VT ROSSIE HOUSE INVESTMENT MANAGEMENT FUNDS ICVC
(Sub-fund VT Rossie House Portfolio Fund)

Annual Report and Financial Statements
for the year ended 31 December 2021

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COMPANY OVERVIEW

Size of Company	£12,567,460
Launch date	11 April 2014
Type of Company	VT Rossie House Investment Management Funds ICVC is an investment company with variable capital under regulation 12 (Authorisation) of the Open Ended Investment Companies (OEIC) Regulations 2001, authorised by the FCA. The company is incorporated under registration number IC000991. The company is a 'Non-UCITS Retail Scheme' (NURS) umbrella company comprising one Sub-fund, VT Rossie House Portfolio Fund ("the Sub-fund"). You as a shareholder are not liable for the debts of the company.
Sub-fund objective and policy	The Sub-fund's objective is to achieve long term capital and income growth. The Sub-fund will aim to meet its objectives by investing primarily, though not exclusively, in investment trusts and collective investment schemes that invest predominantly in equity securities. The Sub-fund may also have some direct exposure to bonds and other non-equity investments, including cash, gold and derivatives. The Sub-fund can use derivatives for the purpose of meeting its investment objective and for efficient portfolio management (including hedging) ("EPM"). It is envisaged however that the Investment Manager will not make a significant use of derivatives in the ordinary course of investing the assets of the Sub-fund.
Benchmark	The Sub-fund does not have a specific benchmark. However, the performance of the Sub-fund can be assessed by considering whether the objective is achieved (i.e. whether there has been capital growth over the long term (+5 years)).
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited
Ex-distribution dates	30 June, 31 December
Distribution dates	31 August, 28 February
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.
Minimum investment	
Lump sum subscription:	A Class = £250,000 B Class = £10,000
Top-up:	A Class = £1,000 B Class = £1,000
Holding:	A Class = £1,000 B Class = £1,000
Redemption:	A Class = lower of £1,000 or total remaining holding B Class = lower of £1,000 or total remaining holding
Switching:	A Class = £10,000 B Class = £10,000
Initial charges	9%
Redemption charges	3%

The ACD may at its discretion reduce or waive the investment minima and reduce or waive the initial and redemption charges.

ACD charges

The annual management charge is comprised of a fixed element which is retained by the ACD for its own account and a variable element which is paid by the ACD to the Investment Manager.

The fixed element, which is equal to £10,000 per annum, is taken from A Class and B Class Shares pro-rata to their Net Asset Value.

The variable element in respect of the A Class Shares is nil.

The variable element in respect of the B Class Shares is equal to 0.8% per annum of the Net Asset Value of the B Class Shares.

Unless the ACD determines otherwise in its discretion, the A Class shares are only available to employees and partners of the Investment Manager and certain clients of the Investment Manager at the discretion of the ACD.

Performance
The Rossie House Portfolio Fund Class B income shares (1) rose 10.1% in the 2021 calendar year. The Fund has no formal benchmark but a useful comparator is the MSCI PIMFA Balanced Index which rose 12.5%. Although the result compares a little unfavourably with the comparable index, it is a satisfactory absolute return in an eventful year.

(1) With distributions added back

Top Ten Holdings
We list our top ten holdings as usual. Concentration of the top 10 holdings now represents just over 58% of the net assets. Below we have given a brief summary of each holding, with the percentage value of the Fund in brackets.

1. Findlay Park American Fund (7.35%)
The fund has grown to be the largest holding. It has become a substantial size and is the only portfolio the firm manages. Perhaps as a consequence, it has become more concentrated in recent years and now holds mostly larger companies. The managers are mindful of absolute returns and concentrate on companies that have strong free cash flow and pricing power. They have held quite high cash balances at times only investing it when the managers find attractive stock ideas.

2. Herald Investment Trust (6.60%)

Herald invests in smaller technology, media and telecom companies around the globe. The trust has a bias to UK companies, often on the AIM market. Recently the managers have added to Europe and Asia at the expense of US companies due to their higher ratings. Owing to the small size, lack of liquidity and risk of the underlying companies the trust has a large number of holdings. The trust has been actively buying back shares which increases the NAV to remaining investors.

3. Mid Wynd International Investment Trust (6.55%)
This trust invests thematically and is very international in its outlook. Their style is biased to growth companies but they are value conscious, moving out of some higher rated growth stocks at the end of last year into companies on lower ratings and with strong asset backing. They have been tilting their investments to Japan and Asia as well as adding to banks and telco companies.

4. Monks Investment Trust (6.34%)
The Baillie Gifford investment style is active, biased to high growth and long term. Capital growth takes priority over income. The growth stock bias has proved successful over recent years. The managers hold a spread of fast growing companies, earlier stage growth stocks and also some cyclical companies. The holding was reduced in the year.

5. Artemis Alpha Trust (5.91%)
The trust is predominantly invested in UK equities but has flexibility to hold some overseas exposure. Over the past few years it has reduced exposure to unlisted companies whilst increasing exposure to more liquid, larger stocks. Some of the holdings are quite cyclical and have been affected by economies shutting down. The trust has introduced an active discount management policy. Management of the trust and other employees of the manager hold around 20% of the company.

6. Trojan Fund (5.49%)
The fund aims to grow capital in real terms over the long term whilst also preserving capital in difficult times. It holds index-linked bonds, gold through ETFs (exchange traded funds), as well as mainly large international consumer companies. In recent times these have included the biggest US technology companies. They have a very consistent style and have proved adept at avoiding large draw downs in difficult markets.

7. Capital Gearing Trust (5.15%)
The trust aims for capital growth in absolute terms, and preservation of shareholders' wealth is an important consideration. It holds large positions in index-linked gilts as well as corporate bonds and some preference shares. Equity exposure is held mainly through investment trusts which have performed well. Currently, they hold significant exposure to property trusts as well as funds investing in alternative assets.

8. Gold Bullion Securities (4.97 %)

This is a liquid ETF listed on the London Stock Exchange. It invests in physical gold that is "allocated". The gold cannot be lent and conforms to the London Bullion Market Association standards. Each bar is segregated, individually identified and has particular weight, dimensions, fineness and serial marks. The trustee is Law Debenture and the gold is inspected twice per year.

9. North Atlantic Smaller Companies Trust (4.86%)
This trust is managed in an entrepreneurial fashion. It is now predominantly invested in UK companies though it has often had significant investments in the US. Most companies held are relatively small and the manager has an activist approach. This area of the market is under researched. The trust has an experienced manager who is a large shareholder and it has an excellent track record.

10. Law Debenture (4.84%)
Although this trust is now categorised as a UK trust it has significant overseas equity exposure as well as a stand alone Fiduciary Services business. The trust pays an attractive dividend and has a low fee. The manager is very experienced and draws on the Janus Henderson team for overseas stock selection.

Market Review and Portfolio Highlights

Once again, the US equity market was the best performing major stock market, up nearly 30% on the year. The UK market performed much better than in previous years, gaining 18% and a similar return to European indices which were up 17%. Asian markets were disappointing and produced negative returns whilst the Japanese equity market nudged ahead a mere 2%. The fund retains a lower weighting to the US market than global indices. We view the current US weighting of around 63% of world indices to be quite extreme. Furthermore, the concentration of the US market is now heavily biased to a few tech titans. In the past this has been a sign of stretched valuations and excess.

Bond markets have been hard to decipher during the year. At one stage, as inflationary pressures seemed to be increasing they took fright. Later they seemed to regain their poise again, presumably with support of continuing QE but they remain in a febrile state unsure of the strength and duration of this inflationary surge. Growth stocks experienced similarly volatile sentiment with the largest tech stocks usually performing quite well but notable falls began to appear in smaller, more speculative companies. The disappointing performance of gold in an inflationary environment can perhaps be explained by the attraction of cryptocurrencies which also had a wild ride during the year.

We made a number of changes to the portfolio. In response to some redemptions we reduced holdings of Monks Investment Trust, Law Debenture and North Atlantic Smaller Companies Trust after strong performance. We have been disappointed by the share price of Hansa failing to reflect the net asset value (not helped in our opinion by moving their listing to Bermuda) so that holding was also reduced. We reluctantly trimmed Trojan Fund and Overstone Global Equity Fund. Disappointingly, we felt compelled to sell Civitas on governance grounds when we discovered the management were party to several transactions which were not declared. Finally, Keystone Positive Change Trust moved the management of the trust to Baillie Gifford and we felt we had sufficient exposure to that manager already.

Two new holdings were introduced. Independent Investment Trust was added after a period of weakness and after it had moved to a decent discount. With a large management stake and excellent long term performance we were happy to buy this trust with a large weighting to the UK, including some interesting smaller companies. We also participated in a new issue (unusual for us) of Taylor Maritime Investments. This new trust owns a portfolio of handysize and supramax vessels which looked to be very attractively priced. Additionally, we believe shipping rates are experiencing strong growth.

With the exception of Asia Dragon Trust (-4%) and the fund’s position in Gold Bullion Securities (-5%) all other holdings made gains. RIT Capital Partners (+33%) had a performed particularly strongly. Performance was also driven by the holdings of Findlay Park American Fund (+28%), North Atlantic Smaller Companies Trust (+26%) and Mid Wynd International Trust (+20%). Elsewhere, funds with UK exposure such as Aberforth UK Smaller Companies Trust (+18%) and Law Debenture (+16%) made decent gains. Even defensive funds such as Ruffer Investments and Trojan Fund (both +12%) made useful contributions and Scottish Oriental Smaller Companies Trust (+17%) bucked the trend of dull Asian markets.

Outlook

The beginning of the year has got off to a poor start. Equity markets are highly valued by historic standards, especially the US. At the same time there is political uncertainty in the UK and war seems possible in Ukraine. Central Banks have acknowledged that inflation is not going to be transitory and consequently interest rates will rise and QE (quantitative easing) will cease. This has surprised investors who have got used to strong support from the central banks.

The outlook is complicated by the fact that indebtedness is very high. If interest rates rise too much we would expect economic growth to stall, just as it has before when central banks tried this previously – the “Taper Tantrum”. However, if inflation goes much higher then equity market valuations are probably vulnerable. There is a delicate balancing act playing out. We feel it is likely interest rates will rise but remain well below the rate of inflation. Consequently, economies are likely to grow quite strongly but inflation will persist.

Equities may therefore be the best asset class as they participate in strong nominal growth and provide some inflation protection due to companies being able to increase prices. The extended outperformance of growth investors compared to value investors had got very pronounced. We think this trend has been exacerbated by flows into passive (tracker) funds which have supported the big tech companies and the US market in particular. At the same time, the green agenda has caused many value stocks (think oil / mining) to be sold out of portfolios. We feel this disparity between growth and value managers has gone too far and may well continue to reverse.

Fixed coupon bonds look to be a dangerous asset in an inflationary environment. We prefer to hold index linked bonds as along with our gold exposure and funds aiming to preserve capital to protect against equity market declines. We hold about 25% in these assets because we judge the background environment to be quite high risk. The possibility of a misjudgement by central banks, potential war and high debt suggest the next twelve months will potentially be quite difficult. Investors should expect some volatility. That said, we are confident that the underlying fund managers are highly experienced, have attractive long term assets and will navigate their way through whatever conditions lie ahead.

Rossie House Investment Management LLP
Investment Manager to the Fund
3 February 2022

Financial Highlights

A Class Net Income

	Year to 31 December 2021	Year to 31 December 2020	Year to 31 December 2019
Changes in net assets per unit	GBp	GBp	GBp
Opening net asset value per unit	158.8477	144.2427	125.8150
Return before operating charges	19.1361	18.0982	21.9250
Operating charges (note 1)	(1.7838)	(1.6215)	(1.7540)
Return after operating charges *	17.3523	16.4767	20.1710
Distribution on income units	(1.6259)	(1.8717)	(1.7433)
Closing net asset value per unit	174.5741	158.8477	144.2427
*after direct transactions costs of:	0.0347	0.1212	0.0540
Performance			
Return after charges	10.92%	11.42%	16.03%
Other information			
Closing net asset value	£1,172,592	£1,301,201	£1,181,439
Closing number of units	671,687	819,150	819,063
Operating charges (note 2)	1.07%	1.07%	1.10%
Direct transaction costs	0.02%	0.08%	0.04%
Prices			
Highest unit price	179.2256	160.3416	145.6676
Lowest unit price	155.7959	109.1304	125.8150

B Class Net Income

	Year to 31 December 2021	Year to 31 December 2020	Year to 31 December 2019
Changes in net assets per unit	GBp	GBp	GBp
Opening net asset value per unit	149.6832	137.0123	120.4682
Return before operating charges	17.9791	17.1223	20.9164
Operating charges (note 1)	(2.9255)	(2.6806)	(2.7100)
Return after operating charges *	15.0536	14.4417	18.2064
Distribution on income units	(1.5311)	(1.7708)	(1.6623)
Closing net asset value per unit	163.2057	149.6832	137.0123
*after direct transactions costs of:	0.0326	0.1147	0.0515
Performance			
Return after charges	10.06%	10.54%	15.11%
Other information			
Closing net asset value	£866,380	£1,059,616	£925,405
Closing number of units	530,851	707,905	675,418
Operating charges (note 2)	1.87%	1.87%	1.90%
Direct transaction costs	0.02%	0.08%	0.04%
Prices			
Highest unit price	167.7201	151.0979	138.3791
Lowest unit price	146.6065	103.4908	120.4682

Financial Highlights (Continued)

A Class Net Accumulation

	Year to 31 December 2021	Year to 31 December 2020	Year to 31 December 2019
Changes in net assets per unit	GBp	GBp	GBp
Opening net asset value per unit	155.2048	139.1729	119.8962
Return before operating charges	18.7373	17.6068	20.7016
Operating charges (note 1)	(1.7516)	(1.5749)	(1.4249)
Return after operating charges *	16.9857	16.0319	19.2767
Closing net asset value per unit	172.1905	155.2048	139.1729
Retained distributions on accumulated units	1.5961	1.8110	1.6665
*after direct transactions costs of:	0.0341	0.1178	0.0518
Performance			
Return after charges	10.94%	11.52%	16.08%
Other information			
Closing net asset value	£8,794,447	£8,613,412	£8,541,412
Closing number of units	5,107,393	5,549,706	6,137,266
Operating charges (note 2)	1.07%	1.07%	1.10%
Direct transaction costs	0.02%	0.08%	0.04%
Prices			
Highest unit price	175.9796	155.7579	139.6287
Lowest unit price	152.2230	105.2905	119.8962

B Class Net Accumulation

	Year to 31 December 2021	Year to 31 December 2020	Year to 31 December 2019
Changes in net assets per unit	GBp	GBp	GBp
Opening net asset value per unit	148.1789	133.9438	116.3424
Return before operating charges	17.8059	16.8729	19.9791
Operating charges (note 1)	(2.9102)	(2.6378)	(2.3777)
Return after operating charges *	14.8957	14.2351	17.6014
Closing net asset value per unit	163.0746	148.1789	133.9438
Retained distributions on accumulated units	1.5144	1.7360	1.6098
*after direct transactions costs of:	0.0324	0.1128	0.0501
Performance			
Return after charges	10.05%	10.63%	15.13%
Other information			
Closing net asset value	£1,778,144	£1,140,948	£818,425
Closing number of units	1,090,387	769,980	611,021
Operating charges (note 2)	1.87%	1.87%	1.90%
Direct transaction costs	0.02%	0.08%	0.04%
Prices			
Highest unit price	166.8301	148.7131	134.3941
Lowest unit price	145.1314	101.1630	116.3424

1 The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.

2 The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund together with the ongoing charges included within the underlying Open and Closed Ended Investment Companies held within the Sub-fund's holdings.

Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Sub-fund is ranked '5' because weekly historical performance data indicates that it has experienced relatively high rises and falls in market prices historically.

PORTFOLIO STATEMENT

As at 31 December 2021

Holding		Value £	% of total net assets
	FIXED INTEREST (31 December 2020: 4.60%)		
2,700	CG Real Return	568,215	4.52%
		568,215	4.52%
	CAPITAL PRESERVATION (31 December 2020: 14.14%)		
536,000	Trojan Fund (X Inc)	690,100	5.49%
164,000	Ruffer Investments	481,340	3.83%
12,550	Capital Gearing Trust	646,953	5.15%
		1,818,393	14.47%
	UK (31 December 2020: 15.91%)		
22,500	Aberforth UK Smaller Companies	328,950	2.62%
184,000	Artemis Alpha Trust	742,440	5.91%
55,000	Independent Investment Trust	306,900	2.44%
76,200	Law Debenture	608,457	4.84%
298,934	Taylor Maritime Investments	303,926	2.42%
		2,290,673	18.23%
	INTERNATIONAL (31 December 2020: 28.18%)		
1,454	Egerton Capital Equity	606,121	4.82%
58,000	Monks Investment Trust	796,340	6.34%
96,000	Mid Wynd International Investment Trust	822,720	6.55%
2,400	Overstone Global Equity Fund	349,514	2.78%
17,500	RIT Capital Partners	480,375	3.82%
36,000	Scottish Mortgage Trust	481,860	3.83%
		3,536,930	28.14%
	US (31 December 2020: 5.98%)		
6,250	Findlay Park American Fund (USD)	923,257	7.35%
		923,257	7.35%
	GOLD (31 December 2020: 5.36%)		
5,000	Gold Bullion Securities	624,885	4.97%
		624,885	4.97%
	JAPAN (31 December 2020: 4.70%)		
155,000	LF Morant Wright Japan Fund	595,510	4.74%
		595,510	4.74%
	ASIA (31 December 2020: 3.75%)		
30,000	Asia Dragon Trust	152,100	1.21%
25,000	Scottish Oriental Smaller Companies Trust	285,625	2.27%
		437,725	3.48%
	EMERGING MARKETS (31 December 2020: 1.86%)		
115,600	Utilico Emerging Markets Investment Trust	244,494	1.95%
		244,494	1.95%
	SPECIALIST (31 December 2020: 11.74%)		
13,000	North Atlantic Smaller Companies Investment Trust	611,000	4.86%
33,000	Herald Investment Trust	829,124	6.60%
30,000	Hansa Investment Company Limited	63,900	0.51%
		1,504,024	11.97%
	PROPERTY (31 December 2020: 2.23%)		
	Portfolio of Investments (31 December 2020: 98.45%)	**12,544,106**	**99.82%**
	Net Other Assets (31 December 2020: 1.81%)	**67,455**	**0.54%**
	Adjustment to revalue from Mid to Bid Prices (31 December 2020: (0.26%))	**(44,101)**	**(0.36%)**
		12,567,460	**100.00%**

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Sales for the year (note 14)	£ **1,147,140**
Asia Dragon Trust	49,115
Civitas Social Housing	237,923
Hansa Investment Company Limited	97,231
Keystone Investment Trust	315,269
Law Debenture Corporation	29,580
Monks Investment Trust	189,156
North Atlantic Smaller Companies Investment Trust	47,966
Overstone Global Equity Fund	100,323
Trojan Fund	80,577

Purchases for the year (note 14)	£ **557,140**
Independent Investment Trust	307,141
Taylor Maritime Investments	249,999

The above transactions represent all of the sales and purchases during the year.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S (ACD'S) RESPONSIBILITIES

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company at the end of the financial year and its net revenue and net capital gains for the year. In preparing these financial statements the Authorised Corporate Director is required to:

> comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.
> select suitable accounting policies and then apply them consistently.
> make judgements and estimates that are reasonable and prudent.
> prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the COLL Sourcebook, Investment Funds Sourcebook (FUND), the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook and FUND, we hereby certify the annual report.

Anne A Laing

Anne A. Laing CA

David E Smith

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date 15/3/22

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Depositary must ensure that:
> the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
> the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
> the value of shares in the Company is calculated in accordance with the Regulations;

> any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
> the Company's income is applied in accordance with the Regulations; and
> the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to 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 AIFM:

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 Regulations and the Scheme documents of the Company, and

ii) has observed the Investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
01 January 2022

Opinion

We have audited the financial statements of VT Rossie House Investment Management Funds ICVC ("the Company") for the year ended 31 December 2021 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

> give a true and fair view of the financial position of the Company at 31 December 2021 and of the net revenue and the net capital gains the scheme property of the Company for the year then ended; and

> have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority 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 described further 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 Corporate Director’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The Authorised Corporate Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the COLL Regulations

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

> Proper accounting records for the Company have been kept and the accounts are in agreement with those records;

> We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and

> The information given in the report of the Authorised Corporate Director for the year is consistent with the financial statements.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 10, the Authorised Corporate Director 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 controls as the Authorised Corporate Director 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 Corporate Director is responsible for assessing the Company'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 Corporate Director either intends to liquidate the Company or to cease operations, or has 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.

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

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

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

> UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds
> the Financial Conduct Authority’s Collective Investment Schemes Sourcebook
> the Financial Conduct Authority's Investment Funds Sourcebook
> the Company’s Prospectus

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of the Authorised Corporate Director. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Company’s breaches register.

We assessed the susceptibility of the Company’s financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Authorised Corporate Director was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Authorised Corporate Director oversees the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

> Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Corporate Director in its calculation of accounting estimates for potential management bias; and

> Assessing the Company’s compliance with the key requirements of the Collective Investment Schemes Sourcebook, Investment Funds Sourcebook and its Prospectus.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material risk due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders 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 Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

Date 21 March 2022

STATEMENT OF TOTAL RETURN

For the year ended 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Income					
Net capital gains	2		1,223,399		1,116,998
Revenue	3	124,461		147,312	
Expenses	4	(57,471)		(52,663)	
Interest payable and similar charges	6	(1,007)		(856)	
Net revenue before taxation		65,983		93,793	
Taxation	5	-		-	
Net revenue after taxation			65,983		93,793
Total return before distributions			1,289,382		1,210,791
Finance costs: distributions	6		(123,454)		(146,456)
Changes in net assets attributable to shareholders from investment activities			1,165,928		1,064,335

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December 2021

	2021 £	2020 £
Opening net assets attributable to shareholders	12,085,525	11,443,543
Amounts receivable on creation of shares	531,670	589,928
Amounts payable on cancellation of shares	(1,316,141)	(1,130,333)
Retained accumulation distributions	100,478	118,052
Changes in net assets attributable to shareholders from investment activities (see above)	1,165,928	1,064,335
Closing net assets attributable to shareholders	12,567,460	12,085,525

BALANCE SHEET

As at 31 December 2021	Notes	31.12.2021 £	31.12.2021 £	31.12.2020 £	31.12.2020 £
ASSETS					
Investment assets			12,500,005		11,866,239
Current Assets					
Debtors	**7**	12,051		34,171	
Cash and bank balances	**8**	83,459		216,219	
Total current assets			95,510		250,390
Total assets			12,595,515		12,116,629
LIABILITIES					
Creditors					
Distribution payable on income shares		(9,268)		(13,750)	
Other creditors	**9**	(18,787)		(17,354)	
Total liabilities			(28,055)		(31,104)
Net assets attributable to shareholders			12,567,460		12,085,525

For the year ended 31 December 2021

1 Accounting policies

(a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

(b) The expenses of the Sub-fund are paid out of capital.

(c) Distributions on equities and collectives are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis.

Equalisation received by the way of distributions from OEIC's/unit trust investment is not included in revenue but is reflected as a reduction in the book cost of the investment.
(d) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.

(e) Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

(f) All expenses are accounted for on an accruals basis.

(g) As this Sub-fund pays its expenses out of capital the revenue from investments is paid out in half yearly distributions to all holders of income shares. In all cases, tax vouchers will be issued to shareholders.

(h) Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is 4.30pm on 31 December 2021 with reference to quoted bid prices from reliable external sources. Unlisted collective investment schemes are valued at the closing bid price for dual priced funds and the closing single price for single priced funds..

(i) All transactions in foreign currencies are converted into Sterling at the rate of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 31 December 2021.

(j) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

(k) In certain circumstances the ACD may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Fund, is intended to cover certain charges not included in the bid market value of the Sub-fund, used in calculating the share price, which could have a diluting effect on the performance of the Sub-fund.

(l) Equalisation will be applied to the Company. An allocation of income to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum ("income equalisation") representing the ACD's best estimate of the amount of income included in the price of that share.

Distributions from collective investment schemes are recognised as revenue on the date the securities are quoted ex-dividend. Equalisation on distributions from collective investment schemes is deducted from the cost of the investment and does not form part of the Sub-fund's distribution.

The amount of income equalisation in respect of any share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD's best estimate of the amounts of income included in the price of shares in that class issued or sold in the annual or interim period in question and dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

2 Net capital gains

		2021	2020
		£	£
Net capital gains comprise:			
Non-derivative securities gains	- unrealised	1,010,349	388,090
	- realised	213,419	728,473
Transaction charges		6	(46)
Currency gains		(375)	481
Total net capital gains		1,223,399	1,116,998

3 Revenue

	2021	2020
	£	£
Non taxable dividends	106,407	117,267
Interest distributions	8,113	14,459
Property income distributions (PID)	9,922	15,470
Bank interest	19	116
Total revenue	124,461	147,312

4 Expenses

	2021	2020
	£	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD fee	29,548	24,430
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,000	18,000
Safe custody fee	609	1,230
	18,609	19,230
Other expenses:		
Audit fee	8,304	8,311
FCA fee	54	(115)
Legal fees	-	360
Transaction charges	956	447
	9,314	9,003
Total expenses	57,471	52,663

5 Taxation

	2021	2020
	£	£
(a) Analysis of charge in the year		
Overseas withholding tax	-	-
Total tax charge for the year (note 5b)	-	-

	2021	2020
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2020: 20.00%). The differences are explained below:		
Net revenue before taxation	65,983	93,793
Corporation tax at 20.00% (2020: 20.00%)	13,197	18,759
Effects of:		
Revenue not subject to UK corporation tax	(21,282)	(23,453)
Current year expenses not utilised	8,085	4,694
Overseas withholding tax	-	-
Current taxation (note 5a)	-	-

(c) Provision for deferred taxation

At 31 December 2021 there is a potential deferred tax asset of £39,667 (31 December 2020: £31,582) in relation to surplus management expenses. It is unlikely the company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

6 Finance costs

	2021	2020
	£	£
Interim dividend distribution	64,272	75,376
Final dividend distribution	57,284	70,206
	121,556	145,582
Add: Revenue deducted on cancellation of shares	2,950	3,163
Deduct: Revenue received on issue of shares	(1,052)	(2,289)
	123,454	146,456
Interest charge	1,007	856
Total finance costs	124,461	147,312
Reconciliation of distributions		
Net revenue after taxation	65,983	93,793
Expenses paid by capital	57,471	52,663
Relief on expenses allocated to capital	(3,409)	-
Balance carried forward	3,409	-
Net distribution for the year	123,454	146,456

7 Debtors

	31.12.2021	31.12.2020
	£	£
Amounts receivable for sale of investments	-	22,048
Accrued revenue: Dividends receivable	12,051	11,959
Prepayments	-	164
	12,051	34,171

8 Cash and bank balances

	31.12.2021	31.12.2020
	£	£
Cash and bank balances	83,459	216,219

9 Creditors

	31.12.2021	31.12.2020
	£	£
Payable to the Investment manager	10,293	7,815
Other accrued expenses	8,494	9,539
Total creditors	18,787	17,354

10 Shares held

Shares Held - Class A Net Income	
Opening Shares at 01.01.2021	**819,150**
Shares issued during the year	69
Shares cancelled during the year	(147,532)
Shares converted during the year	-
Closing Shares as at 31.12.2021	**671,687**
Shares Held - Class A Net Accumulation	
Opening Shares at 01.01.2021	**5,549,706**
Shares issued during the year	-
Shares cancelled during the year	(442,313)
Shares converted during the year	-
Closing Shares as at 31.12.2021	**5,107,393**
Shares Held - Class B Net Income	
Opening Shares at 01.01.2021	**707,905**
Shares issued during the year	14,832
Shares cancelled during the year	(184,983)
Shares converted during the year	(6,903)
Closing Shares as at 31.12.2021	**530,851**
Shares Held - Class B Net Accumulation	
Opening Shares at 01.01.2021	**769,980**
Shares issued during the year	324,557
Shares cancelled during the year	(11,124)
Shares converted during the year	6,974
Closing Shares as at 31.12.2021	**1,090,387**

11 Risk management

In pursuing its investment objective as stated on page 1, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

11 Risk management (continued)

Market price risk
Market price risk is the risk that the value of the Sub-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 Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31.12.2021 would have increased/decreased by £1,250,001 (2020: £1,186,624).

Foreign currency risk
Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is invested in funds and equities that are registered overseas and collective investment schemes which invest in overseas securities, and the balance sheet can be affected by movements in foreign exchange rates. The ACD may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

A portion of the net assets of the Sub-fund is denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Sterling	67,455	219,286	10,607,096	10,079,809	10,674,551	10,299,095
US Dollars	-	-	1,892,909	1,786,430	1,892,909	1,786,430
Total	67,455	219,286	12,500,005	11,866,239	12,567,460	12,085,525

Interest rate risk
Interest rate risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The Sub-fund has one fixed rate investment (CG Real Return). Other than this the interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates. The current exposure at 31 December 2021 is £651,674 (2020: £772,392).

Maturity of financial liabilities
The financial liabilities of the Sub-fund as at 31 December 2021 are payable either within one year or on demand.

Liquidity risk
The Sub-fund's asset comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

Credit risk
Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for sale after the Sub-fund has fulfilled its responsibilities.

The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers’ financial ratings are reviewed.

11 Risk management (continued)

Credit risk (continued)

Credit risk also arises on cash held within financial institutions and debt securities. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related.

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

Level 1: Unadjusted quoted price in an active market for an identical instrument;
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	Assets £000's	Liabilities £000's
Level 1: Unadjusted quoted price in an active market for an identical instrument	12,500	-
Total	12,500	-

12 Contingent assets and liabilities

At 31 December 2021, the Sub-fund had no contingent liabilities or commitments (31 December 2020: £nil)

13 Post balance sheet events

Since the year end, the prices of the share classes have changed as follows:

	31 December 2021	**As at 25 February 2022**
	GBp	GBp
Class A Net Income	174.5741	159.8706
Class A Net Accumulation	172.1905	157.6878
Class B Net Income	163.2057	149.2808
Class B Net Accumulation	163.0746	149.1582

14 Portfolio transaction costs

	2021 £	2021 %	2020 £	2020 %
Analysis of total purchase costs				
Purchases in the year before transaction costs	555,397		1,730,969	
Commissions	214	0.04%	1,672	0.10%
Taxes & Levies	1,529	0.27%	5,325	0.31%
Total purchase costs	1,743	0.31%	6,997	0.41%
Total purchases including transaction costs	557,140		1,737,966	

	2021 £	2021 %	2020 £	2020 %
Analysis of total sale costs				
Sales in the year before transaction costs	1,148,069		2,193,654	
Commissions	(922)	(0.08%)	(1,711)	(0.08%)
Taxes & Levies	(7)	(0.00%)	(7)	(0.00%)
Total sale costs	(929)	(0.08%)	(1,718)	(0.08%)
Total sales net of transaction costs	1,147,140		2,191,936	

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the year:

	2021 £	% of average net asset value	2020 £	% of average net asset value
Commissions	1,136	0.01%	3,383	0.03%
Taxes & Levies	1,536	0.01%	5,332	0.05%
	2,672	0.02%	8,715	0.08%

15 Portfolio Dealing Spread

The average portfolio dealing spread at 30 December 2021 is 0.72% (2020: 0.52%)

Final distribution in pence per share
Group 1: Shares purchased prior to 01 July 2021
Group 2 : Shares purchased on or after 01 July 2021 and on or before 31 December 2021

01 July 2021 to 31 December 2021

Class A Net Income	Net Revenue 28.02.2022	Equalisation	Distribution 28.02.2022	Distribution 26.02.2021
Group 1	0.7925p	-	0.7925p	0.9246p
Group 2	0.6626p	0.1299p	0.7925p	0.9246p
Class B Net Income	**Net Revenue 28.02.2022**	**Equalisation**	**Distribution 28.02.2022**	**Distribution 26.02.2021**
Group 1	0.7431p	-	0.7431p	0.8726p
Group 2	0.7431p	-	0.7431p	0.8726p
Class A Net Accumulation	**Net Revenue 28.02.2022**	**Equalisation**	**Distribution 28.02.2022**	**Distribution 26.02.2021**
Group 1	0.7818p	-	0.7818p	0.8981p
Group 2	0.7818p	-	0.7818p	0.8981p
Class B Net Accumulation	**Net Revenue 28.02.2022**	**Equalisation**	**Distribution 28.02.2022**	**Distribution 26.02.2021**
Group 1	0.7416p	-	0.7416p	0.8588p
Group 2	0.5237p	0.2179p	0.7416p	0.8588p

Interim distribution in pence per share
Group 1: Shares purchased prior to 01 January 2021
Group 2 : Shares purchased on or after 01 January 2021 and on or before 30 June 2021

01 January 2021 to 30 June 2021

Class A Net Income	Net revenue 31.08.2021	Equalisation	Distribution 31.08.2021	Distribution 31.08.2020
Group 1	0.8334p	-	0.8334p	0.9471p
Group 2	0.5968p	0.2366p	0.8334p	0.9471p
Class B Net Income	**Net revenue 31.08.2021**	**Equalisation**	**Distribution 31.08.2021**	**Distribution 31.08.2020**
Group 1	0.7880p	-	0.7880p	0.8982p
Group 2	0.5068p	0.2812p	0.7880p	0.8982p
Class A Net Accumulation	**Net revenue 31.08.2021**	**Equalisation**	**Distribution 31.08.2021**	**Distribution 31.08.2020**
Group 1	0.8143p	-	0.8143p	0.9129p
Group 2	0.8143p	-	0.8143p	0.9129p
Class B Net Accumulation	**Net revenue 31.08.2021**	**Equalisation**	**Distribution 31.08.2021**	**Distribution 31.08.2020**
Group 1	0.7728p	-	0.7728p	0.8772p
Group 2	0.3841p	0.3887p	0.7728p	0.8772p

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

i) 85.49% of the total dividend allocation together with the tax credit is received as franked investment income.
ii) 14.51% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

Distribution
Distributions of the revenue of the Sub-fund will be made to shareholders on or before 28 February each year and interim allocations of revenue on or before 31 August.

Taxation
The Sub-fund will pay no corporation tax on its profits for the year ended 31 December 2021 and capital gains within the Sub-fund will not be taxed.

Individual shareholders
Income tax: Tax-free annual dividend allowance now standing at £2,000 (2021/22). UK resident shareholders are subject to new, higher rates of tax on dividend income in excess of the annual allowance. The actual rate depends on the individual's tax rate band.

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £12,300 (2021/22) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Debts of the ICVC fund
Unit holders of the ICVC are not liable for the debts of the ICVC.

Corporate shareholders
Companies resident for tax purposes in the UK which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at a rate of 20% and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

The above information on taxation is only a general summary, and shareholders should consult their own tax advisors in relation to their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

Issue and redemption of shares
Valu-Trac Investment Management Limited is the ACD and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours (8.30am and 5.30pm). Instructions may be given by email to (rhpf@valu-trac.com) or by sending an application form to the Registrar. Application forms are available from the Registrar.

The price of shares will be determined by reference to a valuation of the Sub-fund's net assets at 4.30pm daily.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. Settlement is due on receipt by the purchaser of the contract note and should be made to the Company's account at the custodian.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Alternative Investment Fund Managers Directive

Under the European Union's Alternative Investment Fund Managers Directive ('AIFMD') 2013, the Company has been designated an Alternative Investment Fund. The ACD, Valu-Trac Investment Management Limited has been appointed as the AIFM. The AIFMD has had little impact on the operating costs or management of the VT Rossie House Portfolio Fund.

To comply with the AIFMD, information about the AIFM's remuneration policies and disclosures and conflict of interest policies are available from Valu-Trac Investment Management Limited on its website. The Company does not employ any staff directly from the AIFM, so there are no quantitative disclosures in this report.

CORPORATE DIRECTORY

Authorised Corporate Director, Alternative investment Fund Manager & Registrar	Valu-Trac Investment Management Limited Mains of Orton Fochabers Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: rhpf@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Director	Valu-Trac Investment Management Limited as ACD
Investment Manager	Rossie House Investment Management LLP 50 Moray Place Edinburgh EH3 6BQ Authorised and regulated by the Financial Conduct Authority
Depositary	NatWest Trustee and Depositary Services Limited Floor A House 0 175 Glasgow Road Gogarburn Edinburgh EH12 9JN Authorised and regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP Commerce House South Street Elgin IV30 1JE

Statement by the Authorised Fund Manager (AFM) to the shareholders of VT Rossie House Portfolio Fund on the outcome of the AFM's assessment of the value provided to shareholders

For the year ended 31 December 2021

This assessment is to establish what VT Rossie House Portfolio Fund (the fund) has delivered to you in return for the price you have had to pay.

Our assessment has been conducted against the seven factors outlined by the FCA and the fund has been rated via a 'traffic light' system, where green (G) indicates good value: amber (A) room for improvement, and red (R) poor value. The dashboard below shows an overall summary of the assessment.

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Rossie House Portfolio Fund	G	G	A	G	G	G	G	G
Class A	G	G	G	G	G	G	G	G
Class B	G	G	A	G	G	G	G	G

The AFM is the Authorised Corporate Director of the fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Manager is Rossie House Investment Management LLP.

The fund was launched on 11 April 2014 with the A Net Income shares; the B Net Income shares were launched on 1 May 2014.

The fund's objective is to achieve long term capital and income growth. The fund will aim to meet its objectives by investing primarily, though not exclusively, in investment trusts and collective investment schemes that invest predominantly in equity securities. The fund may also have some direct exposure to bonds and other non-equity investments, including cash, gold and derivatives.

	At and for the year ended				
	31 Dec 2021 [1]	**31 Dec 2020** [1]	**31 Dec 2019** [1]	**31 Dec 2018** [1]	**31 Dec 2017** [1]
Value of fund (per the performance record)					
A Net Income	£1,173k	£1,301k	£1,181k	£1,027k	£1,095k
A Net Accumulation	£8,794k	£8,613k	£8,541k	£7,665k	£8,586k
B Net Income	£866k	£1,060k	£925k	£889k	£864k
B Net Accumulation	£1,778k	£1,141k	£818k	£595k	£850k
Shares outstanding					
A Net Income	672k	819k	819k	816k	816k
A Net Accumulation	5,107k	5,550k	6,137k	6,393k	6,804k
B Net Income	531k	708k	675k	738k	666k
B Net Accumulation	1,090k	770k	611k	511k	689k
NAV per share					
A Net Income	174.57p	158.85p	144.24p	125.82p	134.23p
A Net Accumulation	172.19p	155.20p	139.17p	119.90p	126.18p
B Net Income	163.21p	149.68p	137.01p	120.47p	129.57p
B Net Accumulation	163.07p	148.18p	133.94p	116.34p	123.37p

Dividend per share					
A Net Income	1.63p	1.87p	1.74p	1.78p	1.81p
A Net Accumulation	1.60p	1.81p	1.67p	1.67p	1.69p
B Net Income	1.53p	1.77p	1.66p	1.70p	1.75p
B Net Accumulation	1.51p	1.74p	1.61p	1.62p	1.52p
Net gains/(losses) before expenses					
Capital gains/(losses)	£1,223k	£1,117k	£1,523k	(£628k)	£1,165k
Total Net gains/(losses)	£1,348k	£1,264k	£1,664k	(£484k)	£1,315k

1 Sources of data is Valu-Trac Administration Services

In carrying out the assessment of value the following criteria were considered:

1. **Quality of service**

The AFM considers that a good level of service was provided to shareholders by all parties involved commensurate to the amount paid by the fund for those services. The AFM monitors the following operational services:

Depositary – NatWest Trustee and Depositary Services Limited

Custodian – RBC Investor Services Trust, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP.

These services are essential in ensuring that the fund operated efficiently and in the case of the Depositary and Custodian the service is supervised on an on-going daily basis by the AFM. As a shareholder this means that you can be certain that your requests such as investment and redemption of the fund's units will always be carried out exactly as set out in the documentation.

Valu-Trac does not delegate any of the core functions of the fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the shareholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with Rossie House Investment Management LLP to coordinate mailings such as annual letters with dividend vouchers and financial reports to avoid excessive correspondence whilst providing all required reporting on a timely and clear basis. This also has ensured that the AFM has responded to any enquiries from shareholders fully and promptly.

The AFM has also assessed the costing of each of these services to comparable providers and has concluded that the company is receiving good value for the services provided by each party (detailed analysis on how we have arrived at this conclusion can be provided on request).

2. Performance

The AFM has assessed performance of the fund net of all the charges that are outlined in its prospectus. The fund does not have a specific benchmark. However, the performance of the fund can be assessed by considering whether the objective is achieved (i.e. whether there has been capital growth over the long term (+5 years) and also income growth over the period). To aid this the Fund performance is compared to the performance of the MSCI AC World (the comparator).

To show capital and income growth, the total returns generated are shown on the table below this is after operating costs, including the fee paid to the investment manager, and transaction costs which vary depending on the class of shares, this is discussed more in the Classes of Units section below.

	2021 performance	**2021 Comparator Performance**	**5-year Performance**	**5-year Comparator Performance**
A Net Income	10.92%	12.54%	52.19%	39.58%
A Net Accumulation	10.94%	12.54%	54.11%	39.58%
B Net Income	10.06%	12.54%	46.36%	39.58%
B Net Accumulation	10.05%	12.54%	48.05%	39.58%

Total return basis has distributions added back in for the Income share class.

The AFM has also assessed the risk the fund took to achieve the above performance and has concluded that the fund not taken excessive risk to achieve this performance (detailed analysis on how we have arrived at this conclusion can be provided on request).

3. AFM costs - general

The costs charged during the year ended 31 December 2021 were as follows:

	£	**% of average fund value**
Authorised Corporate Director	10,000	0.08%
Investment Manager fee (Class B only)	19,548	0.15%
Depositary fee	18,000	0.14%
Audit fee	8,304	0.06%
FCA fee	54	0.00%
Safe Custody and Transaction fees	1,559	0.01%
Total costs	**57,465**	**0.44%**

Income for the year (capital and revenue) less costs was £1,289k; there was no taxation.

There were no preliminary charges, redemption charges or dilution levies paid by shareholders during the year.

It should be noted that the prospectus does allow for a dilution levy charged in the following circumstances: where the Scheme Property of a Fund is in continual decline; on a Fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the relevant Fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

The AFM has considered the costs charged to the fund by comparing the operating charges of the share classes to the average OCF of the largest 10 funds in the IA Specialist sector, retail classes where available. This is shown below.

	Operating charges (including cost of underlying funds)
A Class	1.07%
B Class	1.87%
IA Specialist (average of 10 largest funds)	1.13%

Source - Morningstar

The AFM has concluded that while there is room for improvement with the costs of the B class above the comparator, it has concluded the costs and in particular the investment management fee is appropriate and justified for the fund. It should be noted that a significant portion of the operating charges is the costs of underlying funds it holds at 0.77%. Excluding this the operating charges would be 0.30% for the A Class and 1.10% for the B Class. Section 7 discusses the difference in the annual management fee charged to the two share classes.

4. Economies of scale

The AFM has assessed to what extent it has been able to achieve any savings as a result of economies of scale. Where any such savings have been made this has in every case been passed on to the shareholders. An example of this is the depositary fees charged being on a sliding scale so reduce in cost as the Fund exceeds certain thresholds. As the AFM grows its total assets across all schemes it uses this purchasing power to benefit all schemes.

5. Comparable market rates

The AFM has compared the charges of this fund with that of comparable funds. The AFM selected funds that are classified in the IA Specialist sector along with similar style funds that the AFM administer. The AFM believes that the shareholders of the fund are achieving efficient market rates as a whole and are not excessive as discussed in section 3. As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

6. Comparable services

The services provided to this fund and the costs are also comparable amongst other similar funds operated by the AFM, and is aligned with its normal operating model.

7. Classes of units

As detailed below there are 4 share classes (income and accumulation for the Class A and Class B shares), available figures are given below. Each class of shares has its own rate for investment manager charges, as detailed below, with 2020 and 2021 having the lowest percentage of operating charges so far.

	At and for the year ended				
	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
Operating charges					
A Class	1.07%	1.07%	1.10%	1.24%	1.14%
B Class	1.87%	1.87%	1.90%	2.04%	1.94%

Unless the ACD determines otherwise in its discretion the A Class shares are only available to the employees and partners of the Investment Manager and certain clients of the Investment Manager at the discretion of the AFM. The A class shares have no investment manager charge, whilst the B class shares have an investment management charge of 0.80% of the net asset value of those share classes.

CONCLUSION

As mentioned in the introduction, we have rated the fund based on a 'traffic light assessment system. This is shown in the table below, where green (G) indicates good value; amber (A) indicates room for improvement, and red (R) indicates poor value.

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Rossie House Portfolio Fund	G	G	A	G	G	G	G	G
Class A	G	G	G	G	G	G	G	G
Class B	G	G	A	G	G	G	G	G

In taking all of these criteria into consideration the AFM concludes that in assessing whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to shareholders; while the performance of the Fund is behind the comparator in the period under review, it has outperformed the comparator during the objective period providing total returns. Therefore, it is considered that the shareholders of VT Rossie House Portfolio Fund are receiving good value.

23 February 2022