Slater Investments Limited

Slater Growth Fund

Annual Report

For the year ended 31st December 2021

SLATER GROWTH FUND

DIRECTORY

Registered Office
Slater Investments Limited
Nicholas House
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London
EC4R 0EU

Authorised Fund Manager (AFM)
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Administrator, Registrar and Transfer Agent
JTC Fund Services (UK) Limited*
18th Floor
The Scalpel
52 Lime Street
London
EC3M 7AF

Investor Support: (0203) 893 1001

Custodian and Depositary
(from 16 August 2021)
CACEIS Bank, UK Branch **
Broadwalk House
5 Appold Street
London
EC2A 2DA

(previously and up to 15 August 2021)
Société Générale Securities Services*
Societe Generale
One Bank Street
Canary Wharf
London
E14 4SG

Auditor
Azets Audit Services Limited
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

* Authorised and regulated by the Financial Conduct Authority.
** Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation 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 Undertakings for Collective Investments in Transferable Securities (UCITS) scheme as defined in the Collective Investment Schemes Sourcebook (COLL). The Fund was authorised and regulated by the Financial Conduct Authority (FCA) with effect from 24 March 2004.

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 United Kingdom (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 the COLL and may invest in derivatives and forward transactions for hedging purposes only.

Value for Money Assessment

Slater Investments Limited's latest Value for Money Assessment can be found at https://www.slaterinvestments.com/policies/.

Change in Custodian and Depositary

Effective 16 August 2021, CACEIS Bank, UK Branch replaced Société Générale Securities Services as Custodian and Depositary of the Fund.

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.

Remuneration Policy

The Authorised Fund Manager is subject to a remuneration policy which is applicable to UCITS funds and is consistent with the principles outlined in the Alternative Investment Fund Managers Directive (AIFMD) and the FCA Handbook of Rules and Guidance. The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UCITS funds it manages.

The fixed remuneration paid by the Authorised Fund Manager to its staff in respect of all funds that it manages in the financial year ended 31 December 2020 was £1,047,872 and was shared amongst 19 members of staff. The above figures are taken from the financial report and accounts of Slater Investments Limited for the period 1 January 2020 to 31 December 2020. The financial statements of Slater Investments Limited have been independently audited.

All 19 Authorised Fund Manager staff members were fully or partially involved in the activities of the Fund. The variable remuneration paid by the Authorised Fund Manager to its staff in respect of all funds that it manages in the financial year ended 31 December 2020 was £719,617. The Authorised Fund Manager staff remuneration is established with reference to the market remuneration of each equivalent position and is not linked to the performance of the Fund or any other fund of the Authorised Fund Manager. None of the Authorised Fund Manager's staff actions had a material impact on the risk profile of the Fund.

DIRECTORS' STATEMENT

In accordance with COLL 4.5.8BR, the annual report and the audited financial statements were approved by the Authorised Fund Manager of the Fund and authorised for issue.

Mark Slater	Ralph Baber
Director	Director

SLATER INVESTMENTS LIMITED
Date: 28 February 2022

STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

The COLL requires the Authorised Fund Manager to prepare accounts for each annual and half-yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Fund and of its net revenue and the net capital gains on the property of the Fund for the year. In preparing the accounts the Authorised Fund Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (IA) in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements; and
- make judgements and estimates that are prudent and reasonable.

The Authorised Fund Manager is responsible for the management of the Fund in accordance with its trust deed, Prospectus and COLL and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

So far as the Authorised Fund Manager is aware, there is no relevant audit information of which the Group and the Fund's Auditors are unaware, and the Authorised Fund Manager has taken all the steps that he or she ought to have taken as an Authorised Fund Manager in order to make himself or herself aware of any relevant audit information and to establish that the Group and the Fund's Auditors are aware of that information.

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF SLATER GROWTH FUND ('THE SCHEME') FOR THE YEAR ENDED 31 DECEMBER 2021

For the period 16 August 2021 to 31 December 2021

The depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Fund Manager:
(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company, and
(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

CACEIS Bank UK Branch
31 December 2021

For the period 1 January 2021 to 15 August 2021

The depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:
(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company, and
(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Société Generale S.A. London Branch
15 August 2021

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SLATER GROWTH FUND

Opinion

We have audited the financial statements of the Slater Growth Fund (the 'Fund') for the year ended 31 December 2021 which comprise the statement of total return, the statement of changes in net assets attributable to unitholders, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 202, and of its net revenue and net capital gains or losses on the fund property for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice for Authorised Funds issued by The Investment Association, the rules contained in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 Authorised Fund Managers' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SLATER GROWTH FUND (continued)

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Authorised Fund Manager report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- we have been given all information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the fund and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the Authorised Fund Manager.

We have nothing to report in respect of the following matters in relation to which the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- adequate accounting records have not been kept
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Authorised Fund Manager

As explained more fully in the Statement of Authorised Fund Manager's responsibilities statement set out on page 2, the Authorised Fund Manager 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 Authorised Fund Manager 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 Authorised Fund Manager 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 Authorised Fund Manager either intend to liquidate the company 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the fund and the industry, we identified that the principal risk of non-compliance with laws and regulations related to breaches of the applicable Financial Conduct Authority regulations. We also obtained an understanding of the legal and regulatory frameworks that the fund operates in, focusing on those that had a direct effect on material figures and disclosures in the financial statements, the main regulations considered in this context included the Financial Conduct Authority including its Collective Investment Schemes Sourcebook and Conduct of Business Sourcebook.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SLATER GROWTH FUND (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We evaluated the incentives and opportunities for fraud in the financial statements, including, but not limited to, the risk of override of controls, and designed procedures in response to these risks as follows;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- testing the appropriateness of journal entries and other adjustments;
- enquiring of management and the trustees concerning any non-compliance;
- review of the breaches log;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the fund's unitholders, as a body, in accordance with paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook. 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.

Azets Audit Services Limited
Chartered Accountants and Tax Advisors
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ
Date:

FUND MANAGER'S REPORT

Report for the year to 31 December 2021

Performance	Six Months	1 year	3 years	5 years	Since launch*
Slater Growth Fund P unit class	+7.08%	+29.16%	+95.98%	+117.75%	+817.58%
Investment Association (IA) OE UK All Companies	+4.92%	+17.14%	+34.50%	+36.29%	+217.67%

* A unit class launched 30 March 2005

Portfolio Commentary

The markets had a good year as the vaccines were rolled out. The strong momentum ebbed away in the first quarter as concerns grew over rising inflation and the Delta wave also took a toll, forcing the return of some restrictions. Omicron seems to be following a more benign path. The United Kingdom (UK) broad market index ended 2021 with a 6% total return after two years and the Mid Cap index with 12%. This compares to 42% from the Fund over that time. Some Covid winners of 2020 took a breather in 2021, while others just kept going.

The biggest contributor this year was **Future**, which generated +7.52% after leaping +120%. Keeping up with this company is no mean feat. For the year to September 2021, it reported a 77% rise in adjusted earnings per share (EPS), driven by 23% organic growth in sales and a widening of operating margins from 28% to 32%. Future is highly acquisitive, and its biggest purchase was GoCo, the price comparison website which it bought for £629 million in February 2021. It followed this in July 2021 by announcing the £300 million purchase of Dennis, the publisher of investment titles such as Moneyweek and Kiplinger, a United States (US) title. The Dennis deal closed on 1 October 2021. Both acquisitions show Future's focus on content which helps people decide what to buy. Its original arena was dispensing advice on consumer electronics. It sees similar scope with financial products. As with the gadgets, the aim is to sell adverts at high prices and to capture commission when people make a purchase. There have been some road bumps but only minor ones. GoCo's move into the auto-switching of energy contracts was only in its infancy. It has been parked following the collapse of many power suppliers. In November 2021, Future predicted earnings for financial year 2022 would be 'materially above current expectations'.

Next Fifteen Communications was the second biggest contributor, delivering +3.74% and rocketing +148%. Consensus forecasts for the year to January 2021 nearly halved last year, only to bounce back to their starting point when revenues not only failed to collapse but actually grew 8%. That momentum continued and July 2021 interim sales rose 36%. Acquisitions always play a role but organic growth was an impressive 23%. The shares closed the year on a forward price-earnings ratio (PE) of 24.

Liontrust Asset Management rose +70% and contributed +2.00%. The company has two growth drivers: its sustainable investment strategy, which has lifted assets under management (AuM) from £3 billion in 2017 to £14 billion today, and its campaign to swallow weaker fund managers, wringing fat cost savings and broadening the product range. Sustainable investment appeals particularly to the company's retail investors. September 2021 interim results showed adjusted earnings rising 85% with the dividend doubling. Liontrust capped off its year with the £120 million acquisition of Majedie, a well-known firm which was still reeling from the loss of the £2.5 billion AuM mandate from St James's Place. The deal increased pro-forma AuM by £5.8 billion to £42.3 billion. Liontrust management spoke glowingly to us about the team at Majedie. The shares closed the year on just under 18 times.

Kape Technologies contributed +1.93% after climbing +141%. In March 2021, the company bought Tel Aviv-based Webselenese for $149 million. This was a massively accretive deal which hoisted pro-forma EPS by 65%, reflecting the bargain price paid. Webselenese's main website gives advice on which virtual private network (VPN) to use. It is also now lending its expertise to boost Kape's own marketing. In September 2021, Kape doubled its subscriber base with the $936 million purchase of ExpressVPN, its nearest competitor. This deal was driven more by revenue and technology synergies than by cost-cutting. Admittedly, soaring pay rates in Tel Aviv's software sector do make it attractive to move programming roles to Express, whose operations stretch from the Baltics to the Far East. We can never tell how many customers using VPNs are based in China because one attraction of these services is to make the location hard to trace. Kape assures us its exposure to China is modest. ExpressVPN in particular has a reputation for getting round Beijing's 'cybersecurity' obstacles. We are mindful of the risks and believe the groupwide exposure is small. An update in December 2021 reported trading in line. The forward PE of around 15 remains very attractive.

FUND MANAGER'S REPORT (CONTINUED)

Report for the year to 31 December 2021

Clinigen contributed +1.83% and clocked up a +35% gain. This was thanks to a £1.2 billion takeover offer at 883p from private equity firm Triton Investment Management. Triton is unusual in controlling businesses which offer both pharma products and services, like Clinigen. Other potential predators would probably want to sell one side or the other, making for a less attractive target. At year end the shares stood at 916p, a 4% premium, and on 15.6x forward earnings. The bid seems likely to be decided before we see results from interesting trials using Proleukin against motor neurone disease. Similarly, progress from Iovance, the US company which uses Proleukin alongside its own cancer therapy, may also be several months away. The Fund added steadily to its holding during the year at an average cost of 678p.

Gamesys was sold as part of its £2.1 billion takeover/merger with Bally's of the US. It contributed +1.61% and rose +62%. **Arrow Global** and **Codemasters** also fell into the hands of bidders. They already reflected the terms at the start of the year and made no net contribution.

JTC, the fund administrator, lifted underlying earnings by 12% in the first half of the year. In October 2021 it raised another £80 million to help fund a $204 million acquisition in the US. The shares rose +63% and the contribution was +1.54%. This sparkling performance owed something to the fact that Sanne, its closest rival, succumbed to a $2 billion bid from private equity. In the fourth quarter, JTC paid $236 million for a Texas-based administrator serving the rapidly growing market for alternative assets. This deal made the US the second biggest market for the group.

CVS, which operates a chain of vets, animal hospitals and crematoria, contributed +1.21% and climbed +48%. The company has been a massive beneficiary from the pandemic. Most vets continued to operate during lockdown and demand for companion animals grew strongly. Will they be discarded when normal life returns? Nobody can tell but there has been no sign of it so far. The annual general meeting update in November 2021 reported like-for-like sales in the four months to October 2021 grew 12.4% and earnings before interest depreciation and amortisation margins widened from 18.7% to 19.2%. The vacancy rate for vets has always been a concern and it did edge 0.4% higher to 9.2% in the 12 months to October 2021. This mainly seems to reflect the increased headcount needed to serve those additional pets rather than a worsening of churn. Essentially CVS is a fixed cost services business where demand rises relentlessly. The forward PE of 27 reflects this.

Marlowe, the ultra-acquisitive building safety and regulatory compliance group, contributed +1.21% with a +56% share gain. Interim results to September 2021 reported basic EPS rising 50% on sales up 61%. There is always a heavy element of PE arbitrage with this company, but we see genuine growth as well. The software businesses in particular look promisingly scalable and high margin. The company is eyeing the sector for advice and monitoring of sustainability. Of course, others also see the opportunity, so acquisition prices may make this unattractive.

Tesco contributed +1.16% and the shares rose +25%, continuing the steady recovery which began with last summer's reopening. Asda and Morrison Supermarkets were both sold to private equity during the year for £6.8 billion and £7 billion respectively. Tesco is three times their size in market value so would be a much heftier target and a bid would attract much more attention from the government, which gains broader power to intervene in takeovers this year. Tesco's valuation remains undemanding on a PE of 13.5 and a yield of 3.7%. In October 2021 it announced a further £500 million share buyback. Excluding £9 billion of leases, net debt was only £2 billion at the interims to 28 August 21. The company coped well with lockdown and with the reopening. It continues to gain market share.

Elixirr International rose +119% and delivered +1.06%. In September 2021 this IT consultancy reported interims showing sales up 77% and profit before tax up 145% with adjusted EPS up 64%. The company is starting to award hefty options and it adds them back, flattering its figures. In the half year they amounted to 6% of operating profits but this share is certain to rise. Option packages are an intrinsic part of the business model, so we accept them commercially. But we do object when companies claim they are not a cost to shareholders. Setting aside this point, Chief Executive Officer (CEO) Stephen Newton is a man on a mission, and we expect the rapid progress to continue.

FUND MANAGER'S REPORT (CONTINUED)

Report for the year to 31 December 2021

Major Detractors

Walt Disney detracted by -0.31% after falling -14%. This looks poor but it should be pointed out that the shares started 2020 at $144. They plunged a third during early Covid before bouncing to $197 as the pandemic put a rocket under the growth of Disney+, the streaming platform. Disney closed 2021 at $154.89, probably returning to its trajectory before the pandemic. Covid was dire for the theme parks but brokers expect their revenues to reach $20 billion in the year to September 2022 and nearly $25 billion in financial year 2023. Direct to consumer revenues, which include streaming, are expected to reach $20.6 billion, followed by $26.2 billion and $31.1 billion. Streaming will be Disney's engine though the company is also cited as a winner if the metaverse becomes mass market. Consensus EPS rises from $2.60 in financial year 2022 to $4.89 and $6.19 as the company continues to invest heavily in Disney+.

Iomart fell -47% and detracted by -0.31%. Forecasts fell steadily during the year as the sales pipeline failed to convert and customer churn worsened. The company is still adapting to a world where Amazon, Microsoft and Google's public clouds provide attractive alternatives to renting capacity from Iomart in specific data centres. In our most recent meeting the CEO blamed poor customer service for some of the churn. Diagnosing the problem is the first step; finding a solid base for revenue is the next. The shares closed on a forward multiple of 14, which is reasonable if Iomart can steady itself.

The pandemic was painful for **IWG**, which manages and rents out serviced offices. It detracted by -0.35% and the shares fell -15%. Before Covid struck, the company had been advancing its campaign to franchise out its network. This plan hit a wall during the pandemic and in its place founder Mark Dixon wants to float IWG's software services on Nasdaq. This is at least his third attempt to slice and dice the company. He remains frustrated by the £6.5 billion market value of WeWork. We think he will make progress and that the pandemic has made serviced offices more attractive. Even so, we need the virus to go away before this can happen. Meantime IWG still generates over £2 billion revenues per year despite occupancy of only 69%.

Prudential detracted by -0.60% though this was partly offset by the +0.23% from selling the shares in **Jackson Financial**, the US insurance arm which was demerged during the year. In demerged form the company has started to outperform its Asian peers, such as Hong Kong-based AIA. The turmoil in Chinese property has been an unfortunate backdrop for the company's debut year as an Asian life company, though direct exposure to Evergrande, the largest defaulter, seems to be minimal. Consensus earnings are forecast to grow a third between 2021 and 2023. We remain confident the reinvention of Prudential will pay off.

Venture Life detracted by -0.60% after a -68% fall in the share price. The shares had been Covid 'winners', as sales of hand gel boomed and people bought mouthwash. Hand gel sales then plunged as the focus switched to airborne transmission. Sales of mouthwash in China had been a highlight in 2020 but collapsed this year. This was apparently because the local distributor had itself been hit by the multiple local lockdowns in China which hurts its non-internet sales. Investors had also been primed to expect some acquisitions which failed to be closed. The company replaced its Finance Director in November 2021 and is seeking a new person to chair the board. The house broker cut its forecast for this year by 27% and by 39% for 2022, leaving the shares at 30p on 13x forward earnings. We think there is scope for this number to recover but the company needs to rebuild credibility with investors.

Best of the Best detracted by -1.10% after the shares fell -76%. Earnings more than trebled in the year to April 2021 but went sharply into reverse after the reopening. Playing spot the ball was popular during lockdown but lost some fans once they were free to socialise. Online advertising costs also rose as the economy got back into gear. An update in August 2021 delivered the bad news, leading analysts to predict a 56% fall in profits in the current year. In November 2021 the company reported that trading was in line with these reduced numbers. The forward multiple was under 10x at year end.

FUND MANAGER'S REPORT (CONTINUED)

Report for the year to 31 December 2021

Purchases and Sales

During the year we bought **Best of the Best**, **Brewin Dolphin**, **Clipper Logistics**, **Converge Technology Solutions**, **Devolver Digital**, **Foresight Group**, **Hollywood Bowl**, **Jubilee Metals**, **LBG Media**, **Premier Miton**, **Randall & Quilter**, **Rathbones**, **Reach**, **Serco**, **Supreme**, **tinyBuild** and **TT Electronics**.

We added to **Alliance Pharma**, **Arbuthnot Banking**, **Avation**, **Breedon**, **Clinigen**, **Countryside Properties**, **Fintel**, **Gamesys** (prior to the takeover), **Inspired**, **JTC**, **Kape Technologies**, **Kin & Carta**, **Marlowe**, **NCC**, **Prudential**, **Redcentric**, **Restore**, **STV**, **Sureserve**, **Ten Entertainment**, **Tesco** and **Trifast**. As part of the cash and shares deal to buy **GoCo**, we also received shares in **Future**.

We sold **CML Microsystems**, **IG Design**, **Jackson Financial** (received after its demerger from Prudential), **Jet2**, **M&G**, **Mears**, **Rank** and **Volex**. We reduced **CVS**, **Ergomed**, **Future** and **ITV**.

Liontrust Asset Management was both added to and trimmed during the period and **AFH Financial**, **Applegreen**, **Arrow Global**, **Codemasters**, **Gamesys** and **GoCo** all completed their respective takeovers.

Outlook

At some point in 2022 we should finally see some sort of normality return after two years of extreme disruption from Covid. There will be significant challenges though – the recovery from Covid will be erratic and messy thanks to shortages, investors and companies alike are unused to dealing with inflation and interest rate rises are likely to be a headwind. That said, we are pleased with the way in which the portfolio performed in the last two years and a significant proportion of the Fund will benefit from either recovery as businesses normalise or greater momentum thanks to Covid's effect on business models and customer behaviour or both.

The UK remains the cheapest and least popular developed market in the world. This is not just because there is a high weighting to banks and oils – even banks and oils in the UK are rated at significant discounts to the US and other markets. Nor is it because the UK lacks dynamism – the Mid Cap market constituents, for instance, have delivered earnings growth in line with the US averages over the last 23 years.

Recent market jitters triggered by rising interest rate expectations and the implications of war in Ukraine feel overdue. Markets do not rise in a straight line. Our focus is on company profits. If our companies deliver earnings in line with our expectations, share prices will be dragged upwards over time. Meanwhile, volatility brings opportunity and we are starting to buy more aggressively. It is possible to buy dynamic growth businesses on attractive terms and we firmly believe that combining growth and value factors is the optimal investment approach.

Slater Investments Limited.
28 February 2022

FUND MANAGER'S REPORT (CONTINUED)

Distributions (pence per unit)

	Year 2022	Year 2021	Year 2020	Year 2019
Class A Accumulation				
Net income paid last day of February	-	-	-	-
Class B Accumulation				
Net income paid last day of February	1.9303	-	2.7817	1.7752
Class P Accumulation				
Net income paid last day of February	4.1209	-	4.1528	3.1991

Material portfolio changes
For the year ended 31 December 2021

Purchases	Cost (£)	Sales	Proceeds (£)
Serco	54,681,410	Gamesys	38,759,572
Prudential	46,659,663	Codemasters	22,806,001
Tesco	41,082,145	AFH Financial	18,948,077
Randall & Quilter	32,577,252	Jet2	8,987,097
Clinigen Group	30,070,817	Ergomed	8,608,755
Kape Technologies	28,734,903	Goco	8,186,638
Devolver Digital	23,277,385	Arrow Global	6,340,475
Jubilee Metals	20,307,254	IG Design	5,561,506
Foresight Group	17,514,000	Liontrust Asset Management	5,446,406
Converge Technology	14,540,095	Applegreen	4,796,868
Best of the Best	14,441,606	Future	4,735,410
TT Electronics	13,535,096	CVS Group	3,511,532
Premier Miton	13,375,190	Mears	3,072,585
Marlowe	12,233,011	Jackson Financial	2,402,575
Rathbones	10,385,487	M&G	2,393,000
LBG Media	10,062,889	CML Microsystems	1,970,515
Brewin Dolphin	9,906,416	ITV	1,321,381
Fintel	9,261,677	Volex	986,783
Clipper Logistics	8,800,864	Rank Group	705,245
Future	6,464,165		
Other purchases	59,046,492		
Total Purchases for the year	**476,957,817**	**Total Sales for the year**	**149,540,421**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") REPORT

Report for the period to 31 December 2021

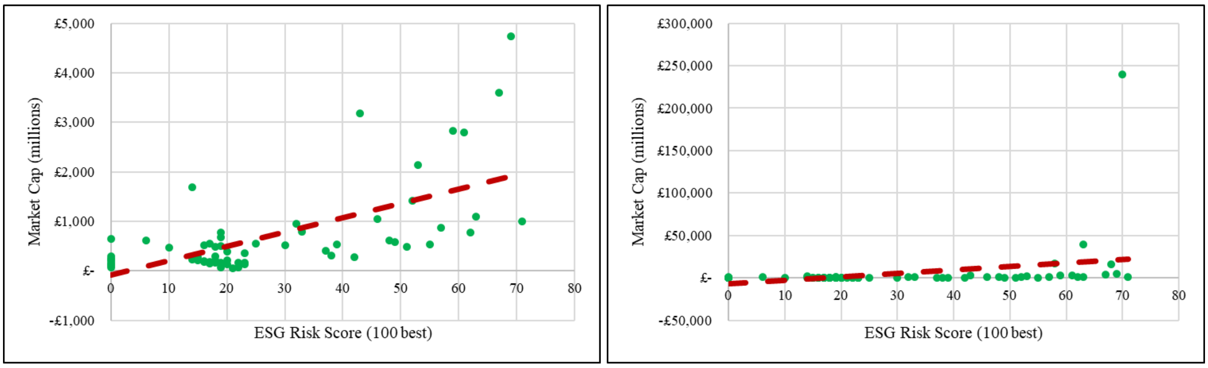
Introduction

We are proud to have been listed as a signatory to the Financial Reporting Council's 2020 UK Stewardship Code in September 2021, being included in the first cohort of those accredited. The Code sets high stewardship standards for those investing money on behalf of UK savers and pensioners. Slater Investments is also a voluntary signatory to the UN supported Principles for Responsible Investment, a commitment to responsible investment that places Slater Investments at the heart of a global community seeking to build a more sustainable financial system.

The ESG Team works closely with our in-house Research and Investment Team to ensure stewardship and ESG are integrated into our wider investment process, understanding any ESG risks that may emerge which might threaten the price earnings ratio or earnings growth prospects of our investee companies. The ESG Team also regularly works with investee companies' executives, offering advice as to how they can improve upon their ESG practices.

ESG Scoring

ESG scoring remains in its infancy as there is no globally accepted, or accurate, methodology. In addition, there is a distinct lack of data to populate these frameworks. Only 82% of the Fund's holdings have sufficient data points available for our internal scoring and in many cases this data is inaccurate. ESG data providers focus on larger capitalised companies who in turn are able to dedicate more resource towards their ESG activities and reporting. Their ESG scores are materially higher. Our analysis of this is illustrated:



Sources: Clarity AI and Stockopedia

The trendline shows a positive correlation between the market capitalisation of a company and its ESG score. The two graphs are the same, except the left-hand iteration has the top 4 companies by market cap (whose ESG scores are 70, 68, 63 and 58 respectively) removed.

Our ESG scores are calculated using our own interpretation of the Sustainability Accounting Standards Board ("SASB") standards. Given our dislike of adjusted numbers, this entails being significantly harsher where companies have not reported the required data points. The globally accepted default methodology provides an industry average in the place of a null data point. We, however, adjust this so that a null data point counts as 0.

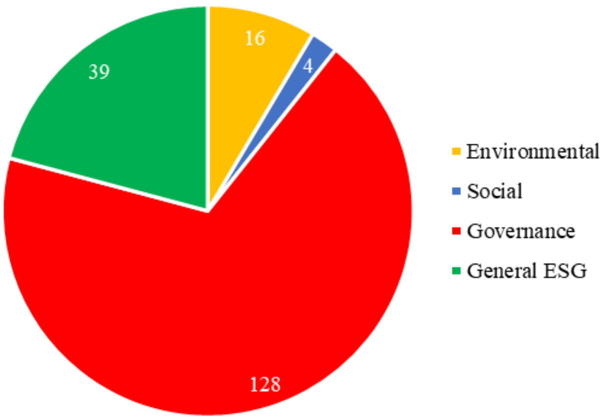
To ensure the quantitative work we do remains relevant, we actively provide feedback on consultations to our trade body, the Investment Association, and the emerging standards providers, SASB and the Task Force on Climate-related Financial Disclosures. We are also working with investee companies to help them translate the ESG work they do into a corresponding ESG score, as small to mid-caps are currently being unreasonably punished due to their data not being properly collected. We use the information generated by our ESG data providers as a starting point to engage with companies we own. We then carry out our own analysis to understand why there is a shortfall in the data and/or score, and if that shortfall is one of disclosure or whether it presents a risk to the rating. We have stressed in investee company meetings that time needs to be spent on making sure that data is accurate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") REPORT (CONTINUED)

Engagement

We do not invest in a company with the view of engaging; in an ideal situation we aim to buy into a high-quality business and monitor it. This ongoing monitoring of investee companies is equally as important as the initial investment decision itself, and sometimes shareholder engagement can help to support good corporate governance. This is important not only because it enhances shareholder interests directly, but also owing to the wider benefits it can have from an ESG perspective.

During the year to December 2021, our ESG team met with representatives from companies on 496 occasions. We classed 187 of these interactions as engagement, broken down by classification as follows:



Engagement is conducted by our ESG team across all companies we hold shares in on behalf of clients. Examples of our engagement are listed below, split into two categories: that conducted with individual companies on specific issues, and thematic engagement on a broader scale with a group of companies.

Thematically, in light of clarification from the UK Government on its Carbon Budget plans, the overarching topic of the period for us was evaluating all investee companies with a specific focus on any potential stranded assets. The ramifications of the environmental pillar of ESG are becoming more real, with two headline-grabbing events during the period: 'a Dutch court ruling that Royal Dutch Shell must cut carbon emissions by 45% by 2030' and 'Exxon losing two board seats to an activist hedge fund over climate related proposals'. Our investment process does not lend itself to owning a significant number of capital-intensive companies. However, these changes will affect everyone and we are keen to ensure management is alive to the risk. We have engaged with our companies regarding their plans for aligning themselves with the transition to net-zero carbon emissions. The companies we have seen with the best governance are taking this seriously by creating achievable roadmaps.

Regarding setting net-zero targets, two investee companies approached us during the quarter asking our opinion on the best route forward. Given the nature of these companies' business and the technology currently available, it is impossible for them to operate in a net-zero manner. However, given the ever-increasing number of net-zero pledges companies in their sectors were making, they wondered if they should be doing the same. We believe that any targets should be based on an achievable plan, and do not believe the current trend of setting a target and figuring out the specifics later is a demonstration of good governance, especially when most plans involve use of copious carbon offsets which we do not believe will hold much weight in the future (and will come at a greater cost to the business). Instead, working towards organically reducing emissions and electricity consumption where possible is a much more effective use of management's time, as these actions also filter through and improve the business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") REPORT (CONTINUED)

In January 2021, IG Design announced its new remuneration policy. The proposed value creation scheme ("VCS") set a 450p share price as the base level for performance when, at the time of release, the company's share price was 610p. This would mean that the VCS would pay out £14.9 million in March 2023 to the executives even if the share price fell to 570p. We strongly believed the market dislocation caused by Covid-19 was taken advantage of. We spoke to the Chair of the Remuneration Committee and were not impressed by the response. We made our feelings clear to the company and voted against the implementation of this policy. When the resolution was ultimately passed, we could not support such value destructive actions and sold out of our position.

In April 2021, City of London Investment Group announced that the company's payment of historical dividends over a period of 12 years had resulted in a technical infringement of the Companies Act 2006. For a business that is not hugely complicated, we see this as a disappointing demonstration of governance. Along with asking the company for an explanation from the Audit Committee about the quality of their auditors, we also pointed out that they should have a finance director and cut back on the number of directors. We have further consulted with the Chairman, Barry Ailing, and Chair of Audit & Risk, Peter Roth, and believe the augmented internal controls that are being put in place are a step in the right direction.

On 4 August 2021, we wrote to the Chair of the Audit Committee for all companies where we hold a material position, defined as ownership greater than 3% of the company. Our intention is to examine the risks each business faces to understand how they are discussed at Board level and how much time the Board spends on them. We were very pleased to receive a response from all 39 companies we contacted, with an average response time of 17 days. Meetings with each Chair were scheduled over the coming months and, by December 2021, all bar 5 had occurred. We have been encouraged with the quality of engagement and found it interesting that many of the Chairs of the Audit Committees have confirmed this is the first time an investor has asked to engage directly with them.

On 8 December 2021 the Boards of Clinigen, one of our investee companies, and Triley Bidco announced they had agreed terms for a recommended all-cash acquisition of Clinigen at 883p per share. We are the second largest holder of Clinigen, with an ownership stake of 7.46%, and did not agree that the offer price represented a true reflection of value for shareholders. We engaged with the Board to seek a higher price. Post-period end, the Boards of Clinigen and Triley Bidco announced an increased and final recommended all-cash offer for Clinigen to 925p per share, this represents an increase of 42p and 5% per share. The revised offer was subsequently accepted by shareholders.

Two investee companies, who had identified staff retention as a key risk, engaged with us in the period. As the majority of their offices are in geographies with a higher average staff turnover than the UK, attracting and retaining good employees is of great importance. Their market research identified a correlation between the more desirable employees and those that cared more about social issues. We discussed what the companies could do to improve their appeal to this demographic and the appropriate accreditation that would give weight to these actions. These companies are now working towards gaining B Corp certification.

Voting

Exercising our voting rights is the most powerful tool we have at our disposal. It is the one absolute way in which we can hold companies accountable. We vote at every shareholder meeting, regardless of the size of our investments in accordance with our Voting Policy. The matters to be voted on are assessed internally using our Voting Policy for each general or extraordinary meeting of an investee company. It is our policy to vote in favour of company management usually. The ESG Committee is responsible for developing and monitoring the Voting Policy which builds on established best practice.

Our up-to-date Voting Policy can be found on our website, along with a complete archive of our voting history.

Slater Investments ESG
February 2022

FUND INFORMATION

Comparative tables

Class A accumulation units **Change in net assets per unit**	**Year to 31.12.21 pence**	**Year to 31.12.20 pence**	**Year to 31.12.19 pence**
Opening net asset value per unit	669.02	611.98	442.65
Return before operating charges*	210.51	65.77	177.28
Operating charges	(12.01)	(8.73)	(7.95)
Return after operating charges*	198.50	57.04	169.33
Gross distribution on accumulation units	-	-	-
Accumulation distributions reinvested	-	-	-
Closing net asset value per unit	867.52	669.02	611.98
*after direct transaction costs of	0.89	0.22	0.27
Performance			
Return after charges	29.67%	9.32%	38.25%
Other information			
Closing net asset value	£60,015,580	£39,124,529	£37,767,522
Closing number of units	6,918,052	5,848,007	6,171,368
Operating charges	1.50%	1.55%	1.53%
Direct transaction costs	0.11%	0.04%	0.05%
Prices			
Highest unit price	876.94p	675.35p	618.35p
Lowest unit price	667.08p	397.53p	441.50p

Class B accumulation units **Change in net assets per unit**	**Year to 31.12.21 pence**	**Year to 31.12.20 pence**	**Year to 31.12.19 pence**
Opening net asset value per unit	698.05	635.16	460.04
Return before operating charges*	220.12	68.97	180.72
Operating charges	(8.56)	(6.08)	(5.60)
Return after operating charges*	211.56	62.89	175.12
Gross distribution on accumulation units	(1.93)	-	(2.78)
Accumulation distributions reinvested	1.93	-	2.78
Closing net asset value per unit	909.61	698.05	635.16
*after direct transaction costs of	0.94	0.22	0.28
Performance			
Return after charges	30.31%	9.90%	38.07%
Other information			
Closing net asset value	£53,586,548	£32,769,305	£15,146,096
Closing number of units	5,891,138	4,694,407	2,384,621
Operating charges	1.02%	1.01%	1.03%
Direct transaction costs	0.11%	0.04%	0.05%
Prices			
Highest unit price	918.04p	704.64p	641.76p
Lowest unit price	696.28p	413.06p	458.86p

FUND INFORMATION (CONTINUED)

Comparative tables (continued)

Class P accumulation units **Change in net assets per unit**	**Year to 31.12.21 pence**	**Year to 31.12.20 pence**	**Year to 31.12.19 pence**
Opening net asset value per unit	710.85	645.31	468.78
Return before operating charges*	224.26	70.27	180.86
Operating charges	(6.48)	(4.73)	(4.33)
Return after operating charges*	217.78	65.54	176.53
Gross distribution on accumulation units	(4.12)	-	(4.15)
Accumulation distributions reinvested	4.12	-	4.15
Closing net asset value per unit	928.63	710.85	645.31
*after direct transaction costs of	0.94	0.23	0.29
Performance			
Return after charges	30.64%	10.16%	37.66%
Other information			
Closing net asset value	£1,546,353,505	£748,673,016	£575,248,076
Closing number of units	166,518,684	105,320,542	89,143,428
Operating charges	0.76%	0.79%	0.79%
Direct transaction costs	0.11%	0.04%	0.05%
Prices			
Highest unit price	936.46p	717.56p	652.01p
Lowest unit price	709.18p	419.89p	467.58p

Operating charges are the same as the ongoing charges and are the total expenses paid by each unit class in the year. Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the weighted average net asset value over the year and the weighted average units in issue for the pence per unit figures.

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 moderate to high volatility historically.

FUND INFORMATION (CONTINUED)

Portfolio statement
as at 31 December 2021

Holding or nominal value		Bid value	Percentage of total net assets 31 Dec'21	31 Dec'20
		£	%	%
	CONSTRUCTION & MATERIALS			
16,721,726	Breedon Group	15,885,640	0.96	
12,588,853	SigmaRoc	10,322,859	0.62	
	Total Construction & Materials	26,208,499	1.58	2.45
	CONSUMER SERVICES			
14,826,360	Devolver Digital	29,652,720	1.79	
7,111,111	Fonix Mobile	11,591,111	0.70	
1,068,910	Hollywood Bowl	2,522,628	0.15	
1,759,130	Loungers	4,925,564	0.30	
4,295,203	Ten Entertainment	10,265,535	0.62	
2,880,000	tinyBuild	5,328,000	0.32	
	Total Consumer Services	64,285,558	3.88	6.83
	FINANCIAL SERVICES			
799,238	Arbuthnot Banking Group	6,553,752	0.40	
3,184,069	Brewin Dolphin	11,717,374	0.71	
7,284,005	Fintel (formly The Simplybiz Group)	16,316,171	0.98	
4,170,000	Foresight Group	18,348,000	1.11	
4,220,402	JTC	38,658,882	2.33	
1,719,064	Liontrust Asset Management	37,733,455	2.27	
7,762,321	Premier Miton	14,981,279	0.90	
19,350,000	Randall & Quilter	33,282,000	2.00	
574,750	Rathbones	11,403,040	0.69	
	Total Financial Services	188,993,953	11.39	8.86
	GENERAL RETAILERS			
1,541,312	CVS Group	34,217,126	2.06	
4,397,680	Supreme	10,686,362	0.64	
22,500,000	Tesco	65,227,500	3.93	
	Total General Retailers	110,130,988	6.63	5.42
	HOUSEHOLD GOODS & HOME CONSTRUCTION			
	Total Household Goods & Home Construction	-	-	0.73

FUND INFORMATION (CONTINUED)

Portfolio statement (continued)
as at 31 December 2021

Holding or nominal value		Bid value	Percentage of total net assets 31 Dec'21	31 Dec'20
		£	%	%
	INDUSTRIAL ENGINEERING			
3,469,547	Trifast	5,551,275	0.33	
	Total Industrial Engineering	5,551,275	0.33	0.49
	INDUSTRIAL GOODS & SERVICES			
1,543,543	Clipper Logistics	11,159,816	0.67	
	Total Industrial goods and services	11,159,816	0.67	-
	INDUSTRIAL TRANSPORTATION			
4,291,363	Avation	3,733,486	0.22	
220,000	James Fisher & Sons	812,900	0.05	
	Total Industrial Transportation	4,546,386	0.27	0.83
	LIFE INSURANCE			
5,060,000	Prudential	64,489,700	3.89	
	Total Life Insurance	64,489,700	3.89	2.91
	MEDIA			
3,429,030	Future	131,331,849	7.91	
7,963,703	ITV	8,803,874	0.53	
5,750,222	LBG Media	11,327,937	0.68	
4,476,122	Next Fifteen Communications	59,532,423	3.59	
1,750,000	Reach	4,935,000	0.30	
4,522,397	STV Group	15,150,030	0.91	
	Total Media	231,081,113	13.92	12.02
	MANUFACTURING			
	Total Manufacturing	-	-	0.10
	PHARMACEUTICALS & BIOTECHNOLOGY			
36,816,305	Alliance Pharma	40,056,140	2.41	
7,207,972	Clinigen Group	65,952,944	3.97	
1,400,000	Ergomed	21,000,000	1.27	
3,310,820	Hutchmed	17,381,805	1.05	
9,250,000	Venture Life Group	2,682,500	0.16	
	Total Pharmaceuticals & Biotechnology	147,073,389	8.86	11.10
	PRECIOUS METALS & MINING			
142,068,789	Jubilee Metals	22,731,006	1.37	
	Total Precious Metals & Mining	22,731,006	1.37	-

FUND INFORMATION (CONTINUED)

Portfolio statement (continued)
as at 31 December 2021

Holding or nominal value		Bid value	Percentage of total net assets 31 Dec'21	31 Dec'20
		£	%	%
	REAL ESTATE INVESTMENT AND SERVICES			
2,510,765	Countryside Properties	11,298,443	0.68	
	Total Real Estate Investment and Services	11,298,443	0.68	1.03
	SOFTWARE & COMPUTER SERVICES			
13,975,983	dotDigital Group	27,392,927	1.65	
2,140,625	Iomart Group	3,634,781	0.22	
12,273,445	Kape Technologies	55,230,502	3.33	
3,682,293	Kin and Carta	10,715,473	0.65	
5,890,779	NCC Group	13,754,969	0.83	
15,030,314	Redcentric	18,336,983	1.10	
	Total Software & Computer Services	129,065,635	7.78	11.30
	SUPPORT SERVICES			
2,591,430	Elixirr International	18,787,868	1.13	
47,647,887	Inspired	8,338,380	0.50	
6,585,930	IWG	19,151,884	1.15	
3,506,900	Marlowe	35,419,690	2.13	
4,881,202	Restore	23,429,770	1.41	
39,980,135	Serco	53,813,262	3.24	
9,566,343	Sureserve Group	8,992,362	0.54	
1,550,000	Wilmington Group	3,286,000	0.20	
	Total Support Services	171,219,216	10.30	8.81
	TECHNOLOGY HARDWARE & EQUIPMENT			
5,311,421	TT Electronics	13,562,660	0.82	
	Total Technology Hardware & Equipment	13,562,660	0.82	0.17
	TRAVEL & LEISURE			
600,832	Best of the Best	3,364,659	0.20	
9,433,879	Marston's	7,254,653	0.44	
	Total Travel & Leisure	10,619,312	0.64	2.10
	OVERSEAS SECURITIES			
3,308,423	Converge Technology	20,795,582	1.25	
702,955	Hutchmed ADRs	18,202,210	1.10	
162,000	Walt Disney	18,574,417	1.12	
	Total Overseas Securities	57,572,209	3.47	4.63
	Portfolio of investments	1,269,589,158	76.48%	79.78
	Net current assets	390,366,475	23.52%	20.22
	Net assets	1,659,955,633	100.00%	100.00

ANNUAL FINANCIAL STATEMENTS
For the year ended 31 December 2021

Statement of total return

	Notes	31 December 2021 £	31 December 2021 £	31 December 2020 £	31 December 2020 £
Income					
Net capital gains	4		287,517,267		77,208,752
Revenue	6	14,384,045		4,047,411	
Expenses	7	(9,716,178)		(5,224,761)	
Net revenue before taxation		4,667,867		(1,177,350)	
Taxation	8	(5,247)		(775)	
Net revenue after taxation			4,662,620		(1,178,125)
Total return before distributions			292,179,887		76,030,627
Distributions	9		(4,804,847)		(104,173)
Change in net assets attributable to unitholders from investment activities			287,375,039		75,926,454

Statement of changes in net assets attributable to unitholders

	31 December 2021 £	31 December 2021 £	31 December 2020 £	31 December 2020 £
Opening net assets attributable to unitholders		820,566,850		628,161,694
Amounts receivable on issue of units	568,995,338		159,554,301	
Amounts payable on cancellation of units	(24,117,363)		(43,301,275)	
Amounts payable on unit class conversions	(425,614)		(5,334)	
Dilution adjustment	585,570		231,010	
		545,037,931		116,478,702
Change in net assets attributable to unitholders from investment activities		287,375,039		75,926,454
Retained distributions on accumulation units		6,975,813		-
Closing net assets attributable to unitholders		1,659,955,633		820,566,850

ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021

Balance sheet

	Notes	31 December 2021 £	31 December 2021 £	31 December 2020 £	31 December 2020 £
ASSETS					
Fixed Assets					
Investments			1,269,589,158		654,645,558
Current Assets					
Debtors	10	5,625,518		3,873,482	
Cash	11	385,072,136		162,092,322	
Total current assets			390,697,654		165,965,804
Total assets			1,660,286,812		820,611,362
LIABILITIES					
Current liabilities					
Creditors	12	331,179		44,512	
Total liabilities			331,179		44,512
Net assets attributable to unitholders			1,659,955,633		820,566,850

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. ACCOUNTING POLICIES

a. Basis of preparation

The financial statements have been prepared in compliance with FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, 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. The principal accounting policies adopted are set out below.

b. Going concern

The Authorised Fund Manager has, at the time of approving the financial statements, a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the financial statements.

c. Revenue

Dividends from equities are recognised when the security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

In the case of an ordinary stock dividend the whole amount is recognised as revenue. In the case of an enhanced stock dividend, the value of the enhancement, calculated as the amount by which the total market value of the shares on the date they are quoted ex-dividend exceeds the cash dividend is treated as capital. The balance is treated as revenue.

d. Expenses

All expenses are accounted for on an accruals basis and, other than those relating to the purchase and sale of investments and dealing in the units of the scheme, are charged against income as shown in these accounts.

e. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on net revenue for the year. The taxable amount differs from net revenue as reported in the Statement of Total Return (SoTR) because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Fund's liability for current tax is calculated using tax rates that have been enacted by the reporting end date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

e. Taxation (continued)

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the SoTR. Deferred tax assets and liabilities are offset when the Fund has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

f. Valuation of investments

The investments of the Fund have been valued at their fair value using closing bid prices on the last business day of the accounting period. Fair value is normally the bid value of each security by reference to quoted prices from reputable sources; that is the market price. If the Authorised Fund Manager believes that the quoted price is unreliable, or if no price exists, a valuation technique is used whereby fair value is the Authorised Fund Manager's best estimate of a fair and reasonable value for that investment. The fair value excludes any element of accrued interest.

g. Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange ruling at the date of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the net capital gains/(losses) for the period in the SoTR.

h. Cash

Cash includes deposits held on call with banks.

i. Financial assets

The Authorised Fund Manager has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of the Fund's financial instruments.

Financial assets are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include amounts receivable for the issue of units, accrued income and cash, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Amortised cost is the amount at which the financial asset is measured at initial recognition, less any reduction for impairment or un-collectability.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

i. Financial assets (continued)

Basic financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SoTR.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

j. Financial liabilities

Financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified into specified categories. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of recognition.

Basic financial liabilities, which include amounts payable for cancellation of units and accrued expenses, are initially measured at transaction price. Other financial liabilities are measured at fair value.

Financial liabilities are derecognised when, and only when, the Fund's obligations are discharged, cancelled, or they expire.

k. Dilution adjustments

The Authorised Fund Manager may require a dilution adjustment on the purchase or subscription of units if, in its opinion, the existing unitholders (for purchases) or the remaining unitholders (for redemptions) might otherwise be adversely affected. The dilution adjustment is carried out whereby the Authorised Fund Manager may adjust the price of units being subscribed for or being redeemed on any given dealing day. The single price of the units can be adjusted either higher or lower at the discretion of the Authorised Fund Manager. Any dilution adjustment included in the price applied to either a subscription of redemption of units is applied to all transactions in the relevant unit class during the relevant period and all transactions in that unit class during the relevant period will be dealt at the same price which includes the dilution adjustment.

Examples of situations where a dilution adjustment may be applied include when there are net inflows or outflows from the Fund on any given day exceeding 0.25% of the Net Asset Value of the Fund, where the Fund is in continual decline or in any other case where the Authorised Fund Manager is of the opinion that the interests of unitholders require the application of a dilution adjustment.

2. DISTRIBUTION POLICIES

a. Basis of distribution

The policy of the Fund is to distribute any net revenue shown as such in the Statement of Total Return adjusted for any dealing expenses incurred and allocated to capital. Revenue attributable to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

b. Apportionment to multiple unit classes

The Authorised Fund Manager's periodic charge is directly attributable to individual unit classes. All other income and expenses are allocated to the unit classes pro-rata to the value of the net assets of the relevant unit class on the day that the income or expenses are recognised.

c. Equalisation

Equalisation applies only to units purchased during the period. It is the average amount of income 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 UK income tax but must be deducted from the cost of the units for UK capital gains tax purposes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021

3. RISK MANAGEMENT POLICIES

In pursuing its investment objective as stated on page 1, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities, together with cash, debtors and creditors that arise directly from its operations, for example, in respect of securities sold receivable and securities purchased payable, amounts receivable for issues and payable for cancellations and debtors for accrued income.

The main risks arising from the Fund's financial instruments and the Authorised Fund Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Fund holds. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the manager in pursuance of the investment objective and policy as set out in the Prospectus.

Investment limits set out in the Trust Deed, Prospectus and in the rules contained in the Collective Investment Schemes Sourcebook mitigate the risk of excessive exposure to any particular security or issuer.

Foreign currency risk

The income and capital value of the Fund's investments can be affected by foreign currency translation movements as some of the Fund's assets and income may be denominated in currencies other than sterling which is the Fund's functional currency.

The Authorised Fund Manager has identified three principal areas where foreign currency risk could impact the Fund. These are, movements in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment purchase or sale is entered into and the date when settlement of the investment occurs, and finally movements in exchange rates affecting income received by the Fund. The Fund converts all receipts of income received in foreign currency, into sterling on the day of receipt.

Credit risk

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 responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Fund Manager as an acceptable counterparty.

Interest rate risk

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The Fund's cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

Liquidity risk

The Fund's assets comprise mainly of readily realisable securities. The main liability of the Fund is the redemption of any units that investors wish to sell. Assets of the Fund may need to be sold if insufficient cash is available to finance such redemptions. The liquidity of the Fund's assets is regularly reviewed by the Authorised Fund Manager.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021

4. NET CAPITAL GAINS

	31 December 2021 £	31 December 2020 £
The net gains on investments during the year comprise:		
Non-derivative securities	287,306,194	77,211,964
Currency gains/(losses)	227,486	(249)
Transaction charges	(16,413)	(2,963)
Net capital gains	287,517,267	77,208,752

5. PURCHASES, SALES AND TRANSACTION COSTS

	31 December 2021 £	31 December 2020 £
Purchases excluding transaction costs	475,665,894	109,708,976
Corporate actions	-	-
	475,665,894	109,708,976
Commissions	287,987	62,190
Taxes and other charges	1,003,936	107,128
Total purchase transaction costs	1,291,923	169,318
Purchases including transaction costs	476,957,817	109,878,294
Purchase transaction costs expressed as a percentage of the principal amount:		
Commissions	0.06%	0.06%
Taxes and other charges	0.21%	0.10%
Sales excluding transaction costs	147,652,695	56,869,790
Corporate actions	1,931,223	-
	149,583,918	56,869,790
Commissions	(43,349)	(68,004)
Taxes and other charges	(148)	(107)
Total sale transaction costs	(43,497)	(68,111)
Sales net of transaction costs	149,540,421	56,801,679
Sales transaction costs expressed as a percentage of the principal amount:		
Commissions	0.03%	0.12%
Taxes and other charges	0.00%	0.00%
Total purchases and sales transaction costs expressed as a percentage of the weighted average net asset value over the year:	0.11%	0.04%

Transaction handling charges

These are total charges payable to the depositary in respect of each transaction.	16,413	2,963

Average portfolio dealing spread

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	1.16%	1.39%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021

6. REVENUE

	31 December 2021 £	31 December 2020 £
UK dividends	13,142,393	3,672,990
Overseas dividends	1,242,054	295,253
Bank interest	(402)	79,168
Total revenue	14,384,045	4,047,411

7. EXPENSES

	31 December 2021 £	31 December 2020 £
Payable to the Authorised Fund Manager or associates:		
Authorised Fund Manager's periodic charge	9,310,556	4,916,835
	9,310,556	4,916,835
Payable to the trustee or associates:		
Trustee's fees	269,667	207,551
Safe Custody fees	110,962	82,617
	380,629	290,168
Other expenses:		
Financial Conduct Authority Fee	222	226
Audit fee	8,220	4,500
Other expenses	16,551	13,032
	24,993	17,758
Total expenses	9,716,178	5,224,761

8. TAXATION

	31 December 2021 £	31 December 2020 £
Analysis of the tax charge for the year		
UK Corporation tax at 19% (2020: 19%)	-	-
Overseas tax	5,247	775
Total tax charge	5,247	775
Factors affecting the tax charge for the year		
Net revenue/(loss) before taxation	4,667,867	(1,177,350)
Corporation tax at 19% (2020: 19%)	886,895	(235,470)
Effects of:		
Revenue not subject to taxation	(2,733,045)	(793,649)
Unrelieved excess management expenses	1,846,150	1,029,119
Overseas tax	5,247	775
Current tax charge	5,247	775

At 31 December 2021 the Fund has deferred tax assets of £7,229,109 (2020: £5,382,959) arising from surplus management expenses which have not been recognised due to uncertainty over the availability of future taxable profits.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021

9. DISTRIBUTIONS

	31 December 2021 £	31 December 2020 £
The distributions take account of revenue received or deducted on the issue of units and revenue deducted or received on the cancellation of units, and comprise:		
Final - Income to December	6,975,812	-
Equalisation (deducted)/added on cancellation of units	594,062	(42,978)
Equalisation deducted/(added) on issue of units	(2,339,412)	152,485
Equalisation payable on unit class conversions	(425,614)	(5,334)
Distributions	4,804,848	104,173
Distributions represented by:		
Net revenue/(loss) after taxation	4,662,620	(1,178,125)
Add: Revenue deficit for the year	142,221	1,254,837
Add: Prior year income received post year end	-	26,438
Balance brought forward	(1,760)	(737)
Balance carried forward	1,767	1,760
	4,804,848	104,173

Details of the distribution per unit are set out in the distribution table in note 17.

10. DEBTORS

	31 December 2021 £	31 December 2020 £
Amounts receivable for issue of units	4,270,113	3,475,520
Accrued income	1,325,597	397,889
Prepaid expenses	69	73
Dividends receivable	29,739	-
Total debtors	5,625,518	3,873,482

11. CASH

	31 December 2021 £	31 December 2020 £
Capital bank account	285,072,136	132,082,852
Deposit account	100,000,000	30,000,000
RBC account	-	9,470
Total cash	385,072,136	162,092,322

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021

12. OTHER CREDITORS

	31 December 2021 £	31 December 2020 £
Amounts payable for cancellation of units	147,674	2,056
Accrued expenses	183,505	42,456
Total other creditors	331,179	44,512

13. RELATED PARTIES

Slater Investments Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the Fund.

Management fees paid to Slater Investments Limited for the year amounted to £9,310,556 (2020: £4,916,835). Amounts due and payable at the year end to Slater Investments Limited total £nil (2020: £nil).

The aggregate monies received by the Authorised Fund Manager through the issue of units and paid on cancellation of units are disclosed in the statement of changes in net assets attributable to unitholders. Amounts outstanding at year end for the issue of units is £4,270,113 (2020: £3,480,278), amounts payable at year end for units redeemed total £147,674 (2020: £2,056).

As at the year end the Authorised Fund Manager, Directors of the Authorised Fund Manager and their dependents and Northglen Investments Limited, parent of the Authorised Fund Manager, held units in the Fund as follows:

Investor	**% Holdings**	
	31 December 2021	**31 December 2020**
Proportion of class P units owned by Slater Investments Limited	0.02%	0.03%
Proportion of class P units owned by Northglen Investments Limited	0.75%	1.19%
Proportion of class P units owned by directors beneficially and non-beneficially	0.20%	0.33%

14. UNITHOLDERS' FUNDS

The Fund currently has three unit classes: Class A (minimum investment £3,000); Class B (minimum investment £100,000); and Class P (minimum investment £5,000,000). The annual management charges are 1.5%, 1% and 0.75% respectively.

During the year the Authorised Fund Manager has issued or cancelled units as set out below:

Accumulation units	Class A	Class B	Class P
Opening units in issue at 1 January 2021	5,848,007	4,694,407	105,320,542
Units issued	1,780,956	1,425,747	62,875,739
Units cancelled	(542,774)	(236,123)	(1,829,436)
Units issued on conversion of units	3,909	7,647	160,084
Units cancelled on conversion of units	(172,046)	(540)	(8,245)
Closing units in issue at 31 December 2021	6,918,052	5,891,138	166,518,684

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021

15. RISK DISCLOSURES

Market price risk sensitivity
A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and the net assets by £63,479,458 (2020: £32,732,278). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk
At the year end date a portion of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Foreign currency exposure as at 31 December 2021	**Investments (£)**	**Net current assets (£)**	**Total (£)**
US Dollar	36,776,627	-	36,776,627
CAD	20,795,582	-	20,795,582

Foreign currency exposure as at 31 December 2020	**Investments (£)**	**Net current assets (£)**	**Total (£)**
US Dollar	37,925,891	-	37,925,891

Foreign currency risk sensitivity
A five per cent decrease in the value of sterling relative to the United States Dollar would have the effect of increasing the return and net assets of the Fund by £2,878,610 (2020: £1,896,295). A five per cent increase would have the equal and opposite effect.

Liquidity risk
The following table provides a maturity analysis of the Fund's financial liabilities:

	31 December 2021 £	**31 December 2020 £**
Other creditors		
Less than 1 year	331,179	44,512
Total	331,179	44,512

16. FAIR VALUE DISCLOSURE

Fair value hierarchy as at 31 December 2020

	31 December 2021		**31 December 2020**	
Valuation technique	**Assets (£)**	**Liabilities (£)**	**Assets (£)**	**Liabilities (£)**
Level 1	1,269,589,158	-	654,645,558	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	1,269,589,158	-	654,645,558	-

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021

16. FAIR VALUE DISCLOSURE (CONTINUED)

The Fund has adopted "Amendments to FRS 102", Section 34 which establishes a hierarchy to be used to estimate the fair value of investments that are publicly traded or whose fair value can be reliably measured if they are not publicly traded. The levels of the hierarchy are as follows:

(1) Fair value based on a quoted price for an identical instrument in an active market.
(2) Fair value based on a valuation technique using observable market data.
(3) Fair value based on a valuation technique that relies significantly on non-observable market data and will include values not primarily derived from observable market data.

The determination of what constitutes "observable" requires significant judgement by the Authorised Fund Manager. The Authorised Fund Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Where investments have final redeemable prices supported by the underlying administrators, these would have been classified as Level 2.

17. DISTRIBUTION TABLE

__ACCUMULATION UNITS__

For the year ended 31 December 2021

Group 1: units purchased prior to 1 January 2021
Group 2: units purchased on or after 1 January 2021

		Net revenue to 31-Dec-21 pence per unit	Equalisation to 31-Dec-21 pence per unit	Distribution payable 28-Feb-22 pence per unit	Distribution paid 28-Feb-21 pence per unit
Class A	Group 1	0.0000p	0.0000p	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class B	Group 1	1.9303p	0.0000p	1.9303p	0.0000p
	Group 2	1.9303p	0.0000p	1.9303p	0.0000p
Class P	Group 1	4.1209p	0.0000p	4.1209p	0.0000p
	Group 2	4.1209p	0.0000p	4.1209p	0.0000p

For Corporate Unitholders the percentage split between Franked and Unfranked income relating to this distribution was:

Franked	0.00%	Unfranked	0.00%

'£0.00 is the Trustee's net liability to corporation tax in respect of the gross revenue.
'0.0000p is the Trustee's net liability to corporation tax per unit.

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