the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the IMA SORP 2014) and the relevant tax and other compliance regulations in the jurisdictions in which the fund operates.
- We understood how the Fund is complying with those frameworks by making enquiries of management, and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of relevant correspondence received from regulatory and legal bodies.

## Independent auditor's report to the shareholders of CCM Intelligent Wealth Investment Funds ICVC ('the Company')

(continued)

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- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by enquiring with management during the planning and execution phase of our audit. We considered the programs and controls that the ACD has established to address risks identified, or that otherwise prevent, deter and detect fraud and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk including revenue recognition. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
  - Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of the finance team and management; and focused testing.

### Use of our report

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

*Robert Wood (Senior Statutory Auditor)  
For and on behalf of  
Shipleys LLP  
Chartered Accountant and Statutory Auditor  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ  
30 June 2021*

## Fund information

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### Investment objective and policy

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

The Fund will predominantly (at least 80%) invest in a diversified portfolio of equities, held either directly or indirectly through exchange traded funds and collective investment schemes ('CIS') investing in those sectors described below. The Fund may also invest in bonds (both corporate and government debt securities), money market instruments, cash and near cash, warrants and other transferable securities. It is the ACD's intention that derivatives and forward currency transactions will only be used for the purposes of efficient portfolio management, including hedging.

Direct equity exposure will be achieved through investment in companies that are shaping our future by causing disruption in today's established marketplace, changing the way we work, shop and interact, or improving our healthcare or environment (though the Fund has no particular social or environmental goals). Intelligent or creative thinking leads to innovation. The CCM Intelligent Wealth Fund aims to invest in companies that harness such innovation to achieve growth by creating new markets or disrupting established ones.

Exchange traded funds and CIS that invest in industry sectors where innovation is driving major transformation will also be held by the CCM Intelligent Wealth Fund. Once a sector no longer evidences innovative and disruptive characteristics it will be removed as an investment theme and the exchange traded funds or CIS that operate in that sector will be sold.

There is no intended geographical focus, though, as it is home to numerous innovative and disruptive companies, US stocks held either directly or through collective investment arrangements may feature heavily in the portfolio. Similarly, innovative companies are often small with highly motivated, involved and committed management, so smaller companies held either directly or through collective investment arrangements may also feature to an extent greater than in other funds. Innovative and disruptive companies will comprise the predominant element of the portfolio.

The Fund may invest in CIS which have different investment strategies or restrictions than the Fund, including the ability to invest in derivatives for investment purposes and to gain exposure to assets which are not expressly listed above. Investment in CIS will usually be limited to those which invest primarily in the assets listed above and without exception, CIS will only be held in so far as the rules permit the Fund to gain exposure to the assets held by those CIS. The CIS in which the Fund will invest may include schemes which are managed or operated by the ACD or an associate of the ACD.

A Glossary of Definitions which provides definitions to some of the technical language used in this document is available from [www.carvetian.com/policies](http://www.carvetian.com/policies).

### Comparator benchmark

To gauge the relative performance of the Fund, Shareholders may compare the Fund's performance against the Investment Association's Global Sector. This is not a performance target nor constrains the way in which the Fund is managed. For further information on the Sector and its intended use, please refer to the Fund's Prospectus.

### Target market

The CCM Intelligent Wealth Fund is available to retail investors, as well as institutional investors and may be suitable for such investors seeking a fund that aims to deliver growth through investment in global companies that offer significant growth prospects with a long term investment horizon as a core or component of a portfolio of investments. Retail or institutional investors should understand and appreciate the risks associated with investing in such companies or will have received advice from an appropriately qualified professional adviser. The CCM Intelligent Wealth Fund is unlikely to be compatible with the requirements of an investor:

- looking for income or a guaranteed return; or
- seeking full capital protection; or
- who does not have sufficient resources to bear any loss resulting from the investment; or
- who is not able to evaluate the risks and merits of the Fund; or
- with a short or medium-term (less than five years) investment horizon.

**Fund information**  
*continued*

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**Investment manager**

The investment manager of the Fund is Minerva Money Management Limited.

**Distribution**

All shareholders own income shares, which entitle them to a share in any distribution made by the Fund. Normal distribution dates are 31 December and 30 June for income accrued as at 31 October and 30 April respectively.

Future distributions may fluctuate depending on the mix of assets over any specific reporting period.

**Annual management charge**

The annual charge for the Retail Share Class is 0.95% and for the Institutional Share Class is 0.75%.

## Investment manager's report for the year ended 30 April 2021

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### Market review

COVID-19 still dominated the world during the second half of 2020 and the first half of 2021. Many countries suffered from a second wave of the virus as various mutations made it more transmissible. This resulted in more lockdowns including the UK, which after trying a tiered approach ended up with some of the most severe national restrictions in the world.

Thankfully towards the end of 2020 science came to our rescue and a number of COVID-19 vaccines passed regulatory approval.

Markets continued their rapid recovery with the MSCI World index up 56.67% at the end of April 2021 from the low of 16th March 2020.

In the UK a Brexit deal was finally agreed with the EU at the 11th hour. The initial transition appears to have gone relatively smoothly overall but there do appear to be issues with the Northern Ireland protocol which will need sensible diplomacy to ensure this does not escalate.

The UK and EU have already seen relations turn frosty over COVID-19 vaccine supply.

The race is now on to see who can vaccinate their population quickest and get their economy going again. The UK has been a world leader in this process, getting orders in early on a number of different vaccines and this has led to outrage in the EU and threats on banning exports of vaccines made in the block.

A combination of the end of the Brexit saga and a vaccine boost led to the UK FTSE Allshare posting a 25.95% gain over the 12 months ending 30th April 2021.

In the US the Trump era ended in spectacular fashion after claims of voter fraud and protestors violently breaching the capital building, the US Presidential Election was won by Joe Biden.

One of Biden's biggest policy announcements so far has been a huge \$1.9 trillion stimulus package to help the recovery from COVID-19.

Up until the end of 2020, spurred on by the big tech companies that had profited from increased usage during lockdown, growth stocks had outperformed value stocks more impacted by the pandemic.

The Russell 3000 growth index was up 32.87% from 1 May 2020 to 28 December 2020 compared to the Russell 3000 value index which was up 18.24% over the same period.

Since the vaccine rollout across the globe this position has switched with value stocks gaining momentum. The growth index is up 4.50% since the start of the year to 30 April 2021 whereas the value index is up 13.86% as those stocks most impacted by the pandemic recover.

The Intelligent Wealth Fund has performed very strongly in this recovery up 52.56% over the review period.

### Investment activities

The Fund is benefiting from disruptive companies that are transitioning the economy. Warren Buffet said it is wise for investors to be "fearful when others are greedy, and greedy when others are fearful". Therefore, we took the opportunity to buy great businesses at a discount when the market declined in March 2020. Most of our holding has performed excellently this year and we believe they will continue to do well.

The investment company that focused on environmental friendly alternatives to the traditional production of meat and plant-based source of nutrition, Agronomics Limited is up 272.68%. Also, our investment in Wey Education profited 136.50% however, the company has been taken over by Inspired Education Holding Limited. Moreover, the semiconductor systems provider Micron Technology, Inc (up 80.31%) JSR Corporation (up 68.69%) and Alphabet Inc ( up 64.90%).

As Jim Slater once said "elephants don't gallop" meaning small companies have the capacity to grow more than big companies. As a result, we have reduced our position in the giant technology companies in the pursuit of a bigger gain. The good news is that one of our unlisted stocks Juvenescence, that is investing in anti-aging therapies that has the potential to extend human life is planning to go public within 6-12 months.

**Investment manager's report  
for the year ended 30 April 2021**  
*continued*

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The geopolitical tension between China and the U.S. is creating uncertainty as China is competing to emerge as the leading economic power and will continue to remain in a stalemate. Unfortunately, the instability has impacted some of our Chinese stocks. Baozun Inc the Chinese e-commerce services (down 17.75%) and NIO Inc, which is considered China's Tesla (down 19.34%). In addition, the U.S biopharmaceutical company Biogen Inc has gone down by 12.51%, however, the company is waiting for the FDA decision for its Alzheimer's therapy in June this year.

Sir John Templeton once said "bull markets are born in pessimism, grow on skepticism, mature on optimism, and die in euphoria," we think we are in the optimism phase for some stocks, with euphoria breaking out in some areas. However, the fund is well-positioned to buy if opportunities arise.

**Outlook**

The signs for the global recovery are positive with COVID-19 vaccines rolling out around the world. The vaccines are proving to be strong at fighting the virus and this should ensure a return to normality and the release of pent up demand in consumers.

There is however always the risk that a new variant breaks through the protection of the vaccines. The issue most on investors' minds now is the potential of rising inflation. If the economy heats up too quickly it could lead to a rise in interest rates sooner than expected. This will hit companies and consumers with large debt.

We will continue to look for large growth potential in smaller stocks that should benefit from the recovery.

*Minerva Money Management Limited  
13 May 2021*

*Source: FE Analytics*

## Net asset value per income share, price record and comparative tables

### Change in net asset value per income share

All prices quoted are based on bid price

	Institutional shares			Retail shares		
	Year ended 30 April 2021 p	Year ended 30 April 2020 p	Period* ended 30 April 2019 p	Year ended 30 April 2021 p	Year ended 30 April 2020 p	Period* ended 30 April 2019 p
<b>Opening net asset value per share</b>	<b>86.97</b>	<b>97.19</b>	<b>100.00</b>	<b>86.64</b>	<b>97.01</b>	<b>100.00</b>
Return before operating charges†	54.73	(9.17)	(1.77)	54.15	(9.26)	(1.63)
Operating charges	(1.23)	(1.05)	(1.04)	(1.19)	(1.11)	(1.36)
<b>Return after operating charges†</b>	<b>53.50</b>	<b>(10.22)</b>	<b>(2.81)</b>	<b>52.96</b>	<b>(10.37)</b>	<b>(2.99)</b>
Distributions on income shares						
Interim	(0.25)	-	-	(0.16)	-	-
Final	(0.32)	-	-	(0.11)	-	-
<b>Total distributions on income shares</b>	<b>(0.57)</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.27)</b>	<b>0.00</b>	<b>0.00</b>
<b>Closing net asset value per share</b>	<b>139.90</b>	<b>86.97</b>	<b>97.19</b>	<b>139.33</b>	<b>86.64</b>	<b>97.01</b>
†after direct transaction charges of	0.30	0.18	0.28	0.29	0.20	0.36
<b>Performance</b>						
Return after operating charges	61.5%	(10.5)%	(2.8)%	61.1%	(10.7)%	(3.0)%
<b>Other information</b>						
Closing net asset value (NAV)	£1,399	£870	£972	£14,475,376	£9,203,291	£8,834,904
Closing number of shares	1,000	1,000	1,000	10,389,250	10,622,389	9,107,646
Operating charges	0.96%	0.96%	1.24%	1.16%	1.16%	1.46%
Portfolio turnover ratio	-	-	-	179.31%	169.69%	74.80%
Direct transaction charges	0.29%	0.19%	0.28%	0.28%	0.16%	0.37%
<b>Prices (p)</b>						
Highest	140.30	103.90	110.70	139.40	103.50	110.70
Lowest	85.50	77.78	86.00	85.17	77.49	85.90

\*CCM Intelligent Wealth Fund was launched on 16 April 2018 and started dealing on 1 May 2018.

### NURS-KII risk and reward profile

The numerical risk and reward indicator as published in the latest Non-UCITS Retail Scheme Key Investor Information (NURS-KII) document is in category 6.

Both share classes are ranked in risk category 6 as its price has experienced much higher than average price rises and falls historically (2020: category 5).

For further information on the Fund's risk and reward profile please refer to the most up to date NURS-KII which is available at [www.yealand.com](http://www.yealand.com).

### Value assessment report

We are required to undertake a formal review of the Fund in order to assess the value which Shareholders are receiving from their investments. This assessment considers elements such as the fees which are paid, the quality of services provided and the investment performance obtained. We are required to publish a report which summarises the outcome of the review and, if relevant, to take steps to address any instances of poor value. We publish a single value assessment report covering all our funds by 31 January each year. Copies of these reports can be obtained from <https://carvetian.com/policies/>.

**Portfolio statement**  
as at 30 April 2021

Investment	Holding	Market value £	% of total net assets
<b>DEBT SECURITIES - 3.31% (0.00%)</b>			
<b>United States Dollar Denominated Bonds - 3.31% (0.00%)</b>			
Juvenescence Convertable Bond	662,298	479,180	3.31
<b>TOTAL DEBT SECURITIES</b>		<b>479,180</b>	<b>3.31</b>
<b>EQUITIES - 96.45% (91.47%)</b>			
<b>Asia &amp; Australasia - 14.81% (0.00%)</b>			
<b>China - 8.31% (0.00%)</b>			
Alibaba Group	10,779	226,018	1.56
Baozun	10,445	261,852	1.81
NIO	15,300	441,017	3.05
Yeahka	45,790	273,534	1.89
		<b>1,202,421</b>	<b>8.31</b>
<b>Hong Kong - 1.34% (0.00%)</b>			
IGG	159,000	194,111	1.34
<b>South Korea - 2.27% (0.00%)</b>			
Nice Holdings Co	26,230	328,622	2.27
<b>Taiwan - 2.89% (0.00%)</b>			
Taiwan Semiconductor Manufacturing ADR	4,950	418,054	2.89
<b>Total Asia &amp; Australasia</b>		<b>2,143,208</b>	<b>14.81</b>
<b>Emerging Markets - 3.76% (0.00%)</b>			
<b>Israel - 3.76% (0.00%)</b>			
Nova Measuring Instruments	7,995	544,318	3.76
<b>Total Emerging Markets</b>		<b>544,318</b>	<b>3.76</b>
<b>Europe (ex UK) - 0.00% (11.93%)</b>			
<b>Channel Islands - 0.00% (6.48%)</b>			
<b>Netherlands - 0.00% (5.45%)</b>			

**Portfolio statement**  
as at 30 April 2021  
*continued*

Investment	Holding	Market value £	% of total net assets
<b>EQUITIES - 96.45% (91.47%) - continued</b>			
<b>Japan - 6.33% (3.40%)</b>			
JSR Corporation	20,700	460,602	3.18
Nintendo	1,100	456,165	3.15
		<b>916,767</b>	<b>6.33</b>
<b>North America - 29.87% (48.74%)</b>			
<b>United States - 29.87% (48.74%)</b>			
Alphabet 'A'	192	326,934	2.26
Amazon.Com	106	265,924	1.84
Biogen	893	172,721	1.19
Bristol-Myers Squibb	10,080	455,228	3.14
Juvenescence	40,486	723,514	5.00
KLA	1,293	295,010	2.04
Micron Technology	10,484	652,865	4.51
Microsoft	1,555	283,717	1.96
PayPal Holdings	1,885	357,716	2.47
Somero Enterprises	183,679	789,820	5.46
		4,323,449	29.87
<b>Total North America</b>		<b>4,323,449</b>	<b>29.87</b>
<b>United Kingdom - 41.68% (27.40%)</b>			
Agronomics	5,474,908	1,560,349	10.78
Augean	184,000	386,400	2.67
Augmentum Fintech	186,600	300,426	2.08
Computacenter	13,110	350,823	2.42
D4T4 Solutions	116,349	401,404	2.77
DotDigital Group	190,000	357,200	2.47
Games Workshop Group	2,825	306,513	2.12
Medica Group	204,500	320,042	2.21
Pires Investments	1,313,750	151,081	1.04
SDI Group	217,500	382,800	2.64
Softcat	28,730	550,754	3.80
Spirent Communications	107,570	273,443	1.89
Sure Ventures	194,667	204,400	1.41
Wey Education	1,065,000	489,900	3.38
		<b>6,035,535</b>	<b>41.68</b>
<b>TOTAL EQUITIES</b>		<b>13,963,277</b>	<b>96.45</b>

**Portfolio statement**  
as at 30 April 2021  
*continued*

Investment	Holding	Market value £	% of total net assets
<b>FUTURES &amp; DERIVATIVES - 3.55% (0.00%)</b>			
<b>Warrants - 3.55% (0.00%)</b>			
Agronomics Warrant 23/04/2023	3,181,818	513,227	3.55
<b>TOTAL FUTURES &amp; DERIVATIVES</b>		<b>513,227</b>	<b>3.55</b>
<b>Portfolio of investments</b>		<b>14,955,684</b>	<b>103.31</b>
<b>Net other liabilities</b>		<b>(478,909)</b>	<b>(3.31)</b>
<b>Net Assets</b>		<b>14,476,775</b>	<b>100.00</b>
<b>Summary portfolio of investments</b>		<b>Market value £</b>	<b>% of Investments</b>
Debt Securities		479,180	3.20
Equities		13,963,277	93.37
Futures & Derivatives		513,227	3.43
<b>Portfolio of investments</b>		<b>14,955,684</b>	<b>100.00</b>

*Figures in brackets refer to the proportion of the Fund invested in the equivalent investments as at 30 April 2020.*

*All investments are in ordinary stocks and shares except where otherwise stated.*

*(Inc) relates to income shares/units*

*(Acc) relates to accumulation shares/units*

## Summary of major portfolio changes

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### *The top ten largest purchases and sales for the reporting period*

<b>Purchases</b>	<b>Cost £'000</b>	<b>Sales</b>	<b>Proceeds £'000</b>
iShares Physical Gold ETC	1,210	iShares Physical Gold ETC	1,228
Agronomics	700	Agronomics	1,082
WisdomTree Physical Gold	612	Argo Blockchain	689
NIO	500	GrafTech International	642
Nintendo	493	Aberdeen Standard Physical Gold Shares ETF	616
Juvenescence Convertable Bond	439	WisdomTree Physical Gold	613
Softcat	402	ETFS Physical Gold	605
Nova Measuring Instruments	399	Fiat Chrysler Automobiles NV	538
Amazon.Com	348	Alphabet 'A'	468
Yeahka	316	Games Workshop Group	432

**Statement of total return**  
 for the year ended 30 April 2021

		30 April 2021		30 April 2020	
	Note	£	£	£	£
Income					
Net capital gains/(losses)	4		5,639,659		(1,082,315)
Revenue	6	176,368		110,209	
Expenses	7	(127,962)		(111,341)	
Interest payable and similar charges	9	(230)		-	
Net revenue/(expense) before taxation		48,176		(1,132)	
Taxation	8	(19,545)		(7,676)	
Net revenue/(expense) after taxation			28,631		(8,808)
Total return before distributions			5,668,290		(1,091,123)
Distributions	9		(28,608)		19
Change in net assets attributable to shareholders from investment activities			5,639,682		(1,091,104)

**Statement of change in net assets attributable to shareholders**  
 for the year ended 30 April 2021

		30 April 2021		30 April 2020	
		£	£	£	£
Opening net assets attributable to shareholders			9,204,161		8,835,876
Amounts receivable on issue of shares	1,505,938			2,234,797	
Amounts payable on cancellation of shares	(1,873,006)			(775,408)	
			(367,068)		1,459,389
Change in net assets attributable to shareholders from investment activities (see above)			5,639,682		(1,091,104)
Closing net assets attributable to shareholders			14,476,775		9,204,161

**Balance sheet**  
as at 30 April 2021

	Note	30 April 2021	30 April 2020 £
<b>Assets:</b>			
Investments		14,955,684	8,419,466
<b>Current assets:</b>			
Debtors	10	231,182	37,587
Cash and bank balances		-	1,068,964
		<u>231,182</u>	<u>1,106,551</u>
<b>Total assets</b>		<b><u>15,186,866</u></b>	<b><u>9,526,017</u></b>
<b>Liabilities:</b>			
<b>Provisions for liabilities:</b>			
Cash and bank balances		(505,401)	-
Net distributions payable on income shares		(11,265)	-
Creditors	11	(193,425)	(321,856)
<b>Total liabilities</b>		<b><u>(710,091)</u></b>	<b><u>(321,856)</u></b>
<b>Net assets attributable to shareholders</b>		<b><u>14,476,775</u></b>	<b><u>9,204,161</u></b>

## Notes to the financial statements as at 30 April 2021

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### 1. Accounting policies

#### A. Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by The Investment Association (IA) in May 2014, updated June 2017.

Where applicable a balance sheet item line is included for cash and cash equivalent investments. Whereby, representing highly liquid cash investments held in the base currency of the Fund, that are readily convertible to a known amount of cash, and are subject to an insignificant risk of change.

The ACD is confident that the Company will continue in operation for the foreseeable future. The Company has adequate financial resources and its assets consist of securities which are readily realisable. As such, the financial statements have been prepared on a going concern basis.

The base currency of the Company is Sterling and is taken to be the 'functional currency' of the Company.

#### B. Valuation of investments

Listed investments are valued at bid market value at 23:59 on the balance sheet date net of any accrued interest which is included in the balance sheet as an income related item. Collective investment schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting period. Unlisted or suspended investments are valued by the Investment Manager taking into account, where appropriate, latest dealing prices, valuations from independent reliable sources, financial performance and other relevant factors.

#### C. Foreign exchange

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transactions.

Assets and liabilities denominated in overseas currencies have been translated into Sterling at the rates of exchange ruling at 23:59 on the last business day of the accounting period. Exchange rate differences arising on the translation are recognised in the statement of total return for the year.

#### D. Financial derivative instruments

- I. Currency contracts and options - Spot and forward currency contracts and options are marked to market daily and the change in value is recorded as an unrealised gain or loss. Realised gains or losses, equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed, are recorded upon delivery or receipt of the currency or, if a spot or forward currency contract is offset by entering into another spot or forward currency contract with the same broker, upon settlement of the net gain or loss.
- II. Futures contracts - Futures contracts are marked to market daily and an appropriate gain or loss for the change in value ('variation margin') is recorded by the Fund as realised.
- III. Options - Options are marked to market daily and an appropriate gain or loss for the change in value ('variation margin') is recorded by the Fund as realised.
- IV. Efficient portfolio management - Where appropriate, certain permitted transactions such as derivatives or forward currency transactions are used for efficient management. Where such transactions are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in 'Revenue' or 'Expenses' in the statement of total return. Where such transactions are used to protect or enhance capital, the gains and losses derived therefrom are included in 'Net capital gains' in the statement of total return. Any positions on such transactions open at the period end are reflected in the balance sheet at their mark to market value.

#### E. Revenue

Dividends from quoted equity and non-equity shares are recognised net of attributable tax credits when the security is quoted ex-dividend. Overseas dividends received after the deduction of withholding tax are shown gross of taxation, with the taxation consequences shown within the tax charge. Dividends are recognised as either revenue or capital depending upon the nature and circumstances of the dividend receivable.

Revenue from unquoted equity investments is recognised when the dividend is declared.

## Notes to the financial statements

as at 30 April 2021

*continued*

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### 1. Accounting policies - continued

#### E. Revenue - continued

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment and is treated as revenue. The effective yield basis amortises or accretes any discount or premium on the purchase of an investment over its remaining life based on estimated future cashflow. Any adjustments resulting from changes in cashflow estimates are treated as capital.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the scheme and does not form part of the distributable income. Deemed distributions and reportable income from offshore funds are calculated and are included in revenue. Rebates of annual management charges (AMC rebates) from underlying funds are accounted for on an accruals basis and are recognised as revenue or capital in line with the distribution policies of the underlying funds.

Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares. The ordinary element of stocks received in lieu of cash dividends are recognised as revenue of the Fund. Any enhancement above the cash dividend is treated as capital. Interest on bank and other cash deposits is recognised on an accruals basis.

#### F. Expenses

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

#### G. Taxation

Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset.

Offshore income gains from funds, without reporting status, are liable to corporation tax at 20% and any resulting charge is deducted from capital.

#### H. Deferred taxation

Deferred taxation is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences regarded as permanent. Any liability to deferred taxation is provided for at the average rate of taxation expected to apply, based on tax rates substantially enacted by the balance sheet date.

A deferred tax asset is recognised to the extent that it is expected to be utilised, based on the likelihood of taxable profits arising in the next twelve month period from which the future reversal of timing differences could be deducted.

Deferred tax assets and liabilities are not discounted to reflect the time value of money, unless material.

#### I. COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Manager is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice.

#### 2. Distribution policy

The Fund will distribute all revenue disclosed in the financial statements (less expenses and taxation) subject to an adjustment for other expenses deemed to be of a capital nature. Should expenses and taxation exceed revenue, there will be no distribution and the shortfall will be met from capital.

Income earned in an interim accounting period may not all be distributed immediately but retained and used to ensure that distributions paid throughout the year are broadly similar. This policy is known as 'smoothing'.

## Notes to the financial statements

as at 30 April 2021

*continued*

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### 2. Distribution policy - continued

Interim distributions may be made at the ACD's discretion.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the Fund.

### 3. Risk management policies

In pursuing its investment objective the Fund holds a number of financial instruments. These comprise equity, fixed income securities, foreign currency contracts and cash.

Short-term debtors and creditors that arise directly from its operations are not considered financial instruments.

The main risks arising from the Fund's financial instruments are market price, currency and interest rate risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate.

Shares in the Fund should generally be regarded as long term investments.

- I. Market risk - Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of adverse price movements. The ACD meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. The ACD has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.
- II. Foreign currency risk - A portion of the Fund's assets and income are denominated in currencies other than Sterling, which is the currency of shares in the Fund. The income and capital value of the Fund's investments can be significantly affected by foreign currency translation movements. The principal area where foreign currency risk could impact the Fund is movement in exchange rates affecting the value of investments. The ACD has the responsibility for monitoring the foreign currency risk of the Fund and does this by reviewing the underlying exposure to foreign currencies on the security holdings and cash positions. Where it is considered necessary the manager will use forward foreign currency contracts to reduce the risk to this underlying foreign currency exposure. The purpose of any forward foreign currency contract is to manage the currency risk arising from the Fund's investment activities. Open positions, which are all covered, are included in the net current assets attributable to shareholders as shown in the balance sheet. Numerical disclosure of the foreign currency risk profile is made in note 15 of the notes to the financial statements.
- III. Interest rate risk - The risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in the interest rate environment, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of income receivable from fixed interest securities and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Numerical disclosure of the interest rate risk profile is made in note 15 of the notes to the financial statements.
- IV. Liquidity risk - The Fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Fund is the redemption of any shares that investors may wish to sell.
- V. Credit risk - Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities.  
The Fund minimises this risk by conducting trades through reputable counter parties.
- VI. Fair value - There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

## Notes to the financial statements

as at 30 April 2021

continued

	Year ended 30 April 2021 £	Year ended 30 April 2020 £
<b>4 Net capital gains/(losses)</b>		
<b>The net capital gains/(losses) on investments during the period comprise:</b>		
Unrealised on derivatives b/fwd	-	-
Unrealised on derivatives c/fwd	(18)	-
Net losses on derivative securities	(18)	-
Unrealised on non-derivatives b/fwd	924,461	30,687
Unrealised on non-derivatives c/fwd	3,526,953	(924,461)
Realised on non-derivatives	1,217,092	(299,116)
Net currency gains/(losses)	(27,739)	111,352
Net gains/(losses) on non-derivative securities	5,640,767	(1,081,538)
Transaction charges	(1,090)	(777)
<b>Net capital gains/(losses) on investments</b>	<b>5,639,659</b>	<b>(1,082,315)</b>

## 5 Portfolio Transaction costs

### Year ended 30 April 2021

Analysis of purchases	Net purchase cost £	Commissions paid		Taxes	
		£	%	£	%
Collective investment schemes	294,028	206	0.07	-	-
Debt securities	86	-	-	-	-
Equities	10,739,419	7,689	0.07	8,925	0.08
Futures and derivatives	730,782	509	0.07	3,146	0.43
<b>Total purchases after commissions and tax</b>	<b>11,764,315</b>				

Analysis of sales	Net sales proceeds £	Commissions paid		Taxes	
		£	%	£	%
Collective investment schemes	265,140	186	0.07	1	-
Debt securities	49,963	35	0.07	1	-
Equities	10,293,308	7,509	0.07	2,092	0.02
Futures and derivatives	287,261	201	0.07	1	-
<b>Total sales after commissions and tax</b>	<b>10,895,672</b>				

Commission % of average NAV 0.15

Taxes % of average NAV 0.13

## Notes to the financial statements

as at 30 April 2021

continued

### 5 Portfolio Transaction costs - continued

Year ended 30 April 2020

Analysis of purchases	Net purchase	Commissions	Taxes		
	cost	paid	%	£	%
	£	£			
Equities	10,068,623	7,435	0.07	4,427	0.04
<b>Total purchases after commissions and tax</b>	<b>10,068,623</b>				

Analysis of sales	Net sales	Commissions	Taxes		
	proceeds	paid	%	£	%
	£	£			
Equities	9,308,115	6,910	0.07	-	-
<b>Total sales after commissions and tax</b>	<b>9,308,115</b>				

Commission % of average NAV 0.15

Taxes % of average NAV 0.05

*Direct transaction costs are fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the Fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.*

	Year ended 30 April 2021	Year ended 30 April 2020
	£	£
<b>6 Revenue</b>		
UK Franked dividends	20,355	50,056
Non taxable overseas dividends	153,702	59,696
Unfranked dividends	460	-
Interest on fixed interest securities	1,851	-
Bank interest	-	457
	<u>176,368</u>	<u>110,209</u>

## Notes to the financial statements

as at 30 April 2021

continued

	Year ended 30 April 2021 £	Year ended 30 April 2020 £
<b>7 Expenses</b>		
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	109,859	94,803
Price publication fees	1,500	1,500
Registration fees	1,000	1,000
	<u>112,359</u>	<u>97,303</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	6,186	5,814
Safe custody fees	584	158
	<u>6,770</u>	<u>5,972</u>
<b>Other expenses</b>		
Audit fees	6,996	6,956
Legal and professional fees	-	101
Price publication fees	1,260	-
Printing and publication costs	420	920
Regulatory fees	157	89
	<u>8,833</u>	<u>8,066</u>
<b>Total expenses</b>	<u>127,962</u>	<u>111,341</u>
<b>8 Taxation</b>		
<b>a. Analysis of charge for the period</b>		
UK corporation tax	-	-
Overseas withholding tax	19,545	7,676
Total tax charge	<u>19,545</u>	<u>7,676</u>
Corporation tax has been provided at a rate of 20%.		
<b>b. Factors affecting the tax charge for the period</b>		
Net revenue/(expense) before taxation	<u>48,176</u>	<u>(1,132)</u>
<i>The tax charged for the period is lower than the standard 20% rate of corporation tax applicable to open ended investment companies (OEICs). The differences are explained below:</i>		
Corporation tax at 20% thereon (2020: 20%):	9,635	(226)
Effects of:		
Franked investment income	(4,071)	(10,011)
Non taxable investment income	(30,740)	(11,939)
Movement in excess management expenses	25,176	22,176
<b>UK corporation tax</b>	<u>0</u>	<u>0</u>
Overseas withholding tax	19,545	7,676
Current tax charge for the period (note 8a)	<u>19,545</u>	<u>7,676</u>
<i>The Fund has unrelieved excess management expenses of £330,636 (2020: £204,755). Authorised investment companies with variable capital are exempt from tax on capital gains.</i>		

## Notes to the financial statements

as at 30 April 2021

*continued*

	Year ended 30 April 2021 £	Year ended 30 April 2020 £
<b>9 Finance costs</b>		
The distributions take account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:		
Interim Distribution	16,724	-
Final Distribution	11,265	-
<b>Net distribution for the period</b>	<u>27,989</u>	<u>-</u>
Add: Income deducted on cancellation of shares	978	1
Deduct: Income received on issue of shares	(359)	(20)
<b>Net distribution for the period</b>	<u>28,608</u>	<u>(19)</u>
Interest	230	-
Total Finance costs	<u>28,838</u>	<u>(19)</u>
Reconciliation of distribution:		
Net revenue/(expense) after taxation	28,631	(8,808)
Shortfall due from capital	-	8,789
Deduct: Income carried forward	(23)	-
<b>Net distribution for the period</b>	<u>28,608</u>	<u>(19)</u>
<i>Details of the distribution per share are set out in the distribution table.</i>		
	<b>30 April 2021</b> £	<b>30 April 2020</b> £
<b>10 Debtors</b>		
Amounts receivable on issues	20,953	29,306
Sales awaiting settlement	194,339	-
<i>Accrued income:</i>		
Franked income	15,593	7,983
<i>Pre-paid expenses:</i>		
Amounts pre-paid to the ACD, or associates of the ACD:		
Price publication fees	129	129
Registration fees	168	169
<b>Total debtors</b>	<u>231,182</u>	<u>37,587</u>

## Notes to the financial statements

as at 30 April 2021

*continued*

	30 April 2021 £	30 April 2020 £
<b>11 Creditors</b>		
Amounts payable on cancellations	(172,898)	(10,895)
Currency deals outstanding	(18)	-
Purchases awaiting settlement	-	(295,979)
<i>Accrued expenses:</i>		
Amounts payable to the ACD, or associates of the ACD:		
ACD fee	(12,441)	(7,324)
Amounts payable to the Depositary, or associates of the Depositary:		
Depositary fee	(510)	(312)
Safe custody and other bank charges	(292)	(80)
<i>Other:</i>		
Audit fee	(6,996)	(6,996)
Printing fee	(270)	(270)
<b>Total creditors</b>	<u>(193,425)</u>	<u>(321,856)</u>

	Year ended 30 April 2021 Institutional Shares	Year ended 30 April 2021 Retail Shares	Year ended 30 April 2020 Institutional Shares	Year ended 30 April 2020 Retail Shares
<b>12 Shareholders funds</b>				
The Fund has two share class, Institutional and Retail.				
Opening number of shares	1,000	10,622,389	1,000	9,107,646
Shares issued	-	1,269,364	-	2,338,848
Shares cancelled	-	(1,502,503)	-	(824,105)
<b>Closing number of shares</b>	<u>1,000</u>	<u>10,389,250</u>	<u>1,000</u>	<u>10,622,389</u>

### 13 Commitments, contingent liabilities and contingent assets

As at 30 April 2021 (2020: £nil) there were no outstanding contingent liabilities or commitments.

## Notes to the financial statements

as at 30 April 2021

*continued*

### 14 Related parties

Carvetian Capital Management Limited, is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the Fund.

The aggregated monies received through creations and liquidations are disclosed in the statement of change in shareholders net assets, amounts due to/from Carvetian Capital Management Limited in respect of share transactions at the year end are disclosed in notes 10 and 11.

Management fees payable to Carvetian Capital Management Limited and registration fees payable to Yealand Administration Limited, an associate of the ACD, are disclosed in note 7 and amounts due at the year end are disclosed in notes 10 and 11.

A shareholder with a holding in excess of 20% of the value of the Company may be able to exercise significant influence over the financial and operating policies of the Company with reference to shareholders' voting rights at general meetings and as such is deemed to be a related party.

Parties with an interest in excess of 20% of the Fund are as follows:

	Held at 30 April 2021	Held at 30 April 2020
Parmenion Nominees Limited	91.28%	98.37%

### 15 Financial instruments

The main risks from the Fund's holdings of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 3.

Numerical disclosures relating to the Fund are as follows:

	30 April 2021 £	30 April 2020 £
<b>Foreign currency risk</b>		
Euro	-	502,107
Hong Kong dollar	693,665	-
Japanese yen	927,483	317,646
South Korean won	328,622	-
United States dollar	5,716,004	4,386,568
	<u>7,665,774</u>	<u>5,206,321</u>

#### Interest rate risk profile of financial assets and liabilities:

##### Financial assets with floating interest rates

Hong Kong dollar	2	-
United States dollar	514,096	9
Sterling	-	1,068,955
	<u>514,098</u>	<u>1,068,964</u>

##### Financial assets not carrying interest

Euro	-	502,107
Hong Kong dollar	693,663	-
Japanese yen	927,483	317,646
South Korean won	328,622	-
United States dollar	5,201,908	4,682,538
Sterling	7,556,009	2,954,762
	<u>14,707,685</u>	<u>8,457,053</u>

## Notes to the financial statements

as at 30 April 2021

continued

	30 April 2021	30 April 2020
	£	£
<b>15 Financial instruments - continued</b>		
<b>Financial liabilities with floating interest rates</b>		
Sterling	(540,319)	-
<b>Financial liabilities not carrying interest</b>		
United States dollar	-	(295,979)
Sterling	(204,689)	(25,877)
	<u>(204,689)</u>	<u>(321,856)</u>
<b>Total assets and liabilities</b>		
Euro	-	502,107
Hong Kong dollar	693,665	-
Japanese yen	927,483	317,646
South Korean won	328,622	
United States dollar	5,716,004	4,386,568
Sterling	6,811,001	3,997,840
	<u>14,476,775</u>	<u>9,204,161</u>

The Fund's net cash holdings of -£505,401 (2020: £1,068,964) are held in floating rate deposit accounts, whose rates are determined by the Bank of England base rate, LIBOR or other local interest rates as appropriate to the currency.

### Benchmark rates of index-linked stocks

The floating rate financial assets comprise variable rate securities, bank balances which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalents.

### Derivatives and other financial instruments

Sensitivity analysis is not shown because the maximum exposure of derivatives is not significant to the Fund. Open positions at the balance sheet date, which are all covered, are included in the net current assets.

## 16 Fair Value disclosure

Valuation technique	30 April 2021		30 April 2020	
	Assets	Liabilities	Assets	Liabilities
	£	£	£	£
Level 1	13,752,990	-	8,044,169	-
Level 2	-	-	-	-
Level 3	1,202,694	-	375,297	-
	<u>14,955,684</u>	<u>0</u>	<u>8,419,466</u>	<u>0</u>

Level 1. Fair value based on a quoted price for an identical instrument in an active market and generally will include quoted equities, some highly liquid bonds and exchange traded derivatives.

Level 2. Fair value based on the price of a recent transaction for an identical instrument and will generally include holdings in other schemes.

Level 3. Fair value based on a valuation technique that relies significantly on non-observable market data and will generally include unquoted equities and other values not primarily derived from observable market data.

## Notes to the financial statements

as at 30 April 2021

*continued*

### 17 Portfolio dealing spread

	30 April 2021	30 April 2020
Average portfolio spread	1.16%	2.04%

The average portfolio spread is the difference between the bid and offer prices of the weighted underlying investments, divided by the offer price expressed as a percentage.

### 18 Alternative Investment Fund ('AIF') periodic disclosure

In accordance with the requirement of the Investment Funds sourcebook (FUND) 3.2.6R, the ACD reports that the Fund may employ leverage or enter into derivative and forward transactions only for the purposes of Efficient Portfolio Management (EPM) as defined in the Regulations.

The maximum leverage permitted (FUND 3.2.2R(j)) does not exceed 10% borrowing of the total net asset value (NAV) plus any exposure to EPM. During the period this threshold was not exceeded nor have there been any changes to the leverage management of the Fund.

The ACD reports, as required by FUND 3.2.5R, there has been no change to the liquidity management during the period. At the reporting date the percentage of assets subject to special arrangements arising from their illiquid nature is 0.00% (2020: 0.00%) of the NAV.

#### *Remuneration policy*

Carvetian rewards its staff fairly and appropriately for their contribution to the growth and success of the business and the provision of a high level of services to clients. The remuneration policy is designed to be consistent with, and promote, sound and effective risk management.

The remuneration of staff is reviewed annually taking into account individual performance and market rates for the role being undertaken. Any bonus arrangement is also reviewed annually to ensure alignment with Carvetian's aims of the growth and success of the business and the provision of a high level of service to clients. There is no direct link to investment performance and bonuses do not encourage excessive risk taking.

Remuneration: Year ended 31 December 2020	Number of staff	Fixed remuneration £'000	Variable remuneration £'000	Total remuneration £'000
Total Remuneration	5	257	54	311
Senior Management	2	167	49	216
Staff who have a material Impact on Funds' risk profile	3	90	5	95
Staff holding Control Functions	2	167	49	216

The staff members included in the above analysis support the entirety of the funds managed by the ACD. It is not considered feasible or useful to attempt to apportion these figures to individual funds. Details of the ACD's most recent remuneration policy, including a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding remuneration and benefits, are available at [www.carvetian.com/important-information/](http://www.carvetian.com/important-information/). A paper copy is available free of charge upon request.

### 19 Post balance sheet events

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

## Distribution table

For the year ended 30 April 2021 in pence per share

### Institutional shares

#### Interim dividend

Group 1 shares - Shares purchased prior to 1 May 2020

Group 2 shares - Shares purchased from 1 May 2020 to 31 October 2020

	Net revenue	Equalisation	Paid on 31 December 2020	Paid on 31 December 2019
Group 1	0.2490	-	0.2490	-
Group 2	0.2490	-	0.2490	-

#### Final dividend

Group 1 shares - Shares purchased prior to 1 November 2020

Group 2 shares - Shares purchased from 1 November 2020 to 30 April 2021

	Net revenue	Equalisation	Payable on 30 June 2021	Paid on 30 June 2020
Group 1	0.3150	-	0.3150	-
Group 2	0.3150	-	0.3150	-

### Retail shares

#### Interim dividend

Group 1 shares - Shares purchased prior to 1 May 2020

Group 2 shares - Shares purchased from 1 May 2020 to 31 October 2020

	Net revenue	Equalisation	Paid on 31 December 2020	Paid on 31 December 2019
Group 1	0.1572	-	0.1572	-
Group 2	0.1501	0.0071	0.1572	-

#### Final dividend

Group 1 shares - Shares purchased prior to 1 November 2020

Group 2 shares - Shares purchased from 1 November 2020 to 30 April 2021

	Net revenue	Equalisation	Payable on 30 June 2021	Paid on 30 June 2020
Group 1	0.1084	-	0.1084	-
Group 2	0.0835	0.0249	0.1084	-

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares, and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax, but must be deducted from the cost of shares for capital gains tax purposes.

## General information

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### Buying and selling shares

On purchasing shares, you will receive a contract note confirming your purchase, which will be issued the business day after the deal has been priced. As proof of ownership, your name will be recorded on the register following receipt of payment and full registration details.

The Fund is valued daily at 10:00 am Monday to Friday. The prices calculated at these valuations will determine the price at which your deal is transacted. The Funds are priced on a forward basis, i.e. all deals struck before the 10:00 am valuation point receive prices calculated at that valuation point.

The current Fund prices are available online at [www.yealand.com](http://www.yealand.com) (together with yield information) or at the registered office of the ACD. Also available from the website and ACD is the distribution information and the latest Non-UCITS Key Investor Information (NURS-KII) document, which includes risk and reward numerical indicators of the Fund. The full report and accounts are available free of charge on request from the ACD.

The ACD may vary the initial charge up to the maximum by giving the Depositary notice of the change and amending the Prospectus.

Subject to the FUND and COLL Sourcebooks, the basis upon which prices may be calculated and any discounts on the initial charge are at the discretion of the ACD.

The minimum initial investment in the 'R' shares is £10,000. The minimum subsequent transaction size is £1,000 and the minimum holding is £10,000. The minimum initial investment in the 'I' shares is £250,000. The minimum subsequent transaction size is £25,000 and the minimum holding is £250,000. Shares may be purchased or sold by telephoning 0345 850 0255 or writing to: Carvetian Capital Management Limited, Stuart House, St John's Street, Peterborough PE1 5DD. For your protection calls are recorded.

A contract note will be issued to confirm any sale of shares with payment being issued on the third business day following the pricing of the sale and all necessary renunciation documentation being received by the ACD.

The dealing time for telephone deals is 09:00 - 17:00 every business day.

### ACD's approach to dilution

Unusually high levels of buying and selling may increase the Fund's dealing costs and affect the value of its assets. This is known as 'dilution'. To prevent this and to protect the interests of the majority of shareholders, the ACD at its discretion may charge a dilution levy. If charged, the dilution levy will be paid into the Fund for the benefit of shareholders and will become part of the property of the Fund.

### Revenue

The Funds offers income shares which entitle shareholders to a share in any distribution of the revenue made by the Fund, less expenses and applicable taxation, provided they retain those shares until and including the Fund's dividend dates i.e. 31 October and 30 April each year. Any revenue to be distributed to shareholders is paid out on the Fund pay dates i.e. 31 December and 30 June each year. The revenue may be paid to shareholders, directly to certain bank and building society accounts (BACS), by cheque or reinvested in the Fund.

### Tax

#### Capital gains

Authorised funds are currently exempt from capital gains tax on the disposal of their investments. UK residents who are individuals or trusts may be liable to UK taxation of capital gains arising from the sale or other disposal of shares in the Fund if their total gains from all sources exceed the exemption limit for the tax year in which the disposal takes place.

UK corporates will be subject to corporation tax on chargeable gains on profits made on the disposal of their shares in the Fund.

#### Income tax

The following paragraphs summarise the basis of taxation on distributions, based on current legislation.

UK resident individuals are taxed on the sum of their distributions in excess of the tax-free dividend allowance of £2,000. Basic rate taxpayers will pay 7.5% income tax on dividends received in excess of the dividend allowance, higher rate taxpayers will pay 32.5% income tax, and additional rate taxpayers will pay 38.1% income tax. The dividend allowance is not available to Trusts.

Potential investors are advised to seek professional advice.

## General information

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### **Corporate holders**

For corporate shareholders, where the gross income from which the dividend distribution is made is not wholly franked investment income, part of the distribution is received as an annual payment.

Corporate shareholders will be subject to corporation tax on the non-franked element of distributions, which will be covered by the tax withheld by the fund.

The amount of tax recoverable on dividends deemed to be annual payments will match the corporation tax paid by the Fund.

It should be noted that levels and bases of tax may be subject to change.

If investors are in any doubt as to their taxation position they should consult their professional advisor.

### **Protected Cell Regime**

On 21 December 2011, the Protected Cell Regime was introduced for umbrella ICVC's. The effect of this segregated liability is to ring-fence the assets of each sub-fund of the Company. If the assets attributable to any sub-fund are insufficient to meet its liabilities, the shortfall will not be met out of the assets attributable to any other sub-fund of the umbrella company.

### **Further information**

Further details of the sub-funds are included in the Prospectus, which is available upon request from: Carvetian Capital Management Limited, Stuart House, St. John's Street, Peterborough PE1 5DD.

## Directory

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### **Authorised Corporate Director (the ACD)**

Carvetian Capital Management Limited  
Stuart House  
St. John's Street  
Peterborough  
PE1 5DD

Tel: 0345 850 0255

Fax: 01733 286833

e-mail: [carvetian@yealand.com](mailto:carvetian@yealand.com)

*Registered in England Number 6923395*

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

### **Fund administration, dealing and registration**

Yealand Administration Limited  
Stuart House  
St. John's Street  
Peterborough  
PE1 5DD

Tel: 0345 850 0255

Fax: 01733 286833

e-mail: [carvetian@yealand.com](mailto:carvetian@yealand.com)

Website: [www.yealand.com](http://www.yealand.com)

### **Investment manager**

Minerva Money Management Limited  
17 Shirwell Crescent  
Furzton Lake  
Milton Keynes  
MK4 1GA

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

### **Depository**

NatWest Trustee and Depository Services  
Limited

Registered and Head Office:

250 Bishopsgate

London

EC2M 4AA

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

### **Auditor**

Shipleys LLP

10 Orange Street

Haymarket

London

WC2H 7DQ