

## **VT ARGONAUT FUNDS**

**(Sub-funds VT Argonaut European Alpha Fund (formerly known as FP Argonaut European Alpha Fund), VT Argonaut Absolute Return Fund (formerly known as FP Argonaut Absolute Return Fund) and VT Argonaut Equity Income Fund (formerly known as FP Argonaut European Income Opportunities Fund))**

**Annual Report and Financial Statements  
for the year ended 28 February 2021**

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## COMPANY OVERVIEW

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### Type of Company:

VT Argonaut Funds (“the Company”) is an investment company with variable capital (“ICVC”) incorporated in England and Wales under registered number IC000943 and authorised by the Financial Conduct Authority with effect from 12 March 2012. It is a UCITS scheme as defined in COLL and also an umbrella company for the purposes of the OEIC Regulations. The company has unlimited duration

The Company has currently three sub-funds available for investment, VT Argonaut Absolute Return Fund, VT Argonaut European Alpha Fund and VT Argonaut Equity Income Fund. Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company.

A shareholder is not liable to make any further payment to the Company after they have paid the price on the purchase of the shares.

### Changes to the Company:

On 29 January 2021, the FP Argonaut European Income Fund was terminated.

On 29 January 2021, the FP Argonaut European Enhanced Income Fund was terminated.

On 5 February 2021, there was a change in ACD from FundRock Partners Limited to Valu-Trac Investment Management Limited.

On 5 February 2021, there was a change in Auditor from Deloitte LLP to Johnston Carmichael LLP.

On 5 February 2021, there was a change in Depositary from State Street Trustees Limited to NatWest Trustee and Depositary Services Limited.

On 5 February 2021, there was a change in company name from FP Argonaut Funds to VT Argonaut Funds.

On 5 February 2021, there was a change in fund name from FP Argonaut European Alpha Fund to VT Argonaut European Alpha Fund.

On 5 February 2021, there was a change in fund name from FP Argonaut Absolute Return Fund to VT Argonaut Absolute Return Fund.

On 5 February 2021, there was a change in fund name from FP Argonaut European Income Opportunities Fund to VT Argonaut Equity Income Fund.

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

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As noted on page 1, Valu-Trac Investment Management Limited replaced FundRock Partners Limited as Authorised Corporate Director on 5 February 2021. The Statement of Responsibilities as noted below reflect the activities of the new Authorised Corporate Director of the Company from that date.

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/(expenses) and net capital gains/(losses) 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 regulations, 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.

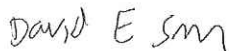
## DIRECTOR'S STATEMENT

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



Anne A. Laing CA



David E. Smith MA

Valu-Trac Investment Management Limited  
Authorised Corporate Director

Date: 30 June 2021

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

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The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes 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 Authorised Fund Manager ("the AFM") 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 AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and 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  
1 March 2021

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT ARGONAUT FUNDS (SUB-FUNDS VT ARGONAUT EUROPEAN ALPHA FUND, VT ARGONAUT ABSOLUTE RETURN FUND AND VT ARGONAUT EQUITY INCOME FUND)**

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**Opinion**

We have audited the financial statements of VT Argonaut Funds ("the Company") for the year ended 28 February 2021 which comprise the Statements of Total Return, Statements of Changes in Net Assets Attributable to Shareholders, Balance Sheets, 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 28 February 2021 and of the net revenue/(expenses) and the net capital gains/(losses) on 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT ARGONAUT FUNDS (SUB-FUNDS VT ARGONAUT EUROPEAN ALPHA FUND, VT ARGONAUT ABSOLUTE RETURN FUND AND VT ARGONAUT EQUITY INCOME FUND)  
(continued)**

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**Responsibilities of the Authorised Corporate Director**

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 2, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- > Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Authorised Corporate Director.
- > Conclude on the appropriateness of the Authorised Corporate Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- > Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT ARGONAUT FUNDS (SUB-FUNDS VT ARGONAUT EUROPEAN ALPHA FUND, VT ARGONAUT ABSOLUTE RETURN FUND AND VT ARGONAUT EQUITY INCOME FUND)  
(continued)**

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**Extent to which an 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide the basis for our opinion. We planned and conducted our audit so as to obtain reasonable assurance of detecting any material misstatements in the financial statements resulting from irregularities or fraud.

All engagement team members were briefed on relevant laws and regulations and potential fraud risks at the planning stage of the audit. However, the primary responsibility for the prevention and detection of fraud rest with the Authorised Corporate Director.

We evaluated management's incentives for fraudulent activity and determined the key risk of fraud to be management override of controls in order to manipulate the financial statements. We determined that the principal risks in this regard were in relation inappropriate journal entries to increase net revenue or to increase the net asset value.

We considered the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. The most significant risk in relation to non-compliance with laws and regulations was deemed to be compliance with the Collective Investment Schemes Sourcebook and the Company's Prospectus.

Audit procedures performed in response to these risks included:

- Evaluating the control environment designed to prevent and detect irregularities which the Authorised Corporate Director has in place;
- Enquiring of management and those charged with governance regarding any known or suspected instances of non-compliance with laws and regulations and fraud and where they think fraud would most likely to occur and the safeguards in place to mitigate these;
- Assessing the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur around the key risks of valuation and ownership of investments and revenue recognition;
- Reviewing material journal entries during the year;
- Review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity that may indicate management override in the Company's financial statements; and
- Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook and its Prospectus.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**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  
Chartered Accountants  
Statutory Auditor  
Elgin

Date 30 June 2021



For the year ended 28 February 2021

### 1 Accounting policies

#### a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 "The Financial Reporting Standards Applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice ("SORP") for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and to the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

As described in the Statement of Authorised Corporate Director's Responsibilities on page 2, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Company.

The preparation of financial statements in accordance with FRS 102 requires the ACD to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. As at 28 February 2021, there were no significant judgement or estimates involved in the determination of the values of assets and liabilities reported in these financial statements.

#### b) Realised and unrealised gains and losses

Realised gains or losses have been calculated as the proceeds from disposal less book cost. Where realised gains or losses which have arisen in previous years, a corresponding reversal of such previously recognised loss or gain is recognised in unrealised gains or losses.

Unrealised gain/losses are calculated with reference to the original recorded value of the asset or liability, and only the element of gain/loss within the accounting period is recorded in the Financial Statements. All unrealised and realised gains are capital in nature and do not form part of the relevant Sub-fund's distributable income.

All foreign currency transactions are recorded using an exchange rate from the effective date of the transaction (e.g. the trade date of a trade, the ex-div date of a dividend, or the date of a currency disposal).

#### c) Recognition of revenue

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend and are recognised net of attributable tax credits.

Rebates of annual management charges on underlying investments are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the charge on the underlying fund.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available.

Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

Commissions from stock lending are recognised on an accruals basis and disclosed net of fees paid to the ACD and other parties.

#### d) Treatment of stock and special dividends

The ordinary element of stock dividends received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

### e) Treatment of expenses

Expenses are recorded on an accruals basis but the Sub-funds may incur additional allowable expenses which are charged as and when they are incurred.

VT Argonaut Equity Income Fund charges all their expenses to capital. VT Argonaut Absolute Return Fund and VT Argonaut European Alpha Fund charge all their expenses to revenue with the exception of those relating to the purchase and sale of investments and stamp duty reserve tax (SDRT), which are charged against capital.

### f) Allocation of revenue and expenses to multiple share classes and Sub-funds

Any revenue or expenses not directly attributable to a particular share class or Sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and Sub-funds.

### g) Taxation

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

### h) Distribution policy

The net revenue after taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders as dividend distributions. Any revenue deficit is deducted from capital.

In addition, the portfolio transaction charges will be charged wholly to the capital of the Sub-funds. Accordingly, the imposition of such charges may constrain the capital growth of the Sub-funds.

The ACD has elected to pay all revenue less expenses charged to revenue and taxation as a biannual distribution at the end of each accounting period, with the exception of the VT Argonaut Equity Income Fund where distributions are paid quarterly.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or if that no longer exists the ACD). Application to claim distributions that have not been paid should be made to the ACD before this six year period has elapsed.

### i) Basis of valuation of investments

Listed investments are valued at the 12 noon bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period (26 February 2021).

Market value is defined by the SORP as fair value which is the bid value of each security.

Collective Investment Schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds. These take into account any agreed rate of redemption charge, on the last business day of the accounting period.

Unlisted or suspended investments are valued by the Investment Manager taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

The value of derivative contracts is calculated with reference to the price/value of the underlying asset(s) and other relevant factors such as interest rates and volatility, whilst currency hedging contracts are marked to market based on the differential between the forward rate for currency of an equivalent duration and the contract rate.

**i) Basis of valuation of investments (continued)**

Non-observable entity specific data is only used where relevant observable market data is not available. Typically this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close-ended funds and open-ended funds with restrictions on redemption rights.

All investments are recognised and derecognised by trade date, and any trades that occur between valuation point and close of business are included in the financial statements.

**j) Exchange rates**

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into Sterling at the closing mid market exchange rates ruling on that date.

**k) 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.

After averaging 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.

**l) Derivatives**

Some of the Sub-funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Premiums received on option contracts written out of the money are recognised as revenue when received. All other returns on option contracts, including premiums received on option contracts written in the money are treated as capital.

Where the transactions are used to protect or enhance capital, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the year end are included in the Balance Sheet at their mark to market value.

**2 Derivatives and other financial instruments**

For the purpose of meeting the investment objectives of the Sub-funds a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes and, in the case of VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund, also for investment purposes.

The main risks from the Company's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed below:

## ACCOUNTING POLICIES AND FINANCIAL INSTRUMENTS (continued)

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### 2 Derivatives and other financial instruments (continued)

#### a) Foreign currency risk

A significant portion of the Company's assets may be denominated in a currency other than the base currency of the Company or class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which shares of the relevant Sub-fund are valued and priced.

The Company is not required to hedge its foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Company does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Company's assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Company in circumstances where no such hedging transactions are undertaken.

#### Hedged share classes

A hedging policy is in place for the Class I Institutional Net Accumulation (Currency Hedged) in the VT Argonaut European Alpha Fund and all the share classes in the VT Argonaut Absolute Return Fund to hedge the currency risk between the GBP base currency of the Sub-fund to the local currency of the share class to ensure that the risk from foreign currency is reduced for these share classes. Entering into a hedge transaction should mitigate the effect of exchange rate fluctuations between the base and hedged currency. Any gains or losses from the hedging instruments are treated as capital and included within the Statement of Total Return.

#### b) Interest rate risk profile of financial assets and liabilities

The interest rate risk is the risk that the value of the Company's investments will fluctuate due to changes in the interest rate. Cashflows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the Company's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Company did not have any long term financial liabilities at the balance sheet date.

#### c) Credit risk

The Company may find that companies in which it invests fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

#### d) Liquidity risk

Subject to the Regulations, the Company may invest up to and including 10% of the Scheme Property of the Company in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Company's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent the Company invests in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer.

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Company's ability to purchase or sell such securities at a fair price may be impaired or delayed.

## ACCOUNTING POLICIES AND FINANCIAL INSTRUMENTS (continued)

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### 2 Derivatives and other financial instruments (continued)

#### e) Market price risk

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

The company investment portfolios are 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.

#### f) Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

#### g) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

#### h) Leverage

In accordance with the IA SORP issued in May 2014, as ACD we are required to disclose any leverage of the Fund. Leverage is defined as any method by which the relevant Sub-fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives and in accordance with the commitment approach (CESR/10-788)) divided by the net asset value.

A Sub-Fund's exposure is defined with reference to the 'Commitment' method. Commitment method exposure is calculated as the sum of all positions of the relevant Sub-fund, after netting off derivative and security positions and is disclosed within the individual Sub-funds' financial statements.

#### i) Stock lending

The Sub-funds may enter into stock lending, where these transactions are used to generate additional income. The revenue and expenses are included within net revenue in the Statement of Total Return. Collateral is obtained equal to the value of the securities transferred, to secure the obligation of the counterparty. There is no limit on the value of the Scheme Property of a Sub-fund which may be the subject of stock lending transactions.

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Argonaut European Alpha Fund
<b>Size of Sub-fund</b>	£41,375,978
<b>Launch date</b>	14 July 2012
<b>Sub-fund objective and policy</b>	<p>The Sub-fund aims to achieve returns (capital and income) in excess of the returns of the Investment Association (IA) Europe ex UK Sector over the long term (5 years).</p> <p>The Sub-fund will seek to achieve its objective by investing in a concentrated portfolio of approximately 30-60 stocks. The Sub-fund will invest at least 80% in companies incorporated in countries in Europe. The Sub-fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities exchange.</p> <p>The Sub-fund will not concentrate on any particular sector but will invest in a broad range of companies without regard to market capitalisation.</p> <p>The Sub-fund may also invest in other equities, fixed interest, units in collective investment schemes, money market instruments and deposits.</p> <p>The Sub-fund may also make use of certain financial contracts known as derivatives and forward transactions for the purpose of efficient portfolio management, including the use of hedging techniques and stock lending. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. A target for the Sub-fund's performance has been set by reference to the IA Europe ex UK Sector (the "Target Benchmark") over a five year period.</p>
<b>Benchmark</b>	<p>The IA Europe ex UK Sector is considered to be an appropriate benchmark because it enables investors to compare the performance of the portfolio against competing funds in the same sector.</p> <p>Investors may use the Sub-fund's performance against the Target Benchmark to assess the comparable Sub-fund's rank or quartile as compared to the performance of other funds in the IA Europe ex UK Sector over a variety of time frames.</p> <p>The ACD reserves the right to change the comparator following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change, in accordance with the rules in COLL.</p>
<b>Authorised Corporate Director (ACD) from 5 February 2021</b>	Valu-Trac Investment Management Limited
<b>Authorised Corporate Director (ACD) to 5 February 2021</b>	FundRock Partners Limited
<b>Ex-distribution dates</b>	31 August, Last day of February
<b>Distribution dates</b>	31 October, 30 April
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

**SUB-FUND OVERVIEW (continued)****Share class information**

Share class*	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Minimum redemption	Initial charge **
<b>Class A Retail Net Income</b>	£500	£250	£250	£100	5.25%
<b>Class A Retail Net Accumulation</b>	£500	£250	£250	£100	5.25%
<b>Class R Retail Net Income</b>	£500	£250	£250	£100	0.00%
<b>Class R Retail Net Accumulation</b>	£500	£250	£250	£100	0.00%
<b>Class I Institutional Net Income</b>	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
<b>Class I Institutional Net Accumulation</b>	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
<b>Class I Institutional Net Accumulation (Currency Hedged)</b>	£3,000,000	£1,000	£3,000,000	£1,000	0.00%
<b>Class A (Eur) Retail Net Accumulation</b>	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.25%
<b>Class I (Eur) Institutional Net Accumulation</b>	€ 3,000,000	€ 1,000	€ 3,000,000	€ 1,000	0.00%

\* Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

\*\*The initial charge is shown as a percentage of the amount invested which is equivalent to 5.5409% of the price of shares.

**Annual Management Charges**

In respect of the A shares, it is equal to 1.75% per annum of the net asset value of the A shares.

In respect of the R shares, it is equal to 0.75% per annum of the net asset value of the B shares.

In respect of the I shares, it is equal to 0.75% per annum of the net asset value of the C shares.

**Changes to the Sub-fund**

On 5 February 2021, there was a change in Sub-fund name from FP Argonaut European Alpha Fund to VT Argonaut European Alpha Fund. There was also a change in the Sub-fund objectives wording to that noted above.

## INVESTMENT MANAGER'S REPORT

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### Investment Review

The fund returned +7.59% (R Accumulation) over the 12-month review period (1st March 2020 to 28th February 2021) vs the IA Europe ex UK sector of +18.04%. Since launch the fund has returned +246.91% vs the Europe ex UK sector of +249.18%.

Our biggest winners were all companies which benefitted from COVID lock-downs: video conferencing software company Zoom (+92%) and hardware outfit Logitech (+84%); semiconductor companies AMS (+89%) and Siltronic (+88%), all of which were initially wrongly diagnosed as cyclical losers but ultimately benefitted from digitisation and massive industry restock; food delivery companies Grubhub (+39%) and Just Eat (+24%); online telehealth companies Shop Apotheke (+28%) and VNV Global (+39%), by virtue of its investment in Babylon Health.

More recently the fund took profits in lock-down winners and began to invest in commodity equities, where supply has been capital constrained and demand recovering strongly. The fund made good returns in Russian gold miner Polyus (+24%) and palladium and nickel miner Norilsk (+22%). Steel behemoth Mittal (+27%) and Swedish "green" steel outfit SSAB (+16%) are our biggest current positions. We are also greatly enthused by the Electronic Vehicle prospects at Volkswagen and its holding company Porsche.

### Market Overview

The beginning of the review period saw extreme panic as the SARS-2/COVID virus spread out of China to the rest of the world. As we write COVID mortality has been just under 3m (127k in the UK) which to put into perspective compares with a normal flu season of 350-650k (30-60k in UK), with the median age of death at 82 and the high presence of comorbidities (+90%). In the UK the economic cost of lockdown was the worst recession in over 300 years, itself cushioned by a massive expansion in state spending financed by additional government debt. The meter is still running with the current economic cost some £400bn, some £6,000 per head of population or just over £3m per UK COVID death.

The consensual COVID narrative is that lockdowns were unavoidable until vaccination arrived, irrespective of whether mass inoculation was really appropriate when the vast majority of the population was never at risk. At the time of writing, with all over-50s in the UK having been offered the vaccine and the mortality risk now negligible, a return to normality still seems elusive. Once governments expand their powers they are very reluctant to give them back.

Since governments will not default on their debt, reduce public spending and seem reluctant to raise taxes, it is likely that inflation – through money printing – will pick the pocket of investors and consumers and end up paying for COVID lockdowns. Indeed, the economic consensus since the early 1980s around the desirability of small government and sound money is arguably now broken.

### Outlook

The perception of risk in financial markets has now shifted from an absence of economic growth and profits to concerns now over the longer-term path of interest rates and inflation. Recent communications from the Federal Reserve have insisted they will maintain current asset purchases at \$120bn a month for the foreseeable future and will not hike the Fed Funds rate until 2024. Although Central Banks can determine short-term interest rates, they have less control over the bond market where longer-term interest rates have been rising.

Central banks will be privately delighted with rising long term interest rates. The steepening yield curve which has rolled financial markets recently is ironically exactly what they have been attempting to engineer for the last decade through near zero interest rates and asset purchases. It is a recognition by markets that future nominal growth will sustainably accelerate. The alternative is a Japanese style debt deflation trap. Governments and Central banks hell-bent on reflation are no longer intimidated.



**Outlook (continued)**

Economic growth is generally an equity investors friend. The trouble is that it is not friendly to the kind of growth stock which has led the recent bull market. The premium valuations paid for "growth" stocks with disruptive business models look less compelling when the average "value" stock is also able to grow profits. "Growth" stocks do not generally do well when there is a lot of economic growth around. "Value" matters again when economic growth expectations are rising: the concept of negatively yielding bonds never really made much sense; the relentless ascent of growth at any price "glamour" stocks has now reversed.

Although Europe's economic re-opening continues to lag, its equity markets are more heavily populated by cyclical sectors where cheap valuations have been trapped by anaemic global growth. It is too early to pronounce with any certainty on the duration of this European equity renaissance but the direction of travel continues to be positive.

**Barry Norris**

**Argonaut Capital Partners LLP**

**Investment Manager to the Fund**

**01 April 2021**

Data Source for all performance figures Refinitiv Lipper

## PERFORMANCE RECORD

### Financial Highlights

#### Class A Retail Net Income

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	152.02	143.19	173.29
Return before operating charges	13.01	12.98	(25.76)
Operating charges (note 1)	(3.13)	(3.23)	(3.15)
Return after operating charges *	9.88	9.75	(28.91)
Distributions on income units	(0.44)	(0.92)	(1.19)
Closing net asset value per unit	161.46	152.02	143.19
*after direct transactions costs of:	1.22	1.31	0.99
Performance			
Return after charges	6.50%	6.81%	(16.68%)
Other information			
Closing net asset value	£273,583	£291,556	£325,209
Closing number of units	169,445	191,794	227,112
Operating charges (note 2)	2.00%	2.04%	1.98%
Direct transaction costs	0.78%	0.82%	0.62%
Prices			
Highest unit price	173.45	169.64	177.47
Lowest unit price	121.16	143.57	135.28

#### Class A Retail Net Accumulation

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	325.65	305.07	366.61
Return before operating charges	27.99	27.46	(54.87)
Operating charges (note 1)	(6.73)	(6.88)	(6.67)
Return after operating charges *	21.26	20.58	(61.54)
Closing net asset value per unit	346.91	325.65	305.07
Distributions on accumulation units	0.94	1.97	2.52
*after direct transactions costs of:	2.62	2.80	2.09
Performance			
Return after charges	6.53%	6.75%	(16.79%)
Other information			
Closing net asset value	£20,495,107	£22,834,070	£30,856,537
Closing number of units	5,907,857	7,011,882	10,114,627
Operating charges (note 2)	2.00%	2.04%	1.98%
Direct transaction costs	0.78%	0.82%	0.62%
Prices			
Highest unit price	372.68	363.41	375.45
Lowest unit price	259.55	305.87	288.22

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class A (Eur) Retail Net Accumulation**

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit			
	EURc	EURc	EURc
Opening net asset value per unit	155.44	146.26	169.98
Return before operating charges	11.59	12.41	(20.56)
Operating charges (note 1)	(3.19)	(3.23)	(3.16)
Return after operating charges *	8.40	9.18	(23.72)
Closing net asset value per unit	163.84	155.44	146.26
Retained distributions on accumulated units	0.45	0.90	1.15
*after direct transactions costs of:	1.25	1.32	0.99
Performance			
Return after charges	5.40%	6.28%	(13.95%)
Other information			
Closing net asset value	€ 17,416	€ 16,523	€ 28,059
Closing number of units	10,630	10,630	19,184
Operating charges (note 2)	2.00%	2.04%	1.98%
Direct transaction costs	0.78%	0.82%	0.62%
Prices			
Highest unit price	171.35	177.98	173.55
Lowest unit price	117.00	146.38	131.17

**Class I Institutional Net Income**

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit			
	GBP	GBP	GBP
Opening net asset value per unit	156.47	146.78	176.74
Return before operating charges	13.38	13.32	(26.27)
Operating charges (note 1)	(1.62)	(1.69)	(1.60)
Return after operating charges *	11.76	11.63	(27.87)
Distributions on income units	(1.21)	(1.94)	(2.09)
Closing net asset value per unit	167.03	156.47	146.78
*after direct transactions costs of:	1.26	1.35	1.01
Performance			
Return after charges	7.52%	7.92%	(15.77%)
Other information			
Closing net asset value	£2,066,310	£3,993,215	£6,329,458
Closing number of units	1,237,114	2,552,023	4,312,159
Operating charges (note 2)	1.00%	1.04%	0.98%
Direct transaction costs	0.78%	0.82%	0.62%
Prices			
Highest unit price	179.20	174.77	181.07
Lowest unit price	124.81	147.26	138.43

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class I Institutional Net Accumulation**

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit			
	GBP	GBP	GBP
Opening net asset value per unit	292.40	271.19	322.64
Return before operating charges	25.23	24.34	(48.50)
Operating charges (note 1)	(3.03)	(3.13)	(2.95)
Return after operating charges *	22.19	21.21	(51.45)
Closing net asset value per unit	314.59	292.40	271.19
Retained distributions on accumulated units	2.26	3.56	3.81
*after direct transactions costs of:	2.37	2.50	1.86
Performance			
Return after charges	7.59%	7.82%	(15.95%)
Other information			
Closing net asset value	£3,738,623	£5,295,749	£8,815,601
Closing number of units	1,188,409	1,811,160	3,250,767
Operating charges (note 2)	1.00%	1.04%	0.98%
Direct transaction costs	0.78%	0.82%	0.62%
Prices			
Highest unit price	337.53	326.22	330.55
Lowest unit price	233.15	272.07	255.76

<b>Class I Institutional Net Accumulation (Currency Hedged)</b>	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit			
	GBP	GBP	GBP
Opening net asset value per unit	104.61	96.58	109.43
Return before operating charges	9.86	9.18	(11.78)
Operating charges (note 1)	(1.09)	(1.15)	(1.07)
Return after operating charges *	8.77	8.03	(12.85)
Closing net asset value per unit	113.38	104.61	96.58
Retained distributions on accumulated units	0.00	1.09	1.29
*after direct transactions costs of:	0.85	0.87	0.64
Performance			
Return after charges	8.38%	8.31%	(11.74%)
Other information			
Closing net asset value	£155,420	£184,754	£538,548
Closing number of units	137,083	176,620	557,590
Operating charges (note 2)	1.00%	1.09%	1.04%
Direct transaction costs	0.78%	0.82%	0.62%
Prices			
Highest unit price	118.23	117.56	112.15
Lowest unit price	80.10	96.43	87.10

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class I (Eur) Institutional Net Accumulation**

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit			
	EURc	EURc	EURc
Opening net asset value per unit	169.84	158.23	182.07
Return before operating charges	12.43	13.41	(22.20)
Operating charges (note 1)	(1.75)	(1.80)	(1.64)
Return after operating charges *	10.68	11.61	(23.84)
Closing net asset value per unit	180.52	169.84	158.23
Retained distributions on accumulated units	1.26	1.99	2.12
*after direct transactions costs of:	1.37	1.44	1.04
Performance			
Return after charges	6.29%	7.34%	(13.09%)
Other information			
Closing net asset value	€ 72,464	€ 4,748,989	€ 4,556,275
Closing number of units	40,142	2,796,107	2,879,489
Operating charges (note 2)	1.00%	1.04%	0.98%
Direct transaction costs	0.78%	0.82%	0.62%
Prices			
Highest unit price	188.75	184.43	185.95
Lowest unit price	128.00	158.40	141.67

**Financial Highlights (Continued)****Class R Retail Net Income**

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit			
	GBP	GBP	GBP
Opening net asset value per unit	176.17	165.27	199.00
Return before operating charges	15.06	14.99	(29.58)
Operating charges (note 1)	(1.82)	(1.90)	(1.81)
Return after operating charges *	13.24	13.09	(31.39)
Distributions on income units	(1.36)	(2.19)	(2.34)
Closing net asset value per unit	188.05	176.17	165.27
*after direct transactions costs of:	1.42	1.52	1.14
Performance			
Return after charges	7.52%	7.92	(15.44%)
Other information			
Closing net asset value	£1,155,386	£1,318,100	£1,820,620
Closing number of units	614,402	748,177	1,101,598
Operating charges (note 2)	1.00%	1.04%	0.98%
Direct transaction costs	0.78%	0.82%	0.62%
Prices			
Highest unit price	201.76	196.77	203.88
Lowest unit price	140.52	165.81	155.87

## PERFORMANCE RECORD (Continued)

### Financial Highlights (Continued)

#### Class R Retail Net Accumulation

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit			
	GBP	GBP	GBP
Opening net asset value per unit	189.92	176.14	209.56
Return before operating charges	16.39	15.82	(31.52)
Operating charges (note 1)	(1.97)	(2.04)	(1.90)
Return after operating charges *	14.41	13.78	(33.42)
Closing net asset value per unit	204.33	189.92	176.14
Retained distributions on accumulated units	1.47	2.33	2.47
*after direct transactions costs of:	1.54	1.63	1.20
Performance			
Return after charges	7.59%	7.82%	(15.95%)
Other information			
Closing net asset value	£13,453,063	£15,922,039	£19,152,738
Closing number of units	6,583,832	8,383,608	10,873,613
Operating charges (note 2)	1.00%	1.04%	0.98%
Direct transaction costs	0.78%	0.82%	0.62%
Prices			
Highest unit price	219.24	211.89	214.69
Lowest unit price	151.44	176.71	166.12

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.

#### Risk Profile

Based on past data, the Sub-fund is ranked a '6' 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 6 because historical performance data indicates that high rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 28 February 2021

Holding		Value £	% of net assets
<b>EQUITIES &amp; WARRANTS</b>			
<b>Belgium 4.24% (2020:7.27%)</b>			
70,817	Warehouses de Pauw NV	1,753,919	4.24%
<b>Denmark 4.81% (2020:5.08%)</b>			
35,000	Porsche Automobil Holding SE	1,991,394	4.81%
<b>Finland 6.21% (2020:3.15%)</b>			
100,000	Metso Outotec Corp	805,642	1.95%
500,000	Outokumpu Oyj	1,761,459	4.26%
		<u>2,567,101</u>	<u>6.21%</u>
<b>France 5.09% (2020:11.12%)</b>			
40,000	Eramet SA	2,106,883	5.09%
<b>Germany 5.48% (2020:7.74%)</b>			
20,000	Bayer AG	890,705	2.15%
45,000	Infineon Technologies AG	1,378,176	3.33%
		<u>2,268,881</u>	<u>5.48%</u>
<b>Hungary 5.07% (2020:4.15%)</b>			
65,038	OTP Bank Nyrt	2,100,285	5.08%
<b>Ireland 0.00% (2020:2.03%)</b>			
<b>Italy 3.17% (2020:7.64%)</b>			
350,000	Unipol Gruppo SpA	1,310,760	3.17%
<b>Netherlands 10.65% (2020:6.03%)</b>			
20,000	BE Semiconductor Industries NV	1,063,004	2.57%
8,000	NXP SEMICONDUCTORS NV	1,024,765	2.48%
80,000	OCI NV	1,252,168	3.03%
6,000	Shop Apotheke Europe NV	1,062,743	2.57%
		<u>4,402,680</u>	<u>10.65%</u>
<b>Norway 2.10% (2020:6.03%)</b>			
25,000	Yara International ASA	868,516	2.10%
<b>Russia 4.53% (2020:13.13%)</b>			
180,000	Sberbank Rossii PAO	1,876,306	4.53%
<b>Spain 7.31% (2020:14.00%)</b>			
7,000	Acciona SA	813,596	1.97%
100,000	Acerinox SA	850,368	2.06%
375,000	Ence Energia y Celulosa SA	1,363,636	3.30%
		<u>3,027,600</u>	<u>7.33%</u>
<b>Sweden 6.30% (2020:0.00%)</b>			
260,000	SSAB AB	816,173	1.97%
200,000	VNV Global AB (publ)	1,765,839	4.27%
15,987	VNV Global AB (publ) WTS 10/08/23	23,251	0.06%
		<u>2,605,263</u>	<u>6.30%</u>
<b>Switzerland 12.91% (2020:0.00%)</b>			
350,000	Ferrexpo PLC	1,187,550	2.87%
18,000	Logitech International SA	1,383,106	3.34%
20,000	Swiss Re AG	1,354,989	3.27%
7,000	VAT Group AG	1,417,912	3.43%
		<u>5,343,557</u>	<u>12.91%</u>
<b>United Kingdom 5.01% (2020:10.45%)</b>			
120,000	CNH Industrial NV	1,277,117	3.09%
40,000	Weir Group PLC	796,300	1.92%
		<u>2,073,417</u>	<u>5.01%</u>

VT ARGONAUT FUNDS - VT ARGONAUT EUROPEAN ALPHA FUND

For the year ended 28 February 2021

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**PORTFOLIO STATEMENT**

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<b>United States 16.75% (2020:5.17%)</b>		
70,000	Cleveland-Cliffs Inc	724,020 1.75%
65,000	Freeport-McMoRan Inc	1,665,476 4.03%
20,000	Micron Technology Inc	1,265,159 3.06%
65,000	Mylan NV	702,640 1.70%
36,000	NK Lukoil PAO	1,954,433 4.72%
45,000	Sibanye Stillwater Ltd	620,857 1.50%
		<hr/> 6,932,585 16.76%
	<b>Portfolio of investments</b>	<b>41,229,147 99.67%</b>
<b>Forward currency contracts (0.00%) (2020:0.01%)</b>		
	CHF Fwd FX Hedge Loss	(226) 0.00%
	EUR Fwd FX Hedge Loss	(412) 0.00%
	HUF Fwd FX Hedge Gain	1 0.00%
	NOK Fwd FX Hedge Gain	47 0.00%
	SEK Fwd FX Hedge Gain	17 0.00%
	USD Fwd FX Hedge Loss	(654) 0.00%
		<hr/> (1,227) 0.00%
	<b>Portfolio of investments (2020: 96.95%)</b>	<b>41,227,920 99.67%</b>
	<b>Net other assets (2020: 3.05%)</b>	<b>175,845 0.41%</b>
	<b>Mid to bid adjustment (2020: (0.00%))</b>	<b>(27,787) (0.08%)</b>
		<hr/> <b>41,375,978 100.00%</b> <hr/>



## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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<b>Total sales for the year (note 14)</b>	<b>£</b> <b>192,624,813</b>
Just Eat Takeaway Common Stock Eur.04	6,640,466
Polyus Pjsc Reg S Gdr Gdr Rub1.0	6,540,916
Grubhub Inc Common Stock Usd.0001	5,931,899
Ams Ag Common Stock	5,822,548
Siltronic Ag Common Stock	5,711,308
Mmc Norilsk Nickel Pjsc Adr Adr	5,650,288
Amazon.Com Inc Common Stock Usd.01	5,199,994
Edp Renovaveis Sa Common Stock Eur5.	5,177,423
Infrastrutture Wireless Ital Common Stock Npv	5,025,750
Airbus Se Common Stock Eur1.0	4,683,566
<b>Total purchase for the year (note 14)</b>	<b>£</b> <b>178,308,325</b>
Swiss Re Ag Common Stock Chf.1	5,348,002
Mmc Norilsk Nickel Pjsc Adr Adr	5,320,182
Ams Ag Common Stock	5,090,376
Airbus Se Common Stock Eur1.0	4,791,797
Amazon.Com Inc Common Stock Usd.01	4,783,378
Eramet Common Stock Eur3.05	4,557,368
Just Eat Takeaway Common Stock Eur.04	4,541,485
Siltronic Ag Common Stock	4,283,501
Logitech International Reg Common Stock Chf.25	4,224,709
Polyus Pjsc Reg S Gdr Gdr Rub1.0	3,957,826

The above transactions represents the top ten sales and top ten purchases for the year.

## STATEMENT OF TOTAL RETURN

For the year ended 28 February 2021

		2021		2020	
	Notes	£	£	£	£
Income					
Net capital gains	2		2,712,244		5,078,440
Revenue	3	806,607		1,644,631	
Expenses	4	(735,615)		(924,222)	
Interest payable and similar charges	6	<u>(4,978)</u>		<u>(15,616)</u>	
Net revenue before taxation		66,014		704,793	
Taxation	5	<u>(98,147)</u>		<u>(150,358)</u>	
Net (expenses)/revenue after taxation			<u>(32,133)</u>		<u>554,435</u>
Total return before distributions			2,680,111		5,632,875
Finance costs: distributions	6		<u>(279,153)</u>		<u>(655,849)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>			<u>2,400,958</u>		<u>4,977,026</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2021

	2021	2020
	£	£
<b>Opening net assets attributable to shareholders</b>	53,937,715	71,763,365
Amounts receivable on creation of shares	664,599	411,731
Amounts payable on cancellation of shares	(15,859,309)	(23,749,424)
Dividend reinvested	203,903	505,996
Dilution levy	28,112	29,021
Changes in net assets attributable to shareholders from investment activities (see above)	<u>2,400,958</u>	<u>4,977,026</u>
<b>Closing net assets attributable to shareholders</b>	<u>41,375,978</u>	<u>53,937,715</u>

**BALANCE SHEET**

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As at 28 February 2021		28.02.21		29.02.20	
	Notes	£	£	£	£
<b>ASSETS</b>					
Investment assets			41,201,425		52,299,087
<b>Current assets</b>					
Debtors	7	6,709,651		4,448,517	
Cash and bank balances	8	<u>4,711,738</u>		<u>103,613</u>	
<b>Total current assets</b>			<u>11,421,389</u>		<u>4,552,130</u>
<b>Total assets</b>			52,622,814		56,851,217
<b>LIABILITIES</b>					
<b>Investment liabilities</b>			(1,292)		(3,926)
<b>Current liabilities</b>					
Distribution payable on income shares		-		(5,949)	
Bank overdraft	8	(5,073,287)		(39,350)	
Creditors	9	<u>(6,172,257)</u>		<u>(2,864,277)</u>	
<b>Total current liabilities</b>			<u>(11,245,544)</u>		<u>(2,909,576)</u>
<b>Net assets attributable to shareholders</b>			<u>41,375,978</u>		<u>53,937,715</u>

## NOTES TO THE FINANCIAL STATEMENTS

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1 Accounting policies and financial instruments are on pages 7-11.

### 2 Net capital gains

	2021	2020
	£	£
The net capital gains comprise:		
Non-derivative securities gains	3,084,676	5,246,643
Currency (losses)	(372,375)	(118,148)
Transaction charges	(20,247)	(27,592)
Forward currency contract gains/(losses)	27,919	(7,163)
ADR fees	(7,729)	(15,300)
Total net capital gains	<u>2,712,244</u>	<u>5,078,440</u>

### 3 Revenue

	2021	2020
	£	£
UK dividends	18,970	32,844
UK REIT PID	36,000	-
Overseas dividends	740,031	1,591,354
Bank interest	2	1,848
Stock lending income	11,604	18,585
Total revenue	<u>806,607</u>	<u>1,644,631</u>

### 4 Expenses

	2021	2020
	£	£
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
Annual management charge	536,537	763,034
General administration charge	44,133	42,582
Printing, postage, stationery and typesetting costs	24,411	9,714
	<u>605,081</u>	<u>815,330</u>

#### **Payable to the depositary, associates of the depositary, and agents of either of them:**

Depositary fee	17,786	18,000
Safe custody fee	9,002	17,619
	<u>26,788</u>	<u>35,619</u>

#### **Other expenses:**

Audit Fee	7,800	11,322
FCA fee	411	223
Professional fees	95,535	61,728
	<u>103,746</u>	<u>73,273</u>

Total expenses	<u>735,615</u>	<u>924,222</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2021	2020
	£	£
<b>(a) Analysis of charge in the year</b>		
Overseas irrecoverable withholding tax	98,147	150,358
Total tax charge for the year (note 5b)	<u>98,147</u>	<u>150,358</u>
<b>(b) Factors affecting current tax charge for the year</b>		
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 UK corporation tax	66,014	704,793
Corporation tax at 20.00% (2020:20.00%)	13,203	140,959
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(151,800)	(321,760)
Excess management expenses	138,597	180,801
Overseas irrecoverable withholding tax	98,147	150,358
Total tax charge for year (note 5a)	<u>98,147</u>	<u>150,358</u>

**(c) Provision for deferred taxation**

At 28 February 2021 there is a potential deferred tax asset of £4,061,880 (2020: £3,923,283) in relation to surplus management expenses. It is unlikely the Sub-fund 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	237,054	549,631
Final dividend distribution	-	34,033
	<u>237,054</u>	<u>583,664</u>
Add: Revenue deducted on cancellation of shares	43,526	73,199
Deduct: Revenue received on issue of shares	(1,427)	(1,014)
	<u>279,153</u>	<u>655,849</u>
<b>Net distribution for the year</b>	<b>279,153</b>	<b>655,849</b>
Interest payable and similar charges	4,978	15,616
<b>Total finance costs</b>	<b><u>284,131</u></b>	<b><u>671,465</u></b>
<b>Reconciliation of distributions</b>		
Net (expenses)/revenue after taxation	(32,133)	554,435
Revenue deficit charged to capital	311,286	101,414
<b>Net distribution for the year</b>	<b><u>279,153</u></b>	<b><u>655,849</u></b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>28.02.21</b>	<b>29.02.20</b>
	<b>£</b>	<b>£</b>
Accrued bank interest	-	6
Amounts receivable for issue of shares	3,316	9,730
Overseas withholding tax recoverable	298,092	330,443
Amounts receivable on trades	6,401,284	4,108,029
Accrued revenue	6,383	-
Prepayments	576	309
<b>Total debtors</b>	<b>6,709,651</b>	<b>4,448,517</b>

<b>8 Cash and bank balances</b>	<b>28.02.21</b>	<b>29.02.20</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	4,711,738	103,613
Bank overdraft	(5,073,287)	(39,350)

<b>9 Creditors</b>	<b>28.02.21</b>	<b>29.02.20</b>
	<b>£</b>	<b>£</b>
Amounts payable for redemption of shares	283,018	249,069
Amounts payable on trades	5,742,840	2,475,953
Payable to the ACD	-	4,334
Accrued expenses	146,399	134,921
<b>Total creditors</b>	<b>6,172,257</b>	<b>2,864,277</b>

**10 Shares held**

**Shares Held - Class A Retail Net Income**

<b>Opening shares at 01.03.20</b>	<b>191,794</b>
Shares issued during the year	3,564
Shares cancelled during the year	(25,913)
Shares converted during the year	-
<b>Closing shares as at 28.02.21</b>	<b>169,445</b>

**Shares Held - Class A Retail Net Accumulation**

<b>Opening shares at 01.03.20</b>	<b>7,011,882</b>
Shares issued during the year	37,037
Shares cancelled during the year	(1,123,850)
Shares converted during the year	(17,212)
<b>Closing shares as at 28.02.21</b>	<b>5,907,857</b>

**Shares Held - Class A (Eur) Retail Net Accumulation**

<b>Opening shares at 01.03.20</b>	<b>10,630</b>
Shares issued during the year	-
Shares cancelled during the year	-
Shares converted during the year	-
<b>Closing shares as at 28.02.21</b>	<b>10,630</b>

10 Shares held (continued)

<b>Shares Held - Class I Institutional Net Income</b>	
<b>Opening shares at 01.03.20</b>	<b>2,552,023</b>
Shares issued during the year	102
Shares cancelled during the year	(1,315,011)
Shares converted during the year	-
<b>Closing shares as at 28.02.21</b>	<b>1,237,114</b>

<b>Shares Held - Class I Institutional Net Accumulation</b>	
<b>Opening shares at 01.03.20</b>	<b>1,811,160</b>
Shares issued during the year	94,557
Shares cancelled during the year	(720,901)
Shares converted during the year	3,593
<b>Closing shares as at 28.02.21</b>	<b>1,188,409</b>

<b>Shares Held - Class I Institutional Net Accumulation (Currency Hedged)</b>	
<b>Opening shares at 01.03.20</b>	<b>176,620</b>
Shares issued during the year	71,042
Shares cancelled during the year	(110,579)
Shares converted during the year	-
<b>Closing shares as at 28.02.21</b>	<b>137,083</b>

<b>Class I (Eur) Institutional Net Accumulation</b>	
<b>Opening shares at 01.03.20</b>	<b>2,796,107</b>
Shares issued during the year	-
Shares cancelled during the year	(2,755,965)
Shares converted during the year	-
<b>Closing shares as at 28.02.21</b>	<b>40,142</b>

<b>Class R Retail Net Income</b>	
<b>Opening shares at 01.03.20</b>	<b>748,177</b>
Shares issued during the year	37,692
Shares cancelled during the year	(171,467)
Shares converted during the year	-
<b>Closing shares as at 28.02.21</b>	<b>614,402</b>

<b>Class R Retail Net Accumulation</b>	
<b>Opening shares at 01.03.20</b>	<b>8,383,608</b>
Shares issued during the year	73,187
Shares cancelled during the year	(1,896,803)
Shares converted during the year	23,840
<b>Closing shares as at 28.02.21</b>	<b>6,583,832</b>

11 Contingent assets and liabilities

At 28 February 2021, the Sub-fund had no contingent liabilities or commitments (29 February 2020: £nil).

The Sub-fund has a contingent asset at the balance sheet date of £15,062 (2020: £12,922) resulting from a potential recovery of overseas withholding taxes. This has been removed from the value of the Sub-fund but still has the potential to be recovered by the Sub-fund in the future. The table below shows the potential recovery of overseas withholding taxes:

Country	Currency	28/02/2021	29/02/19
		Value £	Value £
Switzerland	Swiss franc	15,062	12,922
		<u>15,062</u>	<u>12,922</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12 Risk management

In pursuing its investment objective as stated on page 11, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, derivatives, 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 discussed in pages 7-11. These policies have been applied throughout the year.

#### Market price risk

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 28.02.21 would have increased/decreased by £4,120,013 (2020: £5,229,516).

#### Foreign currency risk

Net currency assets and liabilities consist of:

	Total net assets/(liabilities)	
	£	
	28.02.21	29.02.20
Czech koruna	-	30
Danish krone	-	2,926,041
Euro	19,145,783	31,906,828
Hungarian forint	1,962,323	2,272,156
Norwegian krone	1,875,337	528,143
Russian ruble	-	(22,624)
South African rand	-	962,772
Swedish krona	2,497,974	-
Swiss franc	2,538,279	-
US dollar	9,584,132	9,957,032
	-	-
<b>Total foreign currency exposure</b>	<b>37,603,828</b>	<b>48,530,378</b>
Sterling	3,772,150	5,407,337
<b>Total</b>	<b>41,375,978</b>	<b>53,937,715</b>

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Sub-fund would have decreased by £3,707,385 (2020: £4,411,858). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Sub-fund would have increased by £4,513,328 (2020: £5,392,264). These calculations assume all other variables remain constant.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 Risk management (continued)

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

<b>28.02.21</b>			
<b>Currency</b>	<b>Floating rate financial assets</b>	<b>Financial assets not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Czech koruna	623,053	-	623,053
Danish krone	128	-	128
Euro	1,123,630	19,145,783	20,269,413
Hungarian forint	122,829	1,991,089	2,113,918
Norwegian krone	1,454,343	1,875,337	3,329,680
Sterling	3,781	10,584,305	10,588,086
Swedish krone	-	2,497,974	2,497,974
Swiss franc	1,060,038	2,538,477	3,598,515
US dollar	323,936	9,278,111	9,602,047
<b>Total</b>	<b>4,711,738</b>	<b>47,911,076</b>	<b>52,622,814</b>

<b>Currency</b>	<b>Floating rate financial liabilities</b>	<b>Financial liabilities not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Czech koruna	623,053	-	623,053
Danish krone	128	-	128
Euro	1,123,630	-	1,123,630
Hungarian forint	151,595	-	151,595
Norwegian krone	1,454,343	-	1,454,343
Swiss franc	1,060,236	-	1,060,236
Sterling	642,387	6,173,549	6,815,936
US dollar	17,915	-	17,915
<b>Total</b>	<b>5,073,287</b>	<b>6,173,549</b>	<b>11,246,836</b>

<b>29.02.20</b>			
<b>Currency</b>	<b>Floating rate financial assets</b>	<b>Financial assets not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Czech koruna	30	-	30
Danish krone	89	2,935,386	2,935,475
Euro	57,591	33,096,267	33,153,858
Hungarian forint	43,455	2,236,637	2,280,092
Russian ruble	2,448	184	2,632
Norwegian krone	-	527,418	527,418
South African rand	-	962,772	962,772
Sterling	-	5,642,504	5,642,504
US dollar	-	11,346,436	11,346,436
<b>Total</b>	<b>103,613</b>	<b>56,747,604</b>	<b>56,851,217</b>

<b>Currency</b>	<b>Floating rate financial liabilities</b>	<b>Financial liabilities not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Czech koruna	-	253	253
Euro	-	1,139,667	1,139,667
Hungarian forint	-	249	249
Russian ruble	-	1	1
Norwegian krone	-	22	22
Sterling	222	394,273	394,495
US dollar	39,128	1,339,687	1,378,815
<b>Total</b>	<b>39,350</b>	<b>2,874,152</b>	<b>2,913,502</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12 Risk management (continued)

During the year the ACD entered into derivative contracts on behalf of the Sub-fund for Efficient Portfolio Management ("EPM").

At the year end, a sensitivity analysis or value at risk approach is not significant given the level and nature of the derivatives held.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

#### Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 28 February 2021 are payable either within one year or on demand.

#### 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 a 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 broker's financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions. 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 value levels in these financial statements are as follows:

- A Fair value based on a quoted price for an identical instrument in an active market.
- B Fair value based on the price of a recent transaction for an identical instrument.
- C1 Fair value based on a valuation technique using observable market data.
- C2 Fair value based on a valuation technique that relies significantly on non-observable market data.

Valuation Technique	Assets (£000's)	Liabilities (£000's)
A Quoted prices for identical	41,201	-
C1 Observable market data	-	(1)
Total	41,201	(1)

#### Leverage

The Sub-fund did not employ any significant leverage as at 28 February 2021, other than that available to the Sub-fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

### 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 26 February 2021. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

	Price (GBP) at 26 February 2021	Price (GBP) at 29 June 2021
Class A Retail Net Income	161.46	168.46
Class A Retail Net Accumulation	346.91	361.96
Class I Institutional Net Income	167.03	174.86
Class I Institutional Net Accumulation	314.59	329.34
Class I Institutional Net Accumulation (Currency Hedged)	113.38	119.18
Class R Retail Net Income	188.05	196.87
Class R Retail Net Accumulation	204.33	213.92

	Price (EURc) at 26 February 2021	Price (EURc) at 29 June 2021
Class A (Eur) Retail Net Accumulation	163.84	172.87
Class I (Eur) Institutional Net Accumulation	180.52	190.99

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2021		2020	
	£	%	£	%
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs	178,065,907		309,935,263	
Commissions	104,861	0.06%	172,558	0.06%
Taxes	137,557	0.08%	182,675	0.06%
Total purchase costs	<u>242,418</u>	<u>0.14%</u>	<u>355,233</u>	<u>0.12%</u>
Total purchases including transaction costs	<u>178,308,325</u>		<u>310,290,496</u>	
<b>Analysis of total sale costs</b>				
Sales in the year before transaction costs	192,737,677		333,174,414	
Commissions	(112,183)	(0.06%)	(180,284)	(0.05%)
Taxes	(681)	(0.00%)	(1,050)	(0.00%)
	<u>(112,864)</u>	<u>(0.06%)</u>	<u>(181,334)</u>	<u>(0.05%)</u>
Total sales net of transaction costs	<u>192,624,813</u>		<u>332,993,080</u>	

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
	£		£	
Commissions	217,044	0.47%	352,842	0.54%
Taxes	138,238	0.31%	183,725	0.28%
	<u>355,282</u>	<u>0.78%</u>	<u>536,567</u>	<u>0.82%</u>

15 Stock lending

The Sub-fund enters into stock lending arrangements with various counterparties. At the balance sheet date the bid value of securities on loan was £nil (2020: £3,250,088). The value of collateral held in respect of securities on loan was £nil (2020: £3,371,968).

Counterparty	2021		2020	
	Value of stock on loan	Collateral	Value of stock on loan	Collateral
	£	£	£	£
BNP Paribas Arbitrage	-	-	397,333	406,394
Citigroup Global Markets (UK)	-	-	418,385	428,581
Credit Suisse (Ireland)	-	-	1,395,462	1,439,670
Credit Suisse Securities (Europe)	-	-	416,514	440,458
Deutsche Bank	-	-	36,655	38,462
UBS	-	-	585,739	618,403
	<u>-</u>	<u>-</u>	<u>3,250,088</u>	<u>3,371,968</u>
<b>Collateral by asset class</b>		<b>2021</b>	<b>2020</b>	
		£	£	
Equities		-	2,329,638	
Government bonds		-	1,042,330	
		<u>-</u>	<u>3,371,968</u>	
<b>Analysis of stock lending income</b>		<b>2021</b>	<b>2020</b>	
		£	£	
Stock lending income		<u>11,604</u>	<u>18,585</u>	

## SECURITIES FINANCING TRANSACTIONS

### GLOBAL DATA

#### Proportion of securities and commodities on loan

Total lendable assets excluding cash and cash equivalents:		
Securities and commodities on loan	-	0.00%

#### Assets engaged in SFTs and total return swaps

Fund assets under management (AUM)	41,375,978	
Absolute value of assets engaged in:		
Securities lending	-	0.00%

### CONCENTRATION DATA

#### Top 10 Collateral Issuers

Name and value of collateral and commodities received	£
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#### Top 10 Counterparties

Name and value of outstanding transactions	£
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### AGGREGATE TRANSACTION DATA

#### Type, Quality and Currency of Collateral

Type	Quality	Currencies	£
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#### Securities lending

##### Maturity Tenor of Collateral (remaining period to maturity)

Type	Less than one day £	One day to one week £	One week to one month £	One to three months £	Three months to one year £	Above one year £	Open maturity £	Total £
Securities lending	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

#### Counterparty details

Type	Countries of Counterparty	Settlement and Clearing	£
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##### Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

Type	Less than one day £	One day to one week £	One week to one month £	One to three months £	Three months to one year £	Above one year £	Open transactions £	Total £
Securities lending	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

### RE-USE OF COLLATERAL

The Sub-fund does not engage in re-use of collateral.

### SAFEKEEPING OF COLLATERAL RECEIVED

Names and value of custodians safekeeping collateral	£
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Number of custodians safekeeping collateral	-
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### RETURN AND COST

	Collective Investment Undertaking £	Manager of collective investment undertaking £	Third Parties (e.g lending agent) £	Total £
<b>Securities Lending</b>				
Gross return	11,604	-	-	11,604
% of total gross return	100.00%	0.00%	0.00%	100.00%

## DISTRIBUTION TABLES

### Interim distributions in pence per share (cents for Euro class)

Group 1: Shares purchased prior to 1 March 2020

Group 2: Shares purchased on or after 1 March 2020 to 31 August 2020

Payment date	Unit Type	Share Class	Net Revenue	Equalisation	Distribution paid/allocated 31.10.20	Distribution paid/allocated 31.10.19
31.10.20	group 1	Class A Retail Net Income	0.4411	-	0.4411	0.9193
31.10.20	group 2	Class A Retail Net Income	0.0034	0.4377	0.4411	0.9193
31.10.20	group 1	Class A Retail Net Accumulation	0.9429	-	0.9429	1.9711
31.10.20	group 2	Class A Retail Net Accumulation	0.2550	0.6879	0.9429	1.9711
31.10.20	group 1	Class A (Eur) Retail Net Accumulation	0.4524	-	0.4524	0.8990
31.10.20	group 2	Class A (Eur) Retail Net Accumulation	0.4524	-	0.4524	0.8990
31.10.20	group 1	Class I Institutional Net Income	1.2074	-	1.2074	1.7605
31.10.20	group 2	Class I Institutional Net Income	0.3290	0.8784	1.2074	1.7605
31.10.20	group 1	Class I Institutional Net Accumulation	2.2580	-	2.2580	3.2393
31.10.20	group 2	Class I Institutional Net Accumulation	1.4577	0.8003	2.2580	3.2393
31.10.20	group 1	Class I Institutional Net Accumulation (Currency Hedged)	-	-	-	1.0919
31.10.20	group 2	Class I Institutional Net Accumulation (Currency Hedged)	-	-	-	1.0919
31.10.20	group 1	Class I (Eur) Institutional Net Accumulation	1.2648	-	1.2648	1.7998
31.10.20	group 2	Class I (Eur) Institutional Net Accumulation	1.2648	-	1.2648	1.7998
31.10.20	group 1	Class R Retail Net Income	1.3623	-	1.3623	1.9894
31.10.20	group 2	Class R Retail Net Income	0.6392	0.7231	1.3623	1.9894
31.10.20	group 1	Class R Retail Net Accumulation	1.4658	-	1.4658	2.1162
31.10.20	group 2	Class R Retail Net Accumulation	0.6964	0.7694	1.4658	2.1162

## DISTRIBUTION TABLES

### Final distributions in pence per share (cents for Euro class)

Group 1: Shares purchased prior to 01 September 2020

Group 2 : Shares purchased 01 September 2020 to 28 February 2021

Payment date	Unit Type	Share Class	Net Revenue	Equalisation	Distribution paid/allocated 30.04.21	Distribution paid/allocated 30.04.20
30.04.21	group 1	Class A Retail Net Income	-	-	-	-
30.04.21	group 2	Class A Retail Net Income	-	-	-	-
30.04.21	group 1	Class A Retail Net Accumulation	-	-	-	-
30.04.21	group 2	Class A Retail Net Accumulation	-	-	-	-
30.04.21	group 1	Class A (Eur) Retail Net Accumulation	-	-	-	-
30.04.21	group 2	Class A (Eur) Retail Net Accumulation	-	-	-	-
30.04.21	group 1	Class I Institutional Net Income	-	-	-	0.1752
30.04.21	group 2	Class I Institutional Net Income	-	-	-	0.1752
30.04.21	group 1	Class I Institutional Net Accumulation	-	-	-	0.3232
30.04.21	group 2	Class I Institutional Net Accumulation	-	-	-	0.3232
30.04.21	group 1	Class I Institutional Net Accumulation (Currency Hedged)	-	-	-	-
30.04.21	group 2	Class I Institutional Net Accumulation (Currency Hedged)	-	-	-	-
30.04.21	group 1	Class I (Eur) Institutional Net Accumulation	-	-	-	0.1892
30.04.21	group 2	Class I (Eur) Institutional Net Accumulation	-	-	-	0.1892
30.04.21	group 1	Class R Retail Net Income	-	-	-	0.1975
30.04.21	group 2	Class R Retail Net Income	-	-	-	0.1975
30.04.21	group 1	Class R Retail Net Accumulation	-	-	-	0.2109
30.04.21	group 2	Class R Retail Net Accumulation	-	-	-	0.2109

### 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) 94.10% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 5.90% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Argonaut Absolute Return Fund
<b>Size of Sub-fund</b>	£32,204,574
<b>Launch date</b>	14 July 2012
<b>Sub-fund objective and policy</b>	<p>To provide positive returns over a 3 year period, regardless of market conditions.</p> <p>Capital invested in the Sub-fund is at risk and there is no guarantee that the investment objective will be met over a 3 year, or any other period.</p> <p>The Sub-fund may, at times, invest in a relatively small number of equities, the selection of which will not be restricted either by size, industry, or geographical location of the underlying companies, although exposure is expected to be mainly (over 50% of gross exposure) to companies incorporated in Europe.</p> <p>The Sub-fund may take investment exposure to equities, fixed interest instruments, collective investment schemes (which may include those managed/operated by the ACD) cash and near cash (which includes money market instruments and deposits in any currency).</p> <p>Any such exposures could be gained by direct investment or through funds or derivative instruments.</p> <p>In pursuit of its investment policy, all or a substantial proportion of the Sub-fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments.</p> <p>The Sub-fund may use derivatives and forward transactions (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) for the purposes of meeting the investment objective or efficient portfolio management.</p>
<b>Investment Strategy</b>	<p>The Investment Manager will seek to identify methodically those investments, generally in European markets including the UK and Eastern Europe, with the most and least attractive characteristics for investment. This assessment will be made with a view to being long on stocks with superior or underestimated earnings trends and being short on stocks with inferior or overestimated earnings trends.</p> <p>The investment process will involve traditional long investing (taking a position in a stock on the expectation of the stock rising) and also "shorting" (taking a position with the expectation of the stock falling). Stocks are selected by the Investment Manager primarily on over (shorts) and under (longs) estimated corporate earnings trends with the aim of providing "double alpha" from our stock-picking. Alpha is the difference between our returns and those of the market average. Successfully executed this will result in positive returns from the Fund regardless of market conditions.</p> <p>The Sub-fund may also use leverage to enhance returns or cash to protect capital. The Investment Manager will vary leverage and market exposure according to market conditions.</p> <p>Investment strategies will be achieved through some use of derivative products (which will include contracts for difference (swaps), traded options and financial futures) in the pursuit of the investment objective. Direct investment will be made in equities and corporate debt securities for long exposure whereas exchange-traded financial derivative instruments and over-the-counter financial derivative instruments (together 'derivatives'). Short positions will be generated synthetically through derivatives, designed to allow the Sub-fund to benefit economically from the fall in the price of the underlying securities to which the derivatives relate.</p> <p>In pursuit of its investment policy, all or a substantial proportion of the Sub-fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments; the Sub-fund may also invest in government bonds and other transferable securities collective investment schemes (and use may be made of stock lending, borrowing, hedging techniques permitted by the FCA Rules).</p>

**Investment Strategy (continued)**

In addition to a cash holding being maintained to contribute to the absolute return, substantial cash holdings could be required in support of derivatives to achieve the same economic return as holding the securities themselves.

The Sub-fund's over-the-counter financial derivatives may be transacted with a single counterparty and strategies may be generated through a single derivative contract. In all circumstances, however, the Sub-fund will comply with the investment restrictions and limits set out in the Prospectus. Derivatives strategies are designed to have the same economic effect as if the Sub-fund were investing directly in the equities underlying the derivatives.

In addition, the Sub-fund has the ability to invest in transferable securities embedding derivatives such as convertible bonds and to employ techniques involving, foreign exchange forwards, futures, options, stock lending and contracts for difference for the purpose of efficient portfolio management. These strategies may be used for reducing risk, reducing cost or generating additional capital for the Sub-fund.

The Sub-fund aims to generate absolute returns from five principal strategies:

- Long investing where there is a strong conviction that the stock price will rise;
- Short investing where there is a strong conviction that the stock price will fall;
- Pair trades – a combination of long and short investments to minimise sector and market risk. This could take the form of arbitrage opportunities such as long corporate debt paired with short equity;
- Cash holdings of up to 100% of the portfolio;
- Leverage to increase exposure to equity and corporate debt securities whether long or short but only to the extent permitted by the FCA Regulations.

**Benchmark**

The Sub-fund is not managed against any formal benchmark. The Sub-fund uses the Investment Association's (IA) IA Targeted Absolute Return Sector for performance comparison purposes only ("Performance Comparator"). The Performance Comparator is not used as a performance target or as a constraint in relation to the composition of the Sub-fund's portfolio.

The Performance Comparator was chosen because it enables investors to compare the performance of the portfolio against competing funds in the same sector.

The Performance Comparator is used to compare the Sub-fund's rank or quartile as compared to the performance of other Sub-funds in the IA Targeted Absolute Return Sector over a variety of time frames.

The ACD reserves the right to change the comparator following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change, in accordance with the rules in COLL.

**Authorised Corporate Director (ACD) from 5 February 2021**

Valu-Trac Investment Management Limited

**Authorised Corporate Director (ACD) to 5 February 2021**

FundRock Partners Limited

**Ex-distribution dates**

31 August, Last day of February

**Distribution dates**

31 October, 30 April

**Individual Savings Account (ISA)**

The Sub-fund is a qualifying investment for inclusion in an ISA.



SUB-FUND OVERVIEW (continued)

Share class information

Share class*	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Minimum redemption	Initial charge **
Class A (Currency Hedged) Retail Net Accumulation	£ 500	£ 250	£ 250	£ 100	5.25%
Class R (Currency Hedged) Retail Net Accumulation	£ 500	£ 250	£ 250	£ 100	0.00%
Class I (Currency Hedged) Institutional Net Accumulation	£ 3,000,000	£ 1,000	£ 3,000,000	£ 1,000	0.00%
Class O (Currency Hedged) Institutional Net Accumulation	£ 500	£ 250	£ 250	£ 100	5.00%
Class A (Eur) (Currency Hedged) Retail Net Accumulation	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.25%
Class I (Eur) (Currency Hedged) Institutional Net Accumulation	€ 3,000,000	€ 1,000	€ 3,000,000	€ 1,000	0.00%
Class O (Eur) (Currency Hedged) Institutional Net Accumulation	€ 2,500	€ 1,000	€ 2,500	€ 1,000	5.00%
Class A (USD) (Currency Hedged) Retail Net Accumulation	\$ 2,500	\$ 1,000	\$ 2,500	\$ 1,000	5.25%
Class I (USD) (Currency Hedged) Institutional Net Accumulation	\$ 3,000,000	\$ 1,000	\$ 3,000,000	\$ 1,000	0.00%
Class O (USD) (Currency Hedged) Institutional Net Accumulation	\$ 2,500	\$ 1,000	\$ 2,500	\$ 1,000	5.00%

\* Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

\*\*The initial charge is shown as a percentage of the amount invested which is equivalent to 5.5409% of the price of shares.

**Annual Management Charges**

In respect of the A shares, it is equal to 1.50% per annum of the net asset value of the A shares.

In respect of the R shares, it is equal to 0.75% per annum of the net asset value of the B shares.

In respect of the I shares, it is equal to 0.75% per annum of the net asset value of the C shares.

In respect of the O shares, it is equal to 1.50% per annum of the net asset value of the O shares.

**Performance Fee**

The Performance Fee will be calculated and accrued daily but will only become payable annually in arrears in respect of each discrete period of twelve months ending 31 December (the "Performance Period"). The Performance Fee will accrue daily as if each day were the end of a Performance Period, therefore if relevant; the fee may be payable upon redemptions and will be paid to the Investment Manager at the end of the Performance Period. There is no maximum value on the Performance Fee that could be taken. Full details can be found in the prospectus.

The amount of Performance Fee payable in respect of each Performance Period is a Sterling amount equivalent to the product of:

- (a) the opening NAV;
- (b) the higher of:
  - the excess performance over 5% (the "Hurdle Rate"); and
  - the highest mid price, net of any performance fee, calculated at the end of any previous Performance Period (the "High Watermark"); the higher being the "Target Price";
- (c) the rate of the performance fee (being 20% of the outperformance of the Target Price); and
- (d) the average number of Shares in issue during the Calculation Period.

The accrual for a performance fee shall reflect the average number of Shares in issue during the Performance Period. However, where the actual number of shares in issue (on any day) is less than 95% of the average number of shares in issue shown on the performance fee calculation (which could occur where large redemptions of shares are placed relative to the number of shares in issue in that share class), the average number of shares in issue will be reset to the actual number of shares in issue.

## SUB-FUND OVERVIEW (continued)

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### Changes to the Sub-fund

On the 3 December 2020 the Class A (USD) (Currency Hedged) Retail Net Accumulation share class was launched.

On the 3 December 2020 the Class O (Currency Hedged) Institutional Net Accumulation share class was launched.

On the 3 December 2020 the Class O (Eur) (Currency Hedged) Institutional Net Accumulation share class was launched.

On the 3 December 2020 the Class O (USD) (Currency Hedged) Institutional Net Accumulation share class was launched.

On 5 February 2021, there was a change in fund name from FP Argonaut Absolute Return Fund to VT Argonaut Absolute Return Fund. There was also a change in the fund objectives wording to that noted above.

## INVESTMENT MANAGER'S REPORT

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### Investment Review

The Fund returned +6.13% (I GBP Accumulation) over the 12-month review period (1st March 2020 to 28th February 2021) vs. the IA Targeted Absolute Return sector of +4.9% and the Lipper equity long/short sector of +5.45%. The correlation of the Fund was just 0.03%.

Since launch the Fund has returned +116.9% vs. the IA Targeted Absolute Return sector of +43.69% and the Lipper equity long/short sector of +33.98% with a correlation of just 0.15%.

In our long book our biggest winners were all companies which benefitted from COVID lock-downs: video conferencing software company Zoom (+108%) and hardware outfit Logitech (+84%); semiconductor companies Siltronic (+89%) and AMS (+89%), which were initially wrongly diagnosed as cyclical losers but ultimately benefitted from digitisation and massive industry restock; food delivery companies Grubhub (+39%) and Just Eat (+44%); online telehealth companies Shop Apotheke (+30%) and VNV Global (+54%), by virtue of its investment in Babylon Health.

More recently the Fund took profits in lock-down winners and began to invest in commodity equities, where supply has been capital constrained and demand is recovering strongly. The Fund made good returns in Russian gold miner Polyus (+29%) and palladium and nickel miner Norilsk (+22%). Steel behemoth Mittal (+27%) and Swedish "green" steel outfit SSAB (+16%) are our biggest current positions. We are also greatly enthused by the Electronic Vehicle prospects at Volkswagen and its holding company Porsche.

In our short book our biggest winners were German payments company Wirecard (-100%), hospital operator NMC Healthcare (-99%) and foreign exchange dealer Finabl (-99%). They all had something in common: they were frauds, unmasked during the review period and subsequently went bust. Norwegian Air Shuttle (-99%) also ran out of cash and had to be repeatedly recapitalised. Our short book delivered in spades during the March 2020 market sell off and although reduced significantly and presciently near the market bottom in April was something of a handbrake on fund returns subsequently.

### Market Overview

The beginning of the review period saw extreme panic as the SARS-2/COVID virus spread out of China to the rest of the world. As we write COVID mortality has been just under 3m (127k in the UK) which to put into perspective compares with a normal flu season of 350-650k (30-60k in UK), with the median age of death at 82 and the high presence of comorbidities (+90%). In the UK the economic cost of lockdown was the worst recession in over 300 years, itself cushioned by a massive expansion in state spending financed by additional government debt. The meter is still running with the current economic cost some £400bn, some £6,000 per head of population or just over £3m per UK COVID death.

The consensual COVID narrative is that lockdowns were unavoidable until vaccination arrived, irrespective of whether mass inoculation was really appropriate when the vast majority of the population was never at risk. At the time of writing, with all over-50s in the UK having been offered the vaccine and the mortality risk now negligible, a return to normality still seems elusive. Once governments expand their powers they are very reluctant to give them back.

### Outlook

The perception of risk in financial markets has now shifted from an absence of economic growth and profits to concerns now over the longer-term path of interest rates and inflation. Recent communications from the Federal Reserve have insisted they will maintain current asset purchases at \$120bn a month for the foreseeable future and will not hike the Fed Funds rate until 2024. Although Central Banks can determine short-term interest rates, they have less control over the bond market where longer-term interest rates have been rising.

Central banks will be privately delighted with rising long term interest rates. The steepening yield curve which has roiled financial markets recently is ironically exactly what they have been attempting to engineer for the last decade through near zero interest rates and asset purchases. It is a recognition by markets that future nominal growth will sustainably accelerate. The alternative is a Japanese style debt deflation trap. Governments and Central banks hell-bent on reflation are no longer intimidated.

**Outlook (continued)**

Economic growth is generally an equity investors friend. The trouble is that it is not friendly to the kind of growth stock which has led the recent bull market. The premium valuations paid for "growth" stocks with disruptive business models look less compelling when the average "value" stock is also able to grow profits. "Growth" stocks do not generally do well when there is a lot of economic growth around.

"Value" matters again when economic growth expectations are rising: the concept of negatively yielding bonds never really made much sense; the relentless ascent of growth at any price "glamour" stocks has now reversed. Portfolios which have previously produced attractive returns through being long low volatility long duration assets and short high volatility cyclical assets are most at risk from the current reflation. This creates portfolio construction challenges for long/short equity strategies in terms of effectively hedging appropriate risk which so far have been manageable.

**Barry Norris**  
**Argonaut Capital Partners LLP**  
**Investment Manager to the Fund**  
**01 April 2021**

Data Source for all performance figures Refinitiv Lipper

## PERFORMANCE RECORD

### Financial Highlights

#### Class A (currency hedged) Retail Net Accumulation

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	188.62	151.34	187.09
Return before operating charges	13.32	43.08	(31.73)
Operating charges (note 1)	(4.46)	(5.80)	(4.02)
Return after operating charges *	8.86	37.28	(35.75)
Closing net asset value per unit	197.48	188.62	151.34
Distributions on accumulation units	-	-	-
*after direct transactions costs of:	0.06	0.16	0.45
Performance			
Return after charges	4.70%	24.63%	(19.11%)
Other information			
Closing net asset value	£7,799,997	£556,766	£1,645,831
Closing number of units	3,949,689	295,178	1,087,508
Operating charges (note 2)	2.31%	3.41%	2.35%
Direct transaction costs	0.03%	0.09%	0.26%
Prices			
Highest unit price	238.14	197.35	194.18
Lowest unit price	188.64	149.86	150.57

#### Class A (Eur) (currency hedged) Retail Net Accumulation

	Period from 8 February 2021 to 28 February 2021**	Period from 1 March 2019 to 3 May 2019*	Year to 28 February 2019
Changes in net assets per unit	EURc	EURc	EURc
Opening net asset value per unit	131.87	126.43	158.04
Return before operating charges	(8.36)	6.21	(28.15)
Operating charges (note 1)	(0.25)	(0.77)	(3.46)
Return after operating charges *	(8.61)	5.44	(31.61)
Closing net asset value per unit	123.26	131.87	126.43
Distributions on accumulation units	-	-	-
*after direct transactions costs of:	0.04	0.12	0.38
Performance			
Return after charges	(6.53%)	4.30%	(20.00%)
Other information			
Closing net asset value	€ 1,866,692	€ 0	€ 151,715
Closing number of units	1,514,393	0	120,000
Operating charges (note 2)	2.31%	3.47%	2.42%
Direct transaction costs	0.03%	0.09%	0.26%
Prices			
Highest unit price	132.20	133.23	163.86
Lowest unit price	124.09	124.92	125.60

\*Share class was closed on 07 May 2019.

\*\*Share class re-opened on 8 February 2021.

**PERFORMANCE RECORD (Continued)**

**Financial Highlights (Continued)**

**Class A (USD) (currency hedged) Retail Net Accumulation**

	<b>Period from 3 December 2020 to 28 February 2021+</b>
Changes in net assets per unit	
	USDc
Opening net asset value per unit	100.00
Return before operating charges	(0.35)
Operating charges (note 1)	(0.57)
Return after operating charges *	(0.93)
Closing net asset value per unit	99.07
Distributions on accumulation units	-
*after direct transactions costs of:	0.03
Performance	
Return after charges	(0.93%)
Other information	
Closing net asset value	\$126,238
Closing number of units	127,417
Operating charges (note 2)	2.31%
Direct transaction costs	0.03%
Prices	
Highest unit price	106.87
Lowest unit price	97.57

+Share class launched on 3 December 2020.

**Class I (currency hedged) Institutional Net Accumulation**

	<b>Year to 28 February 2021</b>	<b>Year to 29 February 2020</b>	<b>Year to 28 February 2019</b>
Changes in net assets per unit			
	GBP	GBP	GBP
Opening net asset value per unit	204.42	162.78	199.72
Return before operating charges	15.81	46.52	(34.01)
Operating charges (note 1)	(3.29)	(4.88)	(2.93)
Return after operating charges *	12.52	41.64	(36.94)
Closing net asset value per unit	216.94	204.42	162.78
Retained distributions on accumulated units	-	-	-
*after direct transactions costs of:	0.06	0.18	0.48
Performance			
Return after charges	6.13%	25.58%	(18.50%)
Other information			
Closing net asset value	£10,747,979	£7,689,022	£15,258,747
Closing number of units	4,954,303	3,761,442	9,373,980
Operating charges (note 2)	1.56%	2.66%	1.60%
Direct transaction costs	0.03%	0.09%	0.26%
Prices			
Highest unit price	255.09	213.84	207.37
Lowest unit price	204.44	161.22	161.89

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class I (Eur) (currency hedged) Institutional Net Accumulation**

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit			
	EURc	EURc	EURc
Opening net asset value per unit	162.14	131.66	163.77
Return before operating charges	11.42	35.38	(29.26)
Operating charges (note 1)	(3.83)	(4.90)	(2.85)
Return after operating charges *	7.59	30.48	(32.11)
Closing net asset value per unit	169.73	162.14	131.66
Retained distributions on accumulated units	-	-	-
*after direct transactions costs of:	0.05	0.14	0.40
Performance			
Return after charges	4.68%	23.15%	(19.61%)
Other information			
Closing net asset value	€ 1,697,095	€ 864,487	€ 836,344
Closing number of units	999,898	533,168	635,210
Operating charges (note 2)	2.31%	3.30%	1.90%
Direct transaction costs	0.03%	0.09%	0.26%
Prices			
Highest unit price	203.00	169.69	169.84
Lowest unit price	162.00	130.10	130.78

**Class I (USD) (currency hedged) Institutional Net Accumulation**

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit			
	USDc	USDc	USDc
Opening net asset value per unit	117.72	92.10	111.55
Return before operating charges	7.56	28.49	(17.72)
Operating charges (note 1)	(1.88)	(2.87)	(1.73)
Return after operating charges *	5.68	25.62	(19.45)
Closing net asset value per unit	123.40	117.72	92.10
Retained distributions on accumulated units	-	-	-
*after direct transactions costs of:	0.04	0.10	0.27
Performance			
Return after charges	4.82%	27.82%	(17.44%)
Other information			
Closing net asset value	\$1,086,634	\$865,650	\$629,261
Closing number of units	880,600	735,337	683,270
Operating charges (note 2)	1.56%	2.72%	1.67%
Direct transaction costs	0.03%	0.09%	0.26%
Prices			
Highest unit price	146.00	122.46	116.07
Lowest unit price	118.00	91.53	91.78

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class R (currency hedged) Retail Net Accumulation**

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	174.26	138.76	170.26
Return before operating charges	13.10	39.67	(28.99)
Operating charges (note 1)	(2.80)	(4.17)	(2.51)
Return after operating charges *	10.30	35.50	(31.50)
Closing net asset value per unit	184.56	174.26	138.76
Retained distributions on accumulated units	-	-	-
*after direct transactions costs of:	0.05	0.15	0.41
Performance			
Return after charges	5.91%	25.58%	(18.50%)
Other information			
Closing net asset value	£9,363,674	£8,429,525	£13,140,379
Closing number of units	5,073,444	4,837,296	9,469,766
Operating charges (note 2)	1.56%	2.67%	1.60%
Direct transaction costs	0.03%	0.09%	0.26%
Prices			
Highest unit price	217.13	182.29	176.78
Lowest unit price	174.28	137.43	138.00

**Class O (currency hedged) Institutional Net Accumulation**

	Period from 3 December 2020 to 28 February 2021+
Changes in net assets per unit	GBP
Opening net asset value per unit	100.00
Return before operating charges	0.93
Operating charges (note 1)	(0.58)
Return after operating charges *	0.35
Closing net asset value per unit	100.35
Retained distributions on accumulated units	-
*after direct transactions costs of:	0.03
Performance	
Return after charges	0.35%
Other information	
Closing net asset value	£157,411
Closing number of units	156,858
Operating charges (note 2)	2.31%
Direct transaction costs	0.03%
Prices	
Highest unit price	108.42
Lowest unit price	99.03

+Share class launched on 3 December 2020.



**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)****Class O (Eur) (currency hedged) Institutional Net Accumulation**

	<b>Period from 3 December 2020 to 28 February 2021+</b>
Changes in net assets per unit	GBP
Opening net asset value per unit	100.00
Return before operating charges	(0.60)
Operating charges (note 1)	(0.57)
Return after operating charges *	(1.17)
Closing net asset value per unit	98.83
Retained distributions on accumulated units	-
*after direct transactions costs of:	0.03
Performance	
Return after charges	(1.17%)
Other information	
Closing net asset value	€ 973
Closing number of units	985
Operating charges (note 2)	2.31%
Direct transaction costs	0.03%
Prices	
Highest unit price	106.77
Lowest unit price	97.48

+Share class launched on 3 December 2020.

**Class O (USD) (currency hedged) Institutional Net Accumulation**

	<b>Period from 3 December 2020 to 28 February 2021+</b>
Changes in net assets per unit	GBP
Opening net asset value per unit	100.00
Return before operating charges	(0.16)
Operating charges (note 1)	(0.58)
Return after operating charges *	(0.74)
Closing net asset value per unit	99.26
Retained distributions on accumulated units	-
*after direct transactions costs of:	0.03
Performance	
Return after charges	(0.74%)
Other information	
Closing net asset value	\$248,084
Closing number of units	249,932
Operating charges (note 2)	2.31%
Direct transaction costs	0.03%
Prices	
Highest unit price	106.87
Lowest unit price	97.63

+Share class launched on 3 December 2020.

## PERFORMANCE RECORD (Continued)

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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.

### **Risk Profile**

Based on past data, the Sub-fund is ranked a '6' 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 6 because historical performance data indicates that high rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 28 February 2021

Holding	Value £	% of net assets
<b>Equities 0.00% (2020:8.85%)</b>		
<b>Collective Investment Schemes 9.64% (2020:8.87%)</b>		
3,106,842 Goldman Sachs Sterling Liquid Reserves Value Dis	3,106,842	9.65
	<b>3,106,842</b>	<b>9.65</b>
<b>Contracts for Difference (3.02)% (2020:1.53%)</b>		
120,000 Acerinox SA	4,799	0.01
35,000 Admiral Group PLC	8,750	0.03
(80,000) ADO Properties SA	(5,462)	(0.02)
(30,000) Ambu A/S	30,062	0.09
15,000 Bayer AG	(46,682)	(0.14)
18,000 Boise Cascade Co	37,929	0.12
(150,873) Burford Capital Ltd	62,458	0.19
25,000 Bunge Ltd	(82,483)	(0.26)
45,000 Carnival PLC	(22,158)	(0.07)
(13,000) Casino Guichard Perrachon SA	3,221	0.01
(26,000) Cellnex Telecom SA	(65,739)	(0.20)
15,000 Citigroup Inc	(17,159)	(0.05)
90,000 Cleveland-Cliffs Inc	(158,648)	(0.49)
100,000 CNH Industrial NV	10,215	0.03
6,000 D.R. Horton Inc	(19,042)	(0.06)
(50,228) Deutsche Euroshop AG	(40,826)	(0.13)
(5,000) DoorDash Inc	28,534	0.09
350,000 Ence Energia y Celulosa SA	60,340	0.19
28,000 Eramet SA	28,800	0.09
(5,000) Eurofins Scientific SE	1,565	0.00
400,000 Ferrexpo PLC	20,400	0.06
(15,000) Fevertree Drinks PLC	6,225	0.02
(420,906) Finabl PLC	(43,246)	(0.13)
55,000 Freeport-McMoRan Inc	109,983	0.34
(140,000) Fresnillo PLC	87,438	0.27
(15,000) Future PLC	(4,800)	(0.01)
(50,000) Grenke AG	(118,227)	(0.37)
(14,000) Hellofresh SE	1,177	0.00
(300,000) Hochschild Mining PLC	20,210	0.06
30,000 Infineon Technologies AG	(17,734)	(0.06)
(60,000) Inovio Pharmaceuticals Inc	62,680	0.19
(300,000) IWG Plc	(15,039)	(0.05)
6,000 JPMorgan Chase & Co	(15,656)	(0.05)
12,000 KB Home	(18,913)	(0.06)
5,000 Lennar Corp	(28,380)	(0.09)
14,000 Logitech International SA	(98,078)	(0.30)
20,000 Louisiana-Pacific Corp	39,030	0.12
(120,000) Mediclinic International PLC	26,400	0.08
(1,000) MicroStrategy Inc	81,451	0.25
15,000 Micron Technology Inc	3,877	0.01
19,956 Mosaic Co	1,791	0.01
50,000 Mylan NV	(117,756)	(0.37)
(269,818) Network International Holdings PLC	(25,093)	(0.08)
30,000 NK Lukoil PAO	(47,735)	(0.15)
7,000 NXP Semiconductors NV	(85,596)	(0.27)
14,000 West Fraser Timber Co Ltd	(42,661)	(0.13)
44,260 OCI NV	(27,126)	(0.08)
300,000 Outokumpu Oyj	(3,521)	(0.01)
45,000 OTP Bank Nyrt	40,294	0.13
(28,000) Pan American Silver Corp	12,105	0.04
(12,000) Peloton Interactive Inc	62,727	0.19

**PORTFOLIO STATEMENT (continued)**

<b>Contracts for Difference (continued)</b>			
30,000	Porsche Automobil Holding SE (CFD)	27,474	0.09
10,000	Pultegroup Inc (CFD)	(19,674)	(0.06)
7,000	Reinsurance Group of America Inc (CFD)	(8,341)	(0.03)
1,640	Rolls-Royce Holdings PLC (CFD)	16	0.00
130,000	Sberbank Rossii PAO (CFD)	(40,296)	(0.13)
105,041	SEGRO PLC (CFD)	(62,079)	(0.19)
75,000	Sibanye Stillwater Ltd (CFD)	(33,094)	(0.10)
4,000	Shop Apotheke Europe NV (CFD)	(146,915)	(0.46)
50,000	Smith & Wesson Brands Inc (CFD)	(52,775)	(0.16)
(60,000)	Solutions 30 SE (CFD)	32,860	0.10
(8,000)	Temenos AG (CFD)	(73,577)	(0.23)
8,000	Toll Brothers Inc (CFD)	(12,178)	(0.04)
(200,000)	Trainline PLC (CFD)	(49,200)	(0.15)
4,500	VAT Group AG (CFD)	(64,794)	(0.20)
(70,000)	Vaxart Inc (CFD)	(39,381)	(0.12)
187,546	VNV Global AB (publ) (CFD)	(101,380)	(0.31)
33,000	VNV Global AB (publ) WTS 10/08/23 (CFD)	(4,389)	(0.01)
40,000	Warehouses de Pauw NV (CFD)	(16,344)	(0.05)
(4,000)	Wayfair Inc (CFD)	35,150	0.11
80,000	Weir Group PLC (CFD)	(11,009)	(0.03)
25,000	Wells Fargo & Co	(15,780)	(0.05)
20,000	Yara International ASA (CFD)	3,089	0.01
		(967,916)	(3.02)
	CHF Forward currency contract Loss	(7,302)	(0.02)
	DKK Forward currency contract Gain	2,053	0.01
	DKK Forward currency contract Gain	1,145	0.00
	EUR Forward currency contract Loss	(3,238)	(0.01)
	EUR Forward currency contract Loss	(2,353)	(0.01)
	HUF Forward currency contract Loss	(4)	0.00
	NOK Forward currency contract Gain	637	0.00
	SEK Forward currency contract Loss	(86)	0.00
	USD Forward currency contract Loss	(17,221)	(0.05)
	USD Forward currency contract Gain	2,998	0.01
		(23,371)	(0.07)
	USD Hedged share classes Forward contract Gain	1,415	0.00
	EUR Hedged share classes Forward contract Gain	7,282	0.02
	USD Hedged share classes Forward contract Gain	12,180	0.04
	EUR Hedged share classes Forward contract Gain	4	0.00
	USD Hedged share classes Forward contract Gain	2,773	0.01
	EUR Hedged share classes Forward contract Gain	8,010	0.02
		31,664	0.09
	<b>Portfolio of investments 6.65% (2020: 16.10%)</b>	<b>2,147,219</b>	<b>6.65</b>
	<b>Net other assets 93.35% (2020: 83.90%)</b>	<b>30,057,355</b>	<b>93.35</b>
		<b>32,204,574</b>	<b>100.00</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total sales for the year (note 14)</b>	<b>7,873,506</b>
Asml Holding Nv Common Stock Eur.09	1,027,721
Fresenius Se + Co KgaA Common Stock	1,612,238
Impala Platinum Holdings Ltd Common Stock Npv	7,848
Infrastrutture Wireless Ital Common Stock Npv	2,129,229
Norwegian Air Shuttle As Common Stock Nok10.0	12,552
Nvidia Corp Common Stock Usd.001	222,223
Otp Bank Plc Common Stock Huf100.	1,020
Pexip Holding Asa Common Stock Nok.015	169,155
Sibanye Stillwater Ltd Common Stock	7,644
Stamps.Com Inc Common Stock Usd.001	715,084
Unipol Gruppo Spa Common Stock	1,283,652
West Fraser Timber Co Ltd Common Stock	685,140
	£
<b>Total purchases for the year (note 14)</b>	<b>8,128,082</b>
Asml Holding Nv Common Stock Eur.09	982,558
Fresenius Se + Co KgaA Common Stock	1,528,560
Goldman Sachs Plc Sterling L Gs Gbp Liq Res Val	1,501,776
Infrastrutture Wireless Ital Common Stock Npv	1,383,053
Norwegian Air Shuttle As Common Stock Nok10.0	5,084
Nvidia Corp Common Stock Usd.001	115,231
Otp Bank Plc Common Stock Huf100.	245
Pexip Holding Asa Common Stock Nok.015	146,506
Stamps.Com Inc Common Stock Usd.001	943,874
Unipol Gruppo Spa Common Stock	1,146,873
West Fraser Timber Co Ltd Common Stock	374,322

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

## STATEMENT OF TOTAL RETURN

For the year ended 28 February 2021

		2021		2020	
	Notes	£	£	£	£
Income					
Net capital (losses)/gains	2		(788,639)		5,014,640
Revenue	3	492,657		675,227	
Expenses	4	(637,552)		(609,875)	
Interest payable and similar charges	6	<u>(168,299)</u>		<u>(47,423)</u>	
Net (expenses)/revenue before taxation		(313,194)		17,929	
Taxation	5	<u>-</u>		<u>1,375</u>	
Net (expenses)/revenue after taxation			<u>(313,194)</u>		<u>19,304</u>
Total return before distributions			(1,101,833)		5,033,944
Finance costs: distributions	6		<u>46</u>		<u>(16,050)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>			<u>(1,101,787)</u>		<u>5,017,894</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2021

	2021	2020
	£	£
<b>Opening net assets attributable to shareholders</b>	18,096,486	31,363,938
Amounts receivable on creation of shares	30,153,900	2,875,900
Amounts payable on cancellation of shares	(15,027,131)	(21,186,305)
Initial charges	(6)	-
Dilution levy	83,112	25,059
Changes in net assets attributable to shareholders from investment activities (see above)	<u>(1,101,787)</u>	<u>5,017,894</u>
<b>Closing net assets attributable to shareholders</b>	<u>32,204,574</u>	<u>18,096,486</u>

**BALANCE SHEET**

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As at 28 February 2021		2021		2020	
	Notes	£	£	£	£
<b>ASSETS</b>					
Investment assets			4,096,389		4,915,511
<b>Current assets</b>					
Debtors	7	648,526		1,002,967	
Cash and bank balances	8	<u>40,670,495</u>		<u>14,870,198</u>	
<b>Total current assets</b>			<u>41,319,021</u>		<u>15,873,165</u>
<b>Total assets</b>			45,415,410		20,788,676
<b>LIABILITIES</b>					
Investment liabilities			(1,949,170)		(2,001,190)
<b>Current liabilities</b>					
Bank overdraft	8	(9,344,203)		(26,904)	
Creditors	9	<u>(1,917,463)</u>		<u>(664,096)</u>	
<b>Total current liabilities</b>			<u>(11,261,666)</u>		<u>(691,000)</u>
<b>Net assets attributable to shareholders</b>			<u>32,204,574</u>		<u>18,096,486</u>

## NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies and financial instruments are on pages 7-11.

### 2 Net capital (losses)/gains

	2021	2020
	£	£
The net capital (losses)/gains comprise:		
Currency (losses)/gains	(753,436)	374,449
Derivatives contract (losses)/gains	(367,502)	4,809,154
Forward currency contract (losses)	(95,940)	(160,221)
Non-derivative security gains	666,518	204,131
Transaction charges	(238,279)	(213,126)
Breach compensation	-	253
Total net capital (losses)/gains	<u>(788,639)</u>	<u>5,014,640</u>

Note the 2020 net capital gains has been reclassified as follows:

The Contract for Difference financing charges of £45,020 has been moved into finance costs (note 6).  
(£244,620) contained in the CFD short positions in the expenses (note 4) has been moved into the derivatives contracts (losses)/gains as it relates to commissions on CFD transactions.

### 3 Revenue

	2021	2020
	£	£
UK dividends	-	34,060
Bank interest	3,214	16,880
Offshore funds dividends	-	14,599
Overseas dividends	43,117	99,674
Stock lending income	18	166
CFD interest received	2,095	5,777
CFD long position	444,213	504,071
Total revenue	<u>492,657</u>	<u>675,227</u>

### 4 Expenses

	2021	2020
	£	£
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
Annual management charge	346,482	167,333
General administration charge	77,775	72,197
Printing, postage, stationery and typesetting costs	21,226	9,339
	<u>445,483</u>	<u>248,869</u>
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	17,786	18,000
Safe custody fee	334	3,775
	<u>18,120</u>	<u>21,775</u>
<b>Other expenses:</b>		
Audit fee	9,000	12,822
FCA fee	400	223
CFD short position	46,907	248,272
Professional fees	117,642	77,914
	<u>173,949</u>	<u>339,231</u>
Total expenses	<u>637,552</u>	<u>609,875</u>

Note the 2020 expenses has been reclassified as follows:

The CFD short position has been reduced by £244,620 which is commissions on the CFD transactions.  
This has been reallocated to the derivatives (losses)/gains in Net capital (losses)/gains (note 1).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2021	2020
	£	£
<b>(a) Analysis of charge in the year</b>		
UK corporation tax	-	-
Overseas irrecoverable withholding tax	-	(1,375)
Total tax charge for the year (note 5b)	<u>-</u>	<u>(1,375)</u>

**(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 (expenses)/revenue before UK corporation tax	(313,194)	17,929
Corporation tax at 20.00% (2020:20.00%)	(62,639)	3,586
<b>Effects of:</b>		
Revenue not subject to UK corporation tax	(8,623)	(29,667)
Excess management expenses	71,262	26,081
Overseas irrecoverable withholding tax	-	(1,375)
Total tax charge for year (note 5a)	<u>-</u>	<u>(1,375)</u>

**(c) Provision for deferred taxation**

At 28 February 2021 there is a potential deferred tax asset of £2,668,267 (2020: £2,597,005) in relation to surplus management expenses. It is unlikely the Sub-fund 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 distributions	-	-
Final dividend distribution	-	-
	<u>-</u>	<u>-</u>
Add: Revenue deducted on cancellation of shares	748	18,428
Deduct: Revenue received on issue of shares	(794)	(2,378)
<b>Net distribution for the year</b>	(46)	16,050
Interest payable and similar charges	168,299	47,423
<b>Total finance costs</b>	<u>168,253</u>	<u>63,473</u>
<b>Reconciliation of distributions</b>		
Net (expenses)/revenue after taxation	(313,194)	19,304
Equalisation on conversion of shares	-	11
Revenue deficit charged to capital	313,148	(3,265)
<b>Net distribution for the year</b>	<u>(46)</u>	<u>16,050</u>

Note the 2020 Finance costs has been reclassified as follows:

The Contract for difference financing charges of £45,020 has been moved into interest payable and similar charges from net capital gains (note 1).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>28.02.21</b>	<b>29.02.20</b>
	£	£
Accrued bank interest	1	180
Accrued revenue	145,708	2,224
Amounts receivable for creation of shares	106,418	189,912
Dilution adjustment receivable	-	376
Overseas withholding tax recoverable	-	125,710
Amount receivable on outstanding trades	396,203	684,266
Prepaid expenses	196	299
<b>Total debtors</b>	<b>648,526</b>	<b>1,002,967</b>

<b>8 Cash and bank balances</b>	<b>28.02.21</b>	<b>29.02.20</b>
	£	£
Cash and bank balances	31,359,152	9,220,563
Amount held at futures clearing houses and brokers	9,311,343	5,649,635
	<u>40,670,495</u>	<u>14,870,198</u>
Bank overdraft	(9,344,203)	(26,866)
Amount held at futures clearing houses and brokers	-	(38)
	<u>(9,344,203)</u>	<u>(26,904)</u>

<b>9 Creditors</b>	<b>28.02.21</b>	<b>29.02.20</b>
	£	£
Amounts payable for redemption of shares	996,487	345,602
Amounts payable on outstanding trades	616,539	123,923
Amounts payable accrued interest	39,060	-
Amounts payable for taxation refund	1,331	-
Payable to the ACD	38,443	-
Accrued expenses	141,946	194,571
Performance fee payable	83,657	-
<b>Total creditors</b>	<b>1,917,463</b>	<b>664,096</b>

**10 Shares held**

**Shares Held - Class A (currency hedged) Retail Net Accumulation**

<b>Opening shares at 01.03.20</b>	<b>295,178</b>
Shares issued during the year	4,954,538
Shares cancelled during the year	(1,287,868)
Shares converted during the year	(12,159)
<b>Closing shares as at 28.02.21</b>	<b>3,949,689</b>

**Shares Held - Class A (Eur) (currency hedged) Retail Net Accumulation**

<b>Opening shares at 08.02.21</b>	<b>-</b>
Shares issued during the period	1,618,600
Shares cancelled during the period	(104,207)
Shares converted during the period	-
<b>Closing shares as at 28.02.21</b>	<b>1,514,393</b>

10 Shares held (continued)

**Shares Held - Class A (USD) (currency hedged) Retail Net Accumulation**

<b>Opening shares at 03.12.20</b>	-
Shares issued during the period	127,417
Shares cancelled during the period	-
Shares converted during the period	-
<b>Closing shares as at 28.02.21</b>	<b>127,417</b>

**Shares Held - Class I (currency hedged) Institutional Net Accumulation**

<b>Opening shares at 01.03.20</b>	<b>3,761,442</b>
Shares issued during the year	2,942,756
Shares cancelled during the year	(1,773,235)
Shares converted during the year	23,340
<b>Closing shares as at 28.02.21</b>	<b>4,954,303</b>

**Shares Held - Class I (Eur) (currency hedged) Institutional Net Accumulation**

<b>Opening shares at 01.03.20</b>	<b>533,168</b>
Shares issued during the year	966,111
Shares cancelled during the year	(499,381)
Shares converted during the year	-
<b>Closing shares as at 28.02.21</b>	<b>999,898</b>

**Shares Held - Class I (USD) (currency hedged) Institutional Net Accumulation**

<b>Opening shares at 01.03.20</b>	<b>735,337</b>
Shares issued during the year	665,355
Shares cancelled during the year	(520,092)
Shares converted during the year	-
<b>Closing shares as at 28.02.21</b>	<b>880,600</b>

**Shares Held - Class R (currency hedged) Retail Net Accumulation**

<b>Opening shares at 01.03.20</b>	<b>4,837,296</b>
Shares issued during the year	3,924,973
Shares cancelled during the year	(3,674,473)
Shares converted during the year	(14,352)
<b>Closing shares as at 28.02.21</b>	<b>5,073,444</b>

**Shares Held - Class O (currency hedged) Institutional Net Accumulation**

<b>Opening shares at 03.12.20</b>	-
Shares issued during the period	156,858
Shares cancelled during the period	-
Shares converted during the period	-
<b>Closing shares as at 28.02.21</b>	<b>156,858</b>

**Shares Held - Class O (Eur) (currency hedged) Institutional Net Accumulation**

<b>Opening shares at 03.12.20</b>	-
Shares issued during the period	985
Shares cancelled during the period	-
Shares converted during the period	-
<b>Closing shares as at 28.02.21</b>	<b>985</b>

**Shares Held - Class O (USD) (currency hedged) Institutional Net Accumulation**

<b>Opening shares at 03.12.20</b>	-
Shares issued during the period	249,932
Shares cancelled during the period	-
Shares converted during the period	-
<b>Closing shares as at 28.02.21</b>	<b>249,932</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 11 Contingent assets and liabilities

At 28 February 2021, the Sub-fund had no contingent liabilities or commitments (29 February 2020: £nil).

### 12 Risk management

In pursuing its investment objective as stated on page 37, 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 discussed in pages 7-11. These policies have been applied throughout the period.

#### Market price risk

If market prices at the balance sheet date had been 10% higher while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 28 February 2021 would have increased/decreased by £2,351,459 (2020: £320,718).

#### Foreign currency risk

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:

	Total net assets/(liabilities)	
	£'000	
	28.02.21	29.02.20
Czech koruna	20	34,726
Danish krone	30,751	(229,220)
Euro	(347,281)	(667,421)
Hungarian forint	(9,584)	8,559
Norwegian krone	3,157	(529,990)
Polish zloty	-	(4)
South African rand	-	437,718
Swedish krona	(180,709)	(66,773)
Swiss franc	(234,957)	(445,143)
Turkish lira	-	(33)
US dollar	(599,619)	615,963
<b>Total foreign currency exposure</b>	<b>(1,338,222)</b>	<b>(841,618)</b>
Sterling	33,542,796	18,938,104
<b>Total</b>	<b>32,204,574</b>	<b>18,096,486</b>

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Sub-fund would have increased by £186,567 (2020: increased by £76,511). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Sub-fund would have decreased by £246,219 (2020: decreased by £93,513). These calculations assume all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 Risk management (continued)

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

<b>28.02.21</b>			
<b>Currency</b>	<b>Floating rate financial assets</b>	<b>Financial assets not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Czech koruna	332	-	332
Danish krone	464,850	30,061	494,911
Euro	1,758,861	170,450	1,929,311
Hong kong dollar	3,189	-	3,189
Hungarian forint	-	40,294	40,294
Norwegian krone	892,330	3,090	895,420
Polish zloty	132	-	132
Sterling	35,429,995	4,025,762	39,455,757
Swedish krona	73,604	-	73,604
Swiss franc	1,550,194	-	1,550,194
Turkish lira	106,575	-	106,575
US dollar	390,433	475,258	865,691
<b>Total</b>	<b>40,670,495</b>	<b>4,744,915</b>	<b>45,415,410</b>

<b>Currency</b>	<b>Floating rate financial liabilities</b>	<b>Financial liabilities not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Czech koruna	312	-	312
Danish krone	464,160	-	464,160
Euro	1,788,016	488,576	2,276,592
Hungarian forint	49,878	-	49,878
Hong kong dollar	3,189	-	3,189
Norwegian krone	892,263	-	892,263
Polish zloty	132	-	132
Sterling	3,732,670	2,180,291	5,912,961
Swedish krona	148,544	105,769	254,313
Swiss franc	1,548,702	236,449	1,785,151
Turkish lira	106,575	-	106,575
US dollar	609,762	855,548	1,465,310
<b>Total</b>	<b>9,344,203</b>	<b>3,866,633</b>	<b>13,210,836</b>

<b>29.02.20</b>			
<b>Currency</b>	<b>Floating rate financial assets</b>	<b>Financial assets not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Czech koruna	21	34,704	34,725
Danish krone	150,476	226,790	377,266
Euro	1,065,832	1,700,718	2,766,550
Hungarian forint	-	482,061	482,061
Norwegian krone	197,525	278,069	475,594
South African rand	114,690	323,027	437,717
Sterling	13,193,261	2,153,682	15,346,943
Swedish krona	14,419	-	14,419
Swiss franc	47,183	168,646	215,829
US dollar	86,791	550,781	637,572
<b>Total</b>	<b>14,870,198</b>	<b>5,918,478</b>	<b>20,788,676</b>

<b>Currency</b>	<b>Floating rate financial liabilities</b>	<b>Financial liabilities not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Danish krone	-	39,403	39,403
Euro	-	905,453	905,453
Hungarian forint	-	15,498	15,498
Norwegian krone	-	3,920	3,920
Polish zloty	4	-	4
Sterling	-	1,320,394	1,320,394
Swedish krona	-	316	316
Swiss franc	-	3,323	3,323
Turkish lira	34	-	34
US dollar	26,866	376,979	403,845
<b>Total</b>	<b>26,904</b>	<b>2,665,286</b>	<b>2,692,190</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12 Risk management (continued)

#### Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 28 February 2021 are payable either within one year or on demand.

#### 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 a 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 broker's financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

During the year the ACD entered into derivative contracts on behalf of the Sub-fund for Efficient Portfolio Management

At the year end, a sensitivity analysis or value at risk approach is not significant given the level and nature of the derivatives held.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

#### 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 value levels in these financial statements are as follows:

- A Fair value based on a quoted price for an identical instrument in an active market.
- B Fair value based on the price of a recent transaction for an identical instrument.
- C1 Fair value based on a valuation technique using observable market data.
- C2 Fair value based on a valuation technique that relies significantly on non-observable market data.

Valuation Technique	Assets (£000's)	Liabilities (£000's)
A Quoted prices for identical	3,107	-
C1 Observable market data	989	(1,949)
Total	4,096	(1,949)

#### Derivative risk

Derivatives (that is sophisticated investment instruments linked to the rise and fall of the price of other assets) may be used for purposes of meeting the Sub-fund's investment objectives and efficient portfolio management purposes and are expected to form a significant part of the Sub-fund's portfolio.

Derivative transactions are entered into directly with an eligible person or institution (a 'counterparty').

There is a risk that the counterparty may not meet its obligations or become insolvent which could cause the Sub-fund to incur a loss. To mitigate this risk the Sub-fund has entered a collateral arrangement with the counterparty. As at 28 February 2021, there was £13,149,370 of collateral posted by the counterparty (2020: £5,649,597).

#### Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

	Counterparty	Derivative Exposure £	Collateral Posted £	Collateral Received £	Collateral Asset Class
2021	UBS	-	13,149,370	-	Cash
2020	UBS	-	5,649,597	-	Cash

#### Leverage

Leverage is defined as any method by which the Sub-fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives divided by the net asset value).

There was 162.32% leverage as at 28 February 2021, other than that available to the Sub-fund as a result of its ability to borrow up to 10% of its value on a permanent basis (2020:193.55%).

### 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 26 February 2021. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

	Price (GBP) at 26 February 2021	Price (GBP) at 29 June 2021
Class A (currency hedged) Retail Net Accumulation	197.48	199.09
Class I (currency hedged) Institutional Net Accumulation	216.94	219.26
Class R (currency hedged) Retail Net Accumulation	184.56	186.64
Class O (currency hedged) Institutional Net Accumulation	100.35	101.13

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 Post balance sheet events (continued)

	Price (EURc) at 28 February 2021	Price (EURc) at 29 June 2021
Class A (Eur) (currency hedged) Retail Net Accumulation	123.26	123.99
Class I (Eur) (currency hedged) Institutional Net Accumulation	169.73	171.20
Class O (Eur) (currency hedged) Institutional Net Accumulation	98.83	99.74
	Price (USDC) at 28 February 2021	Price (USDC) at 29 June 2021
Class A (USD) (currency hedged) Retail Net Accumulation	99.07	99.95
Class I (USD) (currency hedged) Institutional Net Accumulation	123.40	124.95
Class O (USD) (currency hedged) Institutional Net Accumulation	99.26	100.26

14 Direct transaction costs

	2021		2020	
	£	%	£	%
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs	8,122,124		10,057,171	
Commissions	3,433	0.04%	4,075	0.04%
Taxes	2,525	0.03%	10,200	0.10%
Total purchase costs	<u>5,958</u>	<u>0.07%</u>	<u>14,275</u>	<u>0.14%</u>
Total purchases including transaction costs	<u>8,128,082</u>		<u>10,071,446</u>	
<b>Analysis of total sale costs</b>				
Sales in the year before transaction costs	7,877,705		15,161,001	
Commissions	(4,178)	(0.05%)	(6,233)	(0.01%)
Taxes	(21)	(0.00%)	(32)	(0.00%)
	<u>(4,199)</u>	<u>(0.05%)</u>	<u>(6,265)</u>	<u>(0.01%)</u>
Total sales net of transaction costs	<u>7,873,506</u>		<u>15,154,736</u>	

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	7,611	0.02%	10,308	0.05%
Taxes	2,546	0.01%	10,232	0.05%
	<u>10,157</u>	<u>0.03%</u>	<u>20,540</u>	<u>0.10%</u>

15 Stock lending

The Sub-fund enters into stock lending arrangements with various counterparties. At the balance sheet date the bid value of securities on loan was nil (2020: nil). The value of collateral held in respect of securities on loan was nil (2020: nil).

	2021	2020
	£	£
Stock lending income	<u>18</u>	<u>166</u>

## SECURITIES FINANCING TRANSACTIONS

### GLOBAL DATA

<b>Proportion of securities and commodities on loan</b>	£	%
Total lendable assets excluding cash and cash equivalents:		
Securities and commodities on loan	-	0.00%

<b>Assets engaged in SFTs and total return swaps</b>	£	%
Fund assets under management (AUM)	32,204,574	
Absolute value of assets engaged in:		
Securities lending	-	0.00%

### CONCENTRATION DATA

#### Top 10 Collateral Issuers

<b>Name and value of collateral and commodities received</b>	£
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#### Top 10 Counterparties

<b>Name and value of outstanding transactions</b>	£
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### AGGREGATE TRANSACTION DATA

#### Type, Quality and Currency of Collateral

<b>Type</b>	<b>Quality</b>	<b>Currencies</b>	£
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#### Securities lending

##### Maturity Tenor of Collateral (remaining period to maturity)

Type	Less than one day	One day to one week	One week to one month	One to three months	Three months to one year	Above one year	Open maturity	Total
	£	£	£	£	£	£	£	£
Securities lending	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

#### Counterparty details

<b>Type</b>	<b>Countries of Counterparty</b>	<b>Settlement and Clearing</b>	£
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##### Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

Type	Less than one day	One day to one week	One week to one month	One to three months	Three months to one year	Above one year	Open transactions	Total
	£	£	£	£	£	£	£	£
Securities lending	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

### RE-USE OF COLLATERAL

The Sub-fund does not engage in re-use of collateral.

### SAFEKEEPING OF COLLATERAL RECEIVED

<b>Names and value of custodians safekeeping collateral</b>	£
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Number of custodians safekeeping collateral -

### RETURN AND COST

	Collective Investment Undertaking	Manager of collective investment undertaking	Third Parties (e.g lending agent)	Total
	£	£	£	£
<b>Securities Lending</b>				
Gross return	18	-	-	18
% of total gross return	100.00%	0.00%	0.00%	100.00%



**DISTRIBUTION TABLES**

**Interim distributions in pence per share (cents for Euro class)**

Group 1: Shares purchased prior to 01 March 2020

Group 2 : Shares purchased 01 March 2020 to 31 August 2020

Payment date	Unit Type	Share Class	Net Revenue	Equalisation	Distribution paid/allocated	Distribution paid/allocated
					31.10.20	31.10.19
31.10.20	group 1	Class A (currency hedged) Retail Net Accumulation	-	-	-	-
31.10.20	group 2	Class A (currency hedged) Retail Net Accumulation	-	-	-	-
31.10.20	group 1	Class A (Eur) (currency hedged) Retail Net Accumulation	-	-	-	-
31.10.20	group 2	Class A (Eur) (currency hedged) Retail Net Accumulation	-	-	-	-
31.10.20	group 1	Class I (currency hedged) Institutional Net Accumulation	-	-	-	-
31.10.20	group 2	Class I (currency hedged) Institutional Net Accumulation	-	-	-	-
31.10.20	group 1	Class I (Eur) (currency hedged) Institutional Net Accumulation	-	-	-	-
31.10.20	group 2	Class I (Eur) (currency hedged) Institutional Net Accumulation	-	-	-	-
31.10.20	group 1	Class I (USD) (currency hedged) Institutional Net Accumulation	-	-	-	-
31.10.20	group 2	Class I (USD) (currency hedged) Institutional Net Accumulation	-	-	-	-
31.10.20	group 1	Class R (USD) (currency hedged) Institutional Net Accumulation	-	-	-	-
31.10.20	group 2	Class R (USD) (currency hedged) Institutional Net Accumulation	-	-	-	-

## DISTRIBUTION TABLES

### Final distributions in pence per share (cents for Euro class)

Group 1: Shares purchased prior to 01 September 2020

Group 2 : Shares purchased 01 September 2020 to 28 February 2021

Payment date	Unit Type	Share Class	Net Revenue	Equalisation	Distribution paid/allocated 30.04.21	Distribution paid/allocated 30.04.20
30.04.21	group 1	Class A (currency hedged) Retail Net Accumulation	-	-	-	-
30.04.21	group 2	Class A (currency hedged) Retail Net Accumulation	-	-	-	-
30.04.21	group 1	Class A (Eur) (currency hedged) Retail Net Accumulation	-	-	-	-
30.04.21	group 2	Class A (Eur) (currency hedged) Retail Net Accumulation	-	-	-	-
30.04.21	group 1	Class A (USD) (currency hedged) Retail Net Accumulation	-	-	-	-
30.04.21	group 2	Class A (USD) (currency hedged) Retail Net Accumulation	-	-	-	-
30.04.21	group 1	Class I (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 2	Class I (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 1	Class I (Eur) (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 2	Class I (Eur) (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 1	Class I (USD) (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 2	Class I (USD) (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 1	Class R (currency hedged) Retail Net Accumulation	-	-	-	-
30.04.21	group 2	Class R (currency hedged) Retail Net Accumulation	-	-	-	-
30.04.21	group 1	Class O (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 2	Class O (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 1	Class O (Eur) (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 2	Class O (Eur) (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 1	Class O (USD) (currency hedged) Institutional Net Accumulation	-	-	-	-
30.04.21	group 2	Class O (USD) (currency hedged) Institutional Net Accumulation	-	-	-	-

### 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

### Information for corporate shareholders

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

- i) 7.73% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 92.27% 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.

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	VT Argonaut Equity Income Fund
<b>Size of Sub-fund</b>	£2,525,126
<b>Launch date</b>	30 December 2016
<b>Sub-fund objective and policy</b>	<p>The Sub-fund aims to provide an income (net of fees) in excess of the yield of the European market (as represented by the IA Europe ex UK sector) with capital growth over any 5 year calendar period.</p> <p>The Sub-fund will invest in a concentrated portfolio of approximately 30-60 stocks. The Sub-fund will invest predominantly in securities of companies incorporated in Europe (including up to 5% in UK companies).</p> <p>The Sub-fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities or derivatives exchange. The Sub-fund may also invest in emerging European markets including Russia and Eastern Europe.</p> <p>The Sub-fund is not constrained by any index weightings and will not concentrate on any particular country, sector or market capitalisation.</p> <p>To aid liquidity, the Sub-fund also has the ability to invest in assets such as American Depositary Receipts and Global Depositary Receipts.</p> <p>The Sub-fund may also invest in other transferable securities, units in collective investment schemes, money market instruments and deposits.</p> <p>The Sub-fund may make use of derivatives and forward transactions for the purposes of investment and for efficient portfolio management, including the use of hedging techniques and stock lending.</p>
<b>Benchmark</b>	<p>The Sub-fund aims to provide an income (net of fees) in excess of the yield of the IA (Investment Association's) Europe ex UK sector with capital growth over any 5 year calendar period. The Europe ex UK sector is therefore a target benchmark against which the performance of the Fund has been set ("Target Benchmark").</p> <p>Investors may use the Sub-fund's performance against the Target Benchmark to assess the risks of investing in the Sub-fund.</p>
<b>Authorised Corporate Director (ACD) from 5 February 2021</b>	Valu-Trac Investment Management Limited
<b>Authorised Corporate Director (ACD) to 5 February 2021</b>	FundRock Partners Limited
<b>Ex-distribution dates</b>	30 November, last day of February, 31 May, 31 August
<b>Distribution dates</b>	15 January, 15 April, 15 July, 15 October
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

### Share class information

Share class*	Minimum initial	Minimum subsequent	Minimum holding	Minimum redemption	Initial charge
<b>Class R Retail Net Income</b>	£500	£250	£250	£100	0.00%
<b>Class R Retail Net Accumulation</b>	£500	£250	£250	£100	0.00%

\* Investors should note the eligibility criteria for each class of share as set out in paragraph 2.2.2 of the Sub-fund's prospectus before subscribing.

### Annual Management Charges

In respect of the R shares, it is equal to 0.65% per annum of the net asset value of the relevant share class.

### Changes to the Sub-fund

On 5 February 2021, there was a change in Sub-fund name from FP Argonaut European Income Opportunities Fund to VT Argonaut Equity Income Fund.

## INVESTMENT MANAGER'S REPORT

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### Investment Review

The fund returned +20.22% (R Accumulation) over the 12-month review period (1st March 2020 to 28th February 2021) vs the IA Europe ex UK sector of +18.04% and the Equity Income peer group of +9.82%.

Since launch the fund returned +37.39% vs the Europe ex UK sector of +34.64% and the Equity Income peer group of +22.20%.

Our biggest winners were all semiconductor companies: AMS (+146%), BESI (+114%) and Siltronic (+88%), all of which were initially wrongly diagnosed as cyclical losers from the pandemic but which on second opinion benefitted from digitisation and working-from-home trends. The initial industry destocking means that most semiconductor companies currently have record order books and their customers record low inventories. Indeed, the globalisation trends in the industry now seem to be in reverse as governments realise their importance in industrial supply chains and the over-reliance on Taiwan, China and Korea in production.

The fund also benefitted from having sold many cyclically exposed companies at the beginning of the review period and reinvested the proceeds in prospective lockdown winners such as VNV Global (+56%), through its investment in telemedicine outfit Babylon, Grubhub (+50%) with the popularity of food delivery and Logitech (+34%) by virtue of revenues from video conferencing hardware.

More recently the fund took profits in lock-down winners and began to invest in commodity equities, where supply has been capital constrained and demand recovering strongly with steel behemoth Mittal (+20%) and iron ore pellet outfit Ferrexpo (+20%) our biggest winners so far. We are also greatly enthused by the Electronic Vehicle prospects at Volkswagen and its holding company Porsche.

The review period also witnessed significant dividend defaults in previous equity income mainstays such as banks and big oil companies. Nevertheless, the fund was still able to maintain its target yield without sacrificing capital ambitions though its ability to invest in a wider geographical opportunity set including Russia and the US.

### Market Overview

The beginning of the review period saw extreme panic as the SARS-2/COVID virus spread out of China to the rest of the world. As we write COVID mortality has been just under 3m (127k in the UK) which to put into perspective compares with a normal flu season of 350-650k (30-60k in UK), with the median age of death at 82 and the high presence of comorbidities (+90%). In the UK the economic cost of lockdown was the worst recession in over 300 years, itself cushioned by a massive expansion in state spending financed by additional government debt. The meter is still running with the current economic cost some £400bn, some £6,000 per head of population or just over £3m per UK COVID death.

The consensual COVID narrative is that lockdowns were unavoidable until vaccination arrived, irrespective of whether mass inoculation was really appropriate when the vast majority of the population was never at risk. At the time of writing, with all over-50s in the UK having been offered the vaccine and the mortality risk now negligible, a return to normality still seems elusive. Once governments expand their powers they are very reluctant to give them back.

Since governments will not default on their debt, reduce public spending and seem reluctant to raise taxes, it is likely that inflation – through money printing – will pick the pocket of investors and consumers and end up paying for COVID lockdowns. Indeed, the economic consensus since the early 1980s around the desirability of small government and sound money is arguably now broken.

## INVESTMENT MANAGER'S REPORT (Continued)

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### Outlook

The perception of risk in financial markets has now shifted from an absence of economic growth and profits to concerns now over the longer-term path of interest rates and inflation. Recent communications from the Federal Reserve have insisted they will maintain current asset purchases at \$120bn a month for the foreseeable future and will not hike the Fed Funds rate until 2024. Although Central Banks can determine short-term interest rates, they have less control over the bond market where longer-term interest rates have been rising.

Central banks will be privately delighted with rising long term interest rates. The steepening yield curve which has roiled financial markets recently is ironically exactly what they have been attempting to engineer for the last decade through near zero interest rates and asset purchases. It is a recognition by markets that future nominal growth will sustainably accelerate. The alternative is a Japanese style debt deflation trap. Governments and Central banks hell-bent on reflation are no longer intimidated.

Economic growth is generally an equity investors friend. The trouble is that it is not friendly to the kind of growth stock which has led the recent bull market. The premium valuations paid for "growth" stocks with disruptive business models look less compelling when the average "value" stock is also able to grow profits. "Growth" stocks do not generally do well when there is a lot of economic growth around. "Value" matters again when economic growth expectations are rising: the concept of negatively yielding bonds never really made much sense; the relentless ascent of growth at any price "glamour" stocks has now reversed.

European Equity Income currently inhabits an investment sweet spot: superior yield to other asset classes but now with "value" that is no longer trapped, since the return to robust economic growth will allow give confidence in longer-term profit and dividend growth. Hence, we are particularly enthused about the current capital and dividend prospects for the fund.

**Barry Norris**

**Argonaut Capital Partners LLP**

**Investment Manager to the Fund**

**01 April 2021**

Data Source for all performance figures Refinitiv Lipper

## PERFORMANCE RECORD

### Financial Highlights

#### Class R Retail Net Income

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	97.76	101.78	117.03
Return before operating charges	20.03	3.57	(9.21)
Operating charges (note 1)	(0.90)	(0.90)	(1.08)
Return after operating charges *	19.13	2.67	(10.29)
Distributions on income units	(2.54)	(6.69)	(4.96)
Closing net asset value per unit	114.35	97.76	101.78
*after direct transactions costs of:	0.62	0.64	0.25
Performance			
Return after charges	19.57%	2.62%	(8.79%)
Other information			
Closing net asset value	£1,868,128	£1,356,049	£1,188,221
Closing number of units	1,633,658	1,387,140	1,167,446
Operating charges (note 2)	0.85%	0.85%	0.99%
Direct transaction costs	0.58%	0.60%	0.23%
Prices			
Highest unit price	120.53	110.53	119.41
Lowest unit price	79.91	99.22	97.74

#### Class R Retail Net Accumulation

	Year to 28 February 2021	Year to 29 February 2020	Year to 28 February 2019
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	114.29	111.53	122.73
Return before operating charges	24.17	3.78	(10.03)
Operating charges (note 1)	(1.07)	(1.02)	(1.17)
Return after operating charges *	23.10	2.76	(11.20)
Closing net asset value per unit	137.39	114.29	111.53
Distributions on accumulation units	3.30	7.47	5.26
*after direct transactions costs of:	1.07	0.73	0.27
Performance			
Return after charges	20.22%	2.47%	(9.13%)
Other information			
Closing net asset value	£652,976	£405,596	£623,684
Closing number of units	475,259	354,878	559,221
Operating charges (note 2)	0.85%	0.85%	0.99%
Direct transaction costs	0.58%	0.60%	0.23%
Prices			
Highest unit price	144.48	128.37	126.80
Lowest unit price	93.29	110.67	106.72

## PERFORMANCE RECORD (continued)

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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.

### **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 historical performance data indicates that high rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 28 February 2021

Holding	<b>EQUITIES &amp; WARRANTS</b>	Value £	% of net assets
	<b>Belgium 2.46% (2020:15.22%)</b>		
2,499	Warehouses de Pauw NV	61,893	2.45
	<b>Cyprus 4.72% (2020:0.99%)</b>		
25,000	Globaltrans Investment PLC	119,013	4.71
	<b>Denmark 2.13% (2020:5.19%)</b>		
4,000	Scandinavian Tobacco Group A/S	53,682	2.13
	<b>Finland 3.36% (2020:6.44%)</b>		
24,000	Outokumpu Oyj	84,550	3.35
	<b>France 5.23% (2020:8.07%)</b>		
2,500	Eramet SA	131,680	5.21
	<b>Germany 8.74% (2020:4.23%)</b>		
1,000	Bayer AG	44,535	1.76
2,000	Porsche Automobil Holding SE	113,794	4.51
6,000	SAF-HOLLAND SE	61,704	2.44
		<u>220,033</u>	<u>8.71</u>
	<b>Hungary 2.56% (2020:0.00%)</b>		
2,000	OTP Bank Nyrt	64,586	2.56
	<b>Italy 5.71% (2020:9.33%)</b>		
19,000	Unipol Gruppo SpA	71,156	2.82
35,000	UnipolSai Assicurazioni SpA	72,901	2.89
		<u>144,057</u>	<u>5.71</u>
	<b>Luxembourg 2.70% (2020:0.00%)</b>		
4,000	ArcelorMittal SA	67,897	2.69
	<b>Netherlands 12.76% (2020:10.20%)</b>		
2,300	BE Semiconductor Industries NV	122,245	4.84
7,000	CNH Industrial NV	74,499	2.95
4,000	OCI NV	62,608	2.48
350	Shop Apotheke Europe NV	61,993	2.46
		<u>321,345</u>	<u>12.73</u>
	<b>Norway 1.93% (2020:3.10%)</b>		
1,400	Yara International ASA	48,637	1.93
	<b>Russia 4.97% (2020:13.81%)</b>		
12,000	Sberbank Rossii PAO	125,087	4.95
	<b>Spain 6.31% (2020:14.24%)</b>		
8,000	Acerinox SA	68,029	2.69
25,000	Ence Energia y Celulosa SA	90,909	3.60
		<u>158,938</u>	<u>6.29</u>
	<b>Sweden 6.11% (2020:0.00%)</b>		
20,000	SSAB AB	62,783	2.49
10,000	VNV Global AB (publ)	88,292	3.50
2,000	VNV Global AB (publ) WTS 10/08/23	2,909	0.12
		<u>153,984</u>	<u>6.11</u>



## PORTFOLIO STATEMENT

Holding	Value £	% of net assets
<b>Switzerland 7.39% (2020:0.00%)</b>		
2,000 Swiss Re AG	135,499	5.37
250 VAT Group AG	50,640	2.01
	<u>186,139</u>	<u>7.38</u>
<b>United Kingdom 4.71% (2020:4.84%)</b>		
35,000 Ferrexpo PLC	118,755	4.70
<b>United States 18.25% (2020:3.23%)</b>		
2,500 Freeport-McMoRan Inc	64,057	2.54
6,000 Impala Platinum Holdings Ltd	71,688	2.84
1,200 Micron Technology Inc	75,910	3.01
4,000 Mylan NV	43,239	1.71
2,500 NK Lukoil PAO	135,725	5.37
5,000 Sibanye Stillwater Ltd (CFD)	68,983	2.73
	<u>459,602</u>	<u>18.20</u>
<b>Portfolio of investments (2020: 98.89%)</b>	<b><u>2,519,878</u></b>	<b><u>99.81</u></b>
<b>Net other assets (2020: 1.11%)</b>	<b>7,156</b>	<b>0.27</b>
<b>Mid to bid adjustment (2020: (0.00%))</b>	<b><u>(1,908)</u></b>	<b><u>(0.08)</u></b>
	<b><u>2,525,126</u></b>	<b><u>100.00</u></b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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<b>Total sales for the year (note 14)</b>	<b>£</b> <b>7,397,837</b>
Siltronic Ag Common Stock	305,518
Polyus Pjsc Reg S Gdr Gdr Rub1.0	283,350
Just Eat Takeaway Common Stock Eur.04	257,316
Grubhub Inc Common Stock Usd.0001	232,247
Ams Ag Common Stock	227,054
Infrastrutture Wireless Ital Common Stock Npv	196,169
Euronav Nv Common Stock	195,426
Amazon.Com Inc Common Stock Usd.01	183,300
Mmc Norilsk Nickel Pjsc Adr Adr	174,295
Be Semiconductor Industries Common Stock Eur.01	160,613
<b>Total purchases for the year (note 14)</b>	<b>£</b> <b>7,570,855</b>
Siltronic Ag Common Stock	232,738
Sberbank Pjsc Sponsored Adr Adr	217,169
Eramet Common Stock Eur3.05	216,823
Just Eat Takeaway Common Stock Eur.04	214,810
Be Semiconductor Industries Common Stock Eur.01	211,143
Euronav Nv Common Stock	202,481
Arcelormittal Common Stock	200,548
Unipol Gruppo Spa Common Stock	198,265
Polyus Pjsc Reg S Gdr Gdr Rub1.0	195,082
Ams Ag Common Stock	191,067

The above transactions represents the top ten sales and top ten purchases for the year.

## STATEMENT OF TOTAL RETURN

For the year to 28 February 2021

		2021		2020	
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		352,130		(79,298)
Revenue	3	144,701		180,543	
Expenses	4	(98,748)		(52,492)	
Interest payable and similar charges	6	<u>(321)</u>		<u>(52)</u>	
Net revenue before taxation		45,632		127,999	
Taxation	5	<u>(7,620)</u>		<u>(9,942)</u>	
Net revenue after taxation			<u>38,012</u>		<u>118,057</u>
Total return before distributions			390,142		38,759
Finance costs: distributions	6		<u>(55,456)</u>		<u>(116,682)</u>
<b>Changes in net assets attributable to shareholders from investment activities</b>			<u>334,686</u>		<u>(77,923)</u>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year to 28 February 2021

	2021	2020
	£	£
<b>Opening net assets attributable to shareholders</b>	1,761,645	1,811,905
Amounts receivable on creation of shares	1,484,080	776,458
Amounts payable on cancellation of shares	(1,071,303)	(784,094)
Dividend reinvested	14,219	34,501
Dilution levy	1,799	798
Changes in net assets attributable to shareholders from investment activities (see above)	<u>334,686</u>	<u>(77,923)</u>
<b>Closing net assets attributable to shareholders</b>	<u>2,525,126</u>	<u>1,761,645</u>

**BALANCE SHEET**

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<b>As at 28 February 2021</b>		<b>28.02.21</b>		<b>29.02.20</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>ASSETS</b>					
Investment assets			2,517,970		1,742,061
<b>Current assets</b>					
Debtors	<b>7</b>	433,400		183,634	
Cash and bank balances	<b>8</b>	<u>106,190</u>		<u>72,849</u>	
<b>Total current assets</b>			<u>539,590</u>		<u>256,483</u>
<b>Total assets</b>			3,057,560		1,998,544
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Distribution payable on income shares		(4,301)		(9,002)	
Bank overdraft	<b>8</b>	(75,241)		(20,246)	
Creditors	<b>9</b>	<u>(452,892)</u>		<u>(207,651)</u>	
<b>Total current liabilities</b>			<u>(532,434)</u>		<u>(236,899)</u>
<b>Net assets attributable to shareholders</b>			<u>2,525,126</u>		<u>1,761,645</u>

## NOTES TO THE FINANCIAL STATEMENTS

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1 Accounting policies and financial instruments are on pages 7-11.

### 2 Net capital gains/(losses)

	2021	2020
	£	£
The net capital gains/(losses) comprise:		
Non-derivative security gains/(losses)	335,289	(38,738)
Currency gains/(losses)	18,216	(21,618)
Transaction charges	(1,375)	(17,415)
ADR fees	-	(1,527)
Total net capital gains	<u>352,130</u>	<u>(79,298)</u>

Note the 2020 net capital gains has been reclassified as follows:

The Transaction charges rebates of £12,948 has been merged into the Annual management charge rebate in revenue (section 3)

### 3 Revenue

	2021	2020
	£	£
UK dividends	1,296	4,673
Overseas dividends	62,101	121,996
Bank interest	-	6
Annual management charge rebate	81,304	53,868
Total revenue	<u>144,701</u>	<u>180,543</u>

Note the 2020 Revenue has been reclassified to include the Annual management charge rebate which was contained in the expenses in 2020 Accounts plus the transaction charges rebates which is contained in the Annual management charge rebate.

### 4 Expenses

	2021	2020
	£	£
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
Annual management charge	15,162	12,151
General administration charge	31,769	1,976
Registration fees	-	9,114
Printing, postage, stationery and typesetting costs	7,384	4,110
	<u>54,315</u>	<u>27,351</u>
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	16,828	13,008
Safe custody fee	404	278
	<u>17,232</u>	<u>13,286</u>
<b>Other expenses:</b>		
Audit fee	7,800	8,323
FCA fee	119	111
Professional fees	19,282	3,421
	<u>27,201</u>	<u>11,855</u>
Total expenses	<u>98,748</u>	<u>52,492</u>

Note the 2020 Expenses has been reclassified to remove the Annual management charge rebate which has been moved into revenue.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Taxation	2021	2020
	£	£
<b>(a) Analysis of charge in the year</b>		
Overseas irrecoverable withholding tax	7,620	9,942
Total tax charge for the year (note 5b)	<u>7,620</u>	<u>9,942</u>

**(b) Factors affecting current tax charge for the year**

The tax assessed for the year is higher (2020: 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 UK corporation tax	45,632	115,051
Corporation tax at 20.00% (2020:20.00%)	9,126	23,010
<b>Effects of:</b>		
Revenue not subject to UK corporation tax	(12,679)	(25,329)
Excess management expenses unutilised	3,553	2,319
Overseas irrecoverable withholding tax	7,620	9,942
Total tax charge for year (note 5a)	<u>7,620</u>	<u>9,942</u>

**(c) Provision for deferred taxation**

At 28 February 2021 there is a potential deferred tax asset of £9,901 (2020: £6,349) in relation to surplus management expenses. It is unlikely the Sub-fund 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 distributions	53,449	110,142
Final dividend distribution	5,788	11,678
	<u>59,237</u>	<u>121,820</u>
Add: Revenue deducted on cancellation of shares	3,365	4,499
Deduct: Revenue received on issue of shares	(7,146)	(9,637)
	<u>55,456</u>	<u>116,682</u>
<b>Net distribution for the year</b>	55,456	116,682
Interest payable and similar charges	321	52
<b>Total finance costs</b>	<u>55,777</u>	<u>116,734</u>
<b>Reconciliation of distributions</b>		
Net revenue after taxation	38,012	105,109
Expenses charged to capital (net of AMC rebate)	17,444	11,573
<b>Net distribution for the year</b>	<u>55,456</u>	<u>116,682</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>28.02.21</b>	<b>29.02.20</b>
	<b>£</b>	<b>£</b>
Accrued revenue	92	1,056
Amounts receivable for creation of shares	25,225	36,798
Overseas withholding tax recoverable	10,911	6,825
Amounts receivable for outstanding trades	385,996	129,726
Prepaid expenses	11,176	318
Annual management charge rebate receivable	-	8,911
<b>Total debtors</b>	<b>433,400</b>	<b>183,634</b>

<b>8 Cash and bank balances</b>	<b>28.02.21</b>	<b>29.02.20</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	106,190	72,849
Bank overdraft	(75,241)	(20,246)

<b>9 Creditors</b>	<b>28.02.21</b>	<b>29.02.20</b>
	<b>£</b>	<b>£</b>
Amounts payable for redemption of shares	1,192	47,279
Amounts payable on outstanding trades	423,764	134,153
Amounts payable accrued interest	-	32
Payable to the ACD	1,664	-
Accrued expenses	26,272	26,187
<b>Total creditors</b>	<b>452,892</b>	<b>207,651</b>

**10 Shares held**

**Shares Held - Share Class R Retail Net Income**

<b>Opening shares at 01.03.20</b>	<b>1,387,140</b>
Shares issued during the year	1,106,793
Shares cancelled during the year	(860,275)
Shares converted during the year	-
<b>Closing shares as at 28.02.21</b>	<b>1,633,658</b>

**Shares Held - Share Class R Retail Net Accumulation**

<b>Opening shares at 01.03.20</b>	<b>354,878</b>
Shares issued during the year	281,892
Shares cancelled during the year	(161,511)
Shares converted during the year	-
<b>Closing shares as at 28.02.21</b>	<b>475,259</b>

**11 Contingent assets and liabilities**

At 28 February 2021, the Sub-fund had no contingent liabilities or commitments (29 February 2020: £nil).

**12 Risk management**

In pursuing its investment objective as stated on page 64, 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 discussed in pages 7-11. These policies have been applied throughout the period.

**Market price risk**

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 period ended 28 February 2021 would have increased/decreased by £251,797 (2020: £174,206).

**Foreign currency risk**

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:

	Total net assets/(liabilities)	
	£	
	28.02.21	29.02.20
Czech koruna	-	-
Danish krone	53,635	76,294
Euro	1,189,701	1,129,123
Hungarian forint	64,538	-
Norwegian krone	48,163	64,632
Polish zloty	13	13
South African rand	-	-
Swedish krona	153,820	2
Swiss franc	186,083	201
US dollar	702,024	462,762
<b>Total foreign currency exposure</b>	<b>2,397,977</b>	<b>1,733,027</b>
Sterling	127,149	28,618
<b>Total</b>	<b>2,525,126</b>	<b>1,761,645</b>

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Sub-fund would have decreased by £215,492 (2020: £157,548). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Sub-fund would have increased by £249,170 (2020: £192,559). These calculations assume all other variables remain constant.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 Risk management (continued)

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

<b>28.02.21</b>			
<b>Currency</b>	<b>Floating rate financial assets</b>	<b>Financial assets not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Czech koruna	851	-	851
Danish krone		53,635	53,635
Euro	20,823	1,189,701	1,210,524
Hungarian forint		64,538	64,538
Norwegian krone		48,163	48,163
Polish zloty	13	-	13
Sterling	83,756	552,121	635,877
Swedish krona		153,820	153,820
Swiss franc		186,083	186,083
US dollar	747	703,309	704,056
<b>Total</b>	<b>106,190</b>	<b>2,951,370</b>	<b>3,057,560</b>

<b>Currency</b>	<b>Floating rate financial liabilities</b>	<b>Financial liabilities not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Czech koruna	851	-	851
Euro	20,823	-	20,823
Sterling	51,535	457,193	508,728
US dollar	2,032	-	2,032
<b>Total</b>	<b>75,241</b>	<b>457,193</b>	<b>532,434</b>

<b>29.02.20</b>			
<b>Currency</b>	<b>Floating rate financial assets</b>	<b>Financial assets not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Sterling	-	131,366	131,366
Danish krone	96	91,419	91,515
Euro	-	1,221,882	1,221,882
Norwegian krone	9,675	54,957	64,632
Polish zloty	13	-	13
Swedish krona	2	-	2
Swiss franc	201	-	201
US dollar	62,862	426,071	488,933
<b>Total</b>	<b>72,849</b>	<b>1,925,695</b>	<b>1,998,544</b>

<b>Currency</b>	<b>Floating rate financial liabilities</b>	<b>Financial liabilities not carrying interest</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Danish krone		15,209	15,209
Euro		92,722	92,722
Sterling	20,246	82,500	102,746
US dollar		26,222	26,222
<b>Total</b>	<b>20,246</b>	<b>216,653</b>	<b>236,899</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12 Risk management (continued)

#### Maturity of financial liabilities

The financial liabilities of the Sub-fund as at 28 February 2021 are payable either within one year or on demand.

#### 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 a 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.

Credit risk also arises on cash held within financial institutions. 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 value levels in these financial statements are as follows:

A Fair value based on a quoted price for an identical instrument in an active market.

B Fair value based on the price of a recent transaction for an identical instrument.

C1 Fair value based on a valuation technique using observable market data.

C2 Fair value based on a valuation technique that relies significantly on non-observable market data.

Valuation Technique	Assets (£000's)	Liabilities (£000's)
A Quoted prices for identical	2,518	-
Total	2,518	-

### 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 26 February 2021. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

	Price (GBP) at 26 February 2021	Price (GBP) at 29 June 2021
Class R Retail Net Income	114.35	119.56
Class R Retail Net Accumulation	137.39	146.96

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

	2021		2020	
	£	%	£	%
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs	7,562,450		8,402,310	
Commissions	4,418	0.06%	2,327	0.03%
Taxes	3,987	0.05%	6,520	0.08%
Total purchase costs	<u>8,405</u>	<u>0.11%</u>	<u>8,847</u>	<u>0.11%</u>
Total purchases including transaction costs	<u>7,570,855</u>		<u>8,411,157</u>	
<b>Analysis of total sale costs</b>				
Sales in the year before transaction costs	7,401,626		8,359,219	
Commissions	(3,667)	(0.05%)	(2,306)	(0.03%)
Taxes	(122)	(0.00%)	(102)	(0.00%)
	<u>(3,789)</u>	<u>(0.05%)</u>	<u>(2,408)</u>	<u>(0.03%)</u>
Total sales net of transaction costs	<u>7,397,837</u>		<u>8,356,811</u>	

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	2020	% of average
	£	asset value	£	net asset value
Commissions	8,085	0.38%	4,633	0.25%
Taxes	4,109	0.20%	6,520	0.36%
	<u>12,194</u>	<u>0.58%</u>	<u>11,153</u>	<u>0.61%</u>

## DISTRIBUTION TABLES

### Interim distributions in pence per share

Group 1: Shares purchased prior to 1 March 2020

Group 2 : Shares purchased 1 March 2020 to 31 May 2020

Payment date	Unit Type	Share Class	Net Revenue	Equalisation	Distribution paid/allocated 15/07/20	Distribution paid/allocated 15/07/19
15.07.20	group 1	Class R Retail Net Income	1.6550	-	1.6550	3.9815
15.07.20	group 2	Class R Retail Net Income	0.7391	0.9159	1.6550	3.9815
15.07.20	group 1	Class R Retail Net Accumulation	2.2536	-	2.2536	4.3682
15.07.20	group 2	Class R Retail Net Accumulation	1.1169	1.1367	2.2536	4.3682

### Interim distributions in pence per share

Group 1: Shares purchased prior to 01 June 2020

Group 2 : Shares purchased 01 June 2020 to 31 August 2020

Payment date	Unit Type	Share Class	Net Revenue	Equalisation	Distribution paid/allocated 15/10/20	Distribution paid/allocated 15/10/19
15.10.20	group 1	Class R Retail Net Income	0.8357	-	0.8357	1.7348
15.10.20	group 2	Class R Retail Net Income	0.2068	0.6289	0.8357	1.7348
15.10.20	group 1	Class R Retail Net Accumulation	0.9916	-	0.9916	1.9705
15.10.20	group 2	Class R Retail Net Accumulation	0.5966	0.3950	0.9916	1.9705

### Interim distributions in pence per share

Group 1: Shares purchased prior to 01 September 2020

Group 2 : Shares purchased 01 September 2020 to 30 November 2020

Payment date	Unit Type	Share Class	Net Revenue	Equalisation	Distribution paid/allocated 15/01/21	Distribution paid/allocated 15/01/20
15.01.21	group 1	Class R Retail Net Income	0.0491	-	0.0491	0.3242
15.01.21	group 2	Class R Retail Net Income	0.0000	0.0491	0.0491	0.3242
15.01.21	group 1	Class R Retail Net Accumulation	0.0579	0.0000	0.0579	0.3747
15.01.21	group 2	Class R Retail Net Accumulation	0.0000	0.0579	0.0579	0.3747

### Final distributions in pence per share

Group 1: Shares purchased prior to 01 December 2020

Group 2 : Shares purchased 01 December 2020 to 28 February 2021

Payment date	Unit Type	Share Class	Net Revenue	Equalisation	Distribution paid/allocated 15/04/21	Distribution paid/allocated 15/04/20
15.04.21	group 1	Class R Retail Net Income	-	-	-	0.6489
15.04.21	group 2	Class R Retail Net Income	-	-	-	0.6489
15.04.21	group 1	Class R Retail Net Accumulation	-	-	-	0.7543
15.04.21	group 2	Class R Retail Net Accumulation	-	-	-	0.7543

## DISTRIBUTION TABLES (Continued)

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### **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) 100.00% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 0.00% 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.

## INFORMATION FOR INVESTORS

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### Distribution

Distributions of the revenue of the Company will be made to shareholders on or before 30 April each year and interim allocations of revenue on or before 31 October for VT Argonaut European Alpha Fund and for VT Argonaut Absolute Return Fund. For VT Argonaut Equity Income Fund distribution is 15 January, 15 April, 15 July and 15 October.

### Individual shareholders

**Income tax:** HM Revenue and Customs changed the taxation of dividends on 6 April 2016. Dividend tax credits were abolished and replaced by a tax-free annual dividend allowance currently standing at £2,000 (2020/21). UK resident shareholders are now 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 (2020/21) 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.

### Taxation

The Company has no corporation tax to pay on its profits in the VT Argonaut Funds for the year ended 28 February 2021. Capital gains within the Company will not be taxed.

### 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 prevailing rates 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 between 8.30am and 5.30pm. Instructions may be given by email to the below email addresses or by sending an application form to the Registrar. Application forms are available from the Registrar.

For VT Argonaut European Alpha Fund, VT Argonaut Absolute Return Fund and VT Argonaut Equity Income Fund; [Argonaut@valu-trac.com](mailto:Argonaut@valu-trac.com)

The price of shares will be determined by reference to a valuation of the Company's net assets at 12 noon on each dealing day.

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.

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. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

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.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the ACD of a request for redemption.

The most recent issue and redemption prices are available from the ACD.

**Remuneration:** Information about the authorised fund manager (AFM) remuneration policies and disclosures is available from Valu-Trac Investment Management Limited on its website which can be found on the link below.  
<https://www.valu-trac.com/VIML%20Remuneration%20Policy%20Statement.pdf>

The AFM does not employ any staff directly from the Company, so there are no quantitative disclosures in this report.

**CORPORATE DIRECTORY**

<p><b>Authorised Corporate Director to February 2021</b></p> <p><b>Registrar to February 2021</b></p> <p><b>Authorised Corporate Director &amp; Registrar from February 2021</b></p>	<p>FundRock Partners Limited Second Floor (East) 52-54 Gracechurch Street London EC3V 0EH</p> <p>Authorised and regulated by the Financial Conduct Authority</p> <p>SS&amp;C Financial Services International Limited SS&amp;C House St Nicholas Lane Basildon Essex SS15 5FS</p> <p>Authorised and regulated by the Financial Conduct Authority</p> <p>Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<p><b>Investment Manager</b></p>	<p>Argonaut Capital Partners LLP 4th Floor 115 George Street Edinburgh EH2 4JN</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<p><b>Depositary to February 2021</b></p> <p><b>Depositary from February 2021</b></p>	<p>State Street Trustees Limited 20 Churchill Place London E14 5HJ</p> <p>Authorised regulated by the Financial Conduct Authority</p> <p>NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised regulated by the Financial Conduct Authority</p>
<p><b>Auditor to February 2021</b></p> <p><b>Auditor from February 2021</b></p>	<p>Deloitte LLP Statutory Auditor 110 Queen Street Glasgow G1 3BX</p> <p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>