Slater Investments Limited

Slater Growth Fund

Interim Report

For the six months ended 30th June 2021

(Unaudited)

Annual Investor Event with Mark Slater

online on the 15th of September 2021

Email lisa@slaterinvestments for more details

SLATER GROWTH FUND

Directory

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*Authorised and regulated by the Financial Conduct Authority.

SLATER GROWTH FUND

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AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

Slater Growth Fund (the "Fund") is an authorised unit trust scheme established by a Trust Deed dated 15 March 2004. It is a UK UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL). The Fund is authorised and regulated by the Financial Conduct Authority with effect from 24 March 2004.

Unitholders of the Fund are not liable for the debts of the scheme.

Investment objective

The investment objective of the Fund is to achieve capital growth.

The Fund will invest in companies both in the UK and overseas but concentrating mainly or, where appropriate, exclusively on UK shares. The Fund will focus in particular on shares which are deemed to be under valued and that have the potential of a significant re rating. Other investments including bonds, warrants and collective investment schemes, within the limits imposed by the trust deed may also be used where it is considered that they meet the investment objective. It is also intended where appropriate to take advantage of underwritings and placings. At times it may be appropriate for the Fund not to be fully invested but to hold cash and near cash. The Fund has powers to borrow as specified in COLL and may invest in derivatives and forward transactions for hedging purposes only.

Value for Money Assessment

From March 2020, unitholders as well as other interested parties may view the Authorised Fund Manager's Value for Money Assessment Report in relation to the Fund at www.slaterinvestments.com/policies. The value for money assessment was updated in February 2021.

Rights and terms attaching to each unit class

Each unit of each class represents a proportional entitlement to the assets of the Fund. The allocation of income and taxation and the rights of each unit in the event the Fund is wound up are on the same proportional basis.

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

Mark Slater Director	Ralph Baber Director

SLATER INVESTMENTS LIMITED
Date: 17 August 2021

FUND MANAGER'S REPORT

Report for the six months to 30 June 2021

	Six Months	1 year	3 years	5 years	Since launch*
Slater Growth Fund P unit class	+20.62%	+50.08%	+53.94%	+131.74%	+760.20%
Investment Association (IA) OE UK All Companies	+11.65%	+27.36%	+10.86%	+48.26%	+202.77%

* A unit class launched 30 March 2005

Market Commentary

The continued recovery in the wider United Kingdom (UK) market in the first quarter carried over into the second.

The more positive outlook was, and continues to be, supported by the vaccine rollout with the UK population approaching some degree of herd immunity.

As we highlighted in the first quarter of 2021 the political pendulum has swung heavily back towards big spending in many countries, which at least in the early stages this should lead to more buoyant economic conditions.

As economic activity has picked up, however, we have seen heightened inflationary pressures. Over the short term, these have been exacerbated by dislocated supply chains pushing up freight costs. We are, therefore, looking for confirmation that our companies have some degree of pricing power to protect their margins by passing on higher prices to the customer.

Despite the impact of the Delta variant, the vaccine news remains encouraging, and the focus now turns to the nature of the recovery and how far it can run.

The US (United States) Federal Reserve signalled a more hawkish stance in its latest Federal Open Market Committee meeting in mid-June, which may bring forward the first hike in interest-rates and a reduction in monetary policy support. The cost of borrowing, however, continues to remain at historically low levels, which remains supportive of equities.

Seventeen portfolio companies contributed +0.40% or more. There were two material detractors below -0.40%.

Major Contributors

The star performer was media specialist **Future** which rose +80% contributing +5.36%. In May 2021 the company reported an exceptionally strong first half to the end of March 2021 and now expects full-year results to be materially ahead of market expectations. The company has a proven track record in building an online presence as evidenced by user growth of 31%. Most revenues come from advertising and commission from ecommerce. On an organic basis, digital advertising grew 30% and ecommerce affiliates, 56%. Post-period end, Future acquired Marie Claire US strengthening its market position in the women's lifestyle vertical in North America. This follows the acquisitions of TI Media and GoCo, with the latter extending its ecommerce proposition into services. We expect the company to continue to outperform based on its excellent track record of execution to date and the significant value still waiting to be unlocked from the titles and brands recently acquired. Further upgrades seem likely as the company has a record of curating its numbers and then beating them.

Marketing agency group **Next Fifteen Communications** climbed +79% and contributed +2.13%. The strong rise in the share price reflects the value that customers place on the company's digital marketing services as the pandemic saw increased spend in digital channels. During the first quarter to 30 April 2021, organic revenue grew 17% and growth has accelerated in the second quarter across all segments and geographies. Although growth is expected to moderate in the second half of the financial year, full year results are still expected to be ahead of management expectations. The company is accelerating investment in productisation to increase recurring revenue, which will improve the quality of earnings and sees marketing as a technology-driven activity. One of the reasons that the share has performed well over the pandemic is that it derives over half of its revenues from the technology sector.

FUND MANAGER'S REPORT (CONTINUED)

Report for the six months to 30 June 2021

Gamesys rose +61% and contributed +1.69% after receiving a £2 billion cash bid from Bally's of Las Vegas priced at 1,850 pence per share. At the end of June 2021, shareholders in both Gamesys and Bally's Corporation voted to approve the deal that is set to create a leading retail and online gambling group in the US. The US is opening to online gaming state by state. This meant a bid was always on the cards given the value of the Gamesys's online expertise to the bricks and mortar casino operators. Bally's is looking to conclude the deal in the fourth calendar quarter of 2021.

CVS, the veterinary chain, contributed +1.61% after gaining +60%. The positive news flow continues. The company reported in April 2021 that the positive trading momentum had continued. Sales remained strong and it saw a steady increase in customer demand. This followed revised guidance from the Royal College of Veterinary Surgeons towards the end of March 2021 which allowed for the full range of procedures to be conducted at veterinary clinics. As a result, the company expects full year results to be ahead of forecasts. It also completed the acquisition of a small animal practice in Hertfordshire during the period. Some 35% to 40% of vets are still independent, so there is still scope for CVS to continue to consolidate its market and increase its 15% share. At the interims reported in March 2021 net debt halved year-on-year, which will give the business greater firepower, not only to resume its acquisition spree but also to pursue larger deals if they become available. Lockdown led to more demand for companion animals, which will boost the need for CVS's services, particularly when these animals grow older and require more care.

Liontrust Asset Management contributed +1.28% after gaining +46%. Over the last few years, the company has been a well-oiled machine shrewdly amassing assets under management (AuM). AuM stood at £30.9 billion as of 31 March 2021 bolstered by the acquisition of Architas in October 2020 and net inflows of £3.5 billion, an increase of 30%. By 18 June 2021 AuM had risen to £33.3 billion. The share has been a great performer and Liontrust has made smart purchases. The most significant was the acquisition of Alliance Trust in December 2016, which brought in £2.3 billion of AuM targeting 'Sustainable Investment.' This has since mushroomed to £10.2 billion, even outstripping Liontrust's flagship Economic Advantage funds, as retail investors make a beeline for environmental, social, governance (ESG)-style investments. ESG investments are strongly in demand and Liontrust is now one of the UK retail market leaders. We see ESG as being a popular investment theme with UK investors for the foreseeable future and therefore view Liontrust as well placed to continue to tap into this source of growth.

Digital marketing automation specialist **Dotdigital** rose +46% contributing +1.15%. In interims to 31 December 2020 reported in February 2021, top line growth accelerated as the company delivered a 22% increase in revenues. This was driven by a combination of factors including strong international growth (up 27%), strong mid-market demand for enhanced functionality (up 20%), rising average spend (up 20%) driven by ecommerce platform sales and a strong rise in UK demand for its omnichannel offering. As a result of the above, at the time of the announcement the company was confident that year end results to the end of June 2021 would be in line with the then upgraded market expectations. Confidence also derives from industry research indicating structural growth in its markets. The company points to Forrester which predicts that global marketing automation spend will grow to $25.1 billion by 2027 from $3.8 billion in 2021. The company's most attractive attribute is its SaaS-based recurring revenue, which accounts for around 90% of group sales giving it excellent visibility of earnings.

Oncology and immunological drugs specialist **Hutchmed (China)** rose +24% on AIM and +23% on Nasdaq, contributing a combined +0.80%. This followed its successful listing on the Hong Kong stock exchange in June 2021 which raised $537 million supported by five cornerstone investors. Around half of the net proceeds will be used to advance the company's late-stage clinical programmes through registration trials and potential new drug application submissions, including three flagship programmes for Savolitinib, Surufatinib and Fruquintinib. In June 2021 Savolitinib was granted conditional approval in China for the treatment of patients with non-small cell lung cancer (NSCLC), the first such regulatory approval globally for a specific genetic mutation category addressing approximately 2-3% of newly diagnosed NSCLC patients. Savolitinib is the company's third self-discovered oncology drug to be commercialised. Post-period end this triggered a $25 million milestone from AstraZeneca after its first commercial sale in China.

FUND MANAGER'S REPORT (CONTINUED)

Report for the six months to 30 June 2021

Safety and regulatory compliance specialist **Marlowe** rose +35% contributing +0.77%. In finals to the end of March 2021 the company demonstrated its resilient platform for growth with revenue up 15% and 12-month run rate revenues of around £280 million, of which 83% is recurring, giving good future visibility. The 2022 financial year has started well, with significant demand across all business units. The company is targeting almost double the current run rate of revenues and almost triple earnings over the next three years as it pursues its 'buy and build' strategy to consolidate its fragmented sector. In support of this the company has a strong pipeline of accretive acquisition opportunities. It is also targeting adjacent business-critical sectors. Its core total addressable market in the UK is very substantial at approximately £6.8 billion, which is supplemented by a wider compliance market opportunity of circa £5 billion. Whilst there is an undeniable element of financial engineering, the company is clearly delivering synergies and scale as evidenced by the capture of higher margins. Consequently, we see substantial additional upside over the medium term.

Challenger consultancy **Elixirr International** contributed +0.63% after gaining +68%. Trading has continued to be strong with revenue increasing by more than 75% over the five months to 31 May 2021, which is at the upper end of previous management guidance. The company's consulting services remain in high demand, particularly in the areas of digital transformation and innovation and margins approaching 30% reflect the high value nature of its offering. The company continues to pursue acquisition targets as it builds its full-service offering. Its most recent purchase plugged a gap in the field of self-funded transformation, which allows it to meet demand from clients to find savings to fund strategic initiatives. We expect strong organic growth (20% in the last financial year) to continue to be supplemented by earnings enhancing bolt-on acquisitions.

AFH Financial (AFH) rose +40% and contributed +0.62% after receiving a takeover bid in January 2021 from a private equity firm which was backed by the founder of the company. Our initial reaction was not enthusiastic for the deal, which was eventually sweetened from 463p to 480p. After extensive discussions with AFH, we accepted that no higher offer was likely and that the terms were broadly fair. Private equity investors can tolerate much higher levels of debt than investors in public markets. In May 2021, the FCA approved the deal, and the shares were delisted in June 2021.

Fast growing IT specialist **Converge Technology Solutions**, which is listed on the Toronto Stock Exchange and was a new addition to the Fund during the period, rose +37% contributing +0.59%. It is pursuing a 'buy and build' strategy acquiring sub-scale, regional Value-Added Resellers in North America on low multiples and transforming them into managed service providers. Targeted acquisitions are re-equipped to win higher-margin, recurring contracts by leveraging Converge's expertise in cloud computing, data analytics and cybersecurity. The North American market is large and highly fragmented market, of which Converge only has a small 1-2% market share leaving it with significant headroom for growth. Converge now plans to replicate what it does in North America on a pan-European basis and management's current aspiration is to float on the London Stock Exchange later this year. The company has a target of $5 billion of revenues at the end of 2025 compared with broker forecasts of circa $1.5 billion in the year to 31 December 2021.

Kape Technologies (Kape) rose +62% contributing +0.58%. In May 2021 the company confirmed that it had made a strong start to 2021, buoyed by sustained demand for its digital privacy products globally. It is on-track to deliver a circa 65% increase in revenues and a circa 90% increase in Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) in the financial year to 31 December 2021. The paying subscriber base has grown to circa 2.61 million globally and since the beginning of 2021 circa 25,000 net, new customers have been added a month in its digital privacy division, which it expects to accelerate. In the first calendar quarter of 2021 Kape acquired Webselenese for $149 million, whose websites advise consumers on the best virtual private networks to use. The deal is materially earnings enhancing. Webselenese will share their online promotional expertise with Kape, which we expect will result in a reduction of Kape's cost of customer acquisition benefiting its bottom line. In May 2021, the company launched an anti-virus product for the PC, which will be promoted to both its CyberGhost and Private Internet Access user bases. Margins should rise given 12% of new CyberGhost customers and 20% of new Intego users are now purchasing more than one product resulting in an increase in average order values. This has been made possible by Kape's strategy of becoming a one-stop-shop for consumers' digital privacy and security needs.

FUND MANAGER'S REPORT (CONTINUED)

Report for the six months to 30 June 2021

Jubilee Metals, which recovers metals from mine waste material, contributed +0.50%, gaining another +42%. The company has a proven track record in metals recovery and has global potential. In April 2021, the company confirmed the delivery of its first shipment of copper-bearing concentrate in Zambia which represents just the beginning of the expansion of its copper production. This has the potential to rival its booming PGM-chrome division in South Africa and is well-timed with elevated copper prices and with supply forecast to move into deficit in the coming years, though we note that China is trying to restrain commodity prices. The company believes its production cost for copper will be around $4,200 per tonne and it is targeting 25,000 tonnes per year within four years. It has many years of production available from its tailings, so it is not fanciful to expect $200 million per year of operating cashflow from copper alone. Rhodium prices have also been riding high thanks to tougher emission regulations in China for heavy trucks.

Digital transformation consultancy **Kin and Carta** contributed +0. 49% after gaining +88%. The share hit a 12-year high after the company confirmed a strong resumption of growth with accelerating demand for its digital transformation services. In mid-June 2021, the company confirmed that growth in underlying pre-tax profit would be comfortably ahead of market expectations for the financial year to 31 July 2021. The immediate outlook statement was equally positive for the following financial year when it envisages accelerating growth in net revenue to circa 20%. Expectations over the medium term also point to a circa 15% compound annual growth rate in organic revenue and increasing operating margins as it continues to scale. If achieved, this is a formula for a re-rating of the share over time as investor perceptions for sustained growth are realised. The company has largely completed its transition into a digital transformation and services business and looks well positioned to prosper given the vast $284 billion digital transformation market, forecast to grow at 22.5% per annum through to 2027.

Speciality pharmaceutical company **Alliance Pharma** contributed +0.47% after gaining +13%. In mid-May 2021 the company confirmed that it had had a good start to the financial year to 31 December 2021 with some strong performances from key brands. Integration of US-based Biogix, which owns Amberen, a leading brand for the relief of menopause symptoms, is almost complete. Current trading and expectations for Amberen remain in line with pre-acquisition forecasts. Alliance is confident of delivering full year results in line with market expectations. Biogix represents a US growth story and is a means of giving critical mass to its over-the-counter business which also includes the Vamousse hair lice treatment. Alliance will look to add Macushield, the leading treatment for macular degeneration, to its US portfolio at the end of 2021 and from 2023 it will be free to sell a slightly altered version of Kelo-Cote, its fast-selling scar tissue reduction brand. Biogix represents a new market segment within the fast-growing vitamin, mineral and supplement market and should be significantly earnings enhancing from next financial year.

Construction materials group **SigmaRoc** contributed +0.44% after gaining +50%. In May 2021, the company confirmed that positive trading momentum had continued into the second calendar quarter and was ahead of management expectations. The company is seeing strong demand across all product categories with robust private sector demand and infrastructure demand starting to materialise with several large-scale projects coming on stream. Demand for aggregates, concrete and dimension stone has been particularly strong in the Benelux markets. The launch of its Greenbloc product line, the UK's first cement-free, ultra-low carbon concrete building block, has attracted significant attention. In mid-June 2021, the company entered into a joint venture with Carrières du Boulonnais (CB) to open up Northern France, in particular for the sale of higher-grade limestone from SigmaRoc's Belgian quarry. CB is taking a 25% stake in SigmaRoc's Belgian distribution business and will co-fund new crushing and screening facilities planned to come online in 2024. It is still early days for SigmaRoc's pan-European ambitions.

Global ecommerce and retail logistics specialist **Clipper Logistics** contributed +0.41% after gaining +43%. As a market leader in e-fulfilment and returns management services, the company is in pole position to further accelerate growth by capitalising on the structural shift online. It identifies a 'mega-trend' towards retailers outsourcing their logistics operations. Over 70% of its revenue is already derived from online retail services. In June 2021, the company confirmed in line EBITDA for the financial year to 30 April 2021, representing an underlying increase of 53%, and upgraded its guidance for financial years 2022 and 2023. Its core business saw a significant number of new contract wins during the year including River Island, Joules and JD Sports in the UK.

FUND MANAGER'S REPORT (CONTINUED)

Report for the six months to 30 June 2021

It also extended its operations into the Netherlands, a new geography. Clipper expanded its presence in the life sciences vertical through the acquisition of Wippet, which will see the launch of a business-to-business online marketplace targeting the elderly care market, a sector worth up to £2.5 billion per annum in the UK. Clipper also agreed an upgraded new three-year contract extension with ASOS which provides returns management services for its mainland Europe operation.

Major Detractors

Best of the Best, a provider of skills-based online competitions operating an online version of spot-the-ball, contributed -0.46% after falling -28%. The underlying economics of the business were transformed in 2019 after it scrapped its low margin, site-based retail model and moved its operation wholly online. In-line preliminary results for the year to 30 April 2021 reflected this, revealing strong growth and cash generation after online marketing spend tripled with a corresponding positive effect on revenues. The 'fly in the ointment', however, was the outlook statement. This highlighted somewhat of a softening in customer engagement compared to the summer of 2020. This coincided with the easing of lockdown restrictions on 12 April 2021 and the reopening of hospitality and non-essential retail and raised the issue of the extent to which the company has benefited from a Covid tailwind. The picture should become clearer in September 2021. In the meantime, future growth opportunities look significant with the launch of new competitions and new phone apps. The company remains highly profitable and has a significant and growing cash pile.

Clinigen fell -8% contributing -0.46%. The company issued a profit warning in June 2021. The pandemic has had a negative impact and has resulted in a reduction in hospital-based oncology treatments and delays to clinical trials. This has adversely affected the short-term prospects for one of its leading biologic treatments for kidney cancer which works in combination with a partner's cervical cancer therapy. Demand has been significantly weaker than expected. The company expects this reduced level of demand to remain until normal services resume because the treatment has side effects and so patients need to be monitored in an intensive care unit. To date, the efficacy of its partner's treatment has been spectacularly good, and, over the medium term, it has the potential to lead to a significant rise in earnings. Post period end the company confirmed that it expects 'double digit' growth in EBITDA in the financial year to June 2022.

Purchases and Sales

During the period we exited our positions in **AFH Financial**, **Applegreen**, **Codemasters** and **GoCo**, which were all the subject of successful takeover bids. We also sold our holdings in **Jet2** and **M&G** and trimmed our positions in **CML Microsystems**, **CVS**, **Ergomed**, **IG Design** and **Mears**. We bought **Best Of The Best**, **Brewin Dolphin**, **Clipper Logistics**, **Converge Technology Solutions**, **Foresight Group**, **Hollywood Bowl**, **Jubilee Metals**, **Premier Miton**, **Randall & Quilter**, **Rathbone Brothers**, **Reach**, **Serco**, **Supreme**, **tinyBuild** and **TT Electronics** and added to positions in **Alliance Pharma**, **Avation**, **Clinigen**, **Countryside Properties**, **Fintel**, **Gamesys**, **Inspired**, **JTC**, **Kape Technologies**, **Liontrust Asset Management**, **Marlowe**, **NCC**, **Prudential**, **Redcentric**, **Restore**, **STV**, **Sureserve**, **Ten Entertainment** and **Tesco**.

Outlook

The recovery from the March 2020 lows was dramatic. Expectations for company profits hit rock bottom and have improved steadily since. Some challenges are now emerging, in particular, cost inflation, low inventories and shortages of components and labour. Many of these issues will be temporary but we are now in a more complex environment and will see more earnings disappointments amongst quoted companies. Strong business franchises with pricing power and visibility trading at sensible valuations will become more sought after. Growth at any price is a stock market phenomenon that rarely lasts for long. Our focus on earnings quality and valuation is a strategy that gives us confidence in generating long-term outperformance.

Slater Investments Limited.
August 2021

FUND MANAGER'S REPORT (CONTINUED)

Distributions (pence per unit)

	Year 2021	Year 2020	Year 2019	Year 2018
Class A Accumulation				
Net income paid last day of February	-	-	-	0.2182
Class B Accumulation				
Net income paid last day of February	-	2.7817	1.7752	2.6512
Class P Accumulation				
Net income paid last day of February	-	4.1528	3.1991	3.9343

Material portfolio changes
For the six months ended 30 June 2021

Total Purchases	**Cost (£)**	**Total Sales**	**Proceeds (£)**
Clinigen	23,356,316	Codemasters	22,806,001
Prudential	21,891,124	AFH Financial	18,948,077
Foresight Group	17,514,000	Jet2 (formerly Dart Group)	8,987,097
Tesco	16,279,511	Goco	8,186,638
Randall & Quilter	15,164,340	Ergomed	6,530,608
Converge Technology Solutions	14,540,095	Applegreen	4,796,868
Best of the Best	14,441,606	IG Design	4,694,677
Premier Miton	12,052,042	CVS	3,511,532
Jubilee Metals	10,153,943	M&G	2,393,000
Marlowe	10,152,144	CML Microsystems	1,602,275
Brewin Dolphin	9,169,546	Mears	464,353
TT Electronics	9,081,520		
Future	6,464,165		
Clipper Logistics	8,800,864		
Supreme	5,892,891		
Fintel (formerly Simplybiz Group)	5,608,758		
STV	5,397,096		
Alliance Pharma	5,122,204		
tinyBuild	4,867,200		
Reach	4,324,209		
Other purchases	33,629,456		
Total purchases for the six months	**253,903,030**	**Total sales for the six months**	**82,921,126**

FUND MANAGER'S REPORT (CONTINUED)

FUND INFORMATION

Price and distribution record

Financial year to	Highest price	Lowest price	Net income per unit
Class A Accumulation			
31 December 2018	529.69p	439.84p	-
31 December 2019	618.35p	441.50p	-
31 December 2020	634.25p	397.53p	-
31 December 2021*	814.04p	667.08p	-
Class B Accumulation			
31 December 2018	548.73p	457.11p	1.7752p
31 December 2019	641.76p	458.86p	2.7817p
31 December 2020	658.48p	413.06p	-
31 December 2021*	851.36p	696.28p	-
Class P Accumulation			
31 December 2018	559.17p	465.80p	3.1991p
31 December 2019	652.01p	467.58p	4.1528p
31 December 2020	669.09p	419.89p	-
31 December 2021*	868.02p	709.18p	-

*six month period to 30 June 2021

Number of units in issue/Net asset value per unit

	Net asset value of scheme property	Number of units in issue	Net asset value per unit
Class A Accumulation			
31 December 2018	£34,126,382	7,709,535	442.65p
31 December 2019	£37,767,522	6,171,368	611.98p
31 December 2020	£39,124,529	5,848,007	669.02p
30 June 2021	£57,309,776	7,065,419	811.13p
Class B Accumulation			
31 December 2018	£10,290,942	2,236,991	460.04p
31 December 2019	£15,146,096	2,384,621	635.16p
31 December 2020	£32,769,305	4,694,407	698.05p
30 June 2021	£46,611,375	5,490,282	848.98p
Class P Accumulation			
31 December 2018	£441,545,880	94,190,864	468.78p
31 December 2019	£575,248,076	89,143,428	645.31p
31 December 2020	£748,673,016	105,320,542	710.85p
30 June 2021	£1,144,384,983	132,445,228	864.04p

Ongoing charges	Class A Accumulation	Class B Accumulation	Class P Accumulation
31 December 2020	1.55%	1.01%	0.79%
30 June 2021	1.47%	0.99%	0.75%

The ongoing charge figure is based on the annualised expenses for the period. This figure may vary from period to period. It excludes:

- Performance fees
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment scheme.

FUND INFORMATION (CONTINUED)

Synthetic risk and reward indicator

Lower risk ⟷ Higher risk

Typically lower rewards — Typically higher rewards

1	2	3	4	5	6	7

The risk and reward indicator above aims to provide you with an indication of the overall risk and reward profile of the Fund. It is calculated based on the volatility of the Fund using weekly historic returns over the last five years. If five years data is not available for a fund, the returns of a representative portfolio are used.

This Fund has been measured as 6 because it has experienced high volatility historically.

FUND INFORMATION (CONTINUED)

Portfolio statement
as at 30 June 2021

Holding or nominal value		Bid value £	Percentage of total net assets 30 Jun'21 %	31 Dec'20 %
	CONSTRUCTION & MATERIALS			
14,112,857	Breedon Group	15,213,660	1.22	
12,588,853	SigmaRoc	11,833,522	0.95	
	Total Construction & Materials	27,047,182	2.17	2.45
	CONSUMER SERVICES			
7,111,111	Fonix Mobile	10,524,444	0.84	
2,095,112	Gamesys Group	38,612,914	3.09	
925,314	Hollywood Bowl	2,202,247	0.18	
1,759,130	Loungers	4,749,651	0.38	
414,647	Rank Group	694,948	0.06	
4,295,203	Ten Entertainment	9,964,871	0.80	
2,880,000	tinyBuild	6,739,200	0.54	
	Total Consumer Services	73,488,275	5.89	6.83
	FINANCIAL SERVICES			
585,638	Arbuthnot Banking Group	5,739,252	0.46	
2,061,943	Arrow Global Group	6,299,236	0.50	
2,968,559	Brewin Dolphin	10,315,743	0.83	
4,170,000	Foresight Group	16,263,000	1.30	
5,633,027	Fintel (formerly Simplybiz Group)	12,955,962	1.04	
4,220,402	JTC	25,955,472	2.08	
1,939,064	Liontrust Asset Management	36,454,403	2.92	
7,000,000	Premier Miton	11,900,000	0.95	
9,150,849	Randall & Quilter	14,641,358	1.17	
238,458	Rathbone Brothers	4,320,859	0.35	
	Total Financial Services	144,845,285	11.60	8.86
	GENERAL RETAILERS			
1,746,312	CVS Group	37,068,554	2.97	
4,397,680	Supreme	8,355,592	0.67	
7,894,020	Tesco	29,645,970	2.37	
	Total General Retailers	75,070,116	6.01	5.42
	HOUSEHOLD GOODS & HOME CONSTRUCTION			
159,296	IG Design Group	841,083	0.07	
	Total Household Goods & Home Construction	841,083	0.07	0.73

FUND INFORMATION (CONTINUED)

Portfolio statement (continued)
as at 30 June 2021

Holding or nominal value		Bid value £	Percentage of total net assets 30 Jun'21 %	31 Dec'20 %
	INDUSTRIAL ENGINEERING			
2,621,139	Trifast	3,630,278	0.29	
	Total Industrial Engineering	3,630,278	0.29	0.49
	INDUSTRIAL TRANSPORTATION			
4,291,363	Avation	4,033,881	0.32	
220,000	James Fisher & Sons	2,039,400	0.16	
	Total Industrial Transportation	6,073,281	0.48	0.83
	INDUSTRIAL GOODS AND SERVICES			
1,543,543	Clipper Logistics	12,425,521	1.00	
	Total industrial goods and services	12,425,521	1.00	-
	LIFE INSURANCE			
3,255,000	Prudential	44,691,150	3.58	
	Total Life Insurance	44,691,150	3.58	2.91
	MEDIA			
3,552,949	Future Group	111,207,304	8.91	
9,000,000	ITV	11,295,000	0.90	
4,476,122	Next Fifteen Communications	42,970,771	3.44	
1,750,000	Reach	4,812,500	0.39	
4,500,015	STV Group	15,030,050	1.20	
	Total Media	185,315,625	14.84	12.02
	MANUFACTURING			
262,965	Volex	974,285	0.08	
	Total Manufacturing	974,285	0.08	0.10
	PHARMACEUTICALS & BIOTECHNOLOGY			
36,420,250	Alliance Pharma	36,128,888	2.89	
6,120,377	Clinigen Group	37,885,134	3.03	
1,535,000	Ergomed	18,036,250	1.44	
3,310,820	Hutchmed (China) (formerly Hutchison China MediTech)	18,474,376	1.48	
9,250,000	Venture Life Group	8,232,500	0.66	
	Total Pharmaceuticals & Biotechnology	118,757,148	9.50	11.10

FUND INFORMATION (CONTINUED)

Portfolio statement (continued)
as at 30 June 2021

Holding or nominal value		Bid value £	Percentage of total net assets 30 Jun'21 %	31 Dec'20 %
	PRECIOUS METALS AND MINING			
78,900,000	Jubilee Metals	14,359,800	1.15	
	Total Precious metals and mining	14,359,800	1.15	-
	REAL ESTATE INVESTMENT AND SERVICES			
2,300,000	Countryside Properties	10,869,800	0.87	
	Total Real Estate Investment and Services	10,869,800	0.87	1.03
	SOFTWARE & COMPUTER SERVICES			
13,975,983	DotDigital Group	32,214,641	2.58	
2,140,625	Iomart Group	5,736,875	0.46	
5,158,182	Kape Technologies	15,526,128	1.24	
3,682,293	Kin and Carta	9,721,254	0.78	
5,582,560	NCC Group	16,384,814	1.31	
15,030,314	Redcentric	21,192,743	1.70	
	Total Software & Computer Services	100,776,455	8.07	11.30
	SUPPORT SERVICES			
2,591,430	Elixirr International	14,252,865	1.14	
39,647,887	Inspired Plc (formerly Inspired Energy)	7,850,282	0.63	
6,585,930	IWG	19,784,134	1.58	
3,277,477	Marlowe	28,514,050	2.28	
1,412,391	Mears Group	2,570,552	0.21	
4,881,202	Restore	19,036,688	1.53	
9,566,343	Sureserve Group	7,461,748	0.60	
2,214,525	Serco Group	3,005,110	0.24	
1,550,000	Wilmington Group	3,162,000	0.25	
	Total Support Services	105,637,429	8.46	8.81
	TECHNOLOGY HARDWARE & EQUIPMENT			
80,089	CML Microsystems	344,383	0.03	
3,527,552	TT Electronics	9,048,171	0.72	
	Total Technology Hardware & Equipment	9,392,554	0.75	0.17
	TRAVEL & LEISURE			
600,832	Best of the Best	9,913,728	0.79	
9,433,879	Marston's	8,297,097	0.66	
	Total Travel & Leisure	18,210,825	1.45	2.10

FUND INFORMATION (CONTINUED)

Portfolio statement (continued)
as at 30 June 2021

Holding or nominal value		Bid value £	Percentage of total net assets 30 Jun'21 %	31 Dec'20 %
	OVERSEAS SECURITIES			
702,955	Converge Technology Solutions	19,955,966	1.60	
162,000	Hutchmed (China) ADR (formerly Hutchison China MediTech ADR)	20,573,584	1.65	
3,308,423	Walt Disney	19,676,492	1.58	
	Total Overseas Securities	60,206,042	4.83	4.63
	Portfolio of investments	1,012,612,134	81.09	79.78
	Net current assets	235,694,000	18.91	20.22
	Net assets	1,248,306,134	100.00	100.00

Portfolio transactions for the six months ended 30 June 2021

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at the respective markets close as at 30 June 2021, being the last valuation point of the period. Market value is defined by the SORP as fair value which is generally the bid value of each security. Where applicable, investments are valued to exclude accrued income. Where a stock is unlisted or where there is an illiquid market, a valuation for this stock has been obtained from market makers where possible while suspended stocks are normally valued at their suspension price. However, where the AFM believes that these prices do not reflect a fair value, or where no reliable price exists for a security, it is valued at a price which in the opinion of the AFM reflects a fair and reasonable price for that investment.

	£
Total purchases, including transaction charges	253,903,030
Total sales proceeds, net of transaction charges	82,921,126

INTERIM FINANCIAL STATEMENTS (unaudited)
For the six months ended 30 June 2021

Statement of total return

	30 June 2021		30 June 2020	
	£	£	£	£
Income				
Net capital gains/(losses)		186,978,402		(72,505,948)
Revenue	7,548,606		1,906,507	
Expenses	(4,001,458)		(2,498,268)	
Net revenue before taxation	3,547,148		(591,761)	
Taxation	-		(775)	
Net revenue/(loss) after taxation		3,547,148		(592,536)
Total return/(deficit) before distributions		190,525,550		(73,098,484)
Distributions		-		-
Change in net assets attributable to unitholders from investment activities		190,525,550		(73,098,484)

Statement of changes in net assets attributable to unitholders

	30 June 2021		30 June 2020	
	£	£	£	£
Opening net assets attributable to unitholders		^820,566,850		*628,161,694
Amounts receivable on issue of units	246,656,331		66,701,315	
Amounts payable on cancellation of units	(9,730,482)		(25,518,840)	
Amounts receivable/(payable) on unit class conversions	1,755		(464)	
Dilution adjustments	286,130		77,750	
		237,213,734		41,259,761
Change in net assets attributable to unitholders from investment activities		190,525,550		(73,098,484)
Retained distributions on accumulation units		-		-
Closing net assets attributable to unitholders		1,248,306,134		596,322,971

*As at 31 December 2019
^As at 31 December 2020

INTERIM FINANCIAL STATEMENTS (unaudited) (CONTINUED)
For the six months ended 30 June 2021

Balance sheet

	30 June 2021		31 December 2020	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		1,012,612,134		654,645,558
Current Assets				
Debtors	8,855,112		3,873,482	
Cash	230,141,650		162,092,322	
Total current assets		238,996,762		165,965,804
Total assets		1,251,608,896		820,611,362
LIABILITIES				
Current liabilities				
Other creditors	3,302,762		44,512	
Total liabilities		3,302,762		44,512
Net assets attributable to unitholders		1,248,306,134		820,566,850

Notes to the interim financial statements

Basis of preparation

The financial statements have been prepared in compliance with FRS102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014.

The financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020 and are described in those annual financial statements.

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