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T. Bailey Dynamic Fund

Annual Report & Audited Financial Statements

For the year ended 31 March 2020

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*Note: The Authorised Fund Manager's Report consists of 'Authorised Status' and 'Investment Objective and Policy' on page 2, 'Investment Review' as provided by the Investment Manager, on pages 10 to 13 and 'Directory' on page 46.*



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## THE AUTHORISED FUND MANAGER AND INVESTMENT MANAGER

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The Authorised Fund Manager (the 'Manager') of the T. Bailey Dynamic Fund (the 'Fund' or 'TBDYF') is T. Bailey Fund Services Limited ('TBFS'). T. Bailey Asset Management Limited ('TBAM') is the Investment Manager of the Fund (the 'Investment Manager').

TBFS and TBAM are authorised and regulated by the Financial Conduct Authority. Further information about the Investment Manager and the funds which it manages can be found at [www.tbaileyam.co.uk](http://www.tbaileyam.co.uk).

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## YOUR INVESTMENTS

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You can buy or sell units in the Fund through your Financial Advisor. Alternatively, you can telephone the dealing line; 0115 988 8213, during normal office hours. Application forms can be requested in writing from the Manager or by calling the Client Services Team on the dealing line. They can also be downloaded from the website: [www.tbaileyfs.co.uk/funds/t-bailey-funds](http://www.tbaileyfs.co.uk/funds/t-bailey-funds). The Fund is eligible for ISA investments/transfers and are available as part of a regular savers scheme. Prices for the Fund are published each normal business day on the website [www.tbaileyfs.co.uk](http://www.tbaileyfs.co.uk).

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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 (mainly via collective investment schemes), 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 of using derivatives is to reduce risk, this outcome is not guaranteed and derivatives involve additional risks which could lead to 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 1 to 7. 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 4 because it invests in a variety of asset classes but with a bias towards shares.

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## OTHER INFORMATION

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Full details of the 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 Manager, or can be found at [www.tbaileyfs.co.uk/funds/t-bailey-funds](http://www.tbaileyfs.co.uk/funds/t-bailey-funds).

The Key Investor Information documents and Supplementary Information document are also available at the website: [www.tbaileyfs.co.uk/funds/t-bailey-funds](http://www.tbaileyfs.co.uk/funds/t-bailey-funds).

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## AUTHORISED STATUS

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The Fund is governed by a Trust Deed made between the Manager and the Trustee dated 21 April 2006 as amended by supplemental trust deeds made between the same parties dated 10 January 2011, 21 October 2011, 23 August 2012, 7 September 2015, 17 March 2016, 25 July 2018, 30 November 2018 and 7 August 2019. The Fund is an authorised unit trust scheme and is a UCITS scheme as defined in the Glossary of the Sourcebook, and the effective date of the authorisation order made by the FSA (the predecessor to the FCA) was 25 April 2006. Holders of units in TBDYF are not liable for the debts of the Scheme. The base currency of the Fund is pounds Sterling.

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## INVESTMENT OBJECTIVE AND POLICY

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The Fund aims to outperform the Consumer Prices Index plus 3% per annum, over rolling periods of 3 years.

Typically, at least 80% of the Fund will be invested in other collective investment vehicles ("funds"), including those managed or operated by the Manager and its associates. Through investments in these other funds, the Fund is exposed to a range of asset classes such as equities, government and corporate debt, money market instruments, currencies, property, commodities, infrastructure, deposits, cash and near cash on both a UK and a global basis. The Fund is actively managed, taking into account the Investment Manager's views on growth opportunities and investment themes.

Investment themes driving the selection of assets include areas where demand is robust and is likely to exceed supply for the foreseeable future (for example, technology, healthcare, materials and sustainability). This focus on global themes highlights higher growth opportunities irrespective of geography.

The weighting of the asset classes to which the Fund is exposed may be varied depending on the Investment Manager's views in the context of achieving the investment objective and at any one time the Fund may be exposed to a diversified range of asset classes, sectors, currencies or geographies in various proportions.

The Fund will use a range of different active and passive managers in order to provide a diversity of style to protect against possible periods of poor performance by any one manager or product. To the extent it is not fully invested in collective investment vehicles, the Fund may invest directly in other equities, debt instruments, money market instruments, cash and near cash.

Derivatives may be used for efficient portfolio management purposes to reduce risk or cost or to generate additional capital or income.

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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 Trustee, custody, FCA and audit fees. As the Fund invests in other funds, the weighted average costs of the underlying funds are also taken into account. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 17 to 23.

*Please note that the maximum level of management fees which may be charged to any collective investment scheme in which the Fund invests is 5%, although historically the Investment Manager has secured terms considerably more favourable than this.*

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## REMUNERATION POLICY OF THE AUTHORISED FUND MANAGER

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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:

- (i) Is consistent with and promotes sound and effective risk management;
- (ii) Does not encourage risk taking that exceeds the level of tolerated risk of the firm;
- (iii) Encourages behaviour that delivers results which are aligned to the interests of TBFS's clients and the UCITS funds it manages;
- (iv) Aligns the interests of Code Staff with the long-term interests of TBFS's clients and the UCITS funds it manages;
- (v) 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
- (vi) 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:

#### **1. 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 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 2018 which incorporated information from external consultants in connection with remuneration.

#### **2. 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.

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.

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**REMUNERATION POLICY OF THE AUTHORISED FUND MANAGER (CONTINUED)**

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**Total remuneration paid by the Manager for the year ended 30 September 2019**

Total Number of Staff	40
	£'000
Fixed	1,414
Variable	43
<b>Total Remuneration Paid</b>	<b>1,457</b>

**Total remuneration paid by the Manager to Remuneration Code Staff for the year ended 30 September 2019**

	Senior Management	Staff with Material Impact
Total Number of Staff	9	0
	£'000	£'000
Fixed	703	-
Variable	34	-
<b>Total Remuneration Paid</b>	<b>737</b>	<b>-</b>

Please note that there were no remuneration payments made directly from the T. Bailey Dynamic Fund.

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## STATEMENT OF THE AUTHORISED FUND MANAGER'S RESPONSIBILITIES

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The Authorised Fund Manager ("the Manager") of the Fund 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 Fund's Trust Deed.

The OEIC Regulations and COLL require the Manager to prepare financial statements for each 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
- give a true and fair view of the financial position of the Fund as at the end of that period and the net revenue and the net capital gains or losses on the property of the Fund for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 Fund will continue in operation.

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

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## DIRECTORS' 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 Manager of the Fund and authorised for issue on 29 July 2020.

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 Fund consist predominantly of readily realisable securities and accordingly the Fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

**Gavin Padbury, Director of Operations**  
**T. Bailey Fund Services Limited**  
**Nottingham, United Kingdom**  
**29 July 2020**

**Rachel Elliott, Finance Director**  
**T. Bailey Fund Services Limited**  
**Nottingham, United Kingdom**  
**29 July 2020**

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## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Scheme Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

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

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

The trustee must ensure that:

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

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

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## TRUSTEE'S REPORT TO THE UNITHOLDERS OF T. BAILEY DYNAMIC FUND

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

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

**NatWest Trustee & Depositary Services Limited**  
London, United Kingdom  
29 July 2020

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of T. Bailey Dynamic Fund (the 'Fund'):

- give a true and fair view of the financial position of the Fund as at 31 March 2020 and of the net revenue and the net capital losses on the property of the Fund for the year ended 31 March 2020; 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 Trust Deed.

We have audited the financial statements of T. Bailey Dynamic Fund (the 'Fund') which comprise:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the related individual notes 1 to 16; 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 Trust Deed.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the Authorised Fund Manager's (AFM's) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the AFM has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

**Other information**

The AFM is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

**Responsibilities of the Trustee and AFM**

As explained more fully in the Statement of Trustee's responsibilities and the Statement of the Authorised Fund Manager's Responsibilities, the Trustee is responsible for the safeguarding of the property of the Fund and the AFM 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 AFM 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 AFM is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the AFM either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Report on other legal and regulatory requirements**

**Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook**

In our opinion:

- proper accounting records for the Fund 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 given in the AFM's report for the year ended 31 March 2020 is consistent with the financial statements.

**Use of our report**

This report is made solely to the Fund's unitholders, 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 Fund's unitholders 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 unitholders 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 July 2020**

## INVESTMENT REVIEW

### Performance

Cumulative returns for the periods ended 31 March 2020 (%)				
	1 year	3 years	5 years	
TBDYF – A Income	(12.13)	(6.96)	4.34	
TBDYF – Z Income	(12.91)	(9.44)	(0.25)	
UK Consumer Price Index +3%*	4.53	15.76	26.28	
IA Mixed Investment 20%-60% Shares Sector Average**	(7.19)	(3.74)	6.01	

  

Discrete returns for the 12 month periods ended 31 March (%)					
	2020	2019	2018	2017	2016
TBDYF – A Income	(12.13)	1.59	4.22	13.32	(1.03)
TBDYF – Z Income	(12.91)	0.67	3.29	12.31	(1.92)
UK Consumer Price Index +3%*	4.53	4.96	5.51	5.36	3.54
IA Mixed Investment 20% -60% Shares Sector Average**	(7.19)	2.86	0.83	12.90	(2.46)

  

Rolling returns for the 3 year periods ended 31 March (%)					
	2020	2019	2018	2017	2016
TBDYF – A Income	(6.96)	19.98	16.88	24.29	14.80
TBDYF – Z Income	(9.44)	16.78	13.78	20.97	11.85
UK Consumer Price Index +3%*	15.76	16.68	15.10	12.35	11.62
IA Mixed Investment 20% -60% Shares Sector Average**	(3.74)	17.10	11.05	19.58	9.77

\* Target Benchmark. \*\* Comparator Benchmark.

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 units and the revenue derived from them is not guaranteed and may go down as well as up.

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## INVESTMENT REVIEW (CONTINUED)

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The twelve months to the end of March 2020 were initially characterised by the trade dispute between the US and China and its impact on both economies and the resultant knock-on effect on the global economy. Monetary policy in the US was eventually eased through the second half of 2019 as the US economy appeared less robust than anticipated in April 2019. Throughout much of 2019, the UK political scene continued to be dominated by Brexit. The General Election in December 2019 provided a clear decision to leave the European Union amid a resounding victory for the incumbent Conservative Party government. While the start of 2020 provided a soft start to global equity markets, the twelve-month performance of financial markets was determined by the magnitude of the impact of the coronavirus, later to be known as Covid-19, and its landfall in Northern Italy at the end of February 2020. The twelve-month returns for the Dynamic Fund and for financial markets in general, were effectively summed up by the final five weeks of the twelve months to end of March 2020. During those five weeks, financial markets witnessed the sort of dislocations last seen in the Great Financial Crisis of 2008/9. This was particularly evident in the middle of March and prompted massive central bank support, led by the US Federal Reserve, to restore financial market order. The monetary support from central banks in unprecedented amounts added to the substantial support for economies already announced by respective governments earlier in March. Consequently, global equities, corporate bonds and risk assets generally began to recover in the final week of March but from extremely low levels.

Concurrently with and adding to financial market turbulence, oil suffered a huge reduction in price as Russia and Saudi Arabia competed for market share at the expense of price and in the process, attempted to disrupt the oil shale producers of North America. At one stage the West Texas Intermediate oil price future for May delivery, traded in negative territory on a shortage of storage; it was cheaper for traders to sell at negative prices than source storage at sky-high prices.

Gold performed well amidst the spike to financial market volatility.

The Dynamic Fund was unable to escape the precipitous falls in equity markets, credit and real assets in March having performed well in the previous months from the mid-year point of the twelve-month period. The mid-March illiquidity event was particularly punishing to investment trusts held in the Fund as better providers of real return than can be garnered in the bond markets. The lack of liquidity caused prices of these trusts to plummet on very little selling. They later recovered strongly due to lack of dealer inventory. Smaller companies, one of the Dynamic Fund's long-term growth drivers, also suffered during the height of the illiquidity in mid-March.

As thematic investors, the Dynamic Fund's equity exposure will differ in construction from the mainstream, large asset-gathering global equity offerings that are geographically and index driven which makes them largely US driven. The US dollar and large US technology stocks performed relatively well over the period and in March 2020. As at the end of the period, the top five stocks by value in the US S&P 500 index were Microsoft, Apple, Amazon, Facebook and Alphabet (Google) and represented over 18.5% of the value of the whole index. Rather than mirror an index construction, the Dynamic Fund pursues a more diversified approach to its equity exposure. The same can be said for the ether asset classes within the Fund. Corporate debt is trusted to managers who have the requisite credit expertise rather than those that prefer to manager closer to an index outcome. Broader diversification is attained through the aforementioned investment trusts investing in assets with either an explicit and implicit link in excess of inflation.

Longer relative and absolute performance numbers remain competitive against peers.

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## INVESTMENT REVIEW (CONTINUED)

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### Asset Allocation

The asset allocations as at the period end are shown below:

Sector	Asset allocation as at 31 March 2020 (%)	Asset allocation as at 31 March 2019 (%)
Absolute Return	10.2	15.5
Diversifiers	25.2	21.5
Emerging Market Equities	-	3.3
Fixed Income/Debt	18.8	16.1
Global and Thematic Equities	12.9	19.5
Japan Equities	4.9	3.4
Pacific Basin Ex Japan Equities	3.5	3.9
UK Equities	13.1	13.5
Forward Currency Contracts	0.2	(0.2)
Cash and Other	11.2	3.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The full list of holdings at the period end date is shown in the portfolio statement on pages 14 to 16.

The Dynamic fund's thematic approach to investing over the conventional asset class, geography-based approach and its ability to invest in investment trusts and smaller companies doesn't always result in the best outcome in any one twelve-month period. This is especially the case when investors, retail and institutional alike, nominate a passive approach to investing closely aligned to market indices. Over longer periods the diversified thematic approach has worked. US large technology companies have been the major beneficiaries of passive flows and have grown as a percentage of US stock market indices. Consequently, US equities and the US currency reflect over 50% of the global equity market landscape by market capitalisation. Bond investors have also flocked to indices made up by the outstanding debt of companies. The Fund eschews this approach as it is illogical to lend to companies that want to borrow the most.

The Dynamic Fund offers a more diversified approach based on investment themes rather than geography and convention. In seeking the higher growth drivers, the Fund will have exposures to smaller companies with the greatest potential for growth within those themes. This is a calculated preference over the passive, buy what is going up, momentum style of investing which is often indiscriminate to price or valuation. The Fund has a preference for assets that are cheap rather than expensive. In the mid-point of 2019, this led our thematic exposures to reflect an increased exposure to UK companies. This exposure was a clear beneficiary of the outcome of the UK General Election. Investing in investment trusts enables the Fund to access a diversified and consistent stream of returns from music royalties, shipping charter to last-mile distribution centres.

As 2020 began, the Fund's cash position was gradually increased to acknowledge the uncertain economic outlook amid a general equity market backdrop that evidenced much good news in the price. In addition, the increase in cash also reflected the tightness in credit spreads over government bonds. Gold was also held as a defensive asset having been increased during the second half of the twelve-month period. Cash was still being raised above 10% when the equity markets suffered significant price falls in the final week of February as the coronavirus spread to Northern Italy. After some three weeks of market dislocations, the emergence of massive government and central bank interventions gave some indications that sufficient economic assistance was at hand to warrant putting cash to work. However, it became clear that the lockdowns imposed on economies would act as accelerators to one of the Dynamic Fund's key themes – the digital economy. Therefore, it

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## INVESTMENT REVIEW (CONTINUED)

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was important for the thematic exposures of the Fund to focus on the likely winners post-virus and aligned to the digital economy. Investment trusts were added to after their earlier liquidity related price declines as they became even more attractive assets to own.

### Outlook

Due largely to unprecedented levels of support supplied by governments and central banks, a recovery that began in the final week of March 2020, could continue into the second quarter of 2020. Partly because the sell-off in global equities, corporate debt and investment trusts was so savage in the space of four weeks from the final week of February this year, a meaningful bounce in all their prices is likely to be sustained. For how long? The tenure of any recovery in risk asset prices will be dependent on infection and death rates for Covid-19 and how quickly economies can return to some form of normality. That will take time as most economies have come to a sudden stop through lockdowns in the first quarter of this calendar year.

For a number of industries like leisure and travel and their related activities, this will take some time. Sadly, many jobs will be lost not least in the airline, restaurant and other forms of the entertainment industry. The need for some form of physical or social distancing will likely persist for some time. It will take some months and maybe longer into 2021 to find a vaccine but better treatments should arise to treat the virus. The pandemic has accelerated the digital economy trend with many employees working from home using video conferencing to communicate with each other, their clients and providers. For T. Bailey, this has proved to be a seamless transition with no loss in productivity – business continuity testing has always been regularly undertaken.

The acceleration of the digital economy has separated the winners from those companies that will struggle to survive or fail to do so without significant government help. The benefit of a thematic approach means that the Dynamic Fund seeks to be exposed to businesses in demand that are not labour intensive nor weighed down by leverage/debt. It is important for investors in the Fund that there is a focus on digital economy beneficiaries such as cloud computing, artificial intelligence, cybersecurity, healthcare and nutrition rather those companies grinding out an existence though footfall.

Thank you for your support and investment in the T. Bailey Dynamic Fund.

**Elliot Farley**  
**Fund Manager**  
**T. Bailey Asset Management Limited**  
**Nottingham, United Kingdom**  
**29 July 2020**

**Peter Askew**  
**Fund Manager**  
**T. Bailey Asset Management Limited**  
**Nottingham, United Kingdom**  
**29 July 2020**

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**PORTFOLIO STATEMENT**As at 31 March 2020

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Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
<b>Absolute Return</b>			
<b>(10.2%; 31.03.19 - 15.5%)</b>			
226,431	Merian UK Specialist Equity	2,885,568	2.7
206,627	Polar Capital UK Absolute Equity	3,118,003	2.9
2,869,413	Schroder UK Dynamic Absolute Return	4,989,908	4.6
		<hr/>	
		<b>10,993,479</b>	<b>10.2</b>
<b>Diversifiers</b>			
<b>(25.2%; 31.03.19 - 21.5%)</b>			
300,000	Amedeo Air Four Plus	108,000	0.1
1,475,000	Bluefield Solar Income	1,843,750	1.7
57,013	ETFS Gold Bullion Securities	6,920,839	6.4
1,102,050	Hipgnosis Songs	1,124,091	1.0
2,243,540	HWSI Realisation	1,009,593	0.9
3,163,000	Impact Healthcare REIT	2,830,885	2.6
1,840,000	LXI REIT	2,001,920	1.9
2,058,608	RM Secured Direct Lending	1,441,026	1.4
251,180	SQN Asset Finance Income C Shares	141,917	0.1
1,218,450	SQN Asset Finance Income	438,642	0.4
2,675,000	Tufton Oceanic Assets	1,618,205	1.6
2,565,000	Urban Logistics REIT	2,924,100	2.7
644,000	Wisdom Tree Industrial Metals	4,769,745	4.4
		<hr/>	
		<b>27,172,713</b>	<b>25.2</b>
<b>Fixed Income and Debt</b>			
<b>(18.8%; 31.03.19 - 16.1%)</b>			
4,385,796	Man GLG UK High Yield Opportunities	3,819,590	3.5
54,650	Muzinich Asia Credit Opportunities	4,732,130	4.4
4,959,457	Royal London Short Duration Global High Yield Bond	4,933,172	4.6
2,033,090	TwentyFour Select Monthly Income	1,508,553	1.4
46,792	Vontobel TwentyFour Absolute Return Credit	5,271,087	4.9
		<hr/>	
		<b>20,264,532</b>	<b>18.8</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 March 2020

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Global and Thematic Equities</b> (12.9%; 31.03.19 - 19.5%)		
538,972 IP Group	269,486	0.3
455,791 iShares Digitalisation	2,068,853	1.9
2,196,741 Lazard Global Listed Infrastructure Equity	3,830,237	3.6
204,919 Polar Capital Global Insurance	1,239,921	1.1
84,289 Polar Capital Healthcare Opportunities	2,994,778	2.8
2,010,478 Sarasin Food & Agriculture Opportunities	3,447,969	3.2
	<hr/> <b>13,851,244</b>	<hr/> <b>12.9</b>
<b>Japan Equities</b> (4.9%; 31.03.19 - 3.4%)		
1,990,798 JPM Japan	5,265,661	4.9
	<hr/> <b>5,265,661</b>	<hr/> <b>4.9</b>
<b>Pacific Basin Ex Japan Equities</b> (3.5%; 31.03.19 - 3.9%)		
18,113 Prusik Asian Equity Income	1,837,070	1.7
1,556,617 VT Halo Global Asian Consumer	1,922,266	1.8
	<hr/> <b>3,759,336</b>	<hr/> <b>3.5</b>
<b>UK Equities</b> (13.1%; 31.03.19 - 13.5%)		
2,858,348 LF Gresham House UK Micro Cap	4,153,180	3.9
2,677,500 Merian Chrysalis	2,262,487	2.1
2,073,964 MI Chelverton UK Equity Growth	4,013,535	3.7
1,430,383 Unicorn UK Income	3,636,319	3.4
	<hr/> <b>14,065,521</b>	<hr/> <b>13.1</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 March 2020

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Holding or nominal value of positions	Unrealised Gain/(loss) value £	Percentage of total net assets %
<b>Forward Currency Contracts</b> (0.2%; 31.03.19 - -0.2%)		
£18,032,787 Forward FX GBP v \$22,000,000 (expires 19.06.20)*	255,279	0.2
	<hr/> <b>255,279</b>	<hr/> <b>0.2</b>
<b>Portfolio of investments</b>	<b>95,627,765</b>	<b>88.8</b>
<b>Net other assets</b>	<b>12,072,725</b>	<b>11.2</b>
<b>Total net assets</b>	<hr/> <b>107,700,490</b>	<hr/> <b>100.0</b>

\* disclosed as investment liabilities in the Balance Sheet.

'Emerging Market Equities' sector disinvested since the beginning of the period (31 March 2019: 3.3%).

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Asset Class	Asset class allocation as at 31 March 2020 (%)	Asset class allocation as at 31 March 2019 (%)
Collective Investment Schemes	57.7	72.3
Exchange Traded Funds	12.7	7.2
Investment Trusts	16.9	16.7
Equities	1.3	0.5
Forward Currency Contracts	0.2	(0.2)
Cash and Other	11.2	3.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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## SUMMARY OF FUND PERFORMANCE

A Income Units	1 April 2019 to 31 March 2020 (pence per unit)	1 April 2018 to 31 March 2019 (pence per unit)	1 April 2017 to 31 March 2018 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	62.20	62.02	59.84
Return before operating charges*	(6.82)	1.40	3.30
Operating charges	(0.44)	(0.43)	(0.42)
Return after operating charges*	(7.26)	0.97	2.88
Distributions on income units	(1.01)	(0.79)	(0.70)
Closing net asset value per unit	53.93	62.20	62.02
* after direct transaction costs of:	0.01	0.00	0.01
<b>Performance</b>			
Return after charges	(11.67)%	1.56%	4.81%
<b>Other information</b>			
Closing net asset value	£22,261,661	£27,187,252	£26,189,751
Closing number of units	41,279,693	43,706,897	42,229,174
Operating charges (p.a.)	1.22%	1.38%	1.36%
Direct transaction costs (p.a.)	0.02%	0.00%	0.01%
<b>Prices</b>			
Highest published unit price	65.31	64.51	64.61
Lowest published unit price	49.86	60.07	59.87

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

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**SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>A Accumulation Units</b>	<b>1 April 2019 to 31 March 2020</b>	<b>1 April 2018 to 31 March 2019</b>	<b>1 April 2017 to 31 March 2018</b>
	<small>(pence per unit)</small>	<small>(pence per unit)</small>	<small>(pence per unit)</small>
<b>Change in net assets per unit</b>			
Opening net asset value per unit	81.03	79.77	76.11
Return before operating charges*	(9.03)	1.81	4.20
Operating charges	(0.58)	(0.55)	(0.54)
Return after operating charges*	(9.61)	1.26	3.66
Distributions	(1.32)	(1.01)	(0.89)
Retained distributions on accumulation units	1.32	1.01	0.89
Closing net asset value per unit	71.42	81.03	79.77
* after direct transaction costs of:	0.02	0.00	0.01
<b>Performance</b>			
Return after charges	(11.86)%	1.58%	4.81%
<b>Other information</b>			
Closing net asset value	£62,719,497	£74,491,376	£60,129,520
Closing number of units	87,819,439	91,930,257	75,379,195
Operating charges (p.a.)	1.22%	1.38%	1.36%
Direct transaction costs (p.a.)	0.02%	0.00%	0.01%
<b>Prices</b>			
Highest published unit price	86.10	82.97	82.85
Lowest published unit price	65.75	77.74	76.14

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

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**SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>Z Income Units</b>	<b>1 April 2019 to 31 March 2020</b>	<b>1 April 2018 to 31 March 2019</b>	<b>1 April 2017 to 31 March 2018</b>
	<small>(pence per unit)</small>	<small>(pence per unit)</small>	<small>(pence per unit)</small>
<b>Change in net assets per unit</b>			
Opening net asset value per unit	55.91	56.26	54.77
Return before operating charges*	(6.07)	1.27	3.01
Operating charges	(0.90)	(0.90)	(0.89)
Return after operating charges*	(6.97)	0.37	2.12
Distributions on income units	(0.90)	(0.72)	(0.63)
Closing net asset value per unit	48.04	55.91	56.26
* after direct transaction costs of:	0.01	0.00	0.01
<b>Performance</b>			
Return after charges	(12.47)%	0.66%	3.87%
<b>Other information</b>			
Closing net asset value	£285,617	£379,176	£482,040
Closing number of units	594,595	678,131	856,755
Operating charges (p.a.)	2.12%	2.28%	2.26%
Direct transaction costs (p.a.)	0.02%	0.00%	0.01%
<b>Prices</b>			
Highest published unit price	58.28	58.42	58.70
Lowest published unit price	44.42	54.12	54.77

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

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**SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>Z Accumulation Units</b>	<b>1 April 2019 to 31 March 2020</b>	<b>1 April 2018 to 31 March 2019</b>	<b>1 April 2017 to 31 March 2018</b>
	<b>(pence per unit)</b>	<b>(pence per unit)</b>	<b>(pence per unit)</b>
<b>Change in net assets per unit</b>			
Opening net asset value per unit	73.15	72.66	69.95
Return before operating charges*	(8.07)	1.65	3.85
Operating charges	(1.19)	(1.16)	(1.14)
Return after operating charges*	(9.26)	0.49	2.71
Distributions	(1.19)	(0.93)	(0.81)
Retained distributions on accumulation units	1.19	0.93	0.81
Closing net asset value per unit	63.89	73.15	72.66
* after direct transaction costs of:	0.02	0.00	0.01
<b>Performance</b>			
Return after charges	(12.66)%	0.67%	3.87%
<b>Other information</b>			
Closing net asset value	£1,895,696	£2,958,322	£3,168,230
Closing number of units	2,967,231	4,044,213	4,360,143
Operating charges (p.a.)	2.12%	2.28%	2.26%
Direct transaction costs (p.a.)	0.02%	0.00%	0.01%
<b>Prices</b>			
Highest published unit price	77.15	75.44	75.59
Lowest published unit price	58.83	70.34	69.95

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

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**SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>X Income Units</b>	<b>1 April 2019 to 31 March 2020</b>	<b>3 Jan 2019<sup>1</sup> to 31 March 2019</b>
	<b>(pence per unit)</b>	<b>(pence per unit)</b>
<b>Change in net assets per unit</b>		
Opening net asset value per unit	62.31	60.13
Return before operating charges*	(6.84)	2.43
Operating charges	(0.44)	(0.14)
Return after operating charges*	(7.28)	2.29
Distributions on income units	(1.01)	(0.11)
Closing net asset value per unit	54.02	62.31
* after direct transaction costs of:	0.01	0.00
<b>Performance</b>		
Return after charges	(11.68)%	3.81%
<b>Other information</b>		
Closing net asset value	£44,922	£51,814
Closing number of units	83,153	83,153
Operating charges (p.a.)	1.22%	1.38%
Direct transaction costs (p.a.)	0.02%	0.00%
<b>Prices</b>		
Highest published unit price	65.42	62.46
Lowest published unit price	49.95	60.13

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<sup>1</sup> The X Income unit class was launched on 3 January 2019.

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

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**SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>X Accumulation Units</b>	<b>1 April 2019 to 31 March 2020</b>	<b>3 Jan 2019<sup>1</sup> to 31 March 2019</b>
	<b>(pence per unit)</b>	<b>(pence per unit)</b>
<b>Change in net assets per unit</b>		
Opening net asset value per unit	81.03	78.06
Return before operating charges*	(9.05)	3.15
Operating charges	(0.57)	(0.18)
Return after operating charges*	(9.62)	2.97
Distributions	(1.30)	(0.14)
Retained distributions on accumulation units	1.30	0.14
Closing net asset value per unit	71.41	81.03
* after direct transaction costs of:	0.02	0.00
<b>Performance</b>		
Return after charges	(11.87)%	3.80%
<b>Other information</b>		
Closing net asset value	£45,859	£51,904
Closing number of units	64,223	64,053
Operating charges (p.a.)	1.22%	1.38%
Direct transaction costs (p.a.)	0.02%	0.00%
<b>Prices</b>		
Highest published unit price	86.08	81.09
Lowest published unit price	65.74	78.06

<sup>1</sup> The X Accumulation unit class was launched on 3 January 2019.

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

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**SUMMARY OF FUND PERFORMANCE (CONTINUED)**

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<b>F Accumulation Units</b>	<b>16 Dec 2019<sup>1</sup> to 31 March 2020 (pence per unit)</b>
<b>Change in net assets per unit</b>	
Opening net asset value per unit	83.62
Return before operating charges*	(11.72)
Operating charges	(0.42)
Return after operating charges*	(12.14)
Distributions	(0.35)
Retained distributions on accumulation units	0.35
Closing net asset value per unit	71.48
* after direct transaction costs of:	0.02
<b>Performance</b>	
Return after charges	(14.52)%
<b>Other information</b>	
Closing net asset value	£20,447,238
Closing number of units	28,606,821
Operating charges (p.a.)	1.07%
Direct transaction costs (p.a.)	0.02%
<b>Prices</b>	
Highest published unit price	86.12
Lowest published unit price	65.80

<sup>1</sup> The F Accumulation unit class was launched on 16 December 2019.

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

**STATEMENT OF TOTAL RETURN**  
For the year ended 31 March 2020

	Notes	£	31.03.20 £	31.03.19 £
Income				
Net capital (losses)/gains	2		(15,524,192)	765,339
Revenue	3	1,884,659		1,303,839
Expenses	4	(804,743)		(717,527)
Interest payable and similar charges	6	(174)		(1,466)
Net revenue before taxation		1,079,742		584,846
Taxation	5	(24,899)		(453)
Net revenue after taxation			1,054,843	584,393
<b>Total (loss)/return before distributions</b>			<b>(14,469,349)</b>	<b>1,349,732</b>
Distributions	6		(1,779,158)	(1,255,970)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(16,248,507)</b>	<b>93,762</b>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**  
For the year ended 31 March 2020

	Note	£	31.03.20 £	31.03.19 £
<b>Opening net assets attributable to unitholders</b>			<b>105,119,844</b>	<b>89,969,541</b>
<i>Movements due to sales and repurchases of units:</i>				
Amounts receivable on issue of units		50,757,253		21,816,838
Amounts payable on cancellation of units		(33,316,923)		(7,695,812)
			17,440,330	14,121,026
Change in net assets attributable to unitholders from investment activities			(16,248,507)	93,762
Retained distributions on accumulation units	6		1,388,823	935,515
<b>Closing net assets attributable to unitholders</b>			<b>107,700,490</b>	<b>105,119,844</b>

**BALANCE SHEET**  
As at 31 March 2020

	Note	31.03.20 £	31.03.19 £
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		95,627,765	101,668,690
<b>Current assets:</b>			
Debtors	7	3,320,664	124,007
Cash and bank balances	8	9,087,035	3,971,804
<b>Total assets</b>		<b>108,035,464</b>	<b>105,764,501</b>
<b>Liabilities:</b>			
Investment liabilities		-	228,231
<b>Creditors:</b>			
Distribution payable on income units	6	95,204	92,658
Other creditors	9	239,770	323,768
<b>Total liabilities</b>		<b>334,974</b>	<b>644,657</b>
<b>Net assets attributable to unitholders</b>		<b>107,700,490</b>	<b>105,119,844</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2020

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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.

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 Fund consist predominantly of readily realisable securities and accordingly the Fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

**(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 Fund operates.

**(c) Recognition of revenue**

Dividends and distributions on holdings, net of any irrecoverable withholding tax, are recognised when the underlying transferable security or collective investment scheme is quoted ex-dividend or ex-distribution. Bank interest and revenue management fee rebates are accounted for on an accruals 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) Equalisation on distributions**

Equalisation, on revenue distributions received by the Fund from its holdings in underlying collective investment schemes, is treated as a return of capital.

**(f) Treatment of expenses**

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

**(g) Allocation of revenue and expenses to multiple unit classes**

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

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

For the year ended 31 March 2020

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**1. Accounting policies (continued)****(h) 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 substantially enacted by the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements, or those of a previous period, 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 average rates of tax expected to apply to the reversal of timing difference.

**(i) Distribution policy**

Revenue produced by the Fund's investments is distributed quarterly. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is distributed/accumulated at the discretion of the Investment Manager as per the prospectus. Equalisation received on distributions is included in the revenue distributed/accumulated.

**(j) Exchange rates**

Assets and liabilities in overseas currencies at the year end are translated into Pound 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.

**(k) 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 are measured at closing prices on the balance sheet date, with any gains or losses arising on measurement recognised in the statement of total return. If closing 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 Manager, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology.

**(l) Management fee rebates**

Management fee rebates are accounted for on an accruals basis and are allocated to the capital or revenue account of the Fund according to whether the underlying fund charges its fees to capital or revenue.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2020

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

	<b>31.03.20</b>	<b>31.03.19</b>
	<b>£</b>	<b>£</b>
Non-derivative securities	(14,976,112)	889,372
Currency gains	1,971,473	198,138
Forward currency contracts (losses)	(2,609,330)	(367,682)
Transaction charges	(370)	(488)
Equalisation on UK distributions	86,732	42,612
Capital management fee rebates	3,415	3,387
<b>Net capital (losses)/gains</b>	<b>(15,524,192)</b>	<b>765,339</b>

**3. Revenue**

	<b>31.03.20</b>	<b>31.03.19</b>
	<b>£</b>	<b>£</b>
UK franked distributions	482,022	336,949
UK unfranked distributions	353,727	292,917
UK franked dividends	440,663	111,211
UK unfranked dividends	607,314	144,858
Overseas dividends	-	413,652
Bank interest	25	390
Revenue management fee rebates	1,625	3,978
Unfranked income currency losses	(717)	(116)
<b>Total revenue</b>	<b>1,884,659</b>	<b>1,303,839</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2020

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**4. Expenses**

	31.03.20	31.03.19
	£	£
<b>Payable to the Manager, associates of the Manager and agents of either:</b>		
Annual management charge	699,266	630,392
Registration fees	34,922	25,848
Administration fees	10,081	9,999
	<u>744,269</u>	<u>666,239</u>
<b>Payable to the Trustee, associates of the Trustee and agents of either:</b>		
Trustee's fees	43,192	39,629
Safe custody fees	2,787	2,227
	<u>45,979</u>	<u>41,856</u>
<b>Other expenses:</b>		
Audit fee	7,404	6,822
Tax fee	2,352	2,352
FCA fee	145	174
Other expenses	4,594	84
	<u>14,495</u>	<u>9,432</u>
<b>Total expenses</b>	<u><b>804,743</b></u>	<u><b>717,527</b></u>
	31.03.20	31.03.19
	£	£
<b>Fees payable to the Fund auditor for the audit of the Fund's annual financial statements:</b>		
Total audit fee	<u>7,404</u>	<u>6,822</u>
Total non-audit fees - Tax compliance services	<u>2,352</u>	<u>2,352</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2020

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

	31.03.20	31.03.19
	£	£
<b>Analysis of charge in the year</b>		
Corporation tax	24,899	-
Irrecoverable income tax	-	453
<b>Total current tax for the year (see note 5(b))</b>	<u>24,899</u>	<u>453</u>
Deferred tax (see note 5(c))	-	-
<b>Total taxation for the year</b>	<u>24,899</u>	<u>453</u>

Corporation tax has been provided at a rate of 20% (31 March 2019: 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 unit trust (20%). The differences are explained below:

	31.03.20	31.03.19
	£	£
Net revenue before taxation	<u>1,079,742</u>	<u>584,846</u>
Corporation tax at 20%	215,948	116,969
<b>Effects of:</b>		
Revenue not subject to taxation	(184,537)	(172,362)
Capital management fees	683	677
Prior period excess expenses utilised	(7,195)	-
Excess expenses for which no relief taken	-	54,716
Irrecoverable income tax	-	453
<b>Current tax charge for the year (see note 5(a))</b>	<u>24,899</u>	<u>453</u>

**(c) Provision for deferred tax**

As at 31 March 2020, the Fund had surplus management expenses of £Nil (31 March 2019: £35,977). The deferred tax in respect of this would be £Nil (31 March 2019: £7,195). Therefore, no deferred tax asset has been recognised at the year end (see note 5(a)). Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and the effective tax rate in the future.

Please note that the surplus management expenses and deferred tax amounts as at 31 March 2019 have been restated since the publication of the Annual Report and Financial Statements for the year ended 31 March 2019. This is due to a correction of the taxable income recognised in previous periods.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2020

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**6. Distributions**

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

	<b>31.03.20</b>	<b>31.03.19</b>
	£	£
Interim - Income (30 Jun)	124,099	63,610
Interim - Income (30 Sep)	105,955	89,210
Interim - Income (31 Dec)	103,571	105,152
Final - Income (31 Mar)	95,204	92,658
	<hr/> 428,829	<hr/> 350,630
Interim - Accumulation (30 Jun)	366,280	156,043
Interim - Accumulation (30 Sep)	324,381	239,256
Interim - Accumulation (31 Dec)	343,838	286,352
Final - Accumulation (31 Mar)	354,324	253,864
	<hr/> 1,388,823	<hr/> 935,515
Add: Revenue deducted on cancellation of units	67,959	14,963
Deduct: Revenue received on issue of units	(106,453)	(45,138)
<b>Net distribution for the year</b>	<hr/> <b>1,779,158</b>	<hr/> <b>1,255,970</b>
Interest	174	1,466
<b>Total finance costs</b>	<hr/> <b>1,779,332</b>	<hr/> <b>1,257,436</b>
<b>Reconciliation to net distribution for the year</b>		
Net revenue after taxation for the year	1,054,843	584,393
Expenses allocated to capital, net of tax relief	633,183	625,803
Realised revenue currency losses/(gains)	985	(225)
Equalisation on UK distributions	86,732	42,612
Capital management fee rebates	3,415	3,387
<b>Net distribution for the year</b>	<hr/> <b>1,779,158</b>	<hr/> <b>1,255,970</b>

Details of the distributions per unit are set out in the distribution tables on pages 42 to 45.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2020

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**7. Debtors**

	31.03.20	31.03.19
	£	£
Amounts receivable for issue of units	1,256,518	121,735
Sales awaiting settlement	2,000,000	-
Accrued revenue	61,599	-
Prepayments	8	-
Management fee rebates recoverable	2,539	2,272
<b>Total debtors</b>	<u>3,320,664</u>	<u>124,007</u>

**8. Cash and bank balances**

	31.03.20	31.03.19
	£	£
Cash and bank balances	9,087,035	3,971,804
<b>Total cash and bank balances</b>	<u>9,087,035</u>	<u>3,971,804</u>

**9. Other creditors**

	31.03.20	31.03.19
	£	£
Amounts payable for cancellation of units	69,444	255,394
Purchases awaiting settlement	66,369	-
Accrued managers fees	57,265	52,180
Accrued registration fees	4,109	1,894
Accrued administration fees	860	780
Accrued trustee fees	3,728	3,279
Accrued custody fees	988	624
Accrued audit fees	7,404	6,822
Accrued tax fees	4,704	2,352
Accrued FCA fees	-	15
Debit interest payable	-	428
Corporation tax payable	24,899	-
<b>Total creditors</b>	<u>239,770</u>	<u>323,768</u>

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

For the year ended 31 March 2020

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**10. Related party transactions**

The Manager is regarded as a related party of the Fund. The Manager acts as either agent or principal for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to unitholders.

As at the balance sheet date the following unitholders, regarded as related parties of either the Trustee or Manager, held units in the Fund:

- FHH Limited Pension Scheme (19,773,277 units)
- T. Bailey Asset Management Limited (1,236,768 units)

There were no other units held by the Trustee or associates of either the Manager or the Trustee.

As at 31 March 2020, there were no unitholders that held units amounting to over 25% of the Fund's total net asset value.

Details of transactions occurring during the accounting period between the Manager and the Trustee, and any balances due at the period end are fully disclosed in notes 4 and 9 to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2020

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**11. Unit classes**

As at the balance sheet date the Fund had seven unit classes. The following table shows a breakdown of the change in units in issue of each unit class in the year:

	<b>A Income</b>
Opening units at the start of the year	43,706,896.711
Total creation of units in the year	1,186,474.583
Total cancellation of units in the year	(3,613,678.471)
<b>Closing units at the end of the year</b>	<b>41,279,692.823</b>
	<b>Z Income</b>
Opening units at the start of the year	678,131.081
Total creation of units in the year	6,532.840
Total cancellation of units in the year	(90,069.357)
<b>Closing units at the end of the year</b>	<b>594,594.564</b>
	<b>X Income</b>
Opening units at the start of the year	83,153.168
Total creation of units in the year	-
Total cancellation of units in the year	-
<b>Closing units at the end of the year</b>	<b>83,153.168</b>
	<b>A Accumulation</b>
Opening units at the start of the year	91,930,257.222
Total creation of units in the year	26,989,429.180
Total cancellation of units in the year	(31,100,247.884)
<b>Closing units at the end of the year</b>	<b>87,819,438.518</b>
	<b>Z Accumulation</b>
Opening units at the start of the year	4,044,213.395
Total creation of units in the year	142,629.036
Total cancellation of units in the year	(1,219,611.126)
<b>Closing units at the end of the year</b>	<b>2,967,231.305</b>
	<b>X Accumulation</b>
Opening units at the start of the year	64,053.292
Total creation of units in the year	169.748
Total cancellation of units in the year	-
<b>Closing units at the end of the year</b>	<b>64,223.040</b>
	<b>F Accumulation</b>
Opening units at the start of the year	-
Total creation of units in the year	33,387,939.793
Total cancellation of units in the year	(4,781,118.406)
<b>Closing units at the end of the year</b>	<b>28,606,821.387</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2020

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**11. Unit classes (continued)**

The annual management charge of each unit class is as follows:

A Income	0.60% p.a.
Z Income	1.50% p.a.
X Income	0.60% p.a.
A Accumulation	0.60% p.a.
Z Accumulation	1.50% p.a.
X Accumulation	0.60% p.a.
F Accumulation	0.45% p.a.*

\* The F accumulation unit class was launched on 16 December 2019.

The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the Summary of Fund Performance tables on pages 17 to 23. The distributions per unit class are given in the distribution tables on pages 42 to 45. Income, and the associated tax, which is not attributable to a particular unit class is allocated by the Manager in a manner which is considered fair to unitholders in general, usually pro-rata based on the net asset values of the unit classes. All classes have the same rights on winding up.

**12. Risk management policies**

In pursuing its objective, the Fund holds financial instruments which expose it to various types of risk. The main risks inherent in the Fund's investment portfolio, and the Manager'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 mainly invested in other collective investment schemes and transferable securities whose prices are generally quoted in Pound Sterling. The Fund may also invest in other Schemes whose prices are quoted in other currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

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	Net foreign currency assets at 31 March 2020			Net foreign currency assets at 31 March 2019		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
US Dollar	-	17,215	17,215	-	12,612	12,612

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2020

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**12. Risk management policies (continued)****(a) Currency exposures (continued)**

The Investment Manager has used forward currency contracts throughout the period to help manage the currency exposure.

In addition, the Fund's investments have an indirect exposure to exchange rate movements on the underlying investments of the collective investment schemes and transferable securities that are held in foreign currencies. Movements in exchange rates will impact on the prices of such underlying investments and as a result may affect the value of the Fund.

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 £1,564,974 (31 March 2019: £1,146,569). 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 £1,912,746 (31 March 2019: £1,401,362). These calculations assume all other variables remain constant.

**(b) Cash flow risk and interest rate risk profile of financial assets and liabilities**

The Fund's revenue is mainly received from holdings in regulated collective investment schemes and transferable securities. The revenue cash flow from these and from their underlying investments may fluctuate depending upon the particular decisions made by the companies in which they invest. 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 and on certain underlying investments held by the other collective investment schemes and transferable securities in which it invests.

In addition, the Fund's investments have an indirect exposure to interest rate risk through the transferable securities and collective investment schemes held which are bond funds. Movements in interest rates will impact on the prices of interest bearing securities, such as bonds (and therefore also bond funds), and as a result may affect the value of the Fund.

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

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	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not bearing interest £'000	Floating rate financial liabilities £'000	Financial liabilities not bearing interest £'000	Total £'000
<b>31.03.20</b>						
Sterling	9,087	-	81,733	-	(335)	90,485
US Dollar	-	-	17,215	-	-	17,215
<b>31.03.19</b>						
Sterling	3,972	-	89,181	-	(645)	92,508
US Dollar	-	-	12,612	-	-	12,612

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

For the year ended 31 March 2020

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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 bearing interest in the previous table.

The floating rate financial assets and liabilities comprise: Sterling 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 bearing interest mainly comprise investments that do not have a maturity date.

Cash flow risk and interest rate risk is managed by only holding cash at reputable financial institutions.

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) 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.

**(d) 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 Manager as an acceptable counterparty and these are reviewed on an ongoing basis.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2020

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**12. Risk management policies (continued)****(e) Market price risk**

The Fund's underlying investments are collective investment schemes and transferable securities quoted on recognised stock exchanges or traded on regulated markets. The value of shares/units 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/unit held within an underlying scheme 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 a diversified portfolio of transferable securities and collective investment schemes in line with the Fund's 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 £9,562,777 (31 March 2019: £10,144,046). This calculation assumes all other variables remain constant.

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

Valuation technique	INVESTMENT ASSETS	
	31 March 2020	31 March 2019
	£	£
Level 1: Quoted Prices	33,282,092	25,573,640
Level 2: Observable Market Data	62,345,673	76,095,050
Level 3: Unobservable Data	-	-
	<u>95,627,765</u>	<u>101,668,690</u>

  

Valuation technique	INVESTMENT LIABILITIES	
	31 March 2020	31 March 2019
	£	£
Level 1: Quoted Prices	-	-
Level 2: Observable Market Data	-	228,231
Level 3: Unobservable Data	-	-
	<u>-</u>	<u>228,231</u>

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

**(g) Commitments on derivatives**

At the balance sheet date the Fund held derivatives with a total unrealised gain of £255,279 (31 March 2019: Unrealised loss of £228,231).

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

 For the year ended 31 March 2020
 

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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 direct transaction costs below, indirect costs are incurred through the bid-offer spread. It is not possible for the AFM to quantify these indirect costs. 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:

	31.03.20		31.03.19	
	£		£	
<b>Analysis of total purchase costs</b>				
<b>PURCHASES</b>				
Collective Investment Schemes	15,678,000		45,086,626	
Equities	3,906,333		-	
Exchange Traded Funds	12,048,513		499,355	
Investment Trusts	1,574,726		8,309,267	
REIT's	4,456,432		-	
Net purchases before direct transaction costs	37,664,004		53,895,248	
		<b>% of total</b>		<b>% of total</b>
		<b>purchases</b>		<b>purchases</b>
<b>DIRECT TRANSACTION COSTS</b>				
Exchange Traded Funds	6,620	0.02%	499	0.00%
Investment Trusts	1,973	0.00%	72	0.00%
REIT's	6,219	0.02%	-	0.00%
Total direct transaction costs	14,812	0.04%	571	0.00%
	<u>37,678,816</u>		<u>53,895,819</u>	
<b>Analysis of total sale costs</b>				
<b>SALES</b>				
Collective Investment Schemes	20,426,284		28,829,717	
Equities	1,125,000		-	
Exchange Traded Funds	6,202,815		3,203,939	
Investment Trusts	2,474,049		1,440,448	
Gross sales before direct transaction costs	30,228,148		33,474,104	
		<b>% of total</b>		<b>% of total</b>
		<b>sales</b>		<b>sales</b>
<b>DIRECT TRANSACTION COSTS</b>				
Collective Investment Schemes	(5,570)	0.02%	-	0.00%
Exchange Traded Funds	(3,101)	0.01%	(3,204)	0.01%
Investment Trusts	(2,886)	0.01%	-	0.00%
Total direct transaction costs	(11,557)	0.04%	(3,204)	0.01%
<b>Net sales total</b>	<u>30,216,591</u>		<u>33,470,900</u>	

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2020

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

	31.03.20		31.03.19	
	% of		% of	
	£	average NAV	£	average NAV
<b>Analysis of total direct transaction costs</b>				
Collective Investment Schemes	5,570	0.00%	-	0.00%
Exchange Traded Funds	9,721	0.01%	3,703	0.00%
Investment Trusts	4,859	0.00%	72	0.00%
REIT's	6,219	0.01%	-	0.00%
Total direct transaction costs	<b>26,369</b>	<b>0.02%</b>	<b>3,775</b>	<b>0.00%</b>

**(b) Average portfolio dealing spread**

The average portfolio dealing spread of the investments at the balance sheet date was 0.88% (31 March 2019: 0.40%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value.

**14. Capital commitments and contingent liabilities**

The Fund had no capital commitments or contingent liabilities at the balance sheet date (31 March 2019: £nil).

**15. Going concern**

During the period from the date of the Balance Sheet to the date that the Financial Statements were approved, the coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale.

The Fund's business activities, together with the factors likely to affect its future development, performance and position are set out in the Investment Manager's Investment Review on pages 10 to 13. The Fund has sufficient resources to meet both further investments in portfolio companies and working capital requirements for the foreseeable future. The AFM believes the key risk facing the Fund to be the Fund's ability to cover any potential significant redemptions out of the Fund. However, as the assets of the Fund consist predominantly of readily realisable securities the AFM believes the Fund is well positioned to manage its business risks successfully. In light of this the AFM has a reasonable expectation that the Fund will continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

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

For the year ended 31 March 2020

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**16. Post balance sheet events**

During the period from the date of the Balance Sheet to the date that the Financial Statements were approved, the coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. In accordance with the requirements of FRS 102 the fair valuations at the Balance Sheet date reflect the economic conditions in existence at that date.

Since the Balance Sheet date, the valuation of the quoted investments held has increased from £95,627,765 to £117,121,913 (17 July 2020).

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

A Income Units – Increased from 53.93 pence per unit to 61.77 pence per unit (17 July 2020).

A Accumulation Units – Increased from 71.42 pence per unit to 82.07 pence per unit (17 July 2020).

Z Income Units – Increased from 48.04 pence per unit to 54.88 pence per unit (17 July 2020).

Z Accumulation Units – Increased from 63.89 pence per unit to 73.26 pence per unit (17 July 2020).

X Income Units – Increased from 54.02 pence per unit to 61.87 pence per unit (17 July 2020).

X Accumulation Units – Increased from 71.41 pence per unit to 82.05 pence per unit (17 July 2020).

F Accumulation Units – Increased from 71.48 pence per unit to 82.17 pence per unit (17 July 2020).

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

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**DISTRIBUTION TABLE**For the year ended 31 March 2020

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**Interim Distribution (30 June 2019)**

Group 1 - Units purchased on or prior to 31 March 2019

Group 2 - Units purchased after 31 March 2019

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Units	Revenue	Equalisation <sup>1</sup>	Paid/Accumulated 31.08.19	Paid/Accumulated 31.08.18
	(pence)	(pence)	(pence)	(pence)
<b>A Income</b>				
Group 1	0.2872	-	0.2872	0.1446
Group 2	0.2075	0.0797	0.2872	0.1446
<b>Z Income</b>				
Group 1	0.2578	-	0.2578	0.1309
Group 2	0.1279	0.1299	0.2578	0.1309
<b>X Income</b>				
Group 1	0.2877	-	0.2877	N/A
Group 2	0.2877	-	0.2877	N/A
<b>A Accumulation</b>				
Group 1	0.3742	-	0.3742	0.1860
Group 2	0.2342	0.1400	0.3742	0.1860
<b>Z Accumulation</b>				
Group 1	0.3373	-	0.3373	0.1693
Group 2	0.2824	0.0549	0.3373	0.1693
<b>X Accumulation</b>				
Group 1	0.3569	-	0.3569	N/A
Group 2	0.3569	-	0.3569	N/A

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

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**DISTRIBUTION TABLE (CONTINUED)**For the year ended 31 March 2020

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**Interim Distribution (30 September 2019)**

Group 1 - Units purchased on or prior to 30 June 2019

Group 2 - Units purchased after 30 June 2019

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Units	Revenue	Equalisation <sup>1</sup>	Paid/Accumulated	Paid/Accumulated
	(pence)	(pence)	30.11.19 (pence)	30.11.18 (pence)
<b>A Income</b>				
Group 1	0.2468	-	0.2468	0.2009
Group 2	0.1000	0.1468	0.2468	0.2009
<b>Z Income</b>				
Group 1	0.2206	-	0.2206	0.1817
Group 2	0.0893	0.1313	0.2206	0.1817
<b>X Income</b>				
Group 1	0.2473	-	0.2473	N/A
Group 2	0.2473	-	0.2473	N/A
<b>A Accumulation</b>				
Group 1	0.3234	-	0.3234	0.2591
Group 2	0.1777	0.1457	0.3234	0.2591
<b>Z Accumulation</b>				
Group 1	0.2907	-	0.2907	0.2353
Group 2	0.2792	0.0115	0.2907	0.2353
<b>X Accumulation</b>				
Group 1	0.3229	-	0.3229	N/A
Group 2	0.3229	-	0.3229	N/A

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

**DISTRIBUTION TABLE (CONTINUED)**

For the year ended 31 March 2020

**Interim Distribution (31 December 2019)**

Group 1 - Units purchased on or prior to 30 September 2019

Group 2 - Units purchased after 30 September 2019

Units	Revenue	Equalisation <sup>1</sup>	Paid/Accumulated	Paid/Accumulated
	(pence)	(pence)	28.02.20 (pence)	28.02.19 (pence)
<b>A Income</b>				
Group 1	0.2466	-	0.2466	0.2335
Group 2	0.1290	0.1176	0.2466	0.2335
<b>Z Income</b>				
Group 1	0.2204	-	0.2204	0.2107
Group 2	0.1510	0.0694	0.2204	0.2107
<b>X Income</b>				
Group 1	0.2470	-	0.2470	N/A
Group 2	0.2470	-	0.2470	N/A
<b>A Accumulation</b>				
Group 1	0.3240	-	0.3240	0.3021
Group 2	0.1963	0.1277	0.3240	0.3021
<b>Z Accumulation</b>				
Group 1	0.2908	-	0.2908	0.2736
Group 2	0.1581	0.1327	0.2908	0.2736
<b>X Accumulation</b>				
Group 1	0.3240	-	0.3240	N/A
Group 2	0.3240	-	0.3240	N/A
<b>F Accumulation</b>				
Group 1	0.0471	-	0.0471	N/A
Group 2	0.0423	0.0048	0.0471	N/A

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

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**DISTRIBUTION TABLE (CONTINUED)**For the year ended 31 March 2020

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**Final Distribution (31 March 2020)**

Group 1 - Units purchased on or prior to 31 December 2019

Group 2 - Units purchased after 31 December 2019

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Units	Revenue	Equalisation <sup>1</sup>	Paid/Accumulated	Paid/Accumulated
	(pence)	(pence)	31.05.20 (pence)	31.05.19 (pence)
<b>A Income</b>				
Group 1	0.2272	-	0.2272	0.2087
Group 2	0.0729	0.1739	0.2468	0.2087
<b>Z Income</b>				
Group 1	0.2038	-	0.2038	0.1961
Group 2	0.0957	0.1249	0.2206	0.1961
<b>X Income</b>				
Group 1	0.2271	-	0.2271	0.1080
Group 2	0.2473	-	0.2473	0.1080
<b>A Accumulation</b>				
Group 1	0.2960	-	0.2960	0.2648
Group 2	0.1318	0.1916	0.3234	0.2648
<b>Z Accumulation</b>				
Group 1	0.2712	-	0.2712	0.2542
Group 2	0.0294	0.2613	0.2907	0.2542
<b>X Accumulation</b>				
Group 1	0.2986	-	0.2986	0.1403
Group 2	0.0537	0.2692	0.3229	0.1403
<b>F Accumulation</b>				
Group 1	0.3008	-	0.3008	N/A
Group 2	0.0537	0.2692	0.3229	N/A

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

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## DIRECTORY

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### Authorised Fund Manager

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

Tel: 0115 988 8200  
Dealing line: 0115 988 8213  
Website: [www.tbaileyfs.co.uk](http://www.tbaileyfs.co.uk)

Authorised and regulated by the Financial Conduct Authority.

### Directors of the Authorised Fund Manager

Mr M Hughes  
Mr G M J Padbury  
Mrs R E Elliot  
Mrs H C Stevens (Resigned 30 April 2020)  
Mr R J Taylor (Resigned 31 October 2019)  
Mrs A E Troup (Non-executive)  
Mr A Kerneis (Non-executive)

### Investment Manager

T. Bailey Asset Management Limited  
64 St. James's Street  
Nottingham  
NG1 6FJ

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

Authorised and regulated by the Financial Conduct Authority.

### Trustee

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

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

### Registrar and Unit Dealing

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

Tel: 0115 988 8200  
Dealing Line: 0115 988 8213  
Website: [www.tbaileyfs.co.uk](http://www.tbaileyfs.co.uk)

Authorised and regulated by the Financial Conduct Authority.

### Auditor

Deloitte LLP  
Statutory Auditor  
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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