

LF Gresham House UK Micro Cap Fund

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



AUTHORISED CORPORATE DIRECTOR ('ACD') AND ALTERNATIVE INVESTMENT FUND MANAGER ('AIFM')

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DIRECTORS OF THE ACD

C. Addenbrooke (retired 2 February 2022)
N. Boyling
B. Hammond
K.J. Midl
A.G. Reid (appointed 4 January 2021)
A.J. Stenning (resigned 11 February 2021)
A.J. Stuart
E.E. Tracey (appointed 4 January 2021)

PORTFOLIO MANAGER

GRESHAM HOUSE ASSET MANAGEMENT LIMITED

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DEPOSITARY

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REGISTRAR

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INDEPENDENT AUDITOR

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ACD'S REPORT

for the year ended 31 December 2021

Authorised Status

LF Gresham House UK Micro Cap Fund ('the Fund') is an investment company with variable capital incorporated in England and Wales, under registered number IC714 and authorised by the Financial Conduct Authority ('FCA') with effect from 19 February 2009. The Fund has an unlimited duration.

The Fund is a Non-UCITS retail scheme and the base currency of the Fund is pounds sterling or such other currency as may be the lawful currency of the United Kingdom from time to time.

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

The AIFM is the legal person appointed on behalf of the Fund and which (through this appointment) is responsible for managing the Fund in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013. This role is performed by the ACD and references to the ACD in this Annual Report and Financial Statements include the AIFM as applicable.

ACD's Statement

Economic Uncertainty

The outbreak of COVID-19, declared by the World Health Organisation as a pandemic on 11 March 2020, caused significant disruption to business and economic activity, which was reflected in the fluctuations seen in the global stock markets. In the immediate period following its initial emergence and the global recognition of the seriousness of the pandemic, various national governments sought to provide financial support and stimulus to their economies, which, when combined with the development of effective vaccines to immunise populations around the world, and governments, society and businesses learning to operate in the post COVID-19 world, led to recovery in asset prices. However, whilst effective vaccines are now in use, their long-term effectiveness has yet to be determined, and there will continue to be an element of uncertainty as to the future. How this will translate into future asset pricing remains to be seen.

In the first quarter of 2022, the geopolitical situation started coming into sharp focus, culminating in February 2022 with Russia's incursion into Ukraine. The consequences of this development and the longer-term impact on the global economy are yet to be realised.

It must be recognised that the markets will remain fragile for a period of time and it is reasonably foreseeable that periods of instability, and consequently volatility in asset pricing, will emerge in the coming months.

Important Information

The 'B' Retail Income and 'B' Retail Accumulation share classes were closed in the Fund on 12 May 2021 and are no longer available for investment.

On 21 February 2022, the 'C' Euro Accumulation share class was launched in the Fund.

ACD'S REPORT *continued*

Investment Objective and Policy

The investment objective of the Fund is to achieve capital growth over any five year period, after all costs and charges have been taken.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest directly in at least 70% of the scheme property by value in the shares of UK companies. The Portfolio Manager views UK companies to be those that are incorporated or domiciled in the UK; and listed or traded on a UK stock exchange.

The Fund will invest directly and/or indirectly at least 60% of the scheme assets by value, in a combination of UK companies that are either listed/traded on the Alternative Investment Market (AIM), or that have a market capitalisation of £250 million and below. The Fund may also invest directly and/or indirectly in shares of UK companies, which have a market capitalisation above £250 million; unlisted UK companies (limited to 10% of the scheme assets by value); non-UK companies, and corporate bonds. The Fund may also hold money market instruments, deposits and cash.

As part of the equities exposure the Fund may also invest in Real Estate Investment Trusts (REITs).

Investments in collective investment schemes is limited to 10%.

The Fund can invest across different industry sectors without limitation.

The Fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities (such as depositary receipts) and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may use derivatives for Efficient Portfolio Management purposes.

The minimum investment amount and ranges referenced above will not apply under extraordinary market conditions, in which circumstances the Fund may invest in asset classes other than those in which it normally invests in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, or any events which give rise to high downside risk. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash and cash equivalents.

ACD'S REPORT *continued*

Benchmark

The Fund's comparator benchmark is the IA UK Smaller Companies sector.

The Fund's performance may be compared against the IA UK Smaller Companies sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets.

Remuneration Policy

Link Fund Solutions Limited ('LFSL') is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. LFSL's remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within LFSL including in respect of the risk profile of the Alternative Investment Funds ('AIFs') it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable LFSL to achieve and maintain a sound capital base.

None of LFSL's staff receives remuneration based on the performance of any individual fund.

LFSL acts as the operator of both UK UCITS funds and AIFs.

LFSL delegates portfolio management for the AIFs to various investment management firms. The portfolio managers' fees and expense for providing investment management services are paid by the ACD out of its own remuneration under the ACD agreement. The investment management firms may make information on remuneration publicly available in accordance with the disclosure requirements of Pillar 3 of the Capital Requirements Directive. This disclosure is in respect of LFSL activities (including activities performed by its sister company Link Fund Administrators Limited (LFAL) or by employees of that entity), and excludes activities undertaken by third party investment management firms. LFSL staff do not perform duties solely for particular AIFs, nor are they remunerated by reference to the performance of any individual AIF. Accordingly, the information below is for LFSL as a whole. No attempt has been made to attribute remuneration to the Fund itself.

Information on LFSL's remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. Accordingly, the information disclosed relates to the year ended 30 June 2021, being the most recent accounting period which accounts have been prepared for LFSL prior to the production of these accounts. As at 30 June 2021, LFSL operated 92 UK UCITS and 111 AIFs, whose respective assets under management ('AuM') were £40,022 million and £49,171 million. The Fund was valued at £324 million as at that date and represented 0.36% of LFSL's total AuM and 0.66% of its AIF AuM.

ACD'S REPORT *continued*

Remuneration Policy *continued*

The disclosure below represents that required under FUND 3.3.5 R (5) and (6) for funds subject to AIFMD obligations.

2021	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by LFSL for the financial year to 30 June 2021	177	7,903	395	8,298
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial year to 30 June 2021				
Senior management (including all Board members)	8	736	175	911
Staff engaged in control functions	7	521	–	521
Risk takers and other identified staff	19	1,579	118	1,697
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	–	–	–	–

LFSL's remuneration arrangement includes fixed salaries, contributory pension arrangements and certain other benefits, and the potential for discretionary bonuses. The amount available for payment of discretionary bonuses is dependent on satisfactory performance by LFSL, and the Link Group as a whole, rather than the performance of any individual fund. Bonuses may then be paid to staff to reflect their contribution to LFSL's success. The precise metrics used will vary by function, but consideration is given to both qualitative and quantitative measures.

Further details can be found at: <https://www.linkfundsolutions.co.uk/investor-information/link-financial-solutions-limited-lfsl-policies-and-information-1/>.

Securities Financing Transactions

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the year covered by this report.

ACD'S REPORT *continued*

Value Assessment

In accordance with current Financial Conduct Authority rules, the ACD is required to carry out an annual assessment on whether the Fund provides value to investors. The outcome of the latest assessment is available on the ACD's website.

LINK FUND SOLUTIONS LIMITED

ACD of LF Gresham House UK Micro Cap Fund

11 May 2022

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the year ended 31 December 2021

Investment Strategy

Since inception in May of 2009 the Fund has maintained a consistent focus throughout its life on selecting high conviction, niche growth companies to back for the prospect of long-term capital growth. The Manager seeks to avoid excessive cyclical exposure and early-stage risk and instead focuses on areas of structural growth and segments where its sector expertise and private equity style proprietary fundamental research approach can uncover stocks that may be below the radar of many investors due to their size and limited research coverage.

Movements in Net Asset Value

As at 31 December 2021 the gross NAV of the Company was £311.8m¹ of which 97.4% was invested in equities with a concentration on micro cap companies. This compared to a NAV of £259.4m¹ at the beginning of the period. The increase in NAV was a combination of net outflows from unit holders amounting to £14.1m and an upward revaluation of the portfolio of £66.5m. The Fund delivered a return of 25.4%² ('C' Institutional Accumulation share class) over the period, compared to the IA UK Smaller Companies Sector which returned 20.6%³.

Investment Activity

2021 saw positive momentum with markets rallying early on in 2021 post-pandemic in 2020. This momentum tapered in the last quarter of 2021 as challenges lingered across the broader macroeconomic backdrop which in turn stimulated broader market volatility. These challenges centred around themes of heightened global supply chain disruption, increasing inflationary pressures, and rising investor fears over the impact of the Omicron variant. Despite some easing of the supply chain constraints over the quarter, persistently high cost inflation and tight labour market conditions drove inflation to record highs. UK CPI increased to a decade high of 5.1% in November with the result that the Bank of England raised interest rates by 0.25%.

As the Manager has previously flagged, we have continued to see periods of uncertainty given the ongoing repercussions and further order impacts of the pandemic, which impacted market sentiment and volatility during 2021. The Manager has continued to focus on the investment strategy, consistently implementing our rigorous process to create a selective and differentiated portfolio of high conviction investments. The Manager has engaged proactively and frequently with management across the existing portfolio to understand the impact and outlook for each investment, in light of the rapidly evolving environment.

Investment activity was strong during the period as £113.4m was deployed into a combination of new positions and follow-on investments into existing portfolio companies; the number of portfolio companies increased to 49.

Divestment activity was also active with a number of positions fully exited. In aggregate £126.1m was received from the proceeds of divestments realising an aggregate positive return of 50.5%.

¹ Based on 12 PM Valuation Point.

² Source: FE Analytics.

³ Source: Morningstar Direct.

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

DIVESTMENTS

There were a number of full exits from the portfolio during 2021. These can be described in a number of categories:

- **Takeovers:** during the year there were an elevated number of takeovers across the market cap spectrum and across our public equity portfolios. Within the Fund we fully exited our position in Codemasters, a computer games developer, following competing takeover offers from two large multinational gaming companies, with the company ultimately being sold to Electronic Arts, generating a positive return of 111.6% relative to aggregate cost. Marshall Motors was also the subject of a takeover offer from Constellation Automotive Group towards the end of the year, a deal that is likely to complete in early 2022.
- **Taking profits in strong performers:** many companies with resilient business models that had traded well operationally through the pandemic disruption led to the shares significantly outperforming. A number of these reached levels where the Manager felt that valuations had become stretched or where there were better opportunities to redeploy the capital. This led to the Manager divesting a number of holdings realising attractive returns. These included: Mortgage Advice Bureau (+143.4%); Impax Asset Management (+1,000.0%); Oxford Metrics (+120.7%); Getbusy (+36.9%); and S4 Capital (+105.7%).
- **Top slicing:** there were also a number of holdings where the Manager chose to top slice in order to realise some profits from strongly performing holdings. These included Kape Technologies; Alpha Financial Markets Consulting; and Instem.
- **Fundamental change in view:** the Fund fully exited holdings in SourceBio (+20.4% return); and Ted Baker (+50.8% return) following a change in the Manager's view over the ongoing prospects for these stocks.

NEW INVESTMENTS

Market volatility combined with equity issuance both in the form of secondary fund-raising activity and new Initial Public Offerings ('IPO') created a fertile environment for new opportunities during the year. As a result, a number of new positions were started during the period.

The Manager believes it is strongly positioned amongst UK fund managers to effectively evaluate new companies being admitted to the market through an IPO due to its private equity approach and extensive private market network. Deal flow activity has remained relatively elevated across both secondary equity fundraisings and IPOs and was similarly dispersed across the market cap spectrum. We continued to evaluate deal flow opportunities and remained selective and disciplined in our appraisal of these. There was strong UK equity market issuance during the period as companies took advantage of a resurgence in investors' appetite to deploy capital, as well as there being a wave of recapitalisation transactions across certain sectors. The Fund invested in seven new IPOs during the year including, amongst others: ActiveOps, a software solutions business for workforce management and employee productivity monitoring; Tortilla, a Mexican themed fast food chain; Seraphine, an online retailer focused on maternity wear; Virgin Wines, a direct-to-consumer online wine retailer; and Windward, a software and data analytics provider focused on the global maritime market.

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

The Fund participated in a number of secondary fund-raising transactions for both existing portfolio companies and as a means to get liquidity to build a meaningful position in some new companies. These included Begbies Traynor Group, an insolvency and recovery services provider; Staffline, a blue collar focused recruitment services provider; The Gym Group, a leading low-cost gym operator; and Access Intelligence, a public affairs focused communications and data services provider.

The heightened market volatility seen during the year created opportunities to buy into attractive long-term growth stories at compelling valuations through market purchases after widespread selling pressure. The Fund started new positions in Trufin, a specialist consumer financing provider; and Marshall Motor Holdings, an automotive dealership group. A number of top-ups were made into to existing holdings including Kooth; Kape Technologies; Alpha Financial Markets Consulting; Mattioli Woods; and XPS Pensions Group.

Investment Performance

The Fund's price per share increased 25.4%² during the year (based on 'C' Institutional share class). This was ahead of the IA UK Smaller Companies Sector which increased by 20.6%³ over the same period. Pleasingly the Fund maintained its long term record of recording a positive return in every financial year since its inception in May 2009, the only UK Smaller Companies fund to do so over that period. In a period of heightened market volatility, the Fund performed as the Manager expected, outperforming its sector due to its relatively defensive positioning. The Manager is committed to targeting strong long-term risk-adjusted returns through employing disciplined risk mitigation processes, leveraging proprietary networks and focusing on quality businesses with sustainable income and structural capital growth dynamics across the market cap spectrum.

The Manager's strategy of focusing on less cyclical sectors and on established profitable niche growth businesses on sensible valuations has proven to be more resilient during periods of weaker market sentiment and volatility. The Fund may underperform in a strongly rising market but overall the positioning aims to provide attractive returns through the market cycle and lower than average volatility and greater consistency.

Key contributors to absolute performance during the period were Kape Technologies, following a transformational and highly accretive acquisition, in addition to being included in the MSCI UK Smaller Companies Index; Alpha Financial Markets Consulting, following a strategic acquisition in the US market, adding capability in the area of alternatives with a strong roster of blue chip clients as well as delivering strong trading performance during the year and Elixirr, following strong, maiden full year results as a public company in H1 2021, an accretive acquisition and continued positive trading results and upgraded forecasts. Detractors were Accrol, on the back of a trading update highlighting the short-term impact of supply chain disruption on input costs; Argentex, after weaker than expected results and forecast downgrades; and Seraphine, following a profit downgrade driven by supply chain disruption.

¹ Based on 12 PM Valuation Point.

² Source: FE Analytics.

³ Source: Morningstar Direct.

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

Outlook

Since its launch in May 2009 the Fund has demonstrated an ability to deliver robust absolute and relative returns, particularly in more volatile market conditions.

Our medium-term view remains that the economic recovery in the UK should continue to support earnings growth and in turn share prices. However, we continue to expect volatility in the short term driven by an inherently uncertain environment. We are still seeing aftershocks from the pandemic, such as the currently elevated level of inflation across a number of areas and both global and domestic supply chain disruption impacting at the company level. The geopolitical situation surrounding the conflict in Ukraine and the related international sanctions against Russia and Russian entities has exacerbated some of these issues as well as increasing the level of uncertainty surrounding markets. We anticipate a rising number of profit warnings in coming months driven by the uncertain environment for market estimates. This in turn is likely to drive share price volatility for individual stocks.

We believe stock-level volatility across the market, while creating some challenges, will provide an attractive environment in which we can unearth good long term investment opportunities at attractive valuations.

The macro-economic and geopolitical environment together with the lingering COVID-19 discontinuity will provide agile smaller businesses with strong management teams the opportunity to take market share and build strong long-term franchise.

The Manager continues to believe that over the long term its fundamentals focused investment style has the potential to outperform. The Fund will maintain its focus on building a high conviction portfolio of less cyclical, high-quality, niche growth businesses which the Manager believes can deliver strong returns through the market cycle regardless of the performance of the wider economy.

GRESHAM HOUSE ASSET MANAGEMENT LIMITED

Portfolio Manager

15 March 2022

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is a risk free investment.

Currency Risk: As the Fund may be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Liquidity Risk: Smaller companies' securities are often traded less frequently than those of larger companies which means that they may be more difficult to buy and sell. Their prices may also be subject to short term swings (both up and down) in their value.

Concentration Risk: The Fund may invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single industry, sector or geographical region within the Fund has a greater effect (loss or gain) on the value of the Fund.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk.

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.21 pence per share	31.12.20 pence per share	31.12.19 pence per share
Opening net asset value per share	5,194.70	4,906.03	4,063.74
Return before operating charges*	1,350.77	333.74	884.94
Operating charges	(60.19)	(45.07)	(42.65)
Return after operating charges	1,290.58	288.67	842.29
Distributions	–	–	(35.28)
Retained distributions on accumulation shares	–	–	35.28
Closing net asset value per share	6,485.28	5,194.70	4,906.03
* after direct transaction costs of:	4.86	8.39	6.52

PERFORMANCE

Return after charges	24.85%	5.88%	20.73%
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OTHER INFORMATION

Closing net asset value (£'000)	72,699	58,231	55,019
Closing number of shares	1,120,973	1,120,973	1,121,465
Operating charges	0.96%	0.98%	0.98%
Direct transaction costs	0.08%	0.18%	0.15%

PRICES

Highest share price	6,696.21	5,293.52	4,970.99
Lowest share price	5,304.81	3,324.84	4,105.35

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INSTITUTIONAL INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.21 pence per share	31.12.20 pence per share	31.12.19 pence per share
Opening net asset value per share	193.42	182.66	152.47
Return before operating charges*	50.30	12.44	33.10
Operating charges	(2.24)	(1.68)	(1.60)
Return after operating charges	48.06	10.76	31.50
Distributions	–	–	(1.31)
Closing net asset value per share	241.48	193.42	182.66
* after direct transaction costs of:	0.18	0.31	0.24

PERFORMANCE

Return after charges	24.85%	5.89%	20.66%
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OTHER INFORMATION

Closing net asset value (£'000)	56,406	66,697	63,137
Closing number of shares	23,358,753	34,482,509	34,564,395
Operating charges	0.96%	0.98%	0.98%
Direct transaction costs	0.08%	0.18%	0.15%

PRICES

Highest share price	249.33	197.10	185.56
Lowest share price	197.52	123.80	154.04

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INSTITUTIONAL ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.21 pence per share	31.12.20 pence per share	31.12.19 pence per share
Opening net asset value per share	200.89	189.73	157.15
Return before operating charges*	52.24	12.90	34.23
Operating charges	(2.33)	(1.74)	(1.65)
Return after operating charges	49.91	11.16	32.58
Distributions	–	–	(1.36)
Retained distributions on accumulation shares	–	–	1.36
Closing net asset value per share	250.80	200.89	189.73
* after direct transaction costs of:	0.19	0.32	0.25

PERFORMANCE

Return after charges	24.84%	5.88%	20.73%
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OTHER INFORMATION

Closing net asset value (£'000)	175,509	129,709	116,293
Closing number of shares	69,980,120	64,567,330	61,294,758
Operating charges	0.96%	0.98%	0.98%
Direct transaction costs	0.08%	0.18%	0.15%

PRICES

Highest share price	258.96	204.71	192.24
Lowest share price	205.15	128.58	158.76

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'D' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.21 pence per share	31.12.20 pence per share	31.12.19 pence per share
Opening net asset value per share	119.12	112.43	93.88
Return before operating charges*	30.99	7.66	20.38
Operating charges	(1.17)	(0.86)	(0.83)
Return after operating charges	29.82	6.80	19.55
Distributions	(0.13)	(0.11)	(1.00)
Closing net asset value per share	148.81	119.12	112.43
* after direct transaction costs of:	0.11	0.19	0.15

PERFORMANCE

Return after charges	25.03%	6.05%	20.82%
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OTHER INFORMATION

Closing net asset value (£'000)	59	65	335
Closing number of shares	39,372	54,433	297,867
Operating charges	0.81%	0.82%	0.83%
Direct transaction costs	0.08%	0.18%	0.15%

PRICES

Highest share price	153.72	121.50	114.29
Lowest share price	121.65	76.22	94.87

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'D' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.21 pence per share	31.12.20 pence per share	31.12.19 pence per share
Opening net asset value per share	120.56	113.69	94.01
Return before operating charges*	31.36	7.76	20.52
Operating charges	(1.18)	(0.89)	(0.84)
Return after operating charges	30.18	6.87	19.68
Distributions	(0.17)	(0.12)	(1.01)
Retained distributions on accumulation shares	0.17	0.12	1.01
Closing net asset value per share	150.74	120.56	113.69
* after direct transaction costs of:	0.11	0.19	0.15

PERFORMANCE

Return after charges	25.03%	6.04%	20.93%
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OTHER INFORMATION

Closing net asset value (£'000)	104	83	79
Closing number of shares	69,204	69,204	69,204
Operating charges	0.81%	0.83%	0.83%
Direct transaction costs	0.08%	0.18%	0.15%

PRICES

Highest share price	155.58	122.86	115.20
Lowest share price	123.12	77.08	95.02

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 31 December 2021 (%)

	1 year	3 years	5 years
LF Gresham House UK Micro Cap Fund	25.37	60.71	107.63
IA UK Smaller Companies sector ¹	20.64	61.91	81.59

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Institutional Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on page 47.

RISK WARNING

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

ACD'S REPORT *continued*
PORTFOLIO STATEMENT
as at 31 December 2021

Holding	Portfolio of Investments	Value £'000	31.12.21 %
	DEBT SECURITIES – 1.62% (31.12.20 – 0.00%)		
£5,795,862	Hawkwing 8% 31/12/2022	4,945	1.62
	EQUITIES – 95.65% (31.12.20 – 96.23%)		
	UNITED KINGDOM – 89.96% (31.12.20 – 93.11%)		
	TECHNOLOGY – 15.97% (31.12.20 – 19.57%)		
	SOFTWARE AND COMPUTER SERVICES – 15.97% (31.12.20 – 19.57%)		
5,012,653	Access Intelligence	7,419	2.43
2,427,968	ActiveOps	4,055	1.33
615,797	Instem	5,357	1.76
3,177,844	Kape Technologies	14,300	4.69
2,350,436	Kooth	7,992	2.62
8,874,360	Netcall	5,946	1.95
35,093,320	Rosslyn Data Technologies	1,263	0.41
7,668,187	SysGroup	2,377	0.78
	TOTAL TECHNOLOGY	48,709	15.97
	TELECOMMUNICATIONS – 0.99% (31.12.20 – 1.84%)		
	TELECOMMUNICATION SERVICE PROVIDERS – 0.99% (31.12.20 – 1.84%)		
4,246,817	Bigblu Broadband	3,015	0.99
	TOTAL TELECOMMUNICATIONS	3,015	0.99
	HEALTH CARE – 1.76% (31.12.20 – 3.69%)		
	MEDICAL EQUIPMENT AND SERVICES – 0.00% (31.12.20 – 0.84%)	–	–

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 31 December 2021

Holding	Portfolio of Investments	Value £'000	31.12.21 %
	PHARMACEUTICALS AND BIOTECHNOLOGY – 1.76% (31.12.20 – 2.85%)		
5,356,346	Diaceutics	5,356	1.76
	TOTAL HEALTH CARE	5,356	1.76
	FINANCIALS – 18.78% (31.12.20 – 19.81%)		
	FINANCE AND CREDIT SERVICES – 1.74% (31.12.20 – 3.60%)		
6,781,142	Trufin	5,289	1.74
	INVESTMENT BANKING AND BROKERAGE SERVICES – 13.10% (31.12.20 – 16.21%)		
5,614,568	Argentex	5,165	1.69
5,366,013	Frenkel Topping	4,025	1.32
1,465,586	Mattioli Woods	12,457	4.09
1,340,036	Tatton Asset Management	7,531	2.47
7,691,065	XPS Pensions ¹	10,768	3.53
		39,946	13.10
	CLOSED END INVESTMENTS – 3.74% (31.12.20 – 0.00%)		
5,304,804	AdvancedAdvT	5,411	1.78
1,899,528	Strategic Equity Capital ^{1,2}	5,965	1.96
		11,376	3.74
	OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES – 0.20% (31.12.20 – 0.00%)		
2,754,573	TMT Acquisition	606	0.20
	TOTAL FINANCIALS	57,217	18.78

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 31 December 2021

Holding	Portfolio of Investments	Value £'000	31.12.21 %
	CONSUMER DISCRETIONARY – 23.07% (31.12.20 – 21.12%)		
	HOUSEHOLD GOODS AND HOME CONSTRUCTION – 1.19% (31.12.20 – 1.83%)		
11,201,511	Accrol	3,640	1.19
	PERSONAL GOODS – 2.07% (31.12.20 – 1.33%)		
3,102,983	Seraphine	6,299	2.07
	MEDIA – 0.19% (31.12.20 – 1.46%)		
13,333,333	Hawkwing ^{1,3}	567	0.19
	RETAILERS – 9.17% (31.12.20 – 5.37%)		
11,206,440	Angling Direct	5,939	1.95
4,472,259	Franchise Brands	6,708	2.20
918,139	Marshall Motor	3,544	1.16
4,035,796	musicMagpie	6,619	2.17
2,510,168	Virgin Wines	5,146	1.69
		27,956	9.17
	TRAVEL & LEISURE – 10.45% (31.12.20 – 11.13%)		
5,747,256	City Pub	5,747	1.89
1,242,467	Everyman Media	1,553	0.51
2,507,044	Loungers	7,020	2.30
10,122,778	Tasty	506	0.17
2,423,243	TEN Entertainment ¹	5,792	1.90
3,164,258	The Gym ¹	8,053	2.64
1,740,485	Tortilla Mexican	3,168	1.04
		31,839	10.45
	TOTAL CONSUMER DISCRETIONARY	70,301	23.07

ACD'S REPORT *continued*
PORTFOLIO STATEMENT *continued*
as at 31 December 2021

Holding	Portfolio of Investments	Value £'000	31.12.21 %
	INDUSTRIALS – 29.39% (31.12.20 – 26.71%)		
	CONSTRUCTION AND MATERIALS – 2.19% (31.12.20 – 3.40%)		
12,622,832	Costain ¹	6,665	2.19
	ELECTRONIC AND ELECTRICAL EQUIPMENT – 0.00% (31.12.20 – 0.04%)	–	–
	INDUSTRIAL SUPPORT SERVICES – 27.20% (31.12.20 – 23.27%)		
3,301,435	Alpha Financial Markets Consulting	15,187	4.98
3,507,972	Anexo	4,595	1.51
2,122,614	Begbies Traynor	2,802	0.92
4,476,609	Driver	2,149	0.71
1,523,872	Elixirr International	11,048	3.62
4,707,401	Filta	5,884	1.93
3,802,666	Fintel	8,518	2.80
51,559,602	Inspired Energy	9,023	2.96
1,574,124	Knights	6,296	2.07
1,573,726	Ricardo ¹	7,066	2.32
886,625	Silver Bullet Data Services	2,039	0.67
13,338,204	Staffline	8,270	2.71
	TOTAL INDUSTRIALS	82,877	27.20
		89,542	29.39
	BASIC MATERIALS – 0.00% (31.12.20 – 0.37%)		
	CHEMICALS – 0.00% (31.12.20 – 0.37%)	–	–
	TOTAL UNITED KINGDOM	274,440	89.96
	BERMUDA – 2.55% (31.12.20 – 3.12%)		
4,513,322	Randall & Quilter Investment	7,763	2.55

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 31 December 2021

Holding	Portfolio of Investments	Value £'000	31.12.21 %
	ISRAEL – 3.14% (31.12.20 – 0.00%)		
4,688,115	Windward	9,564	3.14
	TOTAL EQUITIES	<u>291,467</u>	<u>96.65</u>
	Portfolio of investments	296,412	97.27
	Net other assets	<u>8,365</u>	<u>2.73</u>
	Net assets	<u>304,777</u>	<u>100.00</u>

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares quoted on the Alternative Investment Market (AIM) unless stated otherwise.

¹ Listed on a regulated market.

² Closed end fund.

³ Suspended security.

The securities held within United Kingdom section of the Portfolio Statement have been shown under the new Industry Classification Benchmarks, which were adopted by all FTSE indices with effect from 22 March 2021. Comparatives have been restated where necessary.

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 December 2021

Total purchases for the year £'000 (note 15)	112,720	Total sales for the year £'000 (note 15)	125,696
	Cost £'000		Proceeds £'000
Major purchases		Major sales	
musicMagpie	9,576	Mortgage Advice Bureau	11,164
Seraphine	9,336	Kape Technologies	8,202
Windward	7,400	Impax Asset Management	7,974
Strategic Equity Capital	6,928	Instem	5,642
AdvancedAdvT	6,500	Mattioli Woods	5,204
Virgin Wines	5,950	Oxford Metrics	4,608
Hawkwing 8% 31/12/2022	5,796	Loungers	4,222
ActiveOps	4,998	Codemasters	3,700
Mattioli Woods	4,788	Accesso Technology	3,586
Staffline	4,500	S4 Capital	3,318

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, as applicable, as issued and amended by the Financial Conduct Authority together with the relevant provisions of the Alternative Investment Fund Manager's Directive and modified by a direction given by the Financial Conduct Authority where the ACD has opted to provide a NURS KII Document, a Key Investor Information Document for Non-UCITS Retail Schemes.

N. BOYLING

LINK FUND SOLUTIONS LIMITED

ACD of LF Gresham House UK Micro Cap Fund

11 May 2022

STATEMENT OF ACD'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority ('the COLL Sourcebook') and the Investment Funds Sourcebook (the 'FUND Sourcebook'), as applicable, requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Fund and of the net expense and net capital gains on the property of the Fund for the year.

In preparing the financial statements the ACD is responsible for:

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

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

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

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

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

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

The Depositary must ensure that:

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

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

REPORT OF THE DEPOSITARY

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

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

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

Depositary of LF Gresham House UK Micro Cap Fund

11 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND')

Opinion

We have audited the financial statements of the Fund for the year ended 31 December 2021 which comprise the *Statement of Total Return*, the *Statement of Change in Net Assets Attributable to Shareholders*, the *Balance Sheet*, the *Related Notes and Distribution Tables* for the Fund and the accounting policies set out on pages 33 to 35.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of the Fund as at 31 December 2021 and of the net expense and the net capital gains on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund or to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Authorised Corporate Director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for the going concern period.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') *continued*

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Fund will continue in operation.

Fraud and Breaches of Laws and Regulations – Ability to Detect

IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO FRAUD

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of directors as to the Fund's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- assessing the segregation of duties in place between the ACD, the Depositary, the Administrator and the Portfolio Manager.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the ACD and the Administrator, no further high-risk journal entries or other adjustments were identified.

IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO NON-COMPLIANCE WITH LAWS AND REGULATIONS

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the ACD and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') *continued*

Secondly, the Fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

CONTEXT OF THE ABILITY OF THE AUDIT TO DETECT FRAUD OR BREACHES OF LAW OR REGULATION

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other Information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Fund have not been kept; or
- the financial statements are not in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') *continued*

Authorised Corporate Director's (Link Fund Solutions Limited) Responsibilities

As explained more fully in their statement set out on page 25 the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Purpose of Our Audit Work and to Whom We Owe Our Responsibilities

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

**GRANT ARCHER
FOR AND ON BEHALF OF KPMG LLP, STATUTORY AUDITOR**

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
11 May 2022

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2021

	Notes	£'000	31.12.21 £'000	£'000	31.12.20 £'000
Income:					
Net capital gains	3		66,153		16,111
Revenue	4	2,907		2,269	
Expenses	5	(3,059)		(2,326)	
Net expense before taxation		(152)		(57)	
Taxation	6	—		—	
Net expense after taxation			(152)		(57)
Total return before distributions			66,001		16,054
Distributions	7		2		(3)
Change in net assets attributable to shareholders from investment activities			66,003		16,051

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 December 2021

	Note	£'000	31.12.21 £'000	£'000	31.12.20 £'000
Opening net assets attributable to shareholders			254,787		234,867
Amounts receivable on issue of shares		118,591		86,089	
Amounts payable on redemption of shares		(134,715)		(82,726)	
Dilution levy	1(H)		111		506
Change in net assets attributable to shareholders from investment activities			66,003		16,051
Closing net assets attributable to shareholders			304,777		254,787

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 31 December 2021

	Notes	31.12.21 £'000	31.12.20 £'000
ASSETS			
Fixed assets			
Investments		296,412	245,177
Current assets			
Debtors	8	576	891
Cash and cash equivalents	9	8,057	11,537
Total assets		<u>305,045</u>	<u>257,605</u>
LIABILITIES			
Creditors			
Other creditors	10	<u>(268)</u>	<u>(2,818)</u>
Total liabilities		<u>(268)</u>	<u>(2,818)</u>
Net assets attributable to shareholders		<u>304,777</u>	<u>254,787</u>

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1. Accounting Policies

The principal accounting policies, which have been applied in both the current and prior year, are set out below.

(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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections, key service provider's operational resilience, and the impact of COVID-19. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

(B) RECOGNITION OF REVENUE

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

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

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

Revenue on debt securities is accounted for on an effective yield basis.

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

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

(C) TREATMENT OF EXPENSES

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue.

(D) ALLOCATION OF REVENUE AND EXPENSES TO MULTIPLE SHARE CLASSES

Any revenue or expense not directly attributable to a particular share class will normally be allocated pro-rata to the net assets of the relevant share classes unless a different allocation method is deemed more appropriate by the ACD.

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

(E) TAXATION

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(F) BASIS OF VALUATION OF INVESTMENTS

All investments are valued at their fair value as at close of business on the last business day of the financial year.

Quoted investments are valued at fair value which generally is the bid price, excluding any accrued interest in the case of debt securities. Accrued interest on debt securities is included in revenue.

Collective investment schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds.

For investments for which there is no quoted price or for which the quoted price is unreliable, fair value is determined by the ACD, taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

(G) EXCHANGE RATES

The base and functional currency of the Fund is pounds sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rate prevailing at close of business on the last business day of the financial year.

(H) 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 Fund experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the Fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of a dilution levy.

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

(I) PORTFOLIO 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. Debt security investments have no separately identifiable transaction costs as they form part of the dealing spread. Indirect transaction costs may be incurred on transactions in underlying schemes but these do not form part of the direct transaction costs disclosures. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread disclosed is the difference between the 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. Distribution Policies

Surplus revenue after expenses and taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the ACD's discretion. Final distributions are made in accordance with the COLL Sourcebook.

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

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

3. Net Capital Gains

The net capital gains during the year comprise:

	31.12.21 £'000	31.12.20 £'000
Non-derivative securities	66,155	16,114
Transaction charges	(2)	(3)
Net capital gains	<u>66,153</u>	<u>16,111</u>

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

The net capital gains figure includes realised gains of £42,700,000 and unrealised gains of £49,965,000 (30.12.20: includes realised gains of £29,437,000 and unrealised gains of £26,510,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding gain/loss is included in unrealised gains/losses.

4. Revenue

	31.12.21 £'000	31.12.20 £'000
Non-taxable dividends	2,726	1,980
Interest on debt securities	180	–
Bank interest	1	31
Non-taxable stock dividends	–	258
Total revenue	<u>2,907</u>	<u>2,269</u>

5. Expenses

	31.12.21 £'000	31.12.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	2,863	2,146
Legal and professional fees	13	16
Typesetting costs	1	1
Registration fees	97	91
	<u>2,974</u>	<u>2,254</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	67	57
Safe custody and other bank charges	9	7
	<u>76</u>	<u>64</u>

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

	31.12.21 £'000	31.12.20 £'000
Other expenses:		
Audit fees	8	8
Professional fees	1	–
	9	8
Total expenses	3,059	2,326

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

6. Taxation

	31.12.21 £'000	31.12.20 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Current tax charge	–	–
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	–	–

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.12.20: 20%). The difference is explained below:

	31.12.21 £'000	31.12.20 £'000
Net expense before taxation	(152)	(57)
Corporation tax at 20%	(30)	(11)
Effects of:		
Non-taxable dividends	(545)	(448)
Unutilised excess management expenses	575	459
Corporation tax charge	–	–
Total tax charge (note 6a)	–	–

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

c) Deferred tax

At the year end there is a potential deferred tax asset of £2,356,000 (31.12.20: £1,781,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

7. Distributions

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

	31.12.21 £'000	31.12.20 £'000
Add: Revenue deducted on redemption of shares	1	4
Deduct: Revenue received on issue of shares	(3)	(1)
Net distributions for the year	(2)	3

Details of the distributions per share are set out in the table on page 47.

	31.12.21 £'000	31.12.20 £'000
Distributions represented by:		
Net expense after taxation	(152)	(57)
Allocations to capital:		
Revenue deficit – 'A' Accumulation	22	19
– 'C' Institutional Income	83	12
– 'C' Institutional Accumulation	45	29
Net distributions for the year	(2)	3

8. Debtors

	31.12.21 £'000	31.12.20 £'000
Amounts receivable for issue of shares	310	313
Sales awaiting settlement	–	462

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

	31.12.21 £'000	31.12.20 £'000
Accrued revenue:		
Non-taxable dividends	77	106
Interest from debt securities	180	–
	257	106
Taxation recoverable:		
Overseas withholding tax	9	10
Total debtors	576	891

9. Cash and Cash Equivalents

	31.12.21 £'000	31.12.20 £'000
Bank balances	8,057	11,537
Total cash and cash equivalents	8,057	11,537

10. Other Creditors

	31.12.21 £'000	31.12.20 £'000
Amounts payable for redemption of shares	9	1,936
Purchases awaiting settlement	–	657
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	234	199
Typesetting costs	1	1
Registration fees	8	9
	243	209

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

	31.12.21 £'000	31.12.20 £'000
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	6	5
Safe custody and other bank charges	1	2
	7	7
Other expenses	9	9
Total other creditors	<u>268</u>	<u>2,818</u>

11. Related Party Transactions

The Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 10.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 31 and amounts due at the year end are disclosed in notes 8 and 10.

Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held 792 (31.12.20: 562) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date no shareholder held in excess of 20% of the shares in issue of the Fund.

12. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.12.20: none).

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

13. Shares in Issue

	'A' Accumulation	'C' Institutional Income	'C' Institutional Accumulation
Annual Management Charge	0.90%	0.90%	0.90%
Opening shares in issue	1,120,973	34,482,509	64,567,330
Issues	–	24,287,566	25,535,730
Redemptions	–	(35,451,494)	(20,084,893)
Conversions	–	40,172	(38,047)
Closing shares in issue	<u>1,120,973</u>	<u>23,358,753</u>	<u>69,980,120</u>
		'D' Income	'D' Accumulation
Annual Management Charge		0.75%	0.75%
Opening shares in issue		54,433	69,204
Issues		–	–
Redemptions		(15,061)	–
Conversions		–	–
Closing shares in issue		<u>39,372</u>	<u>69,204</u>

14. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

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

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

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. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Fund takes on interest rate risk within its investment portfolio where the ACD and Portfolio Manager believe that the expected return compensates for the overall risk. The ACD and Portfolio Manager continue to monitor the level of interest rate risk posed by the Fund's underlying investments on a regular basis. As the Fund has no significant direct exposure to interest rate risk, no sensitivity analysis has been presented.

The table below shows the direct interest rate risk profile:

	31.12.21 £'000	31.12.20 £'000
Fixed rate investments	4,945	–
Investments on which interest is not paid	291,467	245,177
Total investments	<u>296,412</u>	<u>245,177</u>

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value.

The Fund does not have any significant exposure to foreign currency risk, and therefore no foreign currency table or sensitivity analysis has been presented.

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31 December 2021, leverage under the gross method was 0.97:1 and leverage under the commitment method was 1:1 (31.12.20: 0.96:1 and 1:1 respectively).

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 4.63% of the portfolio can be liquidated within 5 days and 10.94% within 21 working days (31.12.20: 6.89% within 5 days and 23.66% within 30 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £14,821,000 (31.12.20: £12,259,000). A 5% decrease would have an equal and opposite effect.

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

(G) DERIVATIVES

The Fund held no derivatives in the current or prior year.

15. Portfolio Transaction Costs

31.12.21	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	99,923	58	16	99,997
Collective investment schemes	6,879	14	34	6,927
Debt securities	5,796	–	–	5,796
Purchases total	<u>112,598</u>	<u>72</u>	<u>50</u>	<u>112,720</u>
<i>Transaction cost % of purchases total</i>		0.06%	0.04%	
<i>Transaction cost % of average NAV</i>		0.02%	0.02%	
Ordinary shares	124,517	(125)	–	124,392
Collective investment schemes	1,304	–	–	1,304
Sales total	<u>125,821</u>	<u>(125)</u>	<u>–</u>	<u>125,696</u>
<i>Transaction cost % of sales total</i>		0.10%	–	
<i>Transaction cost % of average NAV</i>		0.04%	–	

Average portfolio dealing spread at 31.12.21 is 3.89% (31.12.20: 4.13%).

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2021

31.12.20	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	128,559	152	103	128,814
Purchases total	<u>128,559</u>	<u>152</u>	<u>103</u>	<u>128,814</u>
<i>Transaction cost % of purchases total</i>		<i>0.12%</i>	<i>0.08%</i>	
<i>Transaction cost % of average NAV</i>		<i>0.06%</i>	<i>0.04%</i>	
Ordinary shares	100,244	(180)	–	100,064
Sales total	<u>100,244</u>	<u>(180)</u>	<u>–</u>	<u>100,064</u>
<i>Transaction cost % of sales total</i>		<i>0.18%</i>	–	
<i>Transaction cost % of average NAV</i>		<i>0.08%</i>	–	

16. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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 (see note 1(F) of the Accounting Policies).

31.12.21	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	<u>290,900</u>	<u>–</u>	<u>5,512</u>	<u>296,412</u>
31.12.20	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	<u>245,177</u>	<u>–</u>	<u>–</u>	<u>245,177</u>

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 31 December 2021

17. Subsequent Events

Since the balance sheet date the price of each of the Fund's share classes has moved as follows:

Share class	Balance sheet date	06.05.22	Movement
'A' Accumulation	6,636.52	5,332.22	(19.65)%
'C' Institutional Income	247.11	198.54	(19.66)%
'C' Institutional Accumulation	256.65	206.21	(19.65)%
'D' Income	152.42	122.42	(19.68)%
'D' Accumulation	154.26	124.01	(19.61)%

The decrease in the prices is primarily due to unfavourable market conditions. These accounts were approved on 11 May 2022.

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLE

for the year ended 31 December 2021 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.01.21	01.07.21
To	30.06.21	31.12.21

'A' ACCUMULATION SHARES

There were no distributions in the current or prior year.

'C' INSTITUTIONAL INCOME SHARES

There were no distributions in the current or prior year.

'C' INSTITUTIONAL ACCUMULATION SHARES

There were no distributions in the current or prior year.

'D' INCOME SHARES

There was no interim distribution in the current or prior year.

Final	Net Revenue	Equalisation	Payable 30.04.22	Paid 30.04.21
Group 1	0.1328	–	0.1328	0.1126
Group 2	0.1328	0.0000	0.1328	0.1126

'D' ACCUMULATION SHARES

There was no interim distribution in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 30.04.22	Allocated 30.04.21
Group 1	0.1730	–	0.1730	0.1218
Group 2	–	0.1730	0.1730	0.1218

GENERAL INFORMATION

Share Capital

The minimum share capital of the Fund is £1,000,000 and the maximum share capital is £500,000,000.

Classes of Shares

The Instrument of Incorporation allows income and accumulation shares to be issued.

Holders of income shares are entitled to be paid the distributable income attributed to such shares on any relevant interim and annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation share.

Valuation Point

The current valuation point of the Fund is at 12.00 noon (London time) on each business day. Valuations may be made at other times with the Depositary's approval.

Buying and Selling Shares

The ACD will accept orders to buy or sell shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 389, Darlington DL1 9UF or by telephone on 0345 922 0044.

Prices

The prices of all shares are published on every dealing day on the ACD's website: www.linkfundsolutions.co.uk. The prices of shares may also be obtained by calling 0345 922 0044 during the ACD's normal business hours.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Documents and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.linkfundsolutions.co.uk.

Shareholders who have any complaints about the operation of the Fund should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

GENERAL INFORMATION *continued*

Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.



 6th Floor, 65 Gresham Street, London EC2V 7NQ

 0345 922 0044

 linkfundsolutions.co.uk