



Slater Investments Limited

Slater Recovery Fund

Interim Report

For the six months ended 31st May 2021

(Unaudited)

SLATER RECOVERY FUND

DIRECTORY

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SLATER RECOVERY FUND

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SLATER RECOVERY FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

Slater Recovery Fund (the “Fund”) is an authorised unit trust scheme established by a Trust Deed dated 25 March 2002. 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 2 April 2002.

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

Investment objective and strategy

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. Other investments including bonds, warrants and options, 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 the 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
30 July 2021

SLATER RECOVERY FUND

FUND MANAGER'S REPORT

Report for the six months to 31 May 2021

<u>Performance</u>	Six Months	1 year	3 years	5 years	Since launch*
Slater Recovery Fund P unit class	+28.74%	+51.96%	+61.50%	+134.22%	+698.43%
Investment Association (IA) OE UK All Companies	+16.83%	+28.38%	+10.91%	+44.12%	+346.59%

*A unit class launched 10 March 2003

Market Commentary

The markets rallied powerfully during the half year as vaccinations brought the Covid-19 pandemic under control. This exuberance overlay the normal seasonal strength during this part of the year. Markets typically do most of the heavy lifting between October and April. Investors and share prices usually like to take the summer off. Of course inflation remains a concern as central banks are determined to keep conditions looser for longer. A gentle pressure on the brakes would reduce the risk of painful emergency measures later. We shall have to live with that risk. In the meantime we are not relaxing our investment criteria.

Portfolio Review

Twelve stocks contributed at least +0.70% and only two detracted by more than -0.10%. The overall return of +29% was exactly matched by the average share price gain after weighting each holding equally. So it can be seen this was not a case of a few star shares hiding blushes elsewhere.

Once again, the biggest contributor was **Future**, which rose +68% and contributed +4.48%. The company was a big Covid-19 beneficiary as retail moved online. March 2021 half year results showed adjusted earnings doubling and sales rising 89%. The 2019 purchase of United Kingdom (UK) magazine publisher TI Media fitted well within Future's model of generating online advertising and e-commerce commission from content and brands originating in print. Last year's acquisition of GoCo, the price comparison site, reversed this approach, starting with an existing e-commerce stream and looking to build content around it. We have confidence in Future's management but this is clearly a different approach. Meantime the shares remain in high demand as United States (US) investors start to take notice.

Gamesys rose +68% and contributed +1.71% following its cash and share-alternative bid from Bally's, the US casino group. The share alternative is currently at a heavy discount to the cash offer. Unusually, it is Gamesys's leadership which will run the enlarged group, reflecting the potential of digital versus bricks and mortar.

Next Fifteen Communications contributed +1.64% and it gained +67%. The shares had a rollercoaster 2020. By the start of November 2020 they had steadied back to their pre-Covid level, after more than halving during the March 2020 panic. The company has delivered a steady flow of profits upgrades, surprising itself with the buoyancy of demand across the board. Visibility for media agencies is always limited because projects come and go at short notice. On the other hand, the trend in earnings per share (EPS) growth has been relentless with forecasts expecting it to more than double earnings between 2017 and 2024, a compound growth rate of 14%.

Jubilee Metals has astonished investors with its explosive rise in the last two years. During the half year it rose another +57% and contributed +1.49%. Profits have been entirely dependent on its South African operations which refine chrome ore for a modest margin but also keep the platinum group metals extracted from the circuit. The rhodium price rose 400% between June 2020 and March 2021. By the end of May 2021 it had given back about 20% and the downtrend seems to be continuing. The trigger for the price surge has been attributed to tougher emissions standards for trucks in China. This year the picture changes as the company ramps up production of copper and other metals in its Zambian operations. Here it owns the tailings from old mines and it believes its cost per tonne will be \$4,200. It is targeting output of 25,000 tonnes per year within four years. If rhodium is an emissions play, then copper reflects surging demand from electric motors and electronics in general. The company reported £19.3 million profit after tax in the half year to December 2020. Impressive but modest compared to the potential from the copper tailings.

SLATER RECOVERY FUND

FUND MANAGER'S REPORT (CONTINUED)

Report for the six months to 31 May 2021

Portfolio Review (continued)

Management consultancy **Elixirr International** soared +122% and contributed +1.48%. The initial public offering in July 2020 was attractively priced and we took full advantage. By 31 May 2021 the shares had risen 132%. The company reported December 2020 year end profit before tax (PBT) of £5.8 million, up from £1.7 million, on sales up 24% to £30.3 million. The company is still small enough for lower-PE acquisitions to contribute heavily to earnings growth.

Kape Technologies climbed +76% and contributed +1.31%. The highlight of the half year was the \$149 million purchase of Webselense, an Israeli business which rates providers of virtual private networks. Kape will maintain its editorial independence but aims to use its marketing skills. The acquisition was also priced very attractively, allowing for a slowdown in demand as lockdowns end. The shares closed the half year on forward price to earnings multiple of 16 times, which seems undemanding.

Marlowe, the voracious acquirer of compliance and testing businesses, rose +37% and contributed +0.81%. We supported its £100 million placing in March 2021 which should fully fund it in its plan to reach £500 million sales and £100 million earnings before interest, tax, depreciation and amortisation (EBITDA) by the end of March 2024. Broker forecasts underplay its prospects heavily because analysts cannot include profits from businesses which have not yet been acquired even though the funding is already in place.

Ergomed climbed +44% and contributed +0.78%. In March 2021 it reported that profits in 2020 rose 55% at the adjusted EBITDA level, with sales up 26%. The pharmacovigilance division increased its gross profit by 57%, boosted by an acquisition. Overheads here are fairly fixed so incremental sales feed more directly into profits growth. The CRO business marked time, with gross profits falling 3% to £11 million. Covid-19 has stopped many clinical trials even getting underway, so this was a respectable performance.

Clinigen rose +31% and contributed +0.77%. This performance was partly due to the management's complete certainty that the company would achieve its full year numbers. In the event they embarrassed themselves and investors by warning in June 2021 that they would not meet their year end forecasts. Although this warning took place after the end of the period it deserves comment now. The heart of the problem was Proleukin, the 30 year old cancer drug which Clinigen bought for \$200 million from Novartis. Proleukin's sales had been falling for many years and were reported to be \$60 million in 2018. Clinigen thought it could slow or reverse the decline while it awaited a surge in sales from the use of Proleukin as a co-therapy by new cancer drugs. The first of these belonged to US company Iovance Biotherapeutics. Whilst clinical data has been strong, Iovance has failed to agree terms for dose size with the Food and Drug Administration. In May 2021 its Chief Executive Officer resigned after further delays and wide acceptance that the drug application will not be filed until next year (2022). Iovance has not issued the expected orders for Proleukin and meantime doctors in the US have also sharply reduced use of the drug in intensive care. This decline may reverse but forecasts, and the share price, now assume the fall is permanent. We believe there is a great deal of value in Clinigen's component parts and we expect this will be unlocked by one means or another.

dotDigital contributed +0.74% and the share gained +61%. Organic sales growth was 22% in the first half to December 2020 and adjusted EBITDA rose 13%. The company is spending heavily on both product development and marketing in the style of its American peers and competitors. This makes sense because customers pay by subscription and tend to stay once they join. So the priority is to build the base and look to enjoy the harvest later.

Alliance Pharma rose +32% and contributed +0.72%. Underlying profits barely rose last year, after prescription drugs sales fell 14%, impacted by Covid-19. The company redeemed itself with the \$110 million purchase of Biogix, the maker of Amberen, a treatment for menopause symptoms. This spurred upgrades in forecasts. Biogix looks a more immediately attractive deal than Nizoral, where a staged commercial handover from Johnson & Johnson has made it hard to reap early commercial benefits. Brokers now expect EPS to rise 10% in 2021 and 14% in 2022.

SLATER RECOVERY FUND

FUND MANAGER'S REPORT (CONTINUED)

Report for the six months to 31 May 2021

Portfolio Review (continued)

Hollywood Bowl scarcely operated its bowling alleys during the half year but its shares partied all the same, rising +36% and contributing +0.70%. The company's move into indoor crazy golf looks promising but we have no data yet to support that optimism.

HutchMed (China) fell -11% on AIM and -4% on Nasdaq, detracting by -0.21% overall. The weaker dollar made the fall worse. The company is floating in Hong Kong and in the process should raise enough to fund itself easily into profitability in 2024.

Randall & Quilter (R&Q) detracted by -0.37% after falling -14%. The company has undergone an almost complete change of management and is now run from the US. The previous policy of paying all of reported profits in dividends has been scrapped. The payout fell from 9.9p in 2019 to 4p in 2020. The future ratio will be a more normal 30%-40% in order to allow faster growth of the business. R&Q also intends to move towards being more capital light – more an asset manager and broker than an asset owner. We find this new approach very attractive but the new dividend policy may drive a change in the shareholder base, which could hold back the shares for a time. PBT fell 21% last year but, typically of R&Q, this conveys no sense of the progress being made. This is because its profits until now have come from buying run-off assets of captive insurers and declaring the price paid to be at an undervalue, reporting this discount as an immediate profit. Earnings have therefore been lumpy and impossible to forecast, leaving investors with only the dividend as a basis for valuation. Program Management, the other arm of the business, is a form of broking where R&Q acts as a conduit between local managing agents and the broader reinsurance market. It aims to charge 5% of the premiums passing through its channel. The reinsurers require it to keep a small part of the risk it is passing on, so there is a need to retain profits to fund this growth in the balance sheet. In the first quarter of 2021 premiums rose 52% to \$185 million and fee income by 91% to \$9.7 million. Policies passing through the channel run for several years so this income stream should grow steadily as new policies are added. Meanwhile overheads will rise much less quickly. Brokers see EPS of 13.6p in 2021, 18p in 2022 and 21p in 2023.

Purchases and Sales

During the six months we bought: **Anglo Pacific, Begbies Traynor, Best of the Best, Brewin Dolphin, Clipper Logistics, Foresight Group, Jubilee Metals, Rathbone Brothers, SSE, Supreme, tinyBuild, TT Electronics, UP Global Sourcing Holdings** and **Volex**.

We added to: **Alliance Pharma, Avation, Breedon, CentralNic, Clinigen, Fintel** (formerly SimplyBiz Group), **Franchise Brands, Future, Gamesys, Hollywood Bowl, Inspired Energy, Instem, iomart, JTC, Kape Technologies, Kin and Carta, Liontrust Asset Management, Marlowe, NCC, Next Fifteen Communications, Prudential, Randall & Quilter, Redcentric, Restore, SigmaRoc, STV, Ten Entertainment, Tesco** and **Venture Life**. Shares in **STV** were also received via corporate action.

We trimmed the following positions: **Calnex Solutions, Ergomed, IG Design** and **Mears**. **Codemasters** was also trimmed before its eventual takeover.

We sold our positions in **Jet2** and **Lok'n Store**. **Applgreen, Codemasters, GoCo** and **Scapa** were all the subject of successful takeovers.

Outlook

The major markets have recovered but valuation metrics have stayed within normal ranges, except for one: the United States. By any traditional measure the US is expensive and therefore risks a reversion to the mean. Will this affect other markets? Perhaps, but history suggests bubbles in one market can have remarkably little impact elsewhere when they deflate. The Japanese bubble peaked at the end of 1989 and the Tokyo index then entered an 80% bear market over the next two decades. Tokyo's market value expressed as a share of the four markets (itself, London, Paris and New York) peaked at 39%. Now it is only 11%. Despite the slump in Tokyo the combined markets still more than doubled during those 20 years. Capital did not vanish, it moved. The US now represents 73% of the combined valuation of all four markets. This is even higher than its share in 1973 before the 1970s bear market. By December 1988, amidst the Tokyo bubble, New York had fallen to 21%.

SLATER RECOVERY FUND

FUND MANAGER'S REPORT (CONTINUED)

Report for the six months to 31 May 2021

The bigger point is that in spite of these astonishing gyrations, the combined total value of all four markets grew steadily at a compound rate of 10% per year in sterling terms. Capital markets overshoot and undershoot but in the long term they reflect the return on **capital**, the underlying cashflows, of the companies that make them up. The current US exuberance is a concern but history suggests capital will migrate to higher returning markets. This process can already be seen in this year's stream of bids for UK companies from overseas investors and trade buyers. We remain watchful but confident.

Slater Investments Limited.
30 July 2021

SLATER RECOVERY FUND**FUND MANAGER'S REPORT (CONTINUED)****Distributions (pence per unit)**

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Class A Accumulation</u>				
Net income paid 31 January	-	-	-	-
Net income paid 31 July	0.0867	-	-	-
<u>Class B Accumulation</u>				
Net income paid 31 January	-	0.4825	0.3467	0.2850
Net income paid 31 July	0.8851	-	0.1900	0.0268
<u>Class P Accumulation</u>				
Net income paid 31 January	-	0.8477	0.7029	0.5727
Net income paid 31 July	1.3780	-	0.4904	0.4524

Material portfolio changes

For the six months ended 31 May 2021

Total Purchases	Cost (£)	Total Sales	Proceeds (£)
Prudential	6,616,745	Codemasters	6,622,556
SSE	5,209,467	Scapa	1,638,095
Jubilee Metals	4,146,515	Jet2 (formerly Dart Group)	1,331,308
Alliance Pharma	4,137,243	Goco	1,027,268
Clinigen	4,034,190	Lok'nStore	648,336
Future	3,723,757	Calnex Solutions	643,589
Tesco	3,637,795	Applegreen	493,773
Foresight Group	3,326,400	Ergomed	366,199
Best of the Best	3,094,638	IG Design	351,283
Redcentric	2,892,716	Mears	95,268
Anglo Pacific	2,771,793	CML Microsystems	73,750
UP Global Sourcing Holdings	2,053,829		
JTC	2,046,620		
Randall & Quilter	1,927,803		
STV	1,894,998		
Begbies Traynor	1,893,403		
Franchise Brands	1,888,484		
Brewin Dolphin	1,700,678		
Hollywood Bowl	1,684,897		
Clipper Logistics	1,629,782		
Other purchases	15,399,402		
Total purchases for the six months	75,711,155	Total sales for the six months	13,291,425

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FUND INFORMATION

Price and distribution record

Financial year to	Highest price	Lowest price	Net income per unit
<u>Class A Accumulation</u>			
30 November 2018	243.71p	216.08p	-
30 November 2019	266.67p	210.22p	-
30 November 2020	297.63p	194.80p	-
30 November 2021*	379.96p	297.72p	0.0867p
<u>Class B Accumulation</u>			
30 November 2018	250.31p	222.07p	0.3735p
30 November 2019	276.48p	216.82p	0.6725p
30 November 2020	310.15p	202.32p	-
30 November 2021*	396.85p	310.31p	0.8851p
<u>Class P Accumulation</u>			
30 November 2018	257.61p	228.42p	1.1553p
30 November 2019	281.27p	220.36p	1.3381p
30 November 2020	316.38p	206.00p	1.3780p
30 November 2021*	405.36p	316.58p	-

*six month period to 31 May 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
<u>Class A Accumulation</u>			
30 November 2018	£10,920,375	4,880,966	223.74p
30 November 2019	£5,003,268	1,896,593	263.80p
30 November 2020	£5,172,255	2,064,301	250.56p
31 May 2021	£11,784,347	3,131,042	376.37p
<u>Class B Accumulation</u>			
30 November 2018	£2,905,032	1,259,477	230.66p
30 November 2019	£3,212,988	1,174,444	273.58p
30 November 2020	£3,055,186	1,172,885	260.48p
31 May 2021	£5,134,111	1,306,005	393.12p
<u>Class P Accumulation</u>			
30 November 2018	£36,459,648	15,567,368	234.21p
30 November 2019	£54,266,852	19,497,631	278.33p
30 November 2020	£78,887,918	29,726,141	265.38p
31 May 2021	£250,347,390	62,344,794	401.55p
<u>Ongoing charges</u>			
	<u>Class A Accumulation</u>	<u>Class B Accumulation</u>	<u>Class P Accumulation</u>
30 November 2020	1.55%	1.07%	0.79%
31 May 2021	1.47%	1.02%	0.77%

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.

SLATER RECOVERY FUND

FUND INFORMATION (CONTINUED)

Portfolio statement

as at 31 May 2021

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 May '21 %	30 Nov '20 %
CONSTRUCTION & MATERIALS				
2,511,167	Breedon	2,707,038	1.01	
1,111,411	SigmaRoc	933,585	0.35	
	Total Construction & Materials	3,640,623	1.36	1.55
CONSUMER SERVICES				
1,074,422	Fintel (formerly Simplybiz Group)	2,363,728	0.88	
1,166,667	Fonix Mobile	1,808,334	0.68	
3,412,418	Franchise Brands	4,436,143	1.66	
356,035	Gamesys	6,640,053	2.48	
1,627,393	Hollywood Bowl	4,198,674	1.57	
24,718	IG Design	139,410	0.05	
293,188	Loungers	776,948	0.29	
723,328	Rank Group	1,453,889	0.54	
823,782	Ten Entertainment	2,059,455	0.77	
560,000	tinyBuild	1,372,000	0.51	
1,425,493	UP Global Sourcing Holdings	3,064,810	1.15	
	Total Consumer Services	28,313,444	10.58	9.75
ENERGY				
350,000	SSE	5,397,000	2.02	
	Total Energy	5,397,000	2.02	-
FINANCIAL SERVICES				
635,802	AFH Financial Group	2,988,269	1.12	
252,855	Arrow Global Group	769,943	0.29	
1,768,985	Begbies Traynor	2,405,820	0.90	
553,245	Brewin Dolphin	1,881,033	0.70	
135,000	City of London Investment Group	723,600	0.27	
792,000	Foresight Group	3,207,600	1.20	
623,470	JTC	4,033,851	1.51	
270,000	Liontrust Asset Management	4,098,600	1.53	
670,000	Prudential	10,056,700	3.76	
2,722,432	Randall & Quilter	4,219,770	1.58	
2,917	Rathbone Brothers	52,331	0.03	
	Total Financial Services	34,437,517	12.89	10.59

SLATER RECOVERY FUND

FUND INFORMATION (CONTINUED)

Portfolio statement (continued)

as at 31 May 2021

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 May '21 %	30 Nov '20 %
	GENERAL RETAILERS			
121,087	CVS Group	2,645,751	0.99	
864,080	Supreme	1,728,160	0.65	
2,690,000	Tesco	6,005,425	2.24	
	Total General Retailers	10,379,336	3.88	3.40
	INDUSTRIAL ENGINEERING			
730,000	Flowtech Fluidpower	919,800	0.34	
13,567	Renew Holdings	86,286	0.03	
407,040	Trifast	630,912	0.24	
	Total Industrial Engineering	1,636,998	0.61	2.04
	INDUSTRIAL GOODS AND SERVICES			
285,575	Clipper Logistics	2,190,360	0.82	
	Total industrial goods and services	2,190,360	0.82	-
	INDUSTRIAL TRANSPORTATION			
550,454	Avation	577,977	0.22	
	Total Industrial Transportation	577,977	0.22	0.53
	MANUFACTURING			
47,858	Volex	163,435	0.06	
	Total Manufacturing	163,435	0.06	-
	MEDIA			
660,000	Future	18,717,600	7.00	
775,001	Next Fifteen Communications	6,494,508	2.43	
934,377	STV	3,130,163	1.17	
	Total Media	28,342,271	10.60	9.67
	OIL & GAS PRODUCERS			
30,000,000	i3 Energy	2,310,000	0.86	
	Total Oil & Gas Producers	2,310,000	0.86	1.22

SLATER RECOVERY FUND

FUND INFORMATION (CONTINUED)

Portfolio statement (continued)

as at 31 May 2021

Holding or nominal value	Bid value £	Percentage of total net assets	
		31 May '21 %	30 Nov '20 %
PHARMACEUTICALS & BIOTECHNOLOGY			
8,063,090	Alliance Pharma	7,942,144	2.97
934,819	Clinigen	7,931,939	2.97
300,000	Ergomed	3,690,000	1.38
266,780	Hutchmed (China) (formerly Hutchison China MediTech)	1,096,466	0.41
359,361	Instem	2,425,687	0.91
4,383,822	Venture Life	3,901,601	1.46
	Total Pharmaceuticals & Biotechnology	26,987,837	10.10 10.88
PRECIOUS METALS AND MINING			
2,165,463	Anglo Pacific	3,139,921	1.17
37,300,000	Jubilee Metals	6,452,900	2.42
	Total Precious metals and mining	9,592,821	3.59 -
REAL ESTATE INVESTMENT & SERVICES			
530,000	Countryside Properties	2,710,950	1.01
113,334	MJ Gleeson	986,006	0.37
	Total Real Estate Investment & Services	3,696,956	1.38 2.92
SOFTWARE & COMPUTER SERVICES			
1,387,595	dotDigital	3,066,585	1.15
236,605	iomart	636,467	0.24
1,536,830	Kape Technologies	4,994,698	1.87
486,783	Kin and Carta	956,529	0.36
672,072	NCC	1,989,333	0.74
2,805,827	Redcentric	3,928,157	1.47
	Total Software & Computer Services	15,571,769	5.83 10.44
SUPPORT SERVICES			
4,588,226	CentralNic	3,945,874	1.48
776,773	Elixirr International	4,272,252	1.60
925,135	IWG	3,329,561	1.25
709,305	Marlowe	5,532,579	2.07
83,645	Mears	153,070	0.06
841,294	Restore	3,449,305	1.29
4,000,000	Sureserve Group	3,120,000	1.16
	Total Support Services	23,802,641	8.91 11.99

SLATER RECOVERY FUND

FUND INFORMATION (CONTINUED)

Portfolio statement (continued)

as at 31 May 2021

Holding or nominal value	Bid value £	Percentage of total net assets		
		31 May '21 %	30 Nov '20 %	
TECHNOLOGY HARDWARE & EQUIPMENT				
407,040	CML Microsystems	501,500	0.19	
22,500	TT Electronics	57,825	0.02	
	Total Technology Hardware & Equipment	559,325	0.21	0.31
TELECOMMUNICATIONS				
1,771,043	Calnex Solutions	1,895,016	0.71	
	Total telecommunications	1,895,016	0.71	1.75
TRAVEL & LEISURE				
616,000	Marston's	562,716	0.21	
128,750	Best of the Best	3,154,375	1.18	
	Total Travel & Leisure	3,717,091	1.39	1.50
UTILITIES				
7,937,902	Inspired Plc (formerly Inspired Energy)	1,230,375	0.46	
	Total Utilities	1,230,375	0.46	0.67
OVERSEAS SECURITIES				
85,395	Hutchmed (China) ADR (formerly Hutchison China MediTech ADR)	1,786,995	0.68	
	Total Overseas Securities	1,786,995	0.68	1.60
UNQUOTED SECURITIES				
1,653,028	Genagro	11,644	0.01	
	Total Unquoted Securities	11,644	0.01	0.01
	Portfolio of investments	206,241,431	77.17	80.82
	Net current assets	61,024,417	22.83	19.18
	Net assets	267,265,848	100.00	100.00

SLATER RECOVERY FUND

FUND INFORMATION (CONTINUED)

Portfolio transactions for the six months ended 31 May 2021

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at the respective markets close at 31 May 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	75,711,155
Total sales proceeds, net of transaction charges	13,291,425

SLATER RECOVERY FUND

**INTERIM FINANCIAL STATEMENTS (unaudited)
For the six months ended 31 May 2021**

Statement of total return

	31 May 2021		31 May 2020	
	£	£	£	£
Income				
Net capital gains/(losses)		44,353,329		(3,284,005)
Revenue	1,422,886		297,759	
Expenses	(751,575)		(319,226)	
Net revenue/(loss) before taxation	<u>671,311</u>		<u>(21,467)</u>	
Taxation	<u>-</u>		<u>(290)</u>	
Net revenue/(loss) after taxation		<u>671,311</u>		<u>(21,757)</u>
Total return before distributions		45,024,640		(3,305,762)
Distributions		(670,928)		(5,126)
Change in net assets attributable to unitholders from investment activities		<u>44,353,712</u>		<u>(3,310,888)</u>

Statement of changes in net assets attributable to unitholders

	31 May 2021		31 May 2020	
	£	£	£	£
Opening net assets attributable to unitholders		*123,369,323		^62,483,108
Amounts receivable on issue of units	99,868,629		29,683,240	
Amounts payable on cancellation of units	(1,375,223)		(1,795,852)	
Amounts (payable)/receivable on unit class conversions	(21)		1	
Dilution adjustments	<u>176,046</u>		<u>55,750</u>	
		98,669,431		27,943,139
Change in net assets attributable to unitholders from investment activities		44,353,712		(3,310,888)
Retained distributions on accumulation units		873,382		-
Closing net assets attributable to unitholders		<u>267,265,848</u>		<u>87,115,359</u>

*As at 30 November 2020

^ As at 30 November 2019

SLATER RECOVERY FUND

INTERIM FINANCIAL STATEMENTS (unaudited) (CONTINUED) For the six months ended 31 May 2020

Balance sheet

	31 May 2021		30 November 2020	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		206,241,431		99,702,962
Current Assets				
Debtors	11,217,536		1,259,798	
Cash	<u>49,840,203</u>		<u>22,418,951</u>	
Total current assets		<u>61,057,739</u>		<u>23,678,749</u>
Total assets		<u>267,299,170</u>		<u>123,381,711</u>
LIABILITIES				
Current liabilities				
Creditors	<u>33,322</u>		<u>12,388</u>	
Total liabilities		<u>33,322</u>		<u>12,388</u>
Net assets attributable to unitholders		<u>267,265,848</u>		<u>123,369,323</u>

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 30 November 2020 and are described in those annual financial statements.



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