



T. Bailey UK Responsibly Invested Equity Fund

Annual Report & Audited Financial Statements

For the period from 14 February 2022 to 31 March 2023

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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 11 to 13 and 'Directory' on page 36.

THE AUTHORISED FUND MANAGER AND INVESTMENT MANAGER

The Authorised Fund Manager (the 'Manager' or 'AFM') of the T. Bailey UK Responsibly Invested Equity Fund (the 'Fund' or 'TB UK RIEF') 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 TB UK RIEF 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.

YOUR INVESTMENTS

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. The Fund is eligible for ISA investments/transfers and is available as part of a regular savers scheme. The most recent price of units in issue can be found at www.tbaileyfs.co.uk, or by phone using the contact details set out in the prospectus.

RISK PROFILE

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.

A limited number of investments may be held which has the potential to increase the volatile performance over shorter time periods.

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.

SYNTHETIC RISK AND REWARD INDICATOR

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.

As the Fund launched on 14 February 2022, the indicator has been calculated based in part on the volatility of the Investment Association (IA) UK All Companies Sector (GBP) average over the last five years (in total return and GBP terms).

The indicator uses a scale of one to seven. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category six because it invests in shares.

OTHER INFORMATION

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.

The Key Investor Information documents, Supplementary Information document and Value Assessment are also available on the website: www.tbaileyfs.co.uk.

AUTHORISED STATUS

The Fund is governed by a Trust Deed made between the Manager and the Trustee dated 28 January 2022.

The Fund is an authorised unit trust scheme and is a UK UCITS as defined in the Glossary of the Financial Conduct Authority ('FCA') Handbook. The effective date of the authorisation order made by the FCA was 28 January 2022.

The unitholders of the Fund are not liable for the debts of the Scheme.

The base currency of the Fund is Pound Sterling.

INVESTMENT OBJECTIVE AND POLICY

The T. Bailey UK Responsibly Invested Equity Fund aims to achieve capital growth in excess of the IA UK All Companies Sector average over rolling periods of 5 years (after charges), through a portfolio of responsibly screened UK listed companies.

The Fund will invest at least 80% of its net asset value in a concentrated portfolio of equity or equity-related securities of UK companies listed on the London Stock Exchange (LSE) diversified by sector, industry and market capitalisation. UK companies are those incorporated or domiciled in the UK.

Starting with all such companies listed on the LSE, the Fund's investible universe will be determined by removing:

- companies that, in the view of the Investment Manager, are not considered sufficiently financially robust based on valuation and quality criteria;
- companies identified by reference to their industry sector including those directly involved in: alcohol; gambling; weapons; pornography; tobacco; industries that involve large-scale extraction practices. The pre-determined list of excluded sectors is set out in section 14 of the Prospectus but is subject to change from time to time.

Within this resulting universe, the Investment Manager conducts its own assessment and research (supplemented by 3rd party specialist research where necessary) and measures the companies' ability and measures taken to be accountable to society, to address their environmental impact and to meet appropriate corporate governance requirements (the "Responsible Factors"). The Investment Manager will rank and apply an assessment process focussed on these Responsible Factors, selecting those companies that satisfy the Investment Manager's investment criteria. The Fund will be concentrated, typically comprising of between 25 and 35 holdings, although the number of holdings may from time to time fall outside of this range.

The Investment Manager will monitor the investments held and will, using its discretion and acting in the best interests of investors, seek, at the timing of its choice, to dispose of those holdings where the company no longer meets the Investment Manager's criteria for the investment universe and/or its responsible investment criteria.

The Fund will be actively managed.

Up to 20% of the Fund may be invested in shares of responsibly screened non-UK companies listed on the LSE. Accordingly, up to 100% of the Fund's net asset value could be invested in responsibly screened companies (both UK and non-UK). To the extent that the Fund is not fully invested, investments may also be made in cash like instruments, such as money market instruments, deposits, cash and near cash. Such investments are not intended to be more than 20% in aggregate of the value of the Fund. Derivatives may be used for efficient portfolio management purposes to reduce risk or cost or to generate additional capital or income. The use of derivatives is expected to be limited.

FUND BENCHMARK

TB UK RIEF is managed to achieve returns in excess of the IA UK All Companies Sector average over rolling 5-year periods. Although the IA UK All Companies Sector average is not a responsibly screened benchmark, it has been chosen as a target benchmark as it represents the performance of a broad peer group of UK-based companies available to UK based investors the outcomes of which are representative of the opportunity set for UK equities.

TB UK RIEF is not constrained by or managed to the IA UK All Companies Sector and there is no guarantee that the target will be met.

ONGOING CHARGES FIGURE

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 Comparative Tables on pages 15 to 17.

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.

REMUNERATION POLICY OF THE AUTHORISED FUND MANAGER

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:

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

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

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

There is no remuneration committee. Remuneration is set within the context of a 5-year plan which ensures any threats to capital adequacy, liquidity and solvency caused by excessive remuneration would be identified. The bonus and commission arrangements including the staff bonus pool are set annually as part of the annual operating plan and any changes to the pool require approval by the TBFS Board.

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

Policy on link between pay and performance

The staff bonus scheme is operated 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.

REMUNERATION POLICY OF THE AUTHORISED FUND MANAGER (CONTINUED)

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

There are no commission based payments made to staff.

No other pay reward schemes exist within the business.

Total remuneration paid by the Authorised Fund Manager

	For the year ended 30 September 2022	For the year ended 30 September 2021
Total Number of Staff	65	51
	£'000	£'000
Fixed	2,118	1,797
Variable	143	111
Total Remuneration Paid	2,261	1,908

Total remuneration paid by the Authorised Fund Manager to Remuneration Code Staff

	For the year ended 30 September 2022		For the year ended 30 September 2021	
	Senior Management	Staff with Material Impact	Senior Management	Staff with Material Impact
Total Number of Staff	9	-	10	-
	£'000	£'000	£'000	£'000
Fixed	798	-	800	-
Variable	49	-	9	-
Total Remuneration Paid	847	-	809	-

Please note that there were no remuneration payments made directly from the T. Bailey UK Responsibly Invested Equity Fund.

STATEMENT OF THE AUTHORISED FUND MANAGER'S RESPONSIBILITIES

The Authorised Fund Manager ('Manager') of T. Bailey UK Responsibly Invested Equity Fund ("Fund") is responsible for preparing the Annual Report and the Financial Statements in accordance with the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Scheme's Trust Deed. COLL requires 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 amended in June 2017; 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 or expense 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 United Kingdom Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 Scheme and enable it 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 Scheme and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' STATEMENT

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 31 July 2023.

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
Senior Director – Head of T. Bailey Fund Services
T. Bailey Fund Services Limited
Nottingham, United Kingdom
31 July 2023

Mark Smith
Director of Fund Administration
T. Bailey Fund Services Limited
Nottingham, United Kingdom
31 July 2023

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes 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 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.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF T. BAILEY UK RESPONSIBLY INVESTED EQUITY FUND

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 revenue, 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
31 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF T. BAILEY UK RESPONSIBLY INVESTED EQUITY FUND

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of T. Bailey UK Responsibly Invested Equity Fund (the 'Fund'):

- give a true and fair view of the financial position of the Fund as at 31 March 2023 and of the net revenue and the net capital losses on the property of the Fund for the period from 14 February 2022 to 31 March 2023; 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, which comprise:

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

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 as amended in June 2017, 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 (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF T. BAILEY UK RESPONSIBLY INVESTED EQUITY FUND (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Responsibilities of the Trustee and Manager

As explained more fully in the Statement of Trustee's Responsibilities and the Statement of the 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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the Collective Investment Schemes Sourcebook and relevant tax legislations; and

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF T. BAILEY UK RESPONSIBLY INVESTED EQUITY FUND (CONTINUED)

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Open-Ended Investment Companies Regulations 2001.

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

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

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

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

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

Report on other legal and regulatory requirements**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 period ended 31 March 2023 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
31 July 2023

INVESTMENT REVIEW

Performance

Cumulative returns for the periods ended 31 March 2023 (%)		
	1 year	From Launch ¹
TB UK RIEF – S Accumulation	(9.16)	(13.25)
IA UK All Companies*	(1.86)	(2.27)

* Target Benchmark. ¹ Fund launched 14 February 2022.

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.

The twelve months to end March 2023 comprised two distinct six-month periods. The first six months was characterised by the fallout from Russia's invasion of Ukraine in February 2022. Besides the obvious nervousness from that event across all financial markets, the resultant shortages of various materials and foodstuffs boosted inflation at a time when Covid-related stimuli from many economies had already caused inflation to rise in most economies. The biggest financial market casualties during the April to September 2022 period were bond markets as they adjusted to higher inflation and a key change in monetary policy from most developed economy central banks from close to zero interest rates to more of a normalisation. This resulted in the fastest pace of rising official short-term interest rates since the 1990s. For example, the Bank of England base rate stood at 0.75% at the start of the period under review. By the end of that period, that rate stood at 4.25%, mirroring a similar move by the US Federal Reserve in their attempts to quell inflation.

Also reeling from the rising interest rate environment and worsening economic backdrop were growth equities across all sizes of companies. Smaller companies were especially weak as market liquidity tightened. Whilst Covid restrictions had eased coming into the twelve-month period in many economies, Asian economies were slower to relax restrictions. This was particularly apparent in China where stringent lockdown rules were in place until well into the fourth quarter of 2022 when restlessness from a frustrated urban population forced an about turn from Chinese authorities.

The volte face on lockdown policy proved to be a major factor that further underpinned a change in fortunes for equity markets which had started the second half of the period in October positively with retail and institutional investors seeking to benefit from much cheaper valuations resulting from the April to September sell-off. While smaller companies rebounded, the main beneficiaries of renewed investor interest were quality growth business with sound balance sheets.

The rally in 'risk-on' assets petered out in February and March 2023 as initially, mixed economic data in developed economies left investors questioning the future path of economic growth, inflation and interest rates before March 2023 witnessed a banking upset in the US and Europe. While this is not a repeat of 2008's Great Financial Crisis (most banks are much better capitalised today), the collapse of three banks in the US in quick succession, provided a major shock to financial markets. The largest of the three, Silicon Valley Bank's policy of borrowing short-term and lending long-term as US accounting rules permitted it to, proved fatal – as it usually does. By March 2023 end, the US Treasury, Federal Reserve and Federal Deposit Insurance Corporation along with some major US banks, has managed to calm markets but had not prevented the flight of deposits from regional banks to large money-centre banks and higher-paying money market funds. The negative sentiment towards banks exported to Europe where one of the global systematically important banks (G-SIBs), Credit Suisse was forced into the arms of UBS by the Swiss authorities after Credit Suisse's share price had nosedived. Credit Suisse, was not undercapitalised but had been badly run for some time.

INVESTMENT REVIEW (CONTINUED)

The resultant change in economic outlook and greater chance of recessions proved to be beneficial for government bond yields which fell significantly in North America, Europe and the UK.

April 2022 to March 2023

The first year following the Fund's inception proved a tough period for UK equities which reversed much of their gains from the covid induced lows of 2020. Whilst large cap stocks, especially those with US dollar earnings, suffered less, small and mid-sized company share prices were marked down to reflect the negative inflation, economic and interest rate outlook.

Cost of living increases have pressured consumer sentiment, yet tight employment markets have seen customers begrudgingly accept the need to pay more where necessary. As a result, earnings across companies have been mixed and often markedly different to that anticipated by the market. Thus, after the falls in share prices, especially in small and medium sized companies, valuations have become more compelling.

Whilst public markets have yet to meaningfully respond to this, mergers and acquisition activity indicates opportunities are being identified, not least as a result of the fall in sterling versus the US dollar making UK companies even more attractive to US businesses.

Correspondingly, portfolio highlights during the year have come from mergers and acquisitions activity. In May, it was Nottingham based software company Ideagen. In June it was another software business, EMIS. Both saw share price increases in excess of 40% on news of bids and both serve to highlight the benefits of holding financially robust companies with responsible attitudes towards their businesses. The sell-off in UK growth equities has been indiscriminate but at the same time has made a number of them attractive to potential acquisitions despite the economic backdrop.

The latter months of the period, have provided tentative signs that the value in UK equities is being recognised more broadly and the portfolio has benefited from a recovery from oversold levels but, with the cost of capital continuing to rise we remain focused on those companies that exhibit financial strength.

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

Sector	Asset allocation as at 31 March 2023 (%)
UK Equities	88.1
Ireland Equities	6.8
Cash and Other	5.1
Total	100.0

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

INVESTMENT REVIEW (CONTINUED)

Outlook

Investors have pondered three potential outcomes in 2023:

Economic growth is stronger and inflation higher than expected through a combination of China unlocking post Covid, the European economy being better than feared as energy prices have reduced, and unemployment being at multi decade lows with upcoming stimulus packages in the United States. Under this scenario bond yields could rise, equities may fall and returns on cash would look attractive.

We witness what some have called 'immaculate dis-inflation' whereby inflation comes back to central bank targets without a significant economic slowdown. Under this scenario equities and bonds would perform well and there is minimal value in holding cash.

We enter a prolonged and deep recession as the price paid for bringing inflation back to target levels. This would happen if interest rates were taken to a level where key drivers of economic growth, such as consumption, begin to fail. Under this scenario bonds and cash could perform well, but equities would come under pressure.

All three are possible but the softening of recent US economic data may mean Fed policy has already done enough in raising official interest rates, taking some pressure off other central banks and, in turn, financial markets.

Elliot Farley
Fund Manager
T. Bailey Asset Management Limited
Nottingham, United Kingdom
31 July 2023

Peter Askew
Fund Manager
T. Bailey Asset Management Limited
Nottingham, United Kingdom
31 July 2023

PORTFOLIO STATEMENT

As at 31 March 2023

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
UK Equities			
125,335	Beazley UK	748,877	3.5
32,190	Bellway	710,433	3.3
195,506	Bytes Technology	759,345	3.5
23,767	Clarkson	734,400	3.4
35,476	Computacenter	758,477	3.5
42,964	CVS Group	796,982	3.7
26,220	Diploma	736,258	3.4
94,742	FDM	685,932	3.2
35,269	Halma	786,146	3.6
56,137	Hikma Pharmaceuticals	940,295	4.4
63,193	Hill & Smith	848,050	3.9
47,326	IMI	725,508	3.4
17,998	Intertek	729,459	3.4
6,184	Judges Scientific	525,640	2.4
219,927	LSL Property Services	598,201	2.8
231,036	Marshalls	723,143	3.4
123,782	Mattioli Woods	705,557	3.3
282,429	Morgan Advanced	799,274	3.7
39,130	Morgan Sindall	661,297	3.1
425,358	NCC	433,865	2.0
140,013	Polar Capital	633,559	2.9
223,337	Restore	614,177	2.8
56,040	Smith & Nephew	628,769	2.9
19,423	Spectris	710,688	3.3
289,490	Tyman	694,776	3.2
90,945	Vitec	804,863	3.7
56,371	YouGov	518,613	2.4
		19,012,584	88.1
Ireland Equities			
203,344	Origin Enterprises	732,997	3.4
25,274	Smurfit Kappa	739,517	3.4
		1,472,514	6.8
Portfolio of investments		20,485,098	94.9
Net other assets		1,091,423	5.1
Total net assets		21,576,521	100.0

All holdings are in securities quoted on official stock exchanges.

COMPARATIVE TABLE

I Accumulation	14 Feb 2022¹ to 31 Mar 2023 (pence per unit)
Change in net assets per unit	
Opening net asset value per unit	100.00
Return before operating charges*	(12.53)
Operating charges	(0.69)
Return after operating charges*	(13.22)
Distributions	(1.79)
Retained distributions on accumulation units	1.79
Closing net asset value per unit	86.78
* after direct transaction costs of:	0.79
Performance	
Return after charges	(13.22)%
Other information	
Closing net asset value	£21,476,293
Closing number of units	24,748,685
Operating charges (p.a.)	0.71%
Direct transaction costs (p.a.)	0.80%
Prices	
Highest published unit price	100.00
Lowest published unit price	78.38

¹ The Fund was launched on 14 February 2022.

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.

COMPARATIVE TABLE (CONTINUED)

F Accumulation	14 Feb 2022¹ to 31 Mar 2023 (pence per unit)
Change in net assets per unit	
Opening net asset value per unit	100.00
Return before operating charges*	(12.54)
Operating charges	(0.84)
Return after operating charges*	(13.38)
Distributions	(1.65)
Retained distributions on accumulation units	1.65
Closing net asset value per unit	86.62
* after direct transaction costs of:	0.79
Performance	
Return after charges	(13.38)%
Other information	
Closing net asset value	£8,662
Closing number of units	10,000
Operating charges (p.a.)	0.86%
Direct transaction costs (p.a.)	0.80%
Prices	
Highest published unit price	100.00
Lowest published unit price	78.29

¹ The Fund was launched on 14 February 2022.

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.

COMPARATIVE TABLE (CONTINUED)

S Accumulation	14 Feb 2022¹ to 31 Mar 2023
	(pence per unit)

Change in net assets per unit	
Opening net asset value per unit	100.00
Return before operating charges*	(12.53)
Operating charges	(0.99)
Return after operating charges*	(13.52)
Distributions	(1.52)
Retained distributions on accumulation units	1.52
Closing net asset value per unit	86.48
* after direct transaction costs of:	0.79
Performance	
Return after charges	(13.52)%
Other information	
Closing net asset value	£91,566
Closing number of units	105,877
Operating charges (p.a.)	1.01%
Direct transaction costs (p.a.)	0.80%
Prices	
Highest published unit price	100.00
Lowest published unit price	78.22

¹ The Fund was launched on 14 February 2022.

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 RETURNFor the period from 14 February 2022 to 31 March 2023

			14.02.22 to 31.03.23
	Note	£	£
Income			
Net capital losses	2		(643,082)
Revenue	3	339,202	
Expenses	4	(98,943)	
Interest payable and similar charges	6	(1,541)	
Net revenue before taxation		238,718	
Net revenue after taxation			238,718
Total loss before distributions			(404,364)
Distributions	6		(239,289)
Change in net assets attributable to unitholders from investment activities			(643,653)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERSFor the period from 14 February 2022 to 31 March 2023

			14.02.22 to 31.03.23
	Note	£	£
Opening net assets attributable to unitholders			-
<i>Movements due to sales and repurchases of units:</i>			
Amounts receivable on issue of units		21,748,003	
Amounts payable on cancellation of units		(10,432)	
			21,737,571
Dilution levy			38,868
Change in net assets attributable to unitholders from investment activities			(643,653)
Retained distributions on accumulation units	6		443,735
Closing net assets attributable to unitholders			21,576,521

BALANCE SHEET
As at 31 March 2023

	Note	31.03.23 £
Assets:		
Fixed assets:		
Investments		20,485,098
Current assets:		
Debtors	7	42,636
Cash and bank balances	8	1,069,411
Total assets		21,597,145
Liabilities:		
Creditors:		
Other creditors	9	20,624
Total liabilities		20,624
Net assets attributable to unitholders		21,576,521

NOTES TO THE FINANCIAL STATEMENTS

For the period from 14 February 2022 to 31 March 2023

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 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The Fund launched on 14 February 2022 and so the financials are presented for a period of more than one year.

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 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, except those relating to the purchase and sale of investments are allocated to the revenue account on an accrual 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

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.

Income tax on interest distributions is classed as 'income tax recoverable' and is recovered on a yearly basis on submission of the Fund's annual tax return.

(i) Distribution policy

Revenue produced by the Fund's investments is accumulated annually. At the end of each year, the revenue, less the expenses allocated to the revenue account, is accumulated.

As the Fund only has accumulation shares in issue, there is no policy for unclaimed distributions.

(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 bid prices, and quoted prices for single priced funds, on the balance sheet date, with any gains or losses arising on measurement recognised in the statement of total return. If bid prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the 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.

(m) Significant judgements and key sources of estimation uncertainty

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

2. Net capital losses

	14.02.22 to 31.03.23 £
Non-derivative securities	(641,863)
Currency gains	531
Transaction charges	(1,750)
Net capital losses	(643,082)

3. Revenue

	14.02.22 to 31.03.23 £
UK franked dividends	283,541
Overseas dividends	35,449
Bank interest	20,531
Franked revenue currency losses	(304)
Unfranked revenue currency losses	(15)
Total revenue	339,202

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

4. Expenses

	14.02.22 to 31.03.23 £
Payable to the Manager, associates of the Manager and agents of either:	
Annual management charge	64,828
Registration fees	3,967
Administration fees	11,549
	<hr/> 80,344
Payable to the Trustee, associates of the Trustee and agents of either:	
Trustee's fees	7,525
Safe custody fees	361
	<hr/> 7,886
Other expenses:	
Audit fee	8,040
Tax fee	2,352
FCA fee	113
Other expenses	208
	<hr/> 10,713
Total expenses	<hr/> 98,943 <hr/>
	 31.03.23 £
Fees payable to the Fund Auditor for the audit of the Fund's annual financial statements:	
Total audit fee	<hr/> 8,040 <hr/>
 Total non-audit fees - Tax compliance services	 <hr/> 2,352 <hr/>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

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

	14.02.22 to 31.03.23 £
Analysis of charge in the period	
Irrecoverable income tax	-
Total current tax for the period (see note 5(b))	-
Deferred tax (see note 5(c))	-
Total taxation for the period	-

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

(b) Factors affecting the current taxation charge for the period

The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an authorised unit trust (20%). The differences are explained below:

	14.02.22 to 31.03.23 £
Net revenue before taxation	238,718
Corporation tax at 20%	47,744
Effects of:	
Revenue not subject to taxation	(63,738)
Excess expenses for which no relief taken	15,994
Current tax charge for the period (see note 5(a))	-

(c) Provision for deferred tax

At 31 March 2023, the Fund had surplus management expenses of £79,968. The deferred tax in respect of this would be £15,994. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at the period 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

6. Distributions

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

	14.02.22 to 31.03.23 £
Final - Accumulation (31.03.22)	-
Final - Accumulation (31.03.23)	443,735
	<hr/> 443,735
Add: Revenue deducted on cancellation of units	137
Deduct: Revenue received on issue of units	(204,583)
Net distribution for the period	<hr/> 239,289 <hr/>
Interest	1,541
Total finance costs	<hr/> 240,830 <hr/>
Reconciliation to net distribution for the period	
Net expense after taxation for the period	238,718
Losses transferred to capital	571
Net distribution for the period	<hr/> 239,289 <hr/>

Details of the distributions per unit are set out in the distribution table on page 35.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

7. Debtors - Amounts falling due within one year

	31.03.23
	£
Amounts receivable for issue of units	2,596
Accrued revenue	33,336
Income tax recoverable	6,704
Total debtors	42,636

8. Cash and bank balances

	31.03.23
	£
Cash and bank balances	1,069,411
Total cash and bank balances	1,069,411

9. Creditors

	31.03.23
	£
Accrued manager fees	8,211
Accrued registration fees	279
Accrued administration fees	805
Accrued trustee fees	764
Accrued custody fees	159
Accrued audit fees	8,040
Accrued tax fees	2,352
Accrued FCA fees	14
Total creditors	20,624

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

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 creation 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:

- T. Bailey Asset Management Limited (30,000 units)

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

As at 31 March 2023, there was one unitholder that held units amounting to over 25% of the Fund's total net asset value:

- Harbour Investments (93.5%)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

11. Unit classes

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

	I Accumulation
Opening units at the start of the period	-
Total creation of units in the period	24,748,685.466
Total cancellation of units in the period	-
Closing units at the end of the period	24,748,685.466

	F Accumulation
Opening units at the start of the period	-
Total creation of units in the period	10,000.000
Total cancellation of units in the period	-
Closing units at the end of the period	10,000.000

	S Accumulation
Opening units at the start of the period	-
Total creation of units in the period	117,935.234
Total cancellation of units in the period	(12,058.019)
Closing units at the end of the period	105,877.215

The annual management charge is as follows:

I Accumulation	0.45% p.a.
F Accumulation	0.60% p.a.
S Accumulation	0.75% p.a.

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 Comparative Tables on pages 15 to 17. The distributions per unit class are given in the distribution table on page 35. 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 unit classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

12. Risk management policies

In pursuing its investment objectives, 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 equities and transferable securities whose prices are generally quoted in Pound Sterling. The Fund may also invest in other securities whose prices are quoted in other currencies. This gives rise to a direct currency exposure, details of which are shown in the following table:

Net foreign currency assets at 31 March 2023			
	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000
Euro	7	733	740
US Dollar	17	-	17

There are no specific policies employed by the Investment Manager to manage the currency exposure.

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the portfolio of investments of the Fund would have decreased by £66,636. If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the portfolio of investments of the Fund would have increased by £81,444. These calculations assume all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

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

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

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

	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
31.03.2023						
Euro	-	-	740	-	-	740
Sterling	1,069	-	19,771	-	(21)	20,820
US Dollar	-	-	17	-	-	17

Short term debtors and creditors are included as financial assets and liabilities not bearing interest in the above table.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

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

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.

(e) Market price risk

The Fund's underlying investments are collective investment schemes and transferable securities either 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 £2,048,510. This calculation assumes all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

12. Risk management policies (continued)**(f) Fair value of financial assets and liabilities**

Valuation technique	INVESTMENT ASSETS
	31 March 2023
	£
Level 1: Quoted Prices	20,485,098
Level 2: Observable Market Data	-
Level 3: Unobservable Data	-
	<u>20,485,098</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

As at the period end date the Fund held no derivatives.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

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 Manager to quantify these indirect costs. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the period are shown in the table below:

	14.02.22 to	
	31.03.23	
	£	
Analysis of total purchase costs		
PURCHASES		
Equities	25,763,623	
Net purchases before direct transaction costs	25,763,623	
		% of total
DIRECT TRANSACTION COSTS		purchases
Equities	112,702	0.44%
Total direct transaction costs	112,702	0.44%
Gross purchases total	25,876,325	
Analysis of total sale costs		
SALES		
Equities	4,754,158	
Gross sales before direct transaction costs	4,754,158	
		% of total
DIRECT TRANSACTION COSTS		sales
Equities	(2,483)	0.05%
Total direct transaction costs	(2,483)	0.05%
Net sales total	4,751,675	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 14 February 2022 to 31 March 2023

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

		14.02.22 to 31.03.23 % of average £ NAV
Analysis of total direct transaction costs		
Equities	115,185	0.90%
Total direct transaction costs	115,185	0.90%

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 0.74%. 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.

15. Post balance sheet events

Subsequent to the period-end, the net asset value per unit has changed as follows:

I Accumulation – Increased from 86.78 pence per unit to 89.61 pence per unit (27 July 2023).

F Accumulation – Increased from 86.62 pence per unit to 89.40 pence per unit (27 July 2023).

S Accumulation – Increased from 86.48 pence per unit to 89.22 pence per unit (27 July 2023).

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

DISTRIBUTION TABLE

For the period from 14 February 2022 to 31 March 2023

Final Distribution (31 March 2022)

Group 1 - Units purchased on or prior to 14 February 2022

Group 2 - Units purchased after 14 February 2022

Units	Revenue	Equalisation ¹	Paid/Accumulated
			31.05.22
	(pence)	(pence)	(pence)
<hr/>			
I Accumulation			
Group 1	-	-	-
Group 2	-	-	-
F Accumulation			
Group 1	-	-	-
Group 2	-	-	-
S Accumulation			
Group 1	-	-	-
Group 2	-	-	-

Final Distribution (31 March 2023)

Group 1 - Units purchased on or prior to 31 March 2022

Group 2 - Units purchased after 31 March 2022

Units	Revenue	Equalisation ¹	Paid/Accumulated
			31.05.23
	(pence)	(pence)	(pence)
<hr/>			
I Accumulation			
Group 1	1.7857	-	1.7857
Group 2	0.6179	1.1678	1.7857
F Accumulation			
Group 1	1.6527	-	1.6527
Group 2	1.6527	-	1.6527
S Accumulation			
Group 1	1.5218	-	1.5218
Group 2	1.2164	0.3054	1.5218

¹ 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.

DIRECTORY

Authorised Fund Manager

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Tel: 0115 988 8200
Website: www.tbaileyfs.co.uk

Authorised and regulated by the Financial Conduct Authority.

Directors of the Authorised Fund Manager

Mr G M J Padbury
Mr M Smith
Mr M Hand
Ms R E Wheeler (Non-executive)
Mr A Kerneis (Independent non-executive)
Mrs G E Mitchell (Independent non-executive)
Miss J L Kirk (Resigned 1 March 2023)
Mrs R E Elliott (Resigned 1 March 2023)

Investment Manager

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Registrar and Unit Dealing

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

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