VT EPIC INVESTMENT FUND SERIES II (FORMERLY KNOWN AS VT GARRAWAY INVESTMENT FUND SERIES II)

(Sub-fund VT EPIC Diversified Income Fund (Formerly known as VT Garraway Diversified Income Fund))

Annual Report and Financial Statements for the year ended 30 September 2021

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COMPANY OVERVIEW

Type of Company

VT Garraway Investment Fund Series II ("the Company") is an authorised open-ended investment company with variable capital ("ICVC") further to a Financial Conduct Authority ("FCA") authorisation order dated 30 March 1999. The Company is incorporated under registration number IC25. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes Sourcebook ("COLL") issued by the FCA.

The Company is a UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). The Company has currently one Sub-fund available for investment, VT Garraway Diversified Income Fund. Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

The shareholders are not liable for the debts of the Company.

Changes to Company

On the 10 December 2021, EPIC Markets (UK) LLP acquired Anath Capital Group Ltd, parent company to Garraway Capital Management LLP.

On the 10 December 2021, the Investment Manager changed from Garraway Capital Management LLP to EPIC Markets (UK) LLP.

On the 24 January 2022, the name of the Company changed from VT Garraway Investment Fund Series II to VT EPIC Investment Fund Series II and the name of the Sub-fund changed from this date as follows:

VT Garraway Diversified Income Fund changed to VT EPIC Diversified Income Fund

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 year which give a true and fair view of the financial position of the Company at the end of the financial year and its net revenue and net capital gains for the year. 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 annual report.

Anne A. Laing CA

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date: 31 January 2022

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”), 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 October 2021

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT EPIC INVESTMENT FUND SERIES II (SUB-FUND VT EPIC DIVERSIFIED INCOME FUND)

Opinion

We have audited the financial statements of VT EPIC Investment Fund Series II ("the Company") for the year ended 30 September 2021 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 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

In our opinion the financial statements:

> give a true and fair view of the financial position of the Company at 30 September 2021 and of the net revenue and the net capital gains on the scheme property of the Company for the year 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.

We have nothing to report in this regard.

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 for the year is consistent with the financial

Responsibilities of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 2, 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.

Extent to which the audit is 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 whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

> UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;

> the Financial Conduct Authority’s Collective Investment Schemes Sourcebook; and

> the Company’s Prospectus.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of the Authorised Corporate Director. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Company’s breaches register.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Authorised Corporate Director was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Authorised Corporate Director oversees the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

> Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Corporate Director in its calculation of accounting estimates for potential management bias; and

> Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook and its Prospectus.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material risk due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of

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
Chartered Accountants
Statutory Auditor
Elgin

Date 31 January 2022

SUB-FUND OVERVIEW

Name of Sub-fund	VT EPIC Diversified Income Fund
Size of Sub-fund (£000's)	£7,953
Launch date	7 March 2014
Investment objective and policy	The investment objective of VT EPIC Diversified Income Fund is to generate income (whilst also seeking some capital growth). VT EPIC Diversified Income Fund will seek to achieve its objective primarily (at least 70%) through investment in collective investment schemes (which may include those managed and/or operated by the ACD or Investment Manager) and investment trusts which provide exposure to fixed interest securities. The Sub-fund may also invest directly in fixed interest securities and equities. The mix between, Government securities, investment grade and high yield assets may vary depending upon the Investment Manager's view of prevailing conditions and prudent spread of risk. Money market instruments, equities and cash deposits may also be held from time to time.
Derivatives	The use of derivatives and/or hedging transactions is permitted in connection with the Efficient Portfolio Management of the Sub-fund. In addition, the Sub-fund may use derivatives and forward transactions for investment purposes. Use of derivatives is expected to be limited, although when used the resultant exposure may be significant.
Benchmark	The Sub-fund is not managed to or constrained by a benchmark, and nor does the ACD use a benchmark in order to assess performance. However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA OE £ Strategic Bond Sector which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.
Accounting dates	31 March and 30 September
Distribution dates	31 December, 31 January, the last day of February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October and 30 November
Individual Savings Account (ISA)	The Sub-fund is a qualifying investment for inclusion in an ISA.
Minimum investment	
Lump sum subscription:	R Income/Accumulation = £10,000
Top-up:	R Income/Accumulation = £1,000
Holding:	R Income/Accumulation = £10,000

Initial charge	0% but can be raised to 5.0% by giving 3 months' notice
Switching charge	The ACD may charge a switching fee when shares of a fund are exchanged for shares in another fund not exceeding the maximum percentage rate of initial charge for the shares in such other fund.
Redemption charge*	Up to 5%*

*The redemption charge may be imposed on shares redeemed within three months of purchase.

The ACD may increase, reduce, or waive the minimum initial and subsequent investment amounts, the minimum withdrawal and holding amounts, and the preliminary and redemption charges at its absolute discretion in any particular case.

Annual management charges	The management charge in respect of the R Class Shares is 0.45% per annum of the net asset value of the R Class shares.

Market Review – 1 October 2020 to 30 September 2021

The period saw major progress towards a return of normality, as effective vaccines were produced and distributed from November 2020. Whilst the huge fiscal and monetary stimulus has led to a sharp economic recovery many issues remain.

The injection of some US$17trn in fiscal measures inflated debt to GDP to levels only seen at the end of World War II. Investors will continue to have to deal with a world of central bank and government monetary and fiscal intervention together with its consequences. As a result of these issues and very crowded investor positioning and subsequent unwinds we have witnessed sharp movements in government bond yields.

The supercharged economic recovery, driven by unprecedented fiscal and monetary expansion, has been excellent for stocks earnings, but leaves major concerns over the inflationary outlook. Around February and March 2021 government bond yields spiked aggressively as investors priced a more vibrant recovery and the consequent risks to higher levels of inflation. However, as concerns grew over the speed of recovery yields subsequently subsided.

Towards the end of the period, the rapid rise of many prices in the energy complex and the price of goods due to supply chain disruptions once again pushed inflationary expectations higher, with a commensurate push higher for yields across government bond markets.

Market Outlook

Investors are grappling with one key fundamental issue, namely, are we merely experiencing a temporary pause in a new (secular) reflation trade, or are we once again succumbing to the gravitational pull of deflation. We believe that the levels of ongoing monetary and fiscal stimulus will propel the sustained global economic recovery but at a slower pace. We recognise that risks to the upside on inflation are higher than they have been for some time, but we believe that existing overarching disinflationary forces will contain the medium-term outlook for inflation.

There remain several shorter-term hurdles to confront, and whilst the economic outlook should improve it will be patchier, impacted by the wide-ranging disruptions caused by Covid. However, we firmly believe that this remains a period of accelerated positive change for many industries. Although there may be short term corrections, we continue to think risk assets will reward but at a more modest rate. We stay with the risk on trade and believe it will be a rewarding experience in 2022.

Fund Performance

In the period until 30 September 2021 the fund was 19.82% in sterling terms based on the R Accumulation share class.

With the announcement of successful vaccines investors adopted a reopening/recovery position and our heavy exposure to higher yielding credits and structured finance was very rewarding. However, at this stage we felt that investors were pricing in an overly optimistic scenario, with sovereign bond markets, especially the US, very oversold. As a result, we added some positive duration in bonds which returned the portfolio to a more conventional but more defensive construction. However, yield curves steepened further and by the sharpest amount since 2008. This had a negative short-term impact on performance. However, it is pleasing to note that since this period performance has improved as investors have refocussed on improving conditions and credit spreads, especially high yield tightened considerably. Additionally, the exposure to emerging markets bonds rewarded as the US dollar weakened and several emerging markets prospects improved.

Portfolio Activity

For most of the period until mid-February 2021 we maintained our bias to pro risk assets, and negative bond duration. Around mid-February we moved the portfolio to a more conventional construction with long duration positioning in bonds. Otherwise, activity was relatively muted with the main emphasis in a move towards Emerging Market Bonds, which were relatively cheap.

After a very strong recovery we decided to sell GemCap-Semper Total Return Fund and fully exited the position by end of March 2021. Some of the proceeds were used to buy into the Ashmore Short Duration Emerging Market Debt fund which invests in short-term debt securities issued by emerging market corporations, sovereigns, and quasi-sovereigns, with a targeted portfolio duration of between 1-3 years. We bought into what we felt was a material price dislocation in the asset class, which offered considerable value.

Over the period we bought and sold VPC Specialty Lending Investments. This closed-ended investment company has a focus on higher-yielding balance sheet loans that have layers of credit protection through transparent collateral, first loss provisions and excess spread. Whilst we remain positive on the assets in the portfolio, we have taken some profits at various stages after periods of significant outperformance and then bought back when the trust has fallen to a deep discount.

In June we introduced a small position in BioPharma Credit trust which provides senior secured lending to the biotechnology and healthcare industries, often supported by royalty streams on approved drugs. The trust is supported by the team's detailed knowledge of the industry and their successful track record in royalty investing and secured healthcare lending. We added this holding given its high yield of 7.5%, discount to Net Asset Value and low correlation to other credits.

At various points in the period, we increased the position in KKV Secured Loan Fund. This listed closed-ended investment fund invests in leasing business-essential, revenue-producing equipment and equipment-based project financing. We increased this holding to take advantage of a significant pullback to Net Asset Value as the fund is wound up.

Garraway Capital Management LLP
Investment Manager to the Fund to 10 December 2021
25 October 2021

PERFORMANCE RECORD

Financial Highlights

R Income

	Year to 30 September 2021	Year to 30 September 2020	Year to 30 September 2019
Changes in net assets per unit	GBp	GBp	GBp
Opening net asset value per unit	54.25	75.36	79.84
Return before operating charges	11.57	(14.98)	3.33
Operating charges (note 1)	(1.02)	(0.74)	(1.23)
Return after operating charges *	10.55	(15.72)	2.10
Distributions on income units	(3.76)	(5.39)	(6.58)
Closing net asset value per unit	61.04	54.25	75.36
*after direct transactions costs of:	0.02	0.02	0.03
Performance			
Return after charges	19.45%	(20.86%)	(2.63%)
Other information			
Closing net asset value (£'000)	2,645	2,429	3,449
Closing number of units	4,333,373	4,477,895	4,576,979
Operating charges (note 2)	1.77%	1.65%	1.57%
Direct transaction costs	0.04%	0.02%	0.04%
Prices			
Highest unit price	63.40	76.72	80.38
Lowest unit price	53.79	52.99	75.36

R Accumulation

	Year to 30 September 2021	Year to 30 September 2020	Year to 30 September 2019
Changes in net assets per unit	GBp	GBp	GBp
Opening net asset value per unit	138.16	175.78	171.06
Return before operating charges	30.08	(35.91)	7.43
Operating charges (note 1)	(2.69)	(1.71)	(2.71)
Return after operating charges *	27.39	(37.62)	4.72
Closing net asset value per unit	165.55	138.16	175.78
Retained distributions on accumulated units	9.84	12.95	14.52
*after direct transactions costs of:	0.06	0.03	0.07
Performance			
Return after charges	19.82%	(21.40%)	2.76%
Other information			
Closing net asset value (£'000)	5,388	4,967	2,553
Closing number of units	3,254,609	3,594,641	1,452,221
Operating charges (note 2)	1.77%	1.65%	1.57%
Direct transaction costs	0.04%	0.02%	0.04%
Prices			
Highest unit price	169.85	181.68	180.28
Lowest unit price	136.99	126.77	166.61

Financial Highlights (Continued)

A Income	**Period to 6 April 2020^**	**Year to 30 September 2019**
Changes in net assets per unit	GBp	GBp
Opening net asset value per unit	82.20	87.48
Return before operating charges	(20.65)	4.20
Operating charges (note 1)	(1.17)	(1.78)
Return after operating charges *	(21.82)	2.42
Distributions on income units	(2.45)	(7.70)
Closing net asset value per unit	57.93	82.20
*after direct transactions costs of:	0.02	0.03
Performance		
Return after charges	(26.55%)	2.09%
Other information		
Closing net asset value (£'000)	-	268
Closing number of units	-	325,924
Operating charges (note 2)	2.15%	2.07%
Direct transaction costs	0.02%	0.02%
Prices		
Highest unit price	83.57	88.06
Lowest unit price	57.66	82.20

^Share classes closed and holdings transferred to the equivalent R share class on 6 April 2020

A Accumulation	**Period to 6 April 2020^**	**Year to 30 September 2019**
Changes in net assets per unit	GBp	GBp
Opening net asset value per unit	104.27	101.98
Return before operating charges	(26.97)	4.42
Operating charges (note 1)	(1.43)	(2.13)
Return after operating charges *	(28.40)	2.29
Closing net asset value per unit	75.87	104.27
Retained distributions on accumulated units	3.14	8.65
*after direct transactions costs of:	0.02	0.04
Performance		
Return after charges	(27.24%)	2.25%
Other information		
Closing net asset value (£'000)	-	4,704
Closing number of units	-	4,511,756
Operating charges (note 2)	2.15%	2.07%
Direct transaction costs	0.02%	0.04%
Prices		
Highest unit price	107.61	106.96
Lowest unit price	75.01	99.24

^Share classes closed and holdings transferred to the equivalent R share class on 6 April 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 plus the costs of the underlying holdings.

Risk Profile

Based on past data, the Sub-fund is ranked a '4' 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 4 because weekly historical performance data indicates that it has experienced average rises and falls in market prices historically. The higher the rank, the greater the potential reward but the greater the risk of losing money.

As at 30 September 2021

HOLDINGS		Value £'000	% of net assets
	BOND FUNDS - (30.09.20: 90.54%)		
1,546,603	Artemis High Income I Inc	1,251	15.73
15,400	Ashmore Emerging Markets Short Duration Inst USD D	785	9.87
1,100,948	Man GLG High Yield Opportunities Prof D Inc	1,277	16.06
125,153	RDL Realisation PLC Ord	75	0.94
766,049	Schroder High Yield Opportunities Z Inc	410	5.16
3,177,089	KKV Secured Loan Fund Ltd	476	5.99
2,797	Tabula European Perf Credit UCITS ETF G EUR Inc	255	3.21
782,300	TwentyFour Select Monthly Income Fund Ltd	758	9.53
100,998	Volta Finance Limited EUR	538	6.76
863,921	VPC Specialty Lending Investments PLC	770	9.68
		6,595	**82.93**
	EQUITIES - (30.09.20: 0.00%)		
300,000	BioPharma Credit PLC	219	2.75
		219	**2.75**
	CONTINENTAL EUROPE EQUITY – (30.09.20: 4.34%)		
1,018,184	Chenavari Toro Income	463	5.82
		463	**5.82**
	OPTIONS - (30.09.20: 0.00%)		
(80)	OESX PUT (3600) Oct21	(4)	(0.05)
80	OESX PUT (3900) Oct21	17	0.21
20	SPX PUT (4000) Oct21	12	0.15
(20)	SPX PUT (3650) Oct21	(4)	(0.05)
		21	**0.26**
	FUTURES - (30.09.20: (1.23%))		
(34)	Brit Pound Dec21 Future	62	0.78
28	US Ultra Bond CBT Dec21 Future	(163)	(2.05)
(180)	CME GEM Brazil Real Nov21 Future	5	0.06
		(96)	**(1.21)**
	Portfolio of investments (30.09.20: 93.65%)	**7,202**	**90.55**
	Net other assets (30.09.2020: 7.30%)	**779**	**9.80**
	Adjustment to revalue from mid to bid prices (30.09.2020: (0.95%)	**(28)**	**(0.35)**
		7,953	**100.00**

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total purchases for the year (note 14)	**1,712,449**
Artemis High Income I Inc	310,610
Ashmore Emerging Markets Short Duration Inst USD D	610,313
BioPharma Credit PLC	209,498
Chenavari Toro Income	156,521
KKV Secured Loan Fund Ltd	314,958
RDL Realisation PLC Ord	20,183
VPC Specialty Lending Investments PLC	90,366

	£
Total sales for the year (note 14)	**2,131,329**
Artemis High Income I Inc	192,323
KKV Secured Loan Fund Ltd	23,780
Man GLG High Yield Opportunities Prof D Inc	319,702
Schroder High Yield Opportunities Z Inc	167,460
Semper Total Return I Inc GBP H	1,035,828
Tabula European Perf Credit UCITS ETF G EUR Inc	65,306
TwentyFour Select Monthly Income Fund Ltd	64,718
VPC Specialty Lending Investments PLC	262,212

The above transactions represent all of the sales and purchases during the year.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2021

	Notes	2021 £'000	£'000	2020 £'000	£'000
Income					
Net capital gains/(losses)	**2**		1,028		(2,688)
Revenue	**3**	495		576	
Expenses	**4**	(74)		(91)	
Interest payable and similar charges	**6**	(1)		-	
Net revenue before taxation		420		485	
Taxation	**5**	(55)		(6)	
Net revenue after taxation			365		479
Total return before distributions			1,393		(2,209)
Finance costs: distributions	**6**		(503)		(746)
Changes in net assets attributable to shareholders from investment activities			890		(2,955)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2021

	2021 £'000	2020 £'000
Opening net assets attributable to shareholders	7,327	10,938
Amounts receivable on creation of shares	331	326
Amounts payable on cancellation of shares	(930)	(1,466)
Retained accumulation distributions	335	484
Changes in net assets attributable to shareholders from investment activities (see above)	890	(2,955)
Closing net assets attributable to shareholders	7,953	7,327

BALANCE SHEET

As at 30 September 2021	Notes	30.09.21 £'000	£'000	30.09.20 £'000	£'000
FIXED ASSETS					
Investment assets			7,345		6,882
CURRENT ASSETS					
Debtors	**7**	78		105	
Cash and bank balances	**8**	798		790	
Total current assets			876		895
Total assets			8,221		7,777
CURRENT LIABILITIES					
Investment liabilities			(171)		(91)
Creditors					
Distribution payable on income shares		(32)		(90)	
Bank overdraft	**8**	(21)		(228)	
Other creditors	**9**	(44)		(41)	
Total current liabilities			(97)		(359)
Net assets attributable to shareholders			7,953		7,327

1 Accounting policies

The principal accounting policies are set out below:

(a) Basis of accounting

The financial statements have been prepared in compliance 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 and to the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling and the figures are rounded off to the nearest thousand unless otherwise indicated.

As described in the Statement of ACD's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Sub-fund.

(b) Recognition of revenue

Dividends on quoted equities are recognised when the securities are quoted ex-dividend.

returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Rebates of annual management charges (AMC rebates) from underlying investments are accounted for on an accruals basis and are recognised as revenue, or capital in line with the allocation of the annual management charge between capital and revenue of the underlying investments.

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

(c) Treatment of stock and special dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue. The allocation of special dividends is considered on a case-by-case basis.

(d) Treatment of expenses

All expenses, net of any associated tax effect, are charged to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue. Expenses are recognised on the accruals basis.

(e) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

(f) Taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20.00%. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

(g) Distribution policy

Revenue produced by the Sub-fund's investments accrues monthly. At the end of each period, the net revenue plus an adjustment for expenses allocated to capital, is accumulated/distributed as per the Prospectus as an interest distribution.

(h) Exchange rates

All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 30 September 2021.

1 Accounting policies (continued)

(i) Basis of valuation of investments

The investments are valued at closing prices on the balance sheet date. If closing prices are not available, the latest available prices are used. Investments held long are valued at closing bid price and investment held short are valued at the closing offer price.

If separate offer and bid prices are quoted for shares or units, then the bid price is used.

(j) Dilution levy

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances; where the scheme property is in continual decline; on the Sub-fund experiencing large levels of net purchases or redemptions relative to its size; on 'large deals' (typically being a purchase or redemption of shares in excess of £1 million or 5% of the Net Asset Value of the Sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of dilution levy.

(k) Direct transaction costs

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

2 Net capital gains/(losses)

	2021 £'000	2020 £'000
The net capital gains/(losses) comprise:		
Non-derivative securities gains/(losses)	1,189	(1,924)
Derivative securities losses	(161)	(717)
Transaction charges (custodian)	(2)	-
Currency losses	(3)	(47)
AMC rebates from underlying investments	5	-
Total net capital gains/(losses)	1,028	(2,688)

3 Revenue

	2021 £'000	2020 £'000
Non-taxable dividends	60	294
Interest distributions on CIS holdings	435	280
AMC rebates from underlying investments	-	2
Total revenue	495	576

4 Expenses

	2021 £'000	2020 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Annual management charge	40	60
Fixed fees	-	31
	40	91
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18	-
	18	-
Other expenses:		
Audit fee	12	-
Other expenses	4	-
	16	-
Total expenses	74	91

Note that the audit fee covers both 2021 and 2020 fees due to the change in fixed expenses arrangement from 1 September 2020.

5 Taxation	2021 £'000	2020 £'000
(a) Analysis of charge in the year		
Tax receivable written off	55	-
Irrecoverable overseas withholding tax	-	6
Total tax charge for the year (note 5b)	55	6
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2020: 20.00%). The differences are explained below:		
Net revenue before UK corporation tax	420	485
Corporation tax at 20.00% (2020: 20.00%)	84	97
Effects of:		
Revenue not subject to UK corporation tax	(12)	(59)
Interest distribution	(101)	(149)
Current year expenses not utilised	29	111
Tax receivable written off	55	-
Irrecoverable overseas withholding tax	-	6
Total tax charge for year (note 5a)	55	6

(c) Provision for deferred taxation

At 30 September 2021 there is a potential deferred tax asset of £337,000 (30 September 2020: £308,000) 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	2021 £'000	2020 £'000
Interim interest distributions	501	590
Final interest distribution	-	168
	501	758
Add: Revenue deducted on cancellation of shares	3	3
Deduct: Revenue received on issue of shares	(1)	(15)
Net distribution for the year	503	746
Interest payable	1	-
Total finance costs	504	746
Reconciliation of distributions		
Net revenue after taxation	365	479
Expenses paid from capital	74	91
Balance brought forward	(176)	-
Deficit taken to capital	240	-
Balance carried forward	-	176
Net distribution for the year	503	746

7 Debtors	2021 £'000	2020 £'000
Amounts receivable for trade settlements	-	26
Accrued revenue:		
Interest receivable on CIS holdings	49	18
AMC rebates from underlying investments	6	6
Fixed expenses receivable	15	-
Other amounts receivable	8	-
Tax recoverable	-	55
Total debtors	78	105

8 Cash and bank balances	2021 £'000	2020 £'000
Cash and bank balances	798	790
Bank overdraft	(21)	(228)

9 Creditors	2021 £'000	2020 £'000
Amounts payable for redemption of shares	19	17
Amounts payable for rebates	2	-
Other amounts payable	8	-
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1	11
Fixed fees	-	13
	1	24
Payable to the depositary, associates of the depositary and agents of either of them:		
Depositary charges	5	-
	5	-
Other accrued expenses	9	-
Total creditors	44	41

10 Risk management

In pursuing its investment objective as stated on page 7, 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 year.

Market price risk

Market price risk is the risk that the value of the Sub-fund's financial instruments 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 company 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 the same the return attributable to shareholders for the year ended 30 September 2021 would have increased/decreased by £727,000 (30 September 2020: £679,000).

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 funds that are registered overseas and some investments denominated in other currencies which invest 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.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets and liabilities		Total net assets	
	£'000		£'000		£'000	
	30.09.21	30.09.20	30.09.21	30.09.20	30.09.21	30.09.20
Sterling	319	141	4,996	5,561	5,315	5,702
Euro	3	-	1,263	1,001	1,266	1,001
US Dollar	457	395	915	229	1,372	624
Total	779	536	7,174	6,791	7,953	7,327

Interest rate risk

Interest rate risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in interest rates. The Sub-fund fund holds cash balances at the year end of £798,000 (30 September 2020: £790,000) and bank overdrafts of £21,000 (30 September 2020: £228,000) plus investments in bond funds of £6,574,000 (30 September 2020: £6,580,000).

Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 30 September 2021 are payable either within one year or on demand.

10 Risk management (continued)

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.

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 and debt securities and bonds. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. On debt securities and bonds credit risk is mitigated by ensuring that credit ratings are monitored regularly and in line with the investment objective and profile of the Sub-fund.

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:

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	Assets (£'000)	Liabilities (£'000)
Level 1: Unadjusted quoted price in an active market for an identical instrument	7,270	(171)
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	75	-
Total	7,345	(171)

11 Shares held

R Income

Opening shares at 01.10.2020	**4,477,895**
Shares issued during the year	434,885
Shares cancelled during the year	(579,407)
Shares converted during the year	-
Closing shares as at 30.09.2021	**4,333,373**

R Accumulation

Opening shares at 01.10.2020	**3,594,641**
Shares issued during the year	40,997
Shares cancelled during the year	(381,029)
Shares converted during the year	-
Closing shares as at 30.09.2021	**3,254,609**

12 Contingent assets and liabilities

At 30 September 2021, the Sub-fund had no contingent liabilities or commitments (2020: £nil).

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 30 September 2021. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share class	Price at 30 Sept 2021	Price at 28 Jan 2022
R Income	61.04p	59.35p
R Accumulation	165.55p	162.93p

14 Direct transaction costs

	2021		2020	
	£'000	%	£'000	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	1,709		1,672	
Commission	1	0.06%	1	0.01%
Taxes & levies	2	0.12%	-	0.00%
Total purchase costs	3	0.18%	1	0.01%
Total purchases including transaction costs	1,712		1,673	
Analysis of total sale costs				
Sales in year before transaction costs	2,131		2,956	
Commission	-	(0.00%)	(1)	(0.01%)
Total sales costs	-	(0.00%)	(1)	(0.01%)
Total sales including transaction costs	2,131		2,955	

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 year:

	2021 £	% of average net asset value	2020 £	% of average net asset value
Commission	1	0.01%	2	0.02%
Taxes & levies	2	0.03%	-	0.00%
	3	0.04%	2	0.02%

15 Portfolio dealing spread

The average portfolio dealing spread at 30 September 2021 is 0.70% (2020 1.90%).

DISTRIBUTION TABLES

First Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 Oct 2020
Group 2 : Shares purchased on or after 01 Oct 2020 and on or before 31 Oct 2020

01 October 2020 to 31 October 2020

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2020	Distribution 2019
31.12.20	R Income	Group 1	0.3015p	-	0.3015p	0.3750p
31.12.20	R Income	Group 2	0.2771p	0.0244p	0.3015p	0.3750p
31.12.20	A Income	Group 1	0.0000p	-	0.0000p	0.4090p
31.12.20	A Income	Group 2	0.0000p	0.0000p	0.0000p	0.4090p
31.12.20	R Accumulation	Group 1	0.7691p	-	0.7691p	0.8747p
31.12.20	R Accumulation	Group 2	0.5847p	0.1844p	0.7691p	0.8747p
31.12.20	A Accumulation	Group 1	0.0000p	-	0.0000p	0.5188p
31.12.20	A Accumulation	Group 2	0.0000p	0.0000p	0.0000p	0.5188p

Second Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 Nov 2020
Group 2 : Shares purchased on or after 01 Nov 2020 and on or before 30 Nov 2020

01 November 2020 to 30 November 2020

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
29.01.21	R Income	Group 1	0.3750p	-	0.3750p	0.3750p
29.01.21	R Income	Group 2	0.1014p	0.2736p	0.3750p	0.3750p
29.01.21	A Income	Group 1	0.0000p	-	0.0000p	0.4088p
29.01.21	A Income	Group 2	0.0000p	0.0000p	0.0000p	0.4088p
29.01.21	R Accumulation	Group 1	0.9604p	-	0.9604p	0.8787p
29.01.21	R Accumulation	Group 2	0.4990p	0.4614p	0.9604p	0.8787p
29.01.21	A Accumulation	Group 1	0.0000p	-	0.0000p	0.5209p
29.01.21	A Accumulation	Group 2	0.0000p	0.0000p	0.0000p	0.5209p

Third Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 Dec 2020
Group 2 : Shares purchased on or after 01 Dec 2020 and on or before 31 Dec 2020

01 December 2020 to 31 December 2020

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
26.02.21	R Income	Group 1	0.3750p	-	0.3750p	0.3750p
26.02.21	R Income	Group 2	0.0249p	0.3501p	0.3750p	0.3750p
26.02.21	A Income	Group 1	0.0000p	-	0.0000p	0.4087p
26.02.21	A Income	Group 2	0.0000p	0.0000p	0.0000p	0.4087p
26.02.21	R Accumulation	Group 1	0.9650p	-	0.9650p	0.8813p
26.02.21	R Accumulation	Group 2	0.0911p	0.8739p	0.9650p	0.8813p
26.02.21	A Accumulation	Group 1	0.0000p	-	0.0000p	0.5224p
26.02.21	A Accumulation	Group 2	0.0000p	0.0000p	0.0000p	0.5224p

Fourth Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 Jan 2021
Group 2 : Shares purchased on or after 01 Jan 2021 and on or before 31 Jan 2021

01 January 2021 to 31 January 2021

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
31.03.21	R Income	Group 1	0.3750p	-	0.3750p	0.3750p
31.03.21	R Income	Group 2	0.0168p	0.3582p	0.3750p	0.3750p
31.03.21	A Income	Group 1	0.0000p	-	0.0000p	0.4086p
31.03.21	A Income	Group 2	0.0000p	0.0000p	0.0000p	0.4086p
31.03.21	R Accumulation	Group 1	0.9678p	-	0.9678p	0.8857p
31.03.21	R Accumulation	Group 2	0.0698p	0.8980p	0.9678p	0.8857p
31.03.21	A Accumulation	Group 1	0.0000p	-	0.0000p	0.5247p
31.03.21	A Accumulation	Group 2	0.0000p	0.0000p	0.0000p	0.5247p

Fifth Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 Feb 2021
Group 2 : Shares purchased on or after 01 Feb 2021 and on or before 28 Feb 2021

01 February 2021 to 28 February 2021

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
30.04.21	R Income	Group 1	0.3734p	-	0.3734p	0.3750p
30.04.21	R Income	Group 2	0.0716p	0.3018p	0.3734p	0.3750p
30.04.21	A Income	Group 1	0.0000p	-	0.0000p	0.4084p
30.04.21	A Income	Group 2	0.0000p	0.0000p	0.0000p	0.4084p
30.04.21	R Accumulation	Group 1	0.9731p	-	0.9731p	0.8896p
30.04.21	R Accumulation	Group 2	0.4432p	0.5299p	0.9731p	0.8896p
30.04.21	A Accumulation	Group 1	0.0000p	-	0.0000p	0.5269p
30.04.21	A Accumulation	Group 2	0.0000p	0.0000p	0.0000p	0.5269p

Sixth Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 Mar 2021
Group 2 : Shares purchased on or after 01 Mar 2021 and on or before 31 Mar 2021

01 March 2021 to 31 March 2021

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
28.05.21	R Income	Group 1	0.3750p	-	0.3750p	0.3750p
28.05.21	R Income	Group 2	0.1024p	0.2726p	0.3750p	0.3750p
28.05.21	A Income	Group 1	0.0000p	-	0.0000p	0.4083p
28.05.21	A Income	Group 2	0.0000p	0.0000p	0.0000p	0.4083p
28.05.21	R Accumulation	Group 1	0.9844p	-	0.9844p	0.8928p
28.05.21	R Accumulation	Group 2	0.1094p	0.8750p	0.9844p	0.8928p
28.05.21	A Accumulation	Group 1	0.0000p	-	0.0000p	0.5286p
28.05.21	A Accumulation	Group 2	0.0000p	0.0000p	0.0000p	0.5286p

Seventh Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 Apr 2021
Group 2 : Shares purchased on or after 01 Apr 2021 and on or before 31 Apr 2021

01 April 2021 to 31 April 2021

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
30.06.21	R Income	Group 1	0.2434p	-	0.2434p	0.3750p
30.06.21	R Income	Group 2	-	0.2434p	0.2434p	0.3750p
30.06.21	R Accumulation	Group 1	0.6390p	-	0.6390p	0.9006p
30.06.21	R Accumulation	Group 2	0.0001p	0.6389p	0.6390p	0.9006p

Eighth Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 May 2021
Group 2 : Shares purchased on or after 01 May 2021 and on or before 31 May 2021

01 May 2021 to 31 May 2021

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
30.07.21	R Income	Group 1	0.3750p	-	0.3750p	0.3750p
30.07.21	R Income	Group 2	0.2913p	0.0837p	0.3750p	0.3750p
30.07.21	R Accumulation	Group 1	0.9948p	-	0.9948p	0.9037p
30.07.21	R Accumulation	Group 2	0.2718p	0.7230p	0.9948p	0.9037p

Ninth Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 Jun 2021
Group 2 : Shares purchased on or after 01 June 2021 and on or before 31 June 2021

01 June 2021 to 31 June 2021

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
31.08.21	R Income	Group 1	0.2168p	-	0.2168p	0.3750p
31.08.21	R Income	Group 2	0.0440p	0.1728p	0.2168p	0.3750p
31.08.21	R Accumulation	Group 1	0.5769p	-	0.5769p	0.9034p
31.08.21	R Accumulation	Group 2	0.0828p	0.4941p	0.5769p	0.9034p

Tenth Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 July 2021
Group 2 : Shares purchased on or after 01 July 2021 and on or before 31 July 2021

01 July 2021 to 31 July 2021

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
30.09.21	R Income	Group 1	0.3750p	-	0.3750p	0.3750p
30.09.21	R Income	Group 2	0.0377p	0.3373p	0.3750p	0.3750p
30.09.21	R Accumulation	Group 1	1.0046p	-	1.0046p	0.9074p
30.09.21	R Accumulation	Group 2	0.4788p	0.5258p	1.0046p	0.9074p

Eleventh Interim Distribution in pence per share
Group 1: Shares purchased prior to 01 Aug 2021
Group 2 : Shares purchased on or after 01 Aug 2021 and on or before 31 Aug 2021

01 August 2021 to 31 August 2021

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
29.10.21	R Income	Group 1	0.3750p	-	0.3750p	0.3750p
29.10.21	R Income	Group 2	0.0261p	0.3489p	0.3750p	0.3750p
29.10.21	R Accumulation	Group 1	1.0089p	-	1.0089p	0.9194p
29.10.21	R Accumulation	Group 2	0.0083p	1.0006p	1.0089p	0.9194p

Final distribution in pence per share
Group 1: Shares purchased prior to 01 Sep 2021
Group 2 : Shares purchased on or after 01 Sep 2021 and on or before 30 Sep 2021

01 September 2021 to 30 September 2021

Payment Date	Share Class		Net Revenue	Equalisation	Distribution 2021	Distribution 2020
30.11.21	R Income	Group 1	-	-	-	1.2649p
30.11.21	R Income	Group 2	-	-	-	1.2649p
30.11.21	R Accumulation	Group 1	-	-	-	3.1082p
30.11.21	R Accumulation	Group 2	-	-	-	3.1082p

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.

Taxation

The Company will pay no corporation tax on its profits for the year to 30 September 2021 and capital gains within the Company will not be taxed.

Individual shareholders

Income tax: Tax-free annual dividend allowance now standing at £2,000 (2021/22). UK resident shareholders are 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. However, the first £12,300 (2021/22) 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.

Corporate shareholders

The unfranked income element will be treated as an annual payment which has been subject to income tax at a rate of 20% and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

The above information on taxation is only a general summary, and shareholders should consult their own tax advisors in relation to their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

Issue and redemption of shares

Valu-Trac Investment Management Limited is the ACD and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours (8.30am to 5.30pm). Instructions may be given by email to (gy@valu-trac.com) or by sending an application form to the Registrar. Application forms are available from the Registrar.

The price of shares will be determined by reference to a valuation of the Company's net assets at 12:00 noon on each dealing day.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque fails to be cleared.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. Settlement is due four business days after the trade date shown on the contract note and should be made to the ACD's dealing account.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the ACD of a request for redemption. The minimum value of shares that a shareholder may hold is £10,000. The ACD may at its discretion accept subscriptions lower than the minimum amount.

The most recent issue and redemption prices are available from the ACD.

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 Sub-fund, so there are no quantitative disclosures in this report.

Authorised Corporate Director, Administrator and Registrar	Valu-Trac Investment Management Limited Orton Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: gy@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Director	Valu-Trac Investment Management Limited
Investment Manager to 10 December 2021	Garraway Capital Management LLP 6th Floor Becket House 36 Old Jewry London EC2R 8DD
From 10 December 2021	EPIC Markets (UK) LLP 200 Aldersgate Street London EC1A 4HD 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 Chartered Accountants Commerce House South Street Elgin IV30 1JE

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

For the year ended 30 September 2021

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

Note that VT Garraway Diversified Income Fund changed its name to VT EPIC Diversified Income Fund on 24 January 2022, and with it some changes were made to clarify its investment objective and policies which are discussed below.

The Authorised Corporate Director of the Fund is Valu-Trac Investment Management Limited (Valu-Trac). The Investment Manager was Garraway Capital Management LLP. On the 10 December 2021, EPIC Markets (UK) LLP acquired Anath Capital Group Ltd, parent company to Garraway Capital Management LLP and assumed the Investment Manager role of the Fund.

The investment objective of VT EPIC Diversified Income Fund is to generate income (whilst also seeking some capital growth).

VT EPIC Diversified Income Fund will seek to achieve its objective primarily (at least 70%) through investment in collective investment schemes (which may include those managed and/or operated by the ACD or Investment Manager) and investment trusts which provide exposure to fixed interest securities. The Fund may also invest directly in fixed interest securities and equities. The mix between, Government securities, investment grade and high yield assets may vary depending upon the Investment Manager's view of prevailing conditions and prudent spread of risk. Money market instruments, equities and cash deposits may also be held from time to time.

The use of derivatives and/or hedging transactions is permitted in connection with the Efficient Portfolio Management of the Fund. In addition, the Fund may use derivatives and forward transactions for investment purposes. Use of derivatives is expected to be limited, although when used the resultant exposure may be significant.

	At and for the year ended				
	30 Sept 2021	**30 Sept 2020**	**30 Sept 2019**	**30 Sept 2018**	**30 Sept 2017**
Value of Fund (per performance record)					
R Income	£2,645k	£2,429k	£3,449k	£6,600k	£8,199k
R Accumulation	£5,388k	£4,967k	£2,553k	£3,444k	£4,722k
A Income[1]	N/A	N/A	£268k	£404k	£493k
A Accumulation[1]	N/A	N/A	£4,704k	£5,035k	£5,618k
Shares outstanding					
R Income	4,333k	4,478k	4,577k	8,266k	9,374k
R Accumulation	3,255k	3,595k	1,452k	2,013k	2,689k
A Income[1]	N/A	N/A	326k	462k	512k
A Accumulation[1]	N/A	N/A	4,512k	4,937k	5,334k

NAV per share					
R Income	61.04p	54.25p	75.36p	79.84p	87.46p
R Accumulation	165.55p	138.16p	175.78p	171.06p	175.63p
A Income[1]	N/A	N/A	82.20p	87.48p	96.32p
A Accumulation[1]	N/A	N/A	104.27p	101.98p	105.32p
Dividend per share					
R Income	3.76p	5.39p	6.58p	5.11p	5.42p
R Accumulation	9.84p	12.95p	14.52p	10.51p	9.88p
A Income[1]	N/A	2.45p	7.70p	5.61p	5.98p
A Accumulation[1]	N/A	3.14p	8.65p	6.31p	5.95p
Ongoing charges					
R Income	1.77%	1.65%	1.57%	1.24%	1.19%
R Accumulation	1.77%	1.65%	1.57%	1.24%	1.19%
A Income[1]	N/A	2.15%	2.07%	1.74%	1.69%
A Accumulation[1]	N/A	2.15%	2.07%	1.74%	1.69%
Gains/(losses) before expenses					
Capital gains/(losses)	£1,030k	(£2,688k)	(£505k)	(£1,431k)	(£1,360k)
Total gains/(losses)	£1,525k	(£2,112k)	£591k	(£384k)	£9k

1. The A Income and A Accumulation share classes were converted into the R Income and R Accumulation share classes on 6 April 2020.

Notes

The ongoing charges ratio is based on the actual charges and the average NAV during the period.
From 25 March 2019 the source of all data is Valu-Trac Administration Services unless otherwise stated
Source of data prior to 25 March 2019 – City Financial Investment Company Limited

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 Fund 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 Fund 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 Fund'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 Fund 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 worked closely with Garraway Capital Management LLP 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 AFM has assessed performance of the Fund net of all the charges that are outlined in its prospectus. The investment objective of VT EPIC Diversified Income Fund is to generate income (whilst also seeking some capital growth). The Fund is not managed to or constrained by a benchmark, however in order to assess the Fund's performance, investors may find it useful to compare the Fund against the performance of the IA OE £ Strategic Bond Sector (the comparator).

To compare income, the table below shows the Fund dividend yield for the period under review and the last five years against the comparator annualised yield.

	At and for the year ended		
	2021 Dividend Yield	**Five Year Annualised Dividend Yield**	**Annualised Comparator Dividend Yield**
Dividend per share			
R Income	6.93%	5.59%	3.20%
R Accumulation	7.12%	6.48%	3.20%

To compare capital return, the total returns of the Fund for the period under review and over the last five years against the comparator is shown below.

	2021 Performance	**2021 Comparator Performance**	**Five Year Performance**	**Five Year Comparator Performance**
R Income	19.45%	3.75%	(7.03%)	18.04%
R Accumulation	19.82%	3.75%	(7.05%)	18.04%

The AFM has also assessed the risk taken to achieve the above performance and has concluded that while the risk taken to achieve performance was higher than that of the associated comparator it was not excessive, (detailed analysis on how we have arrived at this conclusion can be provided on request).

3. AFM costs

The costs incurred during the year ended 30 September 2021 were as follows:

	£	**% of average fund value**
Investment manager fee	£5,839	0.07%
ACD fee	£30,114	0.38%
Depositary fee	£22,062	0.28%
Audit fee	£12,025	0.15%
Other expenses	£4,579	0.06%
Transaction charges (capital)	£1,568	0.02%
Total costs	**£76,187**	**0.96%**

Gains for the year (capital and revenue less expenses) were £1,393k after taxation of £55k.

Per the prospectus the Fund does not charge for redemption (other than dilution charges).

A dilution levy may be charged in the following circumstances:

▪ on a Fund experiencing large levels of net purchases (i.e. purchases less redemptions) relative to its size;

▪ on a Fund experiencing large levels of net redemptions (i.e. redemptions less purchases) relative to its size;

▪ on "large deals". For these purposes, a large deal is defined as a purchase or a redemption in excess of £1 million (or the equivalent amount in US Dollars) or 5% of the value of the Scheme Property;

▪ in any other case where the ACD is of the opinion that the interests of existing/continuing Shareholders and potential Shareholders require the imposition of a dilution levy. In the period under review there was no dilution levy charged. There were no dilution levies charged in the period under review.

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 OE £ Strategic Bond Sector, retail classes where available. This is shown below.

	Operating charges (including cost of underlying funds)
Class R	1.77%
IA OE £ Strategic Bond Sector (average of 10 largest funds)	1.01%

The AFM has concluded the costs, and in particular the Investment managers' fee is appropriate and justified for the Fund. While the operating charges are higher than the comparator it is not considered excessive due to the size of the Fund and a significant portion of its 1.77% operating charge being the cost of underlying funds it holds at 0.83%, excluding this the operating charges would be 0.94% as shown above excluding the cost of capital transaction fees.

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 fees charged 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 selected funds that are classified in the IA OE £ Strategic Bond Sector along with similar style funds that the AFM administer. The AFM believes that the shareholders are achieving efficient market rates as a whole and are not excessive as discussed in section 3. 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

The services provided to this Fund and the costs are also comparable amongst other similar funds operated by the AFM, and is aligned with its normal operating model.

7. Classes of units

There currently is only one class of shares which is the R share classes. The Annual operating charge over the last five years is shown below.

	At and for the period ended				
	30 September 2021	**30 September 2020**	**30 September 2019**	**30 September 2018**	**30 September 2017**
Operating charges	1.77%	1.65%	1.57%	1.24%	1.19%

The Annual Management charge which pays both the Investment Management Fee and the ACD fee is 0.45% per annum.

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 shareholders, while capital growth has not been achieved over the objective period, it has been met in the period under review along with the main object of delivering income being achieved with dividend yields greater than the comparator. Therefore, it is concluded that the shareholders of VT EPIC Diversified Fixed Interest Fund are receiving good value in the period under review. While capital growth was achieved in the period under review this has not been the case over the prior years and the AFM will continue to monitor the capital performance of the fund against the comparator over the next 12 months.

09 February 2022