

# **APTUS INVESTMENT FUND**

ANNUAL REPORT &  
AUDITED FINANCIAL STATEMENTS

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For the year ended 31 December 2021



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*Note: The Authorised Corporate Director's Report consists of 'Authorised Status', 'Structure of the Company' and 'Investment Objective and Policy' on page 2, 'Investment Review' as provided by the Investment Manager, on pages 12 to 14 and 'Directory' on page 45.*



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## THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

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The Authorised Corporate Director (the 'ACD') is T. Bailey Fund Services Limited ('TBFS'). Toscafund Asset Management LLP is the Investment Manager (the 'Investment Manager') of the Aptus Investment Fund (the 'Company').

Toscafund Asset Management LLP and T. Bailey Fund Services Limited are authorised and regulated by the Financial Conduct Authority. Further information about Toscafund Asset Management LLP can be found at [www.toscafund.com](http://www.toscafund.com). Further information about Aptus Investment Fund can be found at [www.tbaileys.co.uk/funds/aptus-investment-fund](http://www.tbaileys.co.uk/funds/aptus-investment-fund).

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## YOUR INVESTMENTS

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You can buy or sell shares in the Company through your Financial Advisor. Alternatively, you can telephone the dealing line; 0115 988 8277, during normal office hours. Application forms can be requested in writing from the ACD, by calling the Client Services Team on the dealing line or by visiting [www.tbaileys.co.uk/funds/aptus-investment-fund](http://www.tbaileys.co.uk/funds/aptus-investment-fund).

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## RISK PROFILE

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The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested. There is no guarantee that the Fund will meet its stated objectives. The Fund invests in global shares, with some regions being regarded as more risky. The movements of exchange rates may lead to further changes in the value of investments and the income from them. Whilst the intention for using derivatives is to generate positive returns or to reduce risk, the outcome is not guaranteed and derivatives involve additional risk which could lead to significant losses. There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

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## SYNTHETIC RISK AND REWARD INDICATOR

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The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of one to seven. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category six because it will invest primarily in global financial services company shares, which have experienced high rises and falls in value in the past five years.

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## OTHER INFORMATION

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Full details of Aptus Investment Fund are set out in the Prospectus. This document provides investors with extensive information about the Fund including risks and expenses. A copy of the Prospectus is available on request from the ACD, or can be found at [www.tbaileys.co.uk/funds/aptus-investment-fund](http://www.tbaileys.co.uk/funds/aptus-investment-fund). The Key Investor Information document, Supplementary Information document and Value Assessment are also available at [www.tbaileys.co.uk/funds/aptus-investment-fund](http://www.tbaileys.co.uk/funds/aptus-investment-fund).

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## **AUTHORISED STATUS**

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Aptus Investment Fund (the 'Company') is an investment company with variable capital incorporated in England and Wales under registered number IC000960 and authorised by the Financial Conduct Authority with effect from 18 October 2012. The Company has an unlimited duration.

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## **STRUCTURE OF THE COMPANY**

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The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new sub-fund or share class, a revised prospectus will be prepared setting out the relevant details of each sub-fund or share class.

The Company is compliant with the Protected Cell Regime for OEICS. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly, the assets of the sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-fund and shall not be available for any such purpose.

As at the balance sheet date, there was one sub-fund in existence: Aptus Global Financials Fund (the 'Fund').

The Company is a UK UCITS.

The base currency of the Company is Pound Sterling.

The assets of the Company and its sub-fund will be invested in accordance with the investment objective and investment policy of the Company and its sub-fund. Investment of the assets must comply with the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

Subject to the above, the liabilities, expenses, costs and charges of the Company will be allocated between classes in accordance with the terms of issue of shares of those classes.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The ACD is the sole director of the Company.

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## **INVESTMENT OBJECTIVE AND POLICY**

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The Fund aims to produce both capital and income growth over the long term (Rolling Periods of five years).

At least 70% of the Fund will be exposed directly or indirectly to shares of companies anywhere in the world, including emerging markets. At least 50% of the Fund's portfolio will be invested in a well-diversified geographic spread of global financial services institutions such as banks and insurance companies.

The Fund may also invest in other types of transferable securities (including bonds such as contingent convertible bonds and other corporate bonds), money market instruments, deposits, cash and near cash. Up to 10% of the Fund may be invested in collective investment schemes (which may include those managed by the ACD and its associates).

The Fund may use derivatives (complex instruments) for investment purposes to achieve indirect exposure to equity securities. Derivatives may also be used to manage the Fund more efficiently, with the aim of reducing risk, reducing costs and/or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

The Fund is actively managed and assets will be selected taking into account the Investment Manager's views on value and growth opportunities. These views will be formed following an analysis process which may include meetings with company management and/or industry bodies, analysing the quality of a company's earnings and challenging the consensus view held within the market about a company's prospects.

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## **FUND BENCHMARKS**

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Shareholders may wish to compare the performance of the Sub-fund against the MSCI ACWI Financials Index (GBP terms) (the "Index"). The stocks comprising the Index are aligned with the Sub-fund's objectives, and on that basis the Index is considered an appropriate performance comparator for the Subfund. Please note the Sub-fund is not constrained by or managed to the Index.

The MSCI ACWI/ Financials Index is a Comparator Benchmark of the Fund.

Shareholders may also wish to compare the Subfund's performance against other funds within the Investment Association's Global Equity Income Sector as that will give investors an indication of how the Sub-fund is performing compared with other funds that invest in global equities and have an income focus. As the sector aligns with the Subfund's asset allocation and income delivery objectives, it is considered that this is an appropriate comparator.

The IA Global Equity Income Sector is a Comparator Benchmark of the Fund.

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## **ONGOING CHARGES FIGURE**

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The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA and audit fees. The OCFs, as calculated in accordance with the European Security and Markets Authority ('ESMA') guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 18 to 24.

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## REMUNERATION POLICY OF THE AUTHORISED CORPORATE DIRECTOR

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### Introduction and Scope

TBFS has policies and practices for those staff whose professional activities have a material impact on the risk profile of the combined activities. TBFS is a UCITS firm and is therefore subject to the UCITS Remuneration Code.

The Remuneration Policy of the Authorised Corporate Director:

- Is consistent with and promotes sound and effective risk management;
- Does not encourage risk taking that exceeds the level of tolerated risk of the firm;
- Encourages behaviour that delivers results which are aligned to the interests of TBFS's clients and the UCITS funds it manages;
- Aligns the interests of Code Staff with the long-term interests of TBFS's clients and the UCITS funds it manages;
- Recognises that remuneration should be competitive and reflect both financial and personal performance. Accordingly, Remuneration for Code Staff is made up of fixed pay (salary and benefits, including pension) and variable (performance-related) pay; and
- Recognises that fixed and variable components should be appropriately balanced and that the variable component should be flexible enough so that in some circumstances no variable component may be paid at all. Variable pay is made up of short-term awards typically based on short-term financial and strategic measures for the area of the business in which the member of Code Staff works.

In accordance with BIPRU 11.5.18R the following disclosures are made:

### Decision making process for determining remuneration policy, link between pay and performance

There is no remuneration committee. Remuneration is set within the context of a 5-year plan which ensures any threats to capital adequacy, liquidity and solvency caused by excessive remuneration would be identified. The bonus and commission arrangements including the staff bonus pool are set annually as part of the annual operating plan and any changes to the pool require approval by the CEO of TBFS and the Board of T. Bailey Holdings Limited ('TBH').

The main shareholders are represented on the Board of TBH which ratifies the annual operating plans. The annual operating plan includes the level of remuneration for all staff including Code Staff.

To assist with the above process, a benchmarking exercise was conducted in 2019 which incorporated information from external consultants in connection with remuneration.

### Policy on link between pay and performance

The staff bonus scheme is operated so as to allow for meaningful rewards to be paid to staff whose performance during the year merits recognition but within the context of an annual operating plan. The Board bears in mind the projected performance of the company when making any adjustments to the scheme. This is agreed within the setting of the annual operating plan and reviewed once full year results are available.

The final bonus total is signed off by the TBFS board. The bonus payments are non-contractual and can be amended or withdrawn at any time.

Payment of scheme bonus to individuals is linked to their performance against agreed objectives from staff appraisals. All bonuses are monetary and paid through the payroll.



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**REMUNERATION POLICY OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)**

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Staff are eligible to be a part of the scheme once they have completed a full years' service prior to the start of the relevant appraisal year. The same process applies to all grades of staff including executive directors.

There are no commission-based payments made to staff.

No other pay reward schemes exist within the business.

**Total remuneration paid by the ACD for the year ended 30 September 2021**

<b>Total Number of Staff</b>	<b>51</b>
	<b>£'000</b>
Fixed	1,797
Variable	111
<b>Total Remuneration Paid</b>	<b>1,908</b>

**Total remuneration paid by the ACD to Remuneration Code Staff for the year ended 30 September 2021**

	<b>Senior Management</b>	<b>Staff with Material Impact</b>
<b>Total Number of Staff</b>	<b>10</b>	<b>-</b>
	<b>£'000</b>	<b>£'000</b>
Fixed	800	-
Variable	9	-
<b>Total Remuneration Paid</b>	<b>809</b>	<b>-</b>

Please note that there were no remuneration payments made directly from Aptus Investment Fund or its sub-fund.

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## STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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The Authorised Corporate Director (the "ACD") of Aptus Investment Fund ('the Company') is responsible for preparing the Annual Report and the Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014 and amended in June 2017; and
- give a true and fair view of the financial position of the Company as at the end of that period and the net revenue and the net capital gains or losses on the property of the Company for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## DIRECTOR'S STATEMENT

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In accordance with COLL 4.5.8BR, the Report and the Financial Statements were approved by the board of Directors of the ACD of the Company and authorised for issue on 29 April 2022.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of these financial statements.

**Gavin Padbury**  
**Chief Operations Officer**  
**T. Bailey Fund Services Limited**  
**Nottingham, United Kingdom**  
**29 April 2022**

**Rachel Elliott**  
**Chief Financial Officer**  
**T. Bailey Fund Services Limited**  
**Nottingham, United Kingdom**  
**29 April 2022**

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## STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

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The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the 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 of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ("the ACD") 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.

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## DEPOSITARY'S REPORT TO THE SHAREHOLDERS OF APTUS INVESTMENT FUND

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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 Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue, in accordance with COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and the Prospectus of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

**NatWest Trustee & Depositary Services Limited**  
**London, United Kingdom**  
**29 April 2022**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Aptus Investment Fund (the 'company'):

- give a true and fair view of the financial position of the Company as at 31 December 2021 and of the net revenues and the net capital gains on the property of the company for the year ended 31 December 2021; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements, which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the related individual notes 1 to 15; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook 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 further described 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

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**REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF APTUS INVESTMENT FUND  
(CONTINUED)**

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**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

**Responsibilities of depositary and ACD**

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

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the 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.

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

**Extent to which 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.

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**REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF APTUS INVESTMENT FUND  
(CONTINUED)**

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We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the Collective Investment Schemes Sourcebook; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as valuation and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment prices to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the FCA.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook**

In our opinion:

- proper accounting records for the company have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 31 December 2021 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

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**REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF APTUS INVESTMENT FUND  
(CONTINUED)**

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**Use of our report**

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. 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.

**Deloitte LLP**  
**Statutory Auditor**  
**Birmingham, United Kingdom**  
**29 April 2022**

## INVESTMENT REVIEW

### Performance

Cumulative returns for the periods ended 31 December 2021 (%)					
	1 year	3 years	5 years		
B Sterling Income	23.13	32.27	37.89		
A Sterling Income	24.16	34.15	40.64		
B Sterling Accumulation	23.62	32.79	38.47		
A Sterling Accumulation	24.27	34.21	40.25		
MSCI ACWI Financials*	25.50	38.66	40.80		
IA Global Equity Income*	18.70	45.40	51.11		
Rolling returns for the 5 year periods ended 31 December (%)					
	2021	2020	2019	2018	2017
B Sterling Income	37.89	20.77	33.35	30.35	113.46
A Sterling Income	40.64	22.40	35.26	32.10	115.77
B Sterling Accumulation	38.47	20.78	33.41	30.38	113.43
A Sterling Accumulation	40.25	21.70	34.08	30.66	113.43
MSCI ACWI Financials*	40.80	50.38	61.08	49.36	99.75
IA Global Equity Income*	51.11	56.86	54.24	38.72	77.36

\* *Comparator Benchmarks.*

*Source: Financial Express. Total Return. Bid to Bid. Sterling terms.*

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

### Overview

The Fund reported a gain of 24.3% (A Accumulation units) for the year ended 31 December 2021. Once again, we would like to reaffirm that we are benchmark agnostic but investors may be interested to know that we marginally underperformed the MSCI ACWI Financials index, albeit the figures are similar, and we were well ahead of the IA Global Equity Income index. On the income front, the Fund was again hampered by regulatory dictates on banks, forbidding them from paying dividends in the first half of the year. However, the final



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## INVESTMENT REVIEW (CONTINUED)

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dividend was higher than we would normally expect, as some banks returned to the dividend list late in the year. We will reflect on the income paying potential of the Fund further in the outlook section but, in short, we believe that 2022 promises much on this front. Overall the Fund paid a dividend of 8.31p for the year, which compares to 6.30p in 2020, offering a yield of 3.27% based on the 31 December share price (A income units).

The Fund's top 10 winners were spread across the financial universe, with sizable gains in the Alternative space (Sculptor and Arrow – both successful restructurings), Fintech (TCS – growth and re-rating), five continental European banks (Societe Generale, BAWAG, BFF, Unicredit and Banco Sabadell – a combined c.890bp gain), one UK challenger bank (OSB) and one US bank (Signature).

Unfortunately, we also had some losses as well. Our two Chinese property management companies cost the Fund c.350bp, as the Chinese government cracked down on the property market, sending a number of highly indebted property developers to the wall. Whilst this was clearly not helpful our positions are well diversified, financially strong, and able to grow earnings rapidly, and so were retained. Other losses occurred in UK reinsurance where catastrophe losses were larger than predicted and India in Q1 post the emergence of the Delta Variant of C-19, although these were less significant.

In contrast to 2020, 2021 was about maintaining a constant narrative, albeit under constant monitoring and with occasional small adjustments. Central to the thesis has been a belief in "reopening, recovery and rebalancing". Our views expressed in the 2020 report, that investors were obsessed by looking backwards and that the financial system was in far better shape than many would acknowledge, also contributed to our steadfast positioning and allowed us to ride through pockets of market weakness, such as was experienced in November. Similarly having a diversified book with multiple drivers to growth and profitability has once again helped with risk management and portfolio construction.

Although flows into the Fund were a touch disappointing, we were pleased to have reengaged with a number of investors, particularly in the second half of the year, and interest in the strategy and Fund has significantly improved. That said many investors are still wary of the space, preferring to stick to the winners of recent years. We believe this to be misguided and will reflect further in the outlook section which follows.

The asset allocations at the year end are shown below:

Sector	Asset allocation as at 31 December 2021 (%)	Asset allocation as at 31 December 2020 (%)
Bonds	2.7	7.2
Equities	96.1	92.5
Forward Currency Contracts	0.0	0.2
Cash and Other	1.2	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The full list of holdings at the year end is shown in the Portfolio Statement on pages 15 to 17.

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## INVESTMENT REVIEW (CONTINUED)

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### Outlook

The outlook section of last year's report highlighted the bifurcated nature of markets, excessive emphasis on past trends, accommodative governmental and central bank policies and the relative strength of the financial system. Toscafund's long history of investment in the financial sector allowed us to draw parallels with previous crises and paint a roadmap for the coming months, to which, as previously mentioned, we have stuck. It is tempting to write that we are simply part way down the road mapped last year and that 2022 offers more of the same. However, this is overly simplistic and we will expand.

Within the bank space we see the continuation of the trends established last year. Our views that many banks would be able to return significant capital to shareholders have been vindicated and the forthcoming reporting season should again see significant pay-outs to shareholders in the shape of dividends and buybacks. However, we wonder whether investors truly appreciate the levels of upgrades seen last year. One can debate the worth of earnings multiples when analysing banks but, on this measure, many European banks are trading as cheaply as they were this time last year, despite their good performance. As such, we would not be surprised if several European banks still doubled over the next two years. Similarly, M&A, principally accretive in-market deals, is likely to increase further this year adding to the piece. Our positive stance on banks may seem less counter consensual than last year, but many we speak to retain extreme reservations about returning to the sector leaving plenty of scope for conversion.

However, it is not just a case of "more of the same" as we need to emphasise the benefit of rising rates in 2022 and beyond which adds to our excitement. We mentioned this as a distant possibility last year but it is now clearly upon us. Interest rates have already risen in the UK and CEE, and we expect further rises there, with the US to follow shortly and Europe next. Inflation is ever-present and monetary policy historically takes a year or two to take effect. With interest rates so low we believe they have significantly further to go.

This is very important as financials, and in particular banks, are extremely sensitive to rates. A number of banks have failed to meet their cost of capital over the last decade in a low-rate world and investors' antipathy to the sector grew as a result. Although we do not expect huge interest rate moves, the first moves are the most impactful, especially in places where rates are currently negative. Even modest moves in rates open up the possibility that many banks will become value creators, with returns in excess of their cost of capital. This should signal a further reappraisal of the sector and a return to longer term historic valuation metrics which are far in excess of current levels.

Of course the Fund is not only about banks and the portfolio is deliberately diverse by sector and geography leaving us well placed for the outlook which we envisage. The Fund's remit across the financials landscape gives it a number of interesting areas in which to invest (payments, insurance, and serviced real estate to name but a few) with diverse drivers of profitability. For example, our position in Jackson Financial offers self-help restructuring and interest rate sensitivity, whilst our Chinese real estate management positions offer secular growth and recovery from an unwarranted selloff. We also retain positions in Worldline (payments) and Lancashire (insurance), both of which disappointed last year in share price terms but still offer significant potential in 2022.

Overall, our confidence in the assertion that we were entering a new phase for markets based on "reopening, recovery and rebalancing" has grown and we have added "reflation" to the list. We look forward to the year ahead with much optimism. We would like to conclude by thanking our investors for their support and wish them a happy, healthy and prosperous 2022.

**Johnny de la Hey**  
**Fund Manager**  
**Toscafund Asset Management LLP**  
**London, United Kingdom**  
**29 April 2022**

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**PORTFOLIO STATEMENT**As at 31 December 2021

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Bonds</b>		
<b>(2.7%; 31.12.20 - 7.2%)</b>		
1,200,000 Banca Monte dei Paschi di Siena 8.5% 23/07/2029	858,868	1.1
1,000,000 Hellenic Bank 10%	506,516	0.7
1,000,000 Indiabulls Housing 4.5% 28/09/2026	733,424	0.9
	<b>2,098,808</b>	<b>2.7</b>
<b>Equities</b>		
<b>(96.1%; 31.12.20 - 92.5%)</b>		
70,000 Addiko Bank	800,471	1.0
1,200,000 A-living Services	1,508,833	1.9
1,500,000 Aoyuan Healthy Life	347,054	0.4
50,000 Apartment Income REIT	2,020,027	2.6
625,000 Banca Farmafactoring Banking	3,725,931	4.7
3,000,000 Banco Sabadell	1,492,811	1.9
80,000 BAWAG	3,645,842	4.6
2,150,000 Bank of Baroda	1,754,280	2.2
380,000 Bank of Ireland	1,593,105	2.0
1,750,000 Barclays	3,272,500	4.1
1,050,000 BPER Banca	1,609,476	2.0
60,000 BRP Group	1,598,877	2.0
300,000 Commerzbank	1,691,836	2.1
900,000 Dhani Services	1,483,933	1.9
45,000 Erste Group Bank	1,556,630	2.0
95,000 Global Medical REIT	1,246,120	1.6
460,000 HSBC	2,063,560	2.6
1,300,000 IWG	3,780,400	4.8
70,000 Jackson Financial	2,163,317	2.7
2,100,000 Just Group	1,747,200	2.2
375,000 Lancashire Holdings	1,983,750	2.5
825,000 M&G Prudential	1,642,575	2.1
14,000 M&T Bank	1,588,501	2.0
21,000 Morgan Stanley	1,522,857	1.9
1,650,000 NatWest	3,722,400	4.7
500,000 OSB	2,770,000	3.5

**PORTFOLIO STATEMENT (CONTINUED)**

As at 31 December 2021

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Equities (continued)</b>		
20,000 OTP Bank	756,749	1.0
375,000 Provident Financial	1,346,250	1.7
130,000 Prudential	1,656,850	2.1
75,000 Raiffeisen Bank International	1,620,701	2.0
125,000 Sculptor Capital Management	1,971,253	2.5
14,750 Signature Bank	3,525,852	4.5
145,000 Societe Generale	3,681,388	4.7
13,000 TCS Group	797,369	1.0
3,450,000 Unicaja Banco	2,520,853	3.2
180,000 Unicredit	2,049,878	2.6
2,400,000,000 VTB Bank	1,140,465	1.5
48,000 Worldline	1,977,634	2.5
260,000 Zip	603,905	0.8
	<b>75,981,433</b>	<b>96.1</b>
Holding or nominal value of positions	Unrealised gain/(loss) value £	Percentage of total net assets %
<b>Forward Currency Contracts</b>		
<b>(0.0%; 31.12.20 - 0.2%)</b>		
AUD 471,207 Forward FX AUD v £254,264 (expires 25.02.22)*	(930)	0.0
£67,588 Forward FX GBP v €80,000 (expires 25.02.22)	514	0.0
£850,949 Forward FX GBP v HKD 8,875,397 (expires 25.02.22)	7,436	0.0
£641,387 Forward FX GBP v €760,000 (expires 28.02.22)	4,125	0.0
£485,802 Forward FX GBP v €570,000 (expires 25.02.22)	7,895	0.0
£56,335 Forward FX GBP v AUD 105,000 (expires 25.02.22)*	(116)	0.0
£177,074 Forward FX GBP v HKD 1,838,725 (expires 25.02.22)	2,322	0.0

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 December 2021

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Holding or nominal value of positions	Unrealised gain/(loss) value £	Percentage of total net assets %
<b>Forward Currency Contracts (continued)</b>		
£292,782 Forward FX GBP v \$390,000 (expires 25.02.22)	3,896	0.0
£160,188 Forward FX GBP v HKD 1,660,271 (expires 25.02.22)	2,397	0.0
	<b>27,539</b>	<b>0.0</b>
<b>Portfolio of investments</b>	<b>78,107,780</b>	<b>98.8</b>
<b>Net other assets</b>	<b>983,846</b>	<b>1.2</b>
<b>Total net assets</b>	<b>79,091,626</b>	<b>100.0</b>

*All Equities are quoted on official stock exchanges.**\*Disclosed as investment liabilities in the balance sheet.*

## SUMMARY OF FUND PERFORMANCE

<b>A Income Shares</b>	<b>1 Jan 2021 to 31 Dec 2021</b>	<b>1 Jan 2020 to 31 Dec 2020</b>	<b>1 Jan 2019 to 31 Dec 2019</b>
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	209.94	216.74	212.65
Return before operating charges*	55.15	2.13	17.11
Operating charges	(2.40)	(2.63)	(2.66)
Return after operating charges*	52.75	(0.50)	14.45
Distributions on income shares	(8.31)	(6.30)	(10.36)
Closing net asset value per share	254.38	209.94	216.74
* after direct transaction costs of:	0.84	1.03	1.08
<b>Performance</b>			
Return after charges	25.13%	(0.23)%	6.80%
<b>Other information</b>			
Closing net asset value	£23,878,565	£19,877,128	£39,643,038
Closing number of shares	9,386,913	9,467,865	18,290,787
Operating charges (p.a.)	0.97%	1.22%	1.23%
Direct transaction costs (p.a.)	0.34%	0.55%	0.50%
<b>Prices</b>			
Highest published share price	271.92	240.84	232.12
Lowest published share price	203.12	128.44	195.81

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

## SUMMARY OF FUND PERFORMANCE (CONTINUED)

<b>B Income Shares</b>	<b>1 Jan 2021 to 31 Dec 2021</b>	<b>1 Jan 2020 to 31 Dec 2020</b>	<b>1 Jan 2019 to 31 Dec 2019</b>
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	263.04	272.88	268.54
Return before operating charges*	68.44	2.42	21.58
Operating charges	(4.55)	(4.27)	(4.16)
Return after operating charges*	63.89	(1.85)	17.42
Distributions on income shares	(10.40)	(7.99)	(13.08)
Closing net asset value per share	316.53	263.04	272.88
* after direct transaction costs of:	1.05	1.37	1.37
<b>Performance</b>			
Return after charges	24.29%	(0.68)%	6.49%
<b>Other information</b>			
Closing net asset value	£3,442,206	£2,933,225	£28,353,402
Closing number of shares	1,087,478	1,115,140	10,390,311
Operating charges (p.a.)	1.47%	1.72%	1.53%
Direct transaction costs (p.a.)	0.34%	0.55%	0.50%
<b>Prices</b>			
Highest published share price	338.66	303.10	292.65
Lowest published share price	254.49	161.60	246.72

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

## SUMMARY OF FUND PERFORMANCE (CONTINUED)

C Income Shares	1 Jan 2021 to 31 Dec 2021 (pence per share)	1 Jan 2020 to 31 Dec 2020 (pence per share)	1 Jan 2019 to 31 Dec 2019 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	284.36	291.60	284.35
Return before operating charges*	74.56	2.82	22.63
Operating charges	(1.58)	(1.77)	(1.51)
Return after operating charges*	72.98	1.05	21.12
Distributions on income shares	(11.28)	(8.29)	(13.87)
Closing net asset value per share	346.06	284.36	291.60
* after direct transaction costs of:	1.15	1.36	1.45
<b>Performance</b>			
Return after charges	25.66%	0.36%	7.43%
<b>Other information</b>			
Closing net asset value	£8,049,368	£6,611,966	£7,663,965
Closing number of shares	2,325,976	2,325,241	2,628,201
Operating charges (p.a.)	0.47%	0.72%	0.53%
Direct transaction costs (p.a.)	0.34%	0.55%	0.50%
<b>Prices</b>			
Highest published share price	369.58	324.31	311.47
Lowest published share price	274.98	173.06	263.04

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*



## SUMMARY OF FUND PERFORMANCE (CONTINUED)

<b>A Accumulation Shares</b>	<b>1 Jan 2021 to 31 Dec 2021</b>	<b>1 Jan 2020 to 31 Dec 2020</b>	<b>1 Jan 2019 to 31 Dec 2019</b>
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	173.20	172.94	161.90
Return before operating charges*	45.87	2.37	13.09
Operating charges	(2.03)	(2.11)	(2.05)
Return after operating charges*	43.84	0.26	11.04
Distributions	(6.85)	(4.70)	(7.99)
Retained distributions on accumulation shares	6.85	4.70	7.99
Closing net asset value per share	217.04	173.20	172.94
* after direct transaction costs of:	0.71	0.82	0.83
<b>Performance</b>			
Return after charges	25.31%	0.15%	6.82%
<b>Other information</b>			
Closing net asset value	£18,772,199	£6,444,516	£5,750,111
Closing number of shares	8,649,235	3,720,931	3,324,919
Operating charges (p.a.)	0.97%	1.22%	1.23%
Direct transaction costs (p.a.)	0.34%	0.55%	0.50%
<b>Prices</b>			
Highest published share price	227.84	192.19	182.31
Lowest published share price	167.68	102.48	153.76

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## SUMMARY OF FUND PERFORMANCE (CONTINUED)

	1 Jan 2021 to 31 Dec 2021 (pence per share)	1 Jan 2020 to 31 Dec 2020 (pence per share)	1 Jan 2019 to 31 Dec 2019 (pence per share)
<b>B Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	382.55	383.10	359.68
Return before operating charges*	101.23	5.09	29.07
Operating charges	(6.70)	(5.64)	(5.65)
Return after operating charges*	94.53	(0.55)	23.42
Distributions	(15.22)	(11.11)	(17.68)
Retained distributions on accumulation shares	15.22	11.11	17.68
Closing net asset value per share	477.08	382.55	383.10
* after direct transaction costs of:	1.55	1.82	1.85
<b>Performance</b>			
Return after charges	24.71%	(0.14)%	6.51%
<b>Other information</b>			
Closing net asset value	£18,766,008	£13,684,998	£19,035,996
Closing number of shares	3,933,529	3,577,303	4,968,903
Operating charges (p.a.)	1.47%	1.72%	1.53%
Direct transaction costs (p.a.)	0.34%	0.55%	0.50%
<b>Prices</b>			
Highest published share price	501.25	425.57	404.40
Lowest published share price	370.36	226.85	340.84

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

## SUMMARY OF FUND PERFORMANCE (CONTINUED)

C Accumulation Shares	1 Jan 2021 to 31 Dec 2021 (pence per share)	1 Jan 2020 to 31 Dec 2020 (pence per share)	1 Jan 2019 to 31 Dec 2019 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	411.83	408.42	380.04
Return before operating charges*	108.36	5.92	30.44
Operating charges	(2.30)	(2.51)	(2.06)
Return after operating charges*	106.06	3.41	28.38
Distributions	(16.48)	(11.66)	(18.73)
Retained distributions on accumulation shares	16.48	11.66	18.73
Closing net asset value per share	517.89	411.83	408.42
* after direct transaction costs of:	1.67	1.93	1.97
<b>Performance</b>			
Return after charges	25.75%	0.83%	7.47%
<b>Other information</b>			
Closing net asset value	£5,644,086	£4,836,240	£5,514,540
Closing number of shares	1,089,833	1,174,331	1,350,211
Operating charges (p.a.)	0.47%	0.72%	0.53%
Direct transaction costs (p.a.)	0.34%	0.55%	0.50%
<b>Prices</b>			
Highest published share price	543.16	454.25	429.44
Lowest published share price	398.41	242.36	362.60

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

## SUMMARY OF FUND PERFORMANCE (CONTINUED)

B EUR Income Shares	1 Jan 2021 to 31 Dec 2021 (pence per share)	1 Jan 2020 to 31 Dec 2020 (pence per share)	1 Jan 2019 to 31 Dec 2019 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	221.53	229.69	225.85
Return before operating charges*	58.28	1.81	18.17
Operating charges	(3.84)	(3.31)	(3.48)
Return after operating charges*	54.44	(1.50)	14.69
Distributions on income shares	(8.55)	(6.66)	(10.85)
Closing net asset value per share <sup>1</sup>	267.42	221.53	229.69
* after direct transaction costs of:	0.89	1.07	1.14
<b>Performance</b>			
Return after charges	24.57%	(0.65)%	6.50%
<b>Other information</b>			
Closing net asset value	£539,194	£449,262	£491,613
Closing number of shares	201,629	202,802	214,033
Operating charges (p.a.)	1.47%	1.72%	1.53%
Direct transaction costs (p.a.)	0.34%	0.55%	0.50%
<b>Prices</b>			
Highest published share price (€)	3.40	3.05	2.84
Lowest published share price (€)	2.43	1.52	2.33

<sup>1</sup> Closing Net Asset Value as at 31 December 2021 was 319.38 cents per share

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

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**STATEMENT OF TOTAL RETURN**For the year ended 31 December 2021

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			31.12.21	31.12.20
	Notes	£	£	£
Income				
Net capital gains/(losses)	2		12,764,242	(14,337,201)
Revenue	3	2,699,298		2,111,664
Expenses	4	(722,645)		(782,484)
Interest payable and similar charges	6	(15,424)		(26,192)
Net revenue before taxation		1,961,229		1,302,988
Taxation	5	(222,623)		(94,373)
Net revenue after taxation			1,738,606	1,208,615
<b>Total return/(loss) before distributions</b>			<b>14,502,848</b>	<b>(13,128,586)</b>
Distributions	6		(2,426,908)	(1,883,485)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>12,075,940</b>	<b>(15,012,071)</b>

*Note: All of the Company's and sub-fund's results are derived from continuing operations.*

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**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the year ended 31 December 2021

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			31.12.21	31.12.20
	Notes	£	£	£
<b>Opening net assets attributable to shareholders</b>			<b>54,837,335</b>	<b>106,519,921</b>
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		25,967,166		12,095,383
Amounts payable on cancellation of shares		(15,158,392)		(49,454,236)
			10,808,774	(37,358,853)
Dilution levy			-	15,043
Change in net assets attributable to shareholders from investment activities			12,075,940	(15,012,071)
Retained distributions on accumulation shares	6		1,369,577	673,295
<b>Closing net assets attributable to shareholders</b>			<b>79,091,626</b>	<b>54,837,335</b>

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**BALANCE SHEET**As at 31 December 2021

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	Notes	31.12.21 £	31.12.20 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments		78,108,826	54,926,994
<b>Current Assets:</b>			
Debtors	7	575,401	661,690
Cash and bank balances	8	1,669,963	74,627
<b>Total assets</b>		<b>80,354,190</b>	<b>55,663,311</b>
<b>Liabilities:</b>			
Investment liabilities		1,046	132,438
<b>Creditors</b>			
Distribution payable on income shares	6	656,895	397,676
Other creditors	9	604,623	295,862
<b>Total liabilities</b>		<b>1,262,564</b>	<b>825,976</b>
<b>Net assets attributable to shareholders</b>		<b>79,091,626</b>	<b>54,837,335</b>

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

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### 1. Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence in the foreseeable future.

#### (b) Functional Currency

The functional currency used in the financial statements is Pound Sterling because it is the currency of the primary economic environment in which the Company operates.

#### (c) Recognition of revenue

Dividends on holdings, net of any irrecoverable tax credits, are recognised when the underlying security is quoted ex-dividend. Bank interest is accounted for on an accruals basis. Revenue on debt securities is accounted for on an effective yield basis.

All revenue is recognised on the condition that the flow of economic benefits is probable and the amount can be measured reliably.

#### (d) Treatment of stock 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 in determining whether the dividend is to be treated as revenue or capital.

#### (e) Treatment of expenses

All expenses, net of any associated tax effect, are allocated to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are allocated to the revenue account.

#### (f) 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2021

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**1. Accounting policies (continued)**

**(g) Taxation/deferred taxation**

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20%. This is the rate that has been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

**(h) Distribution policy**

Revenue produced by the Fund's investments is accrued bi-annually. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is accumulated/distributed at the discretion of the Investment Manager as per the prospectus.

**(i) Exchange rates**

Assets and liabilities in overseas currencies at the period end are translated into Sterling at the latest available rates of exchange on the balance sheet date. Transactions in overseas currencies occurring during the year are recorded at the rate of exchange on the date of the transaction.

**(j) Financial instruments**

Financial assets and financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund's investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

The investments (including contracts for difference) are measured at bid prices, and quoted price for single price funds, on the balance sheet date, with any gains or losses arising on measurement recognised in the statement of total return. If bid prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the ACD, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology. Forward Currency Contracts are valued using the closing spot rates of exchange on the balance sheet date.

Unlisted investments are valued by the ACD taking into account, where appropriate, dealing prices, valuations from reliable sources, financial performance and other relevant factors.

**(k) Significant judgments**

There have been no significant judgments or sources of estimated uncertainty in the period.



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2021

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**2. Net capital (losses)/gains**

	<b>31.12.21</b>	<b>31.12.20</b>
	<b>£</b>	<b>£</b>
Non-derivative securities	14,198,894	(14,009,145)
Derivative securities	-	(2,688,114)
Currency (losses)/gains	(1,275,531)	1,584,452
Forward currency contracts (losses)/gains	(137,997)	834,809
Transaction charges	(20,365)	(28,098)
Broker fees	42	(29,542)
Market associated costs	(801)	(1,563)
<b>Net capital gains/(losses)</b>	<b>12,764,242</b>	<b>(14,337,201)</b>

**3. Revenue**

	<b>31.12.21</b>	<b>31.12.20</b>
	<b>£</b>	<b>£</b>
UK franked dividends	492,883	616,708
UK unfranked dividends	93,121	71,837
Overseas dividends	2,045,225	659,181
Bond interest	193,556	701,782
Revenue from contracts for difference	-	65,237
Bank interest	894	21,293
Unfranked revenue currency (losses)/gains	(100,435)	(24,374)
Franked revenue currency losses	(25,946)	-
<b>Total revenue</b>	<b>2,699,298</b>	<b>2,111,664</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2021

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**4. Expenses**

	31.12.21	31.12.20
	£	£
<b>Payable to the ACD, associates of the ACD and agents of either:</b>		
Annual management charge	547,411	510,385
Registration fees	21,166	19,059
Administration fees	8,796	8,510
	<u>577,373</u>	<u>537,954</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either:</b>		
Depositary's fees	29,678	24,648
Safe custody fees	20,948	51,309
	<u>50,626</u>	<u>75,957</u>
<b>Other expenses:</b>		
Audit fees	7,662	8,670
Tax fees	2,352	5,904
FCA fees	117	163
Research fees	49,813	99,966
Other expenses	34,702	53,870
	<u>94,646</u>	<u>168,573</u>
<b>Total expenses</b>	<u><b>722,645</b></u>	<u><b>782,484</b></u>
	31.12.21	31.12.20
	£	£
<b>Fees payable to the company auditor for the audit of the company's annual financial statements:</b>		
Total audit fee	<u><b>7,662</b></u>	<u><b>8,670</b></u>
Total non-audit fees - Tax compliance services	<u><b>2,352</b></u>	<u><b>5,904</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2021

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**5. Taxation****(a) Analysis of the charge in the year**

	31.12.21	31.12.20
	£	£
<b>Analysis of charge in the year</b>		
Overseas tax	222,623	94,373
<b>Total current tax for the year (see note 5(b))</b>	<u>222,623</u>	<u>94,373</u>
Deferred tax (see note 5(c))	-	-
<b>Total taxation for the year</b>	<u>222,623</u>	<u>94,373</u>

Corporation tax has been provided at a rate of 20%.

**(b) Factors affecting the current taxation charge for the year**

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	31.12.21	31.12.20
	£	£
Net revenue before taxation	<u>1,961,229</u>	<u>1,302,988</u>
Corporation tax at 20%	392,246	260,598
<b>Effects of:</b>		
Revenue not subject to taxation	(502,432)	(255,178)
Prior period excess expenses utilised	-	(5,420)
Excess expenses for which no relief taken	110,186	-
Overseas taxation	222,623	94,373
<b>Current tax charge for the year (see note 5(a))</b>	<u>222,623</u>	<u>94,373</u>

**(c) Provision for deferred tax**

At 31 December 2021 the Fund had surplus management expenses of £4,297,680 (31 December 2020: £3,746,747). The deferred tax in respect of this would be £859,536 (31 December 2020: £749,349). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at the year-end (see note 5(a)).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2021

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**6. Distributions****Distributions and interest**

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

	31.12.21 £	31.12.20 £
Interim - Income	497,882	500,369
Final - Income	656,895	397,676
	<u>1,154,777</u>	<u>898,045</u>
Interim - Accumulation	593,531	362,833
Final - Accumulation	776,046	310,462
	<u>1,369,577</u>	<u>673,295</u>
Add: Revenue deducted on cancellation of shares	145,749	432,452
Deduct: Revenue received on issue of shares	(243,195)	(120,307)
<b>Net distribution for the year</b>	<u><b>2,426,908</b></u>	<u><b>1,883,485</b></u>
Interest	15,424	26,192
<b>Total finance costs</b>	<u><b>2,442,332</b></u>	<u><b>1,909,677</b></u>
<b>Reconciliation to net distribution for the year</b>		
Net revenue after taxation for the year	1,738,606	1,208,615
Expenses allocated to capital, net of tax relief	688,302	616,257
Revenue currency gains	-	58,613
<b>Net distribution for the year</b>	<u><b>2,426,908</b></u>	<u><b>1,883,485</b></u>

Details of the distributions per share are set out on pages 43 and 44.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2021

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**7. Debtors**

	31.12.21	31.12.20
	£	£
Amounts receivable for issue of shares	14,172	108,576
Accrued revenue	47,309	39,065
Prepayments	29	29
Income tax recoverable	513,891	514,020
<b>Total debtors</b>	<b>575,401</b>	<b>661,690</b>

**8. Cash and bank balances**

	31.12.21	31.12.20
	£	£
Cash and bank balances	1,669,963	74,627
<b>Total cash and bank balances</b>	<b>1,669,963</b>	<b>74,627</b>

**9. Creditors**

	31.12.21	31.12.20
	£	£
Amounts payable for cancellation of shares	248,896	131,741
Purchases awaiting settlement	267,339	71,873
Accrued annual management charge	50,617	39,830
Accrued registration fees	1,832	1,390
Accrued administration fees	645	761
Accrued depositary fees	2,756	1,971
Accrued custody fees	15,300	21,183
Accrued audit fees	7,662	7,404
Accrued tax fees	4,704	8,256
Accrued other expenses	214	256
Accrued research fees	4,209	9,417
Debit interest payable	449	1,780
<b>Total creditors</b>	<b>604,623</b>	<b>295,862</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2021

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**10. Related party transactions**

The ACD is regarded as a related party of the Fund. The ACD acts as either agent or principal for the Depositary in respect of all transactions in the Fund's shares. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to shareholders.

As at the balance sheet date, there were no shares held by the ACD, the Depositary or associates of either the ACD or the Depositary.

As at the balance sheet date, there was one shareholder, Minster Nominees Limited, that held shares in the Fund amounting to approximately 36.3% of the Fund's net asset value.

Details of transactions occurring during the accounting period with the ACD and the Depositary, and any balances due at the year end, are fully disclosed in the notes to the Financial Statements.

**11. Share classes**

As at the year end the Fund had seven share classes. The annual management charge of each share class is as follows:

A Sterling Accumulation Shares	0.70% p.a.
A Sterling Income Shares	0.70% p.a.
B Sterling Accumulation Shares	1.20% p.a.
B Sterling Income Shares	1.20% p.a.
B Euro Income Shares	1.20% p.a.
C Sterling Accumulation Shares	0.20% p.a.
C Sterling Income Shares	0.20% p.a.

The net asset value per share and the number of shares in each class are given in the Summary of Fund Performance tables on pages 18 to 24. The distributions per share class are given in the distribution tables on pages 43 and 44. Income, and the associated tax, which is not attributable to a particular share class is 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 share classes. All share classes have the same rights on winding up.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2021

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**11. Share classes (Continued)**

The following table shows a breakdown of the change in shares in issue of each share class in the year:

	<b>A Income</b>
Opening shares at the start of the year	9,467,865.268
Total creation of shares in the year	3,510,910.807
Total cancellation of shares in the year	(3,591,862.969)
<b>Closing shares at the end of the year</b>	<b>9,386,913.106</b>

	<b>B Income</b>
Opening shares at the start of the year	1,115,140.152
Total creation of shares in the year	615,633.649
Total cancellation of shares in the year	(643,296.045)
<b>Closing shares at the end of the year</b>	<b>1,087,477.756</b>

	<b>C Income</b>
Opening shares at the start of the year	2,325,241.258
Total creation of shares in the year	735.212
Total cancellation of shares in the year	-
<b>Closing shares at the end of the year</b>	<b>2,325,976.470</b>

	<b>A Accumulation</b>
Opening shares at the start of the year	3,720,931.116
Total creation of shares in the year	5,342,865.410
Total cancellation of shares in the year	(414,561.180)
<b>Closing shares at the end of the year</b>	<b>8,649,235.346</b>

	<b>B Accumulation</b>
Opening shares at the start of the year	3,577,302.881
Total creation of shares in the year	1,038,631.763
Total cancellation of shares in the year	(682,405.211)
<b>Closing shares at the end of the year</b>	<b>3,933,529.433</b>

	<b>C Accumulation</b>
Opening shares at the start of the year	1,174,331.233
Total creation of shares in the year	1,261.846
Total cancellation of shares in the year	(85,759.937)
<b>Closing shares at the end of the year</b>	<b>1,089,833.142</b>

	<b>B EUR Income</b>
Opening shares at the start of the year	202,801.989
Total creation of shares in the year	-
Total cancellation of shares in the year	(1,172.856)
<b>Closing shares at the end of the year</b>	<b>201,629.133</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2021

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**12. Risk management policies**

In pursuing the investment objectives financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolio, and the ACD's policies for managing these risks, which were applied consistently throughout the period, are set out below:

**(a) Currency exposures**

The Fund's financial assets are invested in transferrable securities whose prices are quoted in various different currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

	Net foreign currency assets/(liabilities) at 31 December 2021			Net foreign currency assets/(liabilities) at 31 December 2020		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Australian Dollar	-	603	603	(11)	-	(11)
Danish Krone	-	46	46	-	49	49
Euro	70	29,723	29,793	1,661	17,289	18,950
Hong Kong Dollar	-	1,856	1,856	-	1,801	1,801
Hungarian Forint	-	757	757	-	-	-
Indian Rupee	-	3,238	3,238	38	3,394	3,432
Nigerian Naira	515	-	515	537	-	537
Polish Zloty	-	50	50	-	54	54
Russian Ruble	-	1,140	1,140	-	-	-
Swedish Krone	-	44	44	-	-	-
Swiss Franc	-	-	-	-	8	8
US Dollar	296	17,188	17,484	585	13,053	13,638

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the net asset value of the fund would have decreased by £4,917,705 (31 December 2020: £3,200,370). If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the net asset value of the fund would have increased by £6,010,529 (31 December 2020: £3,911,563). These calculations assume all other variables remain constant.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2021

**12. Risk management policies (continued)****(b) Cash flow risk and interest rate risk profile of financial assets and liabilities**

The Fund's revenue is mainly received from holdings in equities, bonds and contracts for difference. The Fund does not have any long-term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

	<b>Floating rate financial assets £'000</b>	<b>Fixed rate financial assets £'000</b>	<b>Financial assets not carrying interest £'000</b>	<b>Floating rate financial liabilities £'000</b>	<b>Financial liabilities not carrying interest £'000</b>	<b>Total £'000</b>
<b>31.12.21</b>						
Australian Dollar	-	-	604	-	(1)	603
Danish Krone	-	-	46	-	-	46
Euro	70	1,365	28,368	-	(10)	29,793
Hong Kong Dollar	-	-	1,856	-	-	1,856
Hungarian Forint	-	-	757	-	-	757
Indian Rupee	-	-	3,238	-	-	3,238
Nigerian Naira	515	-	-	-	-	515
Polish Zloty	-	-	50	-	-	50
Russian Ruble	-	-	1,140	-	-	1,140
Sterling	789	-	24,028	-	(1,252)	23,565
Swedish Krone	-	-	44	-	-	44
US Dollar	296	733	16,455	-	-	17,484
<b>31.12.20</b>						
Australian Dollar	-	-	-	(11)	-	(11)
Danish Krone	-	-	49	-	-	49
Euro	1,661	2,798	14,603	-	(112)	18,950
Hong Kong Dollar	-	-	1,813	-	(12)	1,801
Indian Rupee	38	-	3,394	-	-	3,432
Nigerian Naira	537	-	-	-	-	537
Polish Zloty	-	-	54	-	-	54
Sterling	-	-	19,806	(2,735)	(692)	16,379
Swiss Franc	-	-	8	-	-	8
US Dollar	585	1,164	11,899	-	(10)	13,638

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2021

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**12. Risk management policies (continued)****(b) Cash flow risk and interest rate risk profile of financial assets and liabilities (continued)**

Short-term debtors and creditors are included as financial assets and liabilities not interest bearing in the table on the previous page. The floating rate financial assets and liabilities comprise: Sterling and foreign currency denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not carrying interest mainly comprise investments that do not have a maturity date.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

**(c) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the 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 Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

At the year-end the Fund had direct exposure to credit risk through investments in bonds 2.7%, (31 December 2020: 7.2%).

The Investment Manager looks to minimise the exposure to credit risk that occurs through investing in bonds by keeping the investment in bonds to a relatively low percentage of the Fund's net asset value and by undertaking the necessary due diligence before entering into a transaction.

**(d) Liquidity risk**

All of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2021

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**12. Risk management policies (continued)****(e) Market price risk and fair value of financial assets and liabilities**

The Fund's underlying investments are transferable securities quoted on recognised stock exchanges. The value of shares is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual share held within an underlying security or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding diversified portfolios of transferable securities in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

If the value of shares/units in the underlying investments were to increase or decrease by 10% the change in the net asset value of the Fund would be £7,808,024 (31 December 2020: £5,468,527). This calculation assumes all other variables remain constant.

**(f) Fair value of financial assets and liabilities**

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique	INVESTMENT ASSETS	
	31 Dec 2021	31 Dec 2020
	£	£
Level 1: Quoted Prices	75,981,433	50,723,124
Level 2: Observable Market Data	2,127,393	4,203,870
Level 3: Unobservable Data	-	-
	<u>78,108,826</u>	<u>54,926,994</u>

Valuation technique	INVESTMENT LIABILITIES	
	31 Dec 2021	31 Dec 2020
	£	£
Level 1: Quoted Prices	-	-
Level 2: Observable Market Data	(1,046)	(132,438)
Level 3: Unobservable Data	-	-
	<u>(1,046)</u>	<u>(132,438)</u>

**(g) Commitments on derivatives**

Contracts for difference (CFDs) may be used to create synthetic long positions in securities. Forward currency contracts may be used for hedging purposes. CFDs and forward currency contracts are forms of derivative contract. Whilst the intention for using derivatives is to generate positive returns or to reduce risk, this outcome is not guaranteed and derivatives involve additional risk which could lead to significant losses.

At the balance sheet date the Fund held derivatives with a total unrealised gain of £27,539 (31 December 2020: unrealised gain of £109,284).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2021

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**13. Transaction costs****(a) Direct transaction costs**

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. In addition to the direct transaction cost below, indirect cost is incurred through the bid offer spread. It is not possible for the ACD to quantify this indirect cost. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the year are shown in the table below:

	31.12.21		31.12.20	
	£		£	
<b>Analysis of total purchase costs</b>				
<b>PURCHASES</b>				
Bonds	2,986,780		2,859,244	
Equities	81,311,009		89,845,155	
REIT's	3,009,186		1,534,916	
Net purchases before direct transaction costs	87,306,975		94,239,315	
		<b>% of total</b>		<b>% of total</b>
<b>DIRECT TRANSACTION COSTS</b>				
		<b>purchases</b>		<b>purchases</b>
Equities	187,035	0.21%	199,706	0.21%
REIT's	1,605	0.01%	917	0.00%
Total direct transaction costs	188,640	0.22%	200,623	0.21%
<b>Gross purchases total</b>	<b>87,495,615</b>		<b>94,439,938</b>	
<b>Analysis of total sale costs</b>				
<b>SALES</b>				
Bonds	4,863,452		9,562,184	
Equities	70,792,519		112,631,406	
REIT's	1,229,793		3,979,362	
Gross sales before direct transaction costs	76,885,764		126,172,952	
		<b>% of total</b>		<b>% of total</b>
<b>DIRECT TRANSACTION COSTS</b>				
		<b>sales</b>		<b>sales</b>
Equities	(56,741)	0.07%	(85,072)	0.07%
REIT's	(711)	0.00%	(2,198)	0.00%
Total direct transaction costs	(57,452)	0.07%	(87,270)	0.07%
<b>Net sales total</b>	<b>76,828,312</b>		<b>126,085,682</b>	

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2021

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**13. Transaction costs (continued)****(a) Direct transaction costs (continued)**

	31.12.21	% of	31.12.20	% of
	£	ave NAV	£	ave NAV
<b>Analysis of total direct transaction costs (including Contracts for Difference)</b>				
Contracts for Difference	-	0.00%	29,542	0.05%
Equities	243,776	0.34%	284,778	0.49%
REITs	2,316	0.00%	3,115	0.01%
Total direct transaction costs	<b>246,092</b>	<b>0.34%</b>	<b>317,435</b>	<b>0.55%</b>

**(b) Average portfolio dealing spread**

The average portfolio dealing spread of the investments at the balance sheet date was 0.23% (31 December 2020: 0.43%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value. The average

The portfolio dealing spread shown here is calculated on published spreads of the portfolio at the balance sheet date – the Investment Manager may be able to achieve a better result for the funds than the average.

**14. Capital commitments and contingent liabilities**

The Fund had no capital commitments or contingent liabilities at the balance sheet date (31 December 2020: £nil).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2021

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**15. Post balance sheet events**

Subsequent to the year-end, the net asset value per share of each share class has changed as follows:

A Income Shares – Increased/Decreased from 254.38 pence per share to XXX.XX pence per share (28 April 2022).

B Income Shares – Increased/Decreased from 316.53 pence per share to XXX.XX pence per share (28 April 2022).

C Income Shares – Increased/Decreased from 346.06 pence per share to XXX.XX pence per share (28 April 2022).

A Accumulation Shares – Increased/Decreased from 217.04 pence per share to XXX.XX pence per share (28 April 2022).

B Accumulation Shares – Increased/Decreased from 477.08 pence per share to XXX.XX pence per share (28 April 2022).

C Accumulation Shares – Increased/Decreased from 517.89 pence per share to XXX.XX pence per share (28 April 2022).

B EUR Income Shares – Increased/Decreased from 319.38 cents per share to XXX.XX cents per share (28 April 2022).

There are no post balance sheet events which require adjustments at the year-end.

**DISTRIBUTION TABLE**

For the year ended 31 December 2021

**Interim Distribution (30 June 2021)**

Group 1 - Shares purchased on or prior to 31 December 2020

Group 2 - Shares purchased after 31 December 2020

Shares	Revenue	Equalisation <sup>1</sup>	Paid/Accumulated 31.08.21	Paid/Accumulated 31.08.20
	(pence)	(pence)	(pence)	(pence)
<b>A Income</b>				
Group 1	3.6510	-	<b>3.6510</b>	<b>3.4718</b>
Group 2	1.6547	1.9963	<b>3.6510</b>	<b>3.4718</b>
<b>B Income</b>				
Group 1	4.6011	-	<b>4.6011</b>	<b>4.4209</b>
Group 2	1.3255	3.2756	<b>4.6011</b>	<b>4.4209</b>
<b>C Income</b>				
Group 1	4.9597	-	<b>4.9597</b>	<b>4.6752</b>
Group 2	3.6797	1.2800	<b>4.9597</b>	<b>4.6752</b>
<b>A Accumulation</b>				
Group 1	2.9469	-	<b>2.9469</b>	<b>2.7684</b>
Group 2	1.4826	1.4643	<b>2.9469</b>	<b>2.7684</b>
<b>B Accumulation</b>				
Group 1	6.6420	-	<b>6.6420</b>	<b>6.1168</b>
Group 2	2.9172	3.7248	<b>6.6420</b>	<b>6.1168</b>
<b>C Accumulation</b>				
Group 1	7.1845	-	<b>7.1845</b>	<b>6.5458</b>
Group 2	2.1053	5.0792	<b>7.1845</b>	<b>6.5458</b>
<b>B EUR Income</b>				
Group 1	3.6529	-	<b>3.6529</b>	<b>3.6731</b>
Group 2	3.6529	-	<b>3.6529</b>	<b>3.6731</b>

<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Note: Currency share class rates are disclosed in pence but converted for payment using an appropriate exchange rate.

**DISTRIBUTION TABLE (CONTINUED)**

For the year ended 31 December 2021

**Final Distribution (31 December 2021)**

Group 1 - Shares purchased on or prior to 30 June 2021

Group 2 - Shares purchased after 30 June 2021

Shares	Revenue	Equalisation <sup>1</sup>	Paid/Accumulated	Paid/Accumulated
	(pence)	(pence)	28.02.22 (pence)	28.02.21 (pence)
<b>A Income</b>				
Group 1	4.6543	-	<b>4.6543</b>	<b>2.8295</b>
Group 2	0.9403	3.7140	<b>4.6543</b>	<b>2.8295</b>
<b>B Income</b>				
Group 1	5.7981	-	<b>5.7981</b>	<b>3.5665</b>
Group 2	2.1349	3.6632	<b>5.7981</b>	<b>3.5665</b>
<b>C Income</b>				
Group 1	6.3224	-	<b>6.3224</b>	<b>3.6105</b>
Group 2	4.7843	1.5381	<b>6.3224</b>	<b>3.6105</b>
<b>A Accumulation</b>				
Group 1	3.8987	-	<b>3.8987</b>	<b>1.9290</b>
Group 2	1.2865	2.6122	<b>3.8987</b>	<b>1.9290</b>
<b>B Accumulation</b>				
Group 1	8.5818	-	<b>8.5818</b>	<b>4.9928</b>
Group 2	2.1953	6.3865	<b>8.5818</b>	<b>4.9928</b>
<b>C Accumulation</b>				
Group 1	9.2918	-	<b>9.2918</b>	<b>5.1156</b>
Group 2	9.2918	-	<b>9.2918</b>	<b>5.1156</b>
<b>B EUR Income</b>				
Group 1	4.8997	-	<b>4.8997</b>	<b>2.9870</b>
Group 2	4.8997	-	<b>4.8997</b>	<b>2.9870</b>

<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Note: Currency share class rates are disclosed in pence but converted for payment using an appropriate exchange rate.



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## DIRECTORY

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### The Company

Aptus Investment Fund  
64 St. James's Street  
Nottingham  
NG1 6FJ

### Authorised Corporate Director (ACD)

T. Bailey Fund Services Limited  
64 St. James's Street  
Nottingham  
NG1 6FJ

Tel: 0115 988 8200  
Website: [www.tbaileyfs.co.uk](http://www.tbaileyfs.co.uk)

Authorised and regulated by the Financial Conduct Authority.

### Directors of the ACD

Miss J L Kirk  
Mr G M J Padbury  
Mrs R E Elliott  
Mrs A Troup (Non-executive)  
Mr A Kerneis (Non-executive)

### Investment Manager

Toscafund Asset Management LLP  
90 Long Acre  
London  
WC2E 9RA

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

Authorised and regulated by the Financial Conduct Authority.

### Depository

NatWest Trustee & Depositary Services Limited  
135 Bishopsgate  
London  
EC2M 3UR

Authorised and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority.

### Registrar and Share Dealing

T. Bailey Fund Services Limited  
64 St. James's Street  
Nottingham  
NG1 6FJ

Tel: 0115 988 8200  
Dealing Line: 0115 988 8277

Authorised and regulated by the Financial Conduct Authority.

### Auditor

Deloitte LLP  
Four Brindleyplace  
Birmingham  
United Kingdom  
B1 2HZ

Registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

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