VT CONTRA CAPITAL FUNDS ICVC
(Sub-fund VT Lyndon Fund)

Annual Report and Financial Statements
For the Period 20 January 2020 to 31 December 2020

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Size of Company	£16,059,791
Launch date	20 January 2020
Type of Company	VT Contra Capital Funds ICVC (the Company) is an investment company with variable capital incorporated in England and Wales under the OEIC Regulations with registered number IC021606 and authorised by the Financial Conduct Authority (PRN: 918272) pursuant to an authorisation order dated 13 December 2019. The Company has an unlimited duration. The Company is a UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). Each Sub-fund would be a UCITS scheme if it had a separate authorisation order. Shareholders are not liable for the debts of the Company.
Sub-fund objective and policy	The investment objective of the Sub-fund is to achieve long-term (5 years) total returns comprised of income and capital growth. Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a five year, or any, period. The Sub-fund will be managed actively with a long-term investment horizon and investments will largely be determined by the application of a contrarian investment process (that is investments will be often be selected on the basis that the manager considers that they are, at the time of purchase, overlooked and underestimated by the wider market). At least 70% of the Sub-fund will be invested in direct equities. The Sub-fund may, at times, invest in a relatively small number of equities, the selection of which will not be restricted either by size, industry, or geographical location of the underlying companies. The Sub-fund may take investment exposure to equities, fixed interest instruments, cash and near cash (which includes money market instruments and deposits in any currency), commodities, property and alternative assets (such as hedge funds and private equity funds). Any such exposures could be gained by direct investment or through funds, though no direct investments in property or commodities will be made and investment in alternative assets will be restricted to UCITS funds and transferable securities. The Sub-fund may use derivatives and forward transactions for the purposes of meeting the investment objective or EPM.
Derivatives	The Sub-fund may hold derivatives for Investment Purposes and for EPM purposes (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Sub-fund.

Benchmark	To gauge the relative performance of the Sub-fund, Shareholders may compare the Sub-fund's performance against the UK Consumer Price Index (CPI) (the "Index") on an annualised basis over a complete market cycle. The Consumer Price Index is published by the Office for National Statistics, further information for which can be obtained from www.ons.gov.uk. The Index has been recommended for comparison purposes as it a common standard which will allow assessment as to whether shareholders' investments are growing in real terms over a time period which is consistent with the Sub-fund's long-term investment horizon. Performance comparisons against the Index may be least representative during periods of very strong performance (either positive or negative) in particular markets and comparison should be made over periods of at least 5 years in order to reduce the impact of short-term performance.
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 December, 31 March, 30 June, 30 September
Distribution dates	By last day of February, By 31 May, 31 August, 30 November
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Minimum investment	
Lump sum subscription:	Class B - Income/Accumulation = £1,000,000 Class C - Accumulation = £20,000
Top-up:	Class B - Income/Accumulation = £10,000 Class C - Accumulation = £100
Holding:	Class B - Income/Accumulation = £1,000,000 Class C - Accumulation = £20,000
Redemption & Switching:	Class B - N/A (provided minimum holding is maintained) Class C - N/A (provided minimum holding is maintained)
Initial & Redemption charges	Nil

The ACD may waive the minimum levels (and initial charge and redemption charge) at its discretion.

Annual Management Charges

The Annual Management charges are:

Class B - Income/Accumulation = 0.75% per annum
Class C - Accumulation = 0.00% per annum

The above percentages being percentages of the net asset value of the Fund attributable to the relevant class (plus VAT if applicable).

Class C shares are only available to shareholders at the ACD's discretion.

2020 was one of the most extraordinary years in the capital markets that anyone alive today has witnessed. Global equities started the year buoyantly, with many markets setting new all-time highs in February and then, just a month later, they had fallen by a third or more.

Whilst less sharp than the fall, the recovery was also wrenchingly abrupt, with the US equity market the standout here. The benchmark S&P 500 Index had recovered all its losses by August and ended the year, rather bizarrely, +16% above where it had started 2020, a time when Covid had been on no investor’s horizon. The UK equity market proved less elastic, with the FTSE 100 Index ending the year down by -14%, with this the worst calendar year performance since 2008.

2020 was both way too “interesting” in the apocryphal Chinese curse kind of way and yet, away from the financial markets, most people’s lived experience was often crushingly dull. It was also far from the most felicitous time to launch an equity fund, especially an equity fund managed with a “value” or contrarian approach. Indeed, 2020 was one of the absolute worst years for value investors on record and the performance of the VT Lyndon Fund, which is underpinned by a value investing philosophy, was consequently disappointing. From inception on 20th January 2020 through to the year-end, the fund (as measured by the Class B Accumulation shares) was down by -9.3%. A painful performance in what was an exceptionally difficult year.

Most of the damage was done in the first quarter of 2020, when the impact of the SARS-Cov-2 pandemic began to be apprehended. During this period the equity market fell chaotically and seemingly indiscriminately, with little apparent differentiation between those stocks that were cheap at the outset and those that were highly valued. Actually no, that’s not quite right, there was some discrimination between highly and lowly valued stocks, just not of the sort that one typically sees in a sell-off following a long bull market. During the Q1 market rout, the more lowly-rated ‘value’ stocks performed considerably worse than the more highly rated ‘growth’ parts of the market. And this was after ‘value’ stocks had been notably weak over the preceding couple of years, meaning that they were already trading at abnormally wide valuation discounts to growth stocks.

The acute underperformance of ‘value’ versus both ‘growth’ and the wider market was naturally deeply unhelpful for the VT Lyndon Fund’s performance. We believe that over the longer-term investors’ returns are overwhelmingly driven by the price they pay for their investments, with cheap stocks outperforming expensive stocks. This is very much a long-term approach, though, and it is prone to periods of poor performance over shorter periods. Cheap stocks can (and do) get cheaper, whilst expensive stocks can keep rising for far longer than logic or common sense would seem to dictate. Ultimately, though, the elastic snaps back and fundamental value reasserts itself. Very poor periods tend to be followed by much better ones, with mean reversion a powerful force in the markets as elsewhere.

The enduring power of mean reversion in financial markets dictates that a value investor will typically regard sharp, disorderly sell-offs as a buying opportunity, a chance to add to holdings at lower prices. The carnage of last March afforded many such opportunities, allowing us to top-up some of our positions at bargain basement valuations. For example, we were able to add to Grafton Group below 400p and Travis Perkins at less than 700p, at which levels both were trading at less than 5x operating profits, cheaper than they ever got in the 2008-2009 crash. Moreover, both have strong balance sheets and have always seemed likely to come through the Corona crisis with unimpaired earnings power and without needing to resort to the capital markets.

During March’s mayhem we also added to the fund’s holdings in Marks & Spencer and Sainsbury, both of whose food businesses we saw as likely beneficiaries of lockdown. M&S’s valuation seemed especially anomalous, as these days it is primarily a food retailer and yet it was being treated as if it were a pure play clothing retailer, with the shares having more than halved by March. In addition, the group owns 50% of Ocado’s UK business (with a clear route to 100% control) and Ocado’s share price was busy going through the roof whilst M&S’s was collapsing. Odd.

We initiated one wholly new stock position in the depths of the market’s swoon, with this another company where the weakness of the share price seemed at odds with the underlying fundamentals of the business. The company in question was 888 Holdings, a pure play online gambling business, which was well-placed to benefit from lockdown and the enforced closure of betting shops. 888 has a focus on recreational, low-staking customers, so is less likely to incur future regulatory wrath and, lastly but by no means leastly, the group possesses a rock solid balance sheet with a substantial net cash position. Crucially, at the time of we purchased our holding, the valuation was derisory, with the group trading on a trailing EV/EBITDA of well below 4x and a P/E of 7x.

The febrile state of the markets in Q1 2020 threw up price dislocations and valuation anomalies across all asset classes. As a consequence we put some money to work in the commodities space, which is likely to be something of a rarity for Contra Capital. The largest position taken was in Yellow Cake plc, which is a uranium investment company that purchases and stores uranium oxide. For fairly obvious reasons uranium is not freely traded on an open market like other commodities and Yellow Cake is one of the very few ways for investors to access the uranium market. The price of uranium, having been over $150 in 2007, was below $25 in March 2020, which is not a long-term sustainable equilibrium level. The cost of getting the stuff out of the ground is more like $50, so there is currently zero incentive to dig new mines, so tightness of supply should ultimately force the commodity's price much higher. The final piece of the investment puzzle was that Yellow Cake itself was trading at a perplexing 25% discount to its already depressed Net Asset Value. Curiouser and curiouser.

Staying within the realm of commodities, March 2020 saw Contra Capital break the habit of an investing lifetime and take some exposure to precious metals, specifically to physical gold and physical silver holding companies. Committed afficionados of gold, so-called 'gold bugs', can be an eccentric bunch, but Contra Capital can assure investors that no Kool-Aid passed our lips and no tin-foil hats were acquired during 2020.

To make way for the additions to the portfolio we naturally had to tip out some of our existing holdings, where we viewed the risk/reward trade-off as less favourable. One of the areas where we lightened portfolio exposure was to banks, as we were fearful that there could be a substantial increase in bad debts and that governments might pressure banks to offer significant forbearance to defaulting borrowers. Whilst this would be a positive for the economy, it would not do a lot for banks' profitability. In the UK specifically, Royal Bank of Scotland, still majority-owned by the UK government (62% holding) appeared particularly open to the risk of such governmental pressure and so, whilst it pained us to sell such a lowly-rated company, we disposed of the fund's position in RBS.

The elevated level of trading seen in Q1 2020 was wholly atypical and was not repeated in any of the subsequent periods. The most common portfolio activity for most of the rest of the year was trimming those positions that had been added to during Q1's tumult, such as Grafton and Travis Perkins, after they had rallied. Other noteworthy trading activity in the year included the purchase of Permanent TSB Group Holdings, a small Irish mortgage bank in Q3 and the additions of Foxtons, a UK estate agency, and Bayer, a German life sciences group, to the portfolio in Q4.

In addition to the equity portfolio the fund also holds short positions in both the UK and US equity indices, with these designed to mitigate risk. There is also Implicit in the short position in the US equity index a belief that the US market's current level is not supported by fundamentals, that it is fragile and has been buoyed up by a sea of liquidity that will ultimately go out. With the US stock market rising to ever-more bubbly territory, being short the US index has been a drag on fund performance.

There are some reasons to be cheerful, though, as whilst the dominant market narrative of 2020 was the proliferation of bubbly warning signs in the US, beneath the surface there was a palpable shift in what was driving the equity markets towards the end of the year.

For most of the year the equity market's winners continued to win and the losers to lose, with expensive stocks becoming ever-more expensive whilst their more lowly rated brethren languished. However, having been hammered relentlessly for most of the year, the fourth quarter saw a sharp reversal in the fortunes of the more lowly valued and out-of-favour segments of the equity market. This turnaround in relative performance was precipitated by the arrival of better-than-expected vaccine news in early November, which was seized upon by investors who were now able to see a plausible route to a post-Covid world sooner rather than later.

The optimism engendered by the advent of multiple efficacious vaccines naturally saw the more economically sensitive parts of the stock market, which had been especially battered by Covid, perform well. As a corollary, there was a slight move higher in interest rates and also in inflation expectations. It is very early days and the trends may not persist, but if the nascent reflation trade does have legs then this would have profound implications for all major asset markets; equities, fixed income, commodities and real estate.

An environment with higher growth, higher inflation and higher interest rates would see a great rotation in investment markets, with value stocks, commodities, financials and emerging markets likely to be the new big winners, whilst high growth stocks, long-dated bonds and the US equity market in general would be the relative losers. Essentially, “the first shall be last and the last shall be first.”
Why such a reflationary scenario would be good for value stocks, commodities and financials should be fairly self-evident, but why it would be actively bad for the more growthy and techy parts of the equity market is perhaps less intuitive. To a minor extent, high growth names would suffer from rotation, as you have to sell something in order to buy another thing, but it would be more than that. Over the last few years many market participants have convinced themselves that low interest rates per se justify sky-high valuations for those parts of the equity market that hold out the prospect of high growth. Whilst this is a fundamentally specious argument it is nevertheless a very widely held one. That being so, one must presume that higher interest rates will bring high-flying growth names sharply back down to earth. Just so long as the story that investors tell themselves remains constant, that is.

The simple gravitational pull of economic fundamentals suggests that such an outcome is likely in due course in any event, but whether this is as a consequence of a reflationary environment is rather less certain. There are many solid arguments in support of a more inflationary outcome, with these including but not limited to: an end of “globalisation” trends (and a possible partial reversal thereof); a shortening of supply chains after Covid has highlighted the risks of relying on low cost producers on the other side of the world; China exporting inflation as its wage rates continue to rise and its currency strengthens further; re-shoring of manufacturing to high wage economies; shrinking working age population in both the West and China to increase labour’s bargaining position (and labour’s share of the economic pie is at historic lows).

Whilst the inflationary arguments are persuasive, we take no particular view, not least as many of the same arguments could have been (and were) made a decade or so ago and proved to be very wide of the mark. Rather than attempt to divine the macroeconomic auguries we seek instead to buy fundamentally cheap stocks that we believe have underappreciated recovery prospects. Nevertheless, should such a reflationary outcome eventuate, the portfolio would be well positioned.

David Lynch
Contra Capital Ltd
Investment Adviser to the Fund
31 March 2021

Financial Highlights
Class B Accumulation

	For the period from 20 January 2020 to 31 December 2020*
Changes in net assets per unit	GBp
Opening net asset value per unit	100.0000
Return before operating charges	(8.2028)
Operating charges (note 1)	(1.0874)
Return after operating charges *	(9.2902)
Closing net asset value per unit	90.7098
Retained distributions on accumulated units	0.0512
*after direct transactions costs of:	0.696
Performance	
Return after charges	(9.29%)
Other information	
Closing net asset value	£11,198,118
Closing number of units	12,344,997
Operating charges (note 2)	1.19%
Direct transaction costs	0.73%
Prices	
Highest unit price	100.00
Lowest unit price	65.17

*share class launched 20 January 2020

Class B Income

	For the period from 12 March 2020 to 31 December 2020*
Changes in net assets per unit	GBp
Opening net asset value per unit	100.0000
Return before operating charges	19.4658
Operating charges (note 1)	(1.0827)
Return after operating charges *	18.3831
Distribution on income units	(0.0218)
Closing net asset value per unit	118.3613
*after direct transactions costs of:	0.797
Performance	
Return after charges	18.38%
Other information	
Closing net asset value	£2,367,227
Closing number of units	2,000,000
Operating charges (note 2)	1.19%
Direct transaction costs	0.73%
Prices	
Highest unit price	120.16
Lowest unit price	85.06

*share class launched 12 March 2020

Financial Highlights (Continued)
Class C Accumulation

		For the period from 20 January 2020 to 31 December 2020*
Changes in net assets per unit		GBp
	Opening net asset value per unit	100.0000
	Return before operating charges	(8.2576)
	Operating charges (note 1)	(0.4034)
	Return after operating charges *	(8.6610)
	Closing net asset value per unit	91.3390
	Retained distributions on accumulated units	0.5646
	*after direct transactions costs of:	0.698
Performance		
	Return after charges	(8.66%)
Other information		
	Closing net asset value	£2,557,492
	Closing number of units	2,800,000
	Operating charges (note 2)	0.44%
	Direct transaction costs	0.73%
Prices		
	Highest unit price	100.00
	Lowest unit price	65.25

*share class launched 20 January 2020

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund.

Risk Profile

Based on past data, the Sub-fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked 6 because simulated monthly historical performance data indicates that significant rises and falls in market prices would have occurred historically.

As at 31 December 2020

	Nominal value or holding	Market value £	% of total net assets
Equities			
Aggreko PLC	84,024	528,091	3.29%
Bayer AG	7,300	317,084	1.97%
Blackrock Latin American Investment Trust PLC	86,849	349,567	2.18%
Capita PLC	913,954	360,601	2.25%
Citigroup INC	7,070	315,152	1.96%
easyJet PLC	30,935	258,988	1.61%
Forterra PLC	219,724	531,732	3.31%
Foxtons Group PLC	1,056,660	555,803	3.46%
Grafton Group PLC	74,888	698,892	4.35%
Headlam Group PLC	131,006	479,482	2.99%
J Sainsbury PLC	340,056	775,328	4.83%
Kingfisher PLC	235,724	639,166	3.98%
Marks and Spencer Group PLC	664,294	904,436	5.63%
WM Morrison Supermarkets PLC	117,484	208,828	1.30%
Next PLC	10,695	758,703	4.72%
Permanent TSB Group Holdings PLC	629,751	470,453	2.93%
SCS Group PLC	227,344	469,465	2.92%
SIG PLC	1,588,146	511,701	3.19%
SuperDry PLC	334,778	814,515	5.07%
Tapestry INC	13,972	321,765	2.00%
TP ICAP PLC	177,978	422,164	2.63%
Travis Perkins PLC	40,342	556,316	3.46%
Tenaris SA	43,824	260,175	1.62%
Yellow Cake PLC	231,532	570,726	3.55%
888 Holdings PLC	377,730	1,080,308	6.73%
		13,159,441	**81.93%**
Gold and Silver			
Gold Bullion Securities Ltd	901	116,689	0.73%
ETFS Physical Gold	898	118,063	0.74%
Invesco Physical Gold ETC	876	117,704	0.73%
iShares Physical Gold ETC	4,325	117,184	0.73%
Sprott Physical Silver Trust USD	53,435	357,376	2.23%
WisdomTree Physical Silver	21,554	390,408	2.43%
		1,217,424	**7.59%**
Currency Hedges			
Emini S&P Mar21 Future	(27)	(30,739)	(0.19%)
FTSE 100 Mar21 Future	(44)	38,280	0.24%
		7,541	**0.05%**
Portfolio of investments		**14,384,406**	**89.57%**
Other net assets		**1,738,432**	**10.82%**
Mid to bid adjustment		**(63,047)**	**(0.39%)**
		16,059,791	**100.00%**

This is the first annual period hence there are no comparatives.

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the period ending 31 December 2020	**5,171,827**
Grafton Group PLC	1,151,012
Travis Perkins PLC	582,115
Marks and Spencer Group PLC	419,224
McCarthy & Stone PLC	397,180
SIG PLC	376,626
Kingfisher PLC	360,826
Royal Bank of Scotland Group PLC	327,475
Delphi Technologies PLC	231,424
Standard Chartered PLC	231,214
Carnival PLC	187,002

	£
Total purchases for the period ending 31 December 2020	**18,688,481**
Grafton Group PLC	1,359,304
Marks and Spencer Group PLC	1,268,567
SIG PLC	1,097,055
SuperDry PLC	1,049,875
Travis Perkins PLC	936,029
J Sainsbury PLC	753,957
Capita PLC	747,285
Kingfisher PLC	730,356
Forterra PLC	698,383
Citigroup INC	615,160

The above transactions represent the top 10 purchases and sales during the period.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S (ACD'S) RESPONSIBILITIES

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenue and net capital losses for the period. In preparing these financial statements the Authorised Corporate Director is required to:

> comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, 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.
> select suitable accounting policies and then apply them consistently.
> make judgements and estimates that are reasonable and prudent.
> prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook, we hereby certify the final report.

Anne A. Laing CA

David E. Smith MA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date 28 April 2021

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), and 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 Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that 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 AFM:

i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and 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.

NatWest Trustee and Depositary Services Limited
01 January 2021

Opinion

We have audited the financial statements of VT Contra Capital Funds ICVC ("the Company") for the period ended 31 December 2020 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements, including a summary of significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

> give a true and fair view of the financial position of the Company at 31 December 2020 and of the net revenue and the net capital losses on the scheme property of the Company for the period then ended; and

> have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Corporate Director 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 Authorised Corporate Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Opinion on other matters prescribed by the COLL Regulations

In our opinion, based on the work undertaken in the course of the audit:
> Proper accounting records for the Company have been kept and the accounts are in agreement with those records;
> We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
> The information given in the report of the Authorised Corporate Director and in the report of the authorised fund manager for the year is consistent with the financial statements.

Responsibilities of the Authorised Corporate Director
As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 10, the Authorised Corporate Director 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 controls as the Authorised Corporate Director 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 Authorised Corporate Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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 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 Company's internal control.
> Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Authorised Corporate Director.

> Conclude on the appropriateness of the Authorised Corporate Director'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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

We assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide the basis for our opinion. We planned and conducted our audit so as to obtain reasonable assurance of detecting any material misstatements in the financial statements resulting from irregularities or fraud.

All engagement team members were briefed on relevant laws and regulations and potential fraud risks at the planning stage of the audit. However, the primary responsibility for the prevention and detection of fraud rest with the Authorised Corporate Director.

We evaluated management’s incentives for fraudulent activity and determined the key risk of fraud to be management override of controls in order to manipulate the financial statements. We determined that the principal risks in this regard were in relation inappropriate journal entries to increase net revenue or to increase the net asset value.

We considered the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. The most significant risk in relation to non-compliance with laws and regulations was deemed to be compliance with the Collective Investment Schemes Sourcebook and the Company’s Prospectus.

Audit procedures performed in response to these risks included:
- Evaluation of the control environment designed to prevent and detect irregularities which the Authorised Corporate Director has in place;
- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessed the susceptibility of the Company’s financial statements to material misstatement, including how fraud might occur around the key risks of valuation and ownership of investments, and revenue recognition;
- Review of material journal entries during the year;
- Review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity that may indicate management override in the Company’s financial statements; and
- Assessing the Company’s compliance with the key requirements of the Collective Investment Schemes Sourcebook and its Prospectus.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes Sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

Date 30 April 2021

STATEMENT OF TOTAL RETURN

For the period ended 31 December 2020

	Notes	Period 20.01.2020 to 31.12.2020 £	£
Income			
Net capital (losses)	**2**		(123,407)
Revenue	**3**	126,541	
Expenses	**4**	(102,210)	
Finance costs: bank interest	**6**	(777)	
Net revenue before taxation		23,554	
Taxation	**5**	(2,894)	
Net revenue after taxation			20,660
Total return before distributions			(102,747)
Finance costs: distributions	**6**		(20,660)
Changes in net assets attributable to shareholders from investment activities			(123,407)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31 December 2020

	Period 20.01.2020 to 31.12.2020 £
Opening net assets attributable to shareholders	-
Amounts receivable on creation of shares	17,343,990
Amounts payable on cancellation of shares	(1,182,925)
Accumulation distributions retained	22,133
Changes in net assets attributable to shareholders from investment activities (see above)	(123,407)
Closing net assets attributable to shareholders	16,059,791

This is the first annual period hence there are no comparatives.

As at 31 December 2020	Notes	31.12.20 £	£
ASSETS			
Investment assets			14,352,098
Current Assets			
Debtors	**7**	102,735	
Cash and bank balances	**8**	2,885,871	
Total current assets			2,988,606
Total assets			17,340,704
CURRENT LIABILITIES			
Investment Liabilities			(30,739)
Creditors			
Bank overdraft	**8**	(1,230,972)	
Distribution payable on income shares		(435)	
Other creditors	**9**	(18,767)	
Total current liabilities			(1,250,174)
Net assets attributable to shareholders			16,059,791

This is the first annual period hence there are no comparatives.

For the period ended 31 December 2020

1 Accounting policies

(a) Basis of accounting
The financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and to the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

(b) Basis of valuation of investments
The investments of the Sub-fund has been valued at bid market values at 10am at 31 December 2020. Market value is defined by the SORP as fair value which generally is a bid value of each security, excluding any accrued interest in the case of fixed and floating rate securities.

(c) Recognition of revenue
All income on quoted equities are recognised when the securities are quoted ex-dividend. All revenue is recognised at a gross amount that includes any withholding taxes but excludes any other taxes such as tax credits. Gains and losses, including differences in valuation of investments held at the balance sheet date, including unrealised exchange differences, are treated as capital.

(d) Expenses
All expenses of the Sub-fund excluding transaction charges are charged to revenue on an accruals basis. Transactions charges are charged to capital.

(e) Current taxation
Tax is provided using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided on income liable to corporation tax less deductible expenses. Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

(f) Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

(g) Equalisation
Equalisation will be applied to the Sub-fund. An allocation of income in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum ("income equalisation") representing the ACD's best estimate of the amount of income included in the price of that share.

(h) Distributions
The Sub-fund issues both accumulation and income shares. The Sub-fund goes ex dividend quarterly and pays any income available to the shareholder two months in arrears, as a dividend distribution.

(i) Unclaimed distributions
If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or if that no longer exists the ACD). Application to claim distributions that have not been paid should be made to the ACD before this six year period has elapsed.

2 Net capital (losses)

	Period ended 31.12.20 £
The net capital (losses) comprise:	
Non-derivative securities gains	797,075
Currency gains	62,346
Derivative securities (losses)	(961,375)
Transaction charges (custodian)	(21,453)
Total net capital (losses)	(123,407)

3 Revenue

	Period ended 31.12.20 £
UK dividends	106,561
Overseas dividends	19,296
Bank interest	684
Total revenue	126,541

4 Expenses

	Period ended 31.12.20 £
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:	
ACD fee	75,039
Payable to the depositary, associates of the depositary, and agents of either of them:	
Depositary fee	17,016
Safe custody fee	510
	17,526
Other expenses:	
Audit fee	8,077
FCA fee	65
Other expenses	1,503
	9,645
Total expenses	102,210

5 Taxation

		Period ended 31.12.20
		£
(a)	**Analysis of charge in the period**	
	Irrecoverable overseas tax	2,894
	Total tax charge for the period (note 5b)	2,894
(b)	**Factors affecting current tax charge for the period**	
	The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00%	
	The differences are explained below:	
	Net revenue before UK corporation tax	23,554
	Corporation tax at 20.00%	4,711
	Effects of:	
	Revenue not subject to UK corporation tax	(25,171)
	Current year expenses not utilised	20,461
	Irrecoverable overseas tax	2,894
	Total tax charge for period (note 5a)	2,894

(c) **Provision for deferred taxation**

At 31 December there is a potential deferred tax asset of £20,461 in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs

	Period ended 31.12.20
	£
Interim dividend distributions	6,153
Final dividend distribution	16,416
	22,569
Add: Revenue deducted on cancellation of shares	3,836
Deduct: Revenue received on issue of shares	(5,745)
Net distribution for the period	20,660
Interest payable and similar charges	777
Total finance costs	21,437
Reconciliation of distributions	
Net revenue after taxation	20,660
Net distribution for the period	20,660

7 Debtors

	31.12.20
	£
Amounts due from custodian	98,036
Dividends receivable	4,699
Total debtors	102,735

8 Cash and bank balances

	31.12.20
	£
Cash and bank balances	2,885,871
Bank overdraft	(1,230,972)

9 Creditors

	31.12.20
	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:	
ACD's periodic charge	8,488
Payable to the depositary, associates of the depositary, and agents of either of them:	
Depositary's fees	1,524
Transaction charges	354
Safe custody and other bank charges	278
	2,156
Audit fee	8,077
Other accrued expenses	46
Total creditors	18,767

10 Risk management policies

In pursuing its investment objective as stated on page 1, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the period.

10 Risk management policies (continued)

Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the period ended 31 December 2020 would have increased/decreased by £1,432,136.

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt. A portion of the net assets of the Sub-fund is denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities	Non-monetary assets and liabilities	Total net assets
	£	£	£
	31.12.20	31.12.20	31.12.20
Sterling	2,969,404	11,472,609	14,442,013
US Dollars	(1,230,972)	1,814,072	583,101
Euro	-	1,034,678	1,034,678
Total	1,738,432	14,321,359	16,059,791

Interest rate risk

Interest rate risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in interest rates. The company holds no securities that declare interest and its interest rate risk is limited to its cash and bank balances.

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 31 December are payable either within one year or on demand.

Liquidity risk

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

10 Risk management policies (continued)

Credit risk

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related.

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

A Fair value based on a quoted price for an identical instrument in an active market.
B Fair value based on the price of a recent transaction for an identical instrument.
C1 Fair value based on a valuation technique using observable market data.
C2 Fair value based on a valuation technique that relies significantly on non-observable market data.

Valuation Technique	Assets (£000's)	Liabilities (£000's)
A Quoted prices for identical instruments in active markets	14,314	-
B Fair value based on the price of a recent transaction for an identical instrument.	38	(31)
Total	14,352	(31)

11 Shares held

Class B Accumulation	
Opening Shares at 20.01.20	**-**
Shares issued during the period	12,664,947
Shares cancelled during the period	(319,950)
Shares converted during the period	-
Closing Shares as at 31.12.20	**12,344,997**
Class B Income	
Opening Shares at 12.03.20	**-**
Shares issued during the period	2,000,000
Shares cancelled during the period	-
Shares converted during the period	-
Closing Shares as at 31.12.20	**2,000,000**
Class C Accumulation	
Opening Shares at 20.01.20	**-**
Shares issued during the period	4,200,000
Shares cancelled during the period	(1,400,000)
Shares converted during the period	-
Closing Shares as at 31.12.20	**2,800,000**

12 Contingent assets and liabilities
At 31 December 2020, the Sub-fund had no contingent liabilities or commitments

13 Post balance sheet events
As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 December 2020. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 31 December 2020	Price at 29 April 2021
	GBp	GBp
Class B Accumulation	90.7098	102.7119
Class B Income	118.3613	133.9515
Class C Accumulation	91.3390	103.6773

14 Direct transaction costs

	Period ended 31.12.20	
Analysis of total purchase costs	**£**	**% of total purchases**
Purchases in the period before transaction costs	18,597,865	
Commissions	9,183	0.05%
Taxes	81,287	0.43%
Levies	146	0.00%
Total purchase costs	90,616	0.48%
Total purchases including transaction costs	18,688,481	

Analysis of total sale costs	**£**	**% of total sales**
Sales in the period before transaction costs	5,174,460	
Commissions	(2,587)	(0.05%)
Levies	(46)	(0.00%)
Total sale costs	(2,633)	(0.05%)
Total sales net of transaction costs	5,171,827	

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the period:

	2020 £	**% of average net**
Commissions	11,770	0.09%
Taxes	81,287	0.63%
Levies	192	0.00%
	93,249	0.73%

DISTRIBUTION TABLES

First interim distribution in pence per share

Group 1: Shares purchased prior to 20 January 2020
Group 2 : Shares purchased on or after 20 January 2020 and on or before 31 March 2020

20 January 2020 to 31 March 2020

Class B Accumulation	Distribution Accumulated 29.05.2020	Equalisation	Distribution Accumulated 29.05.2020
Group 1	-	-	-
Group 2	-	-	-

Class B Income	Distribution Paid 29.05.2020	Equalisation	Distribution Paid 29.05.2020
Group 1	-	-	-
Group 2	-	-	-

Class C Accumulation	Distribution Accumulated 29.05.2020	Equalisation	Distribution Accumulated 29.05.2020
Group 1	0.0850p	-	0.0850p
Group 2	-	0.0850p	0.0850p

Second interim distribution in pence per share

Group 1: Shares purchased prior to 01 April 2020
Group 2 : Shares purchased on or after 01 April 2020 and on or before 30 June 2020

01 April 2020 to 30 June 2020

Class B Accumulation	Distribution Accumulated 28.08.2020	Equalisation	Distribution Accumulated 28.08.2020
Group 1	-	-	-
Group 2	-	-	-

Class B Income	Distribution Paid 28.08.2020	Equalisation	Distribution Paid 28.08.2020
Group 1	-	-	-
Group 2	-	-	-

Class C Accumulation	Distribution Accumulated 28.08.2020	Equalisation	Distribution Accumulated 28.08.2020
Group 1	0.0438p	-	0.0438p
Group 2	0.0438p	-	0.0438p

Third interim distribution in pence per share

Group 1: Shares purchased prior to 01 July 2020
Group 2 : Shares purchased on or after 01 July 2020 and or before 30 September 2020

01 July 2020 to 30 September 2020

Class B Accumulation	Distribution Accumulated 30.11.2020	Equalisation	Distribution Accumulated 30.11.2020
Group 1	-	-	-
Group 2	-	-	-

Class B Income	Distribution Paid 30.11.2020	Equalisation	Distribution Paid 30.11.2020
Group 1	-	-	-
Group 2	-	-	-

Class C Accumulation	Distribution Accumulated 30.11.2020	Equalisation	Distribution Accumulated 30.11.2020
Group 1	0.0910p	-	0.0910p
Group 2	0.0910p	-	0.0910p

Final distribution in pence per share

Group 1: Shares purchased prior to 01 October 2020
Group 2 : Shares purchased on or after 01 October 2020 and on or before 31 December 2020

01 October 2020 to 31 December 2020

Class B Accumulation	Distribution Accumulated 26.02.2021	Equalisation	Distribution Accumulated 26.02.2021
Group 1	0.0512p	-	0.0512p
Group 2	0.0147p	0.0365p	0.0512p

Class B Income	Distribution Paid 26.02.2021	Equalisation	Distribution Paid 26.02.2021
Group 1	0.0218p	-	0.0218p
Group 2	0.0218p	-	0.0218p

Class C Accumulation	Distribution Accumulated 26.02.2021	Equalisation	Distribution Accumulated 26.02.2021
Group 1	0.3448p	-	0.3448p
Group 2	0.3448p	-	0.3448p

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. 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.

Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

i) 99.46% of the total dividend allocation together with the tax credit is received as franked investment income.
ii) 0.54% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

Authorised Status

VT Contra Capital Funds ICVC ("the Company" or "the fund") is an authorised open-ended investment company with variable capital ("ICVC") further to an authorisation order dated 20 January 2020. The Company is incorporated under registration number IC021606. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ("COLL") issued by and amended by the Financial Conduct Authority ("FCA").

Head Office

The head office of the Company is at Level 13, Broadgate Tower, 20 Primrose Street, London, EC2A 2EW.

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

The minimum share capital of the company is £1,000 and the maximum is £100,000,000,000.

Structure of the Company

The Company is structured as an umbrella company. Provision exists for an unlimited number of Sub-funds.

Classes of Shares

The Company can issue different classes of share in respect to any Sub-fund.

Valuation Point

The scheme property of the Company and each Sub-fund will normally be valued at 12:00 mid day on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

The ACD reserves the right to revalue the Company or any Sub-fund at any time if it considers it desirable to do so, with the Depositary's approval.

Buying and Selling of Shares

The ACD will accept orders for the purchase and sale of shares on normal business days between 8.30am and 5.30pm. Instructions to buy or sell shares may either be in writing to:

Valu-Trac Investment Management Limited
Orton, Fochabers, Moray, IV32 7QE
Or by email to;
Lyndon@valu-trac.com

A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Individual shareholders

HM Revenue & Customs changed the taxation of dividends on 6 April 2016. Dividend tax credits were abolished and replaced by a tax-free annual dividend allowance now standing at £2,000. UK resident shareholders are now subject to new, higher rates of tax on dividend income in excess of the annual allowance. The actual rate depends on the individual's tax rate band.

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. The first £12,300 (2020/21) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Pricing Basis

There is a single price for buying, selling and switching shares in a Sub-fund which represents the net asset value of the Sub-fund concerned. The share price is calculated on a forward pricing basis, that is at the next valuation point after the purchase or redemption is deemed to be accepted by the ACD. The latest price of the shares can be obtained by contacting the ACD.

Other information

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

Remuneration

Information about the authorised fund manager (AFM) remuneration policies and disclosures is available from Valu-Trac Investment Management Limited on its website which can be found on the link below.

https://www.valu-trac.com/VIML%20Remuneration%20Policy%20Statement.pdf

The AFM does not employ any staff directly from the Company, so there are no quantitative disclosures in this report.

Authorised Corporate Director, Manager & Registrar	Valu-Trac Investment Management Limited Mains of Orton Fochabers Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: Lyndon@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Director	Valu-Trac Investment Management Limited as ACD
Investment Adviser	Contra Capital Ltd 55 Court Lane Dulwich London SE21 7DP Authorised and regulated by the Financial Conduct Authority
Depositary	NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ Authorised and regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP Commerce House South Street Elgin IV30 1JE

Statement by the Authorised Fund Manager (AFM) to the shareholders of VT Lyndon Fund on the outcome of the AFM's assessment of the value provided to shareholders

For the period ended 31 December 2020

This assessment is to establish what VT Lyndon Fund (the fund) has delivered to you in return for the price you have had to pay.

VT Lyndon Fund was launched on 20 January 2020 with a B Accumulation and C Accumulation share class. A further B Income share class was launched on 12 March 2020.

The AFM is the Authorised Corporate Director (ACD) of the company, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Adviser is Contra Capital Ltd.

The investment objective of the fund is to achieve long-term (5 years) total returns comprised of income and capital growth. Capital is in fact at risk and there is no guarantee that a positive return will be achieved over a five year, or any, period.

The fund will be managed actively with a long-term investment horizon and investments will largely be determined by the application of a contrarian investment process (that is investments will be often be selected on the basis that the manager considers that they are, at the time of purchase, overlooked and underestimated by the wider market). At least 70% of the Fund will be invested in direct equities.

The fund may, at times, invest in a relatively small number of equities, the selection of which will not be restricted either by size, industry, or geographical location of the underlying companies.

The fund may take investment exposure to equities, fixed interest instruments, cash and near cash (which includes money market instruments and deposits in any currency), commodities, property and alternative assets (such as hedge funds and private equity funds).

Any such exposures could be gained by direct investment or through funds, though no direct investments in property or commodities will be made and investment in alternative assets will be restricted to UCITS funds and transferable securities.

The fund may hold derivatives for Investment Purposes and for EPM purposes (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Fund.

	Period ended 31 December 2020
Value of company (Per Performance record)	
B Income	£2.37m
B Accumulation	£11.20m
C Accumulation	£2.56m
Shares outstanding	
B Income	2.00m
B Accumulation	12.34m
C Accumulation	2.80m
NAV per share	
B Income	118.36p
B Accumulation	90.71p
C Accumulation	91.34p

	Period ended 31 December 2020
Dividend per share	
B Income	0.02p
B Accumulation	0.05p
C Accumulation	0.56p
Operating charges	
B Income	1.19%
B Accumulation	1.19%
C Accumulation	0.44%
Net (losses)/gains (before expenses)	
Capital (losses)	(£102k)
Total Net gains	£25k

Notes

Source of all data Valu-Trac Administration Services Ltd unless stated otherwise.

In carrying out the assessment of value the following criteria were considered:

1. **Quality of service**

The AFM considers that a good level of service was provided to shareholders by all parties involved commensurate to the amount paid by the company for those services. The AFM monitors the following operational services:

Depositary – NatWest Trustee and Depositary Services Limited

Custodian – RBC Investor Services Trust, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP.

These services are essential in ensuring that the company operated efficiently and in the case of the Depositary and Custodian the service is supervised on an on-going daily basis by the AFM. As a shareholder this means that you can be certain that your requests such as investment and redemption of the company's units will always be carried out exactly as set out in the documentation.

Valu-Trac does not delegate any of the core functions of the company such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the shareholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with Contra Capital Ltd to coordinate mailings such as annual letters with dividend vouchers and financial reports to avoid excessive correspondence whilst providing all required reporting on a timely and clear basis. This also has ensured that the AFM has responded to any enquiries from shareholders fully and promptly.

2. **Performance**

The fund performance is benchmarked to the UK Consumer Price Index over a five-year period. Comparison should be made over periods of at least 5 years in order to reduce the impact of short-term performance. As such it is currently too short a period to assess benchmark performance.

The AFM has assessed performance of the fund net of all the charges that are outlined in its prospectus, the table below breaks down the total returns of each share class since inception.

	Total Return
B Income	18.4%
B Accumulation	(9.3%)
C Accumulation	(8.7%)

Since early 2020 the value of the B Accumulation and C Accumulation shares have been adversely affected by the COVID-19 pandemic. However, on 16 April 2021, the share prices had increased to the following: B Income 131.66p; B Accumulation 100.95p; C Accumulation 101.88p. Since the period end the share classes are showing capital growth.

The AFM has also assessed the risk taken to achieve the above performance and has concluded that the fund has achieved reasonable performance over the period under review and has not taken excessive risk to achieve this performance (detailed analysis on how we have arrived at this conclusion can be provided on request)., however it is too early to assess the performance of the fund fully as to whether it is meeting the objectives of the fund.

3. AFM costs

The costs incurred during the period ended 31 December 2020 were as follows:

	£	% of Fund
Authorised corporate director fee	25,820	0.20%
Investment advisor's fee	49,219	0.38%
Depositary fee	17,016	0.13%
Custodian fee	510	0.00%
Auditor	8,077	0.06%
FCA fee	65	0.00%
Transaction charges (capital)	21,453	0.17%
Other fees	1,503	0.01%
Total costs	**123,663**	**0.96%**

Loss for the period (capital and revenue) after expenses was £102,747 including taxation of £2,894.

There were no preliminary charges, redemption charges or performance fees paid by shareholders during the period. There was no dilution levy.

It should be noted that the prospectus does not allow for redemption charges however a dilution levy may be charged in the following circumstances: where the Scheme Property of a fund is in continual decline; on a fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 3% of the Net Asset Value of the relevant fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

The AFM has considered the costs charged to the fund by comparing the operating charges of the share classes to the average OCF of the largest 10 funds in the IA Global sector, retail classes where available. This is shown below.

	Operating charges (including cost of underlying funds)
B Class	1.19%
C Class	0.44%
IA Global (average of 10 largest funds)	1.21%

Source - Morningstar

The AFM has concluded the costs and in particular the investment management fee are appropriate and justified for the fund.

4. Economies of scale

The AFM has assessed to what extent it has been able to achieve any savings as a result of economies of scale. Where any such savings have been made this has in every case been passed on to the shareholders. An example of this is the depositary fee charges being on a sliding scale so reduce in cost as the fund exceeds certain thresholds. As the AFM grows its total assets across all schemes it uses this purchasing power to benefit all schemes.

5. Comparable market rates

The AFM has compared the charges of this fund with that of comparable funds. The AFM believes that the shareholders of the fund are achieving efficient market rates as a whole. As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

6. Comparable services

All shareholders of this fund are subject to the same service although at slightly different costs. The B Income and Accumulation shares classes have an operating charge of 1.19% which contains an Investment adviser's fee of 0.75%, whereas the C Accumulation class Investment adviser's fee is 0.00% which results in an operating charge of 0.44%. This is due to the class C share class being only available to shareholders at the ACD discretion. The services provided to this fund and the costs are also comparable amongst other similar funds operated by the AFM.

7. Classes of units

All shareholders of this fund are treated equally in all respects other than the operating charge detailed above.

CONCLUSION

In taking all of these criteria into consideration the AFM concludes that in assessing whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to shareholder, it is too early to conclude whether every shareholder of VT Lyndon Fund are receiving good value.

30 April 2021