



LF Majedie Institutional Trust

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



MANAGER

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TRUSTEE

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(Authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority
and Prudential Regulation Authority)

INVESTMENT MANAGER

MAJEDIE ASSET MANAGEMENT LIMITED

10 Old Bailey
London
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(Authorised and regulated by
the Financial Conduct Authority)

DIRECTORS OF THE MANAGER

C. Addenbrooke
N. Boyling
B. Hammond
K.J. Midl
A.G. Reid (appointed 4 January 2021)
A.J. Stenning (resigned 11 February 2021)
A.J. Stuart
E.E. Tracey (appointed 4 January 2021)

REGISTRAR

LINK FUND ADMINISTRATORS LIMITED

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INDEPENDENT AUDITOR

To 31 October 2020:

DELOITTE LLP
2 New Street Square
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EC4A 3BZ

From 1 November 2020:

KPMG LLP
1 Sovereign Square
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Leeds LS1 4DA
(Chartered Accountants)

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MANAGER'S REPORT

for the year ended 31 December 2020

Authorised Status

The LF Majedie Institutional Trust ('the Trust') is constituted as a unit trust established in England and was authorised by an order made by the Financial Conduct Authority ('FCA') on 4 October 2013.

The Trust is a UCITS scheme and the base currency of the Trust is pounds sterling.

Unitholders are not liable for the debts of the Trust and are not obliged to contribute towards the assets of the Trust in any amount in excess of the price which they have agreed to pay for their Units.

Manager's Statement

COVID-19

The outbreak of COVID-19, declared by the World Health Organisation as a pandemic on 11 March 2020, caused significant disruption to business and economic activity which was reflected in the fluctuations seen in the global stock markets. In the period since its initial emergence and the global recognition of the seriousness of the pandemic, there were sharp declines in asset prices. As various national governments sought to provide financial support and stimulus to their economies and after the initial success of the global responses to constrain the spread of COVID-19, there followed a period of recovery. However, the impact of a second and even third wave of COVID-19 in a number of countries means that at this time recovery remains fragile. As 2021 emerges, with a number of approved vaccines now entering into the immunisation strategies of various countries there is, subject to no COVID-19 variants defeating the vaccine, hope that the nadir of the global recession may be near. How this will impact markets and translate into future asset pricing is dependent on many factors and it is reasonable to expect that instability and consequently volatility will continue through 2021.

Important Information

With effect from 1 November 2020, the auditor of the LF Majedie Institutional Trust changed from Deloitte LLP to KPMG LLP.

MANAGER'S REPORT *continued*

for the year ended 31 December 2020

Investment Objective and Policy

The Trust aims to produce a total return in excess of the FTSE All-Share Total Return Index over rolling three-year periods through investment directly and indirectly in a diversified portfolio of predominantly UK equities. Given the investment objective, the capital of investors in the Trust is at risk and there is no guarantee that the investment objective of the Trust will be achieved over rolling three-year periods or any time period.

The Trust will invest in equity securities of companies which are listed or traded on one or more eligible markets. At least 80% of the Trust will be invested in UK equities, with the balance in international equities, cash or near cash. It is not the intention to invest materially in emerging markets.

There is no policy to restrict investment to particular economic sectors. There will be no borrowing for investment purposes.

Not more than 10% of the Scheme Property may be invested in other collective investment schemes including those managed or operated by the Manager. In particular, it is expected that the Trust's exposure to UK smaller companies will be obtained by investing in a zero management fee share class of the LF Majedie UK Smaller Companies Fund, a sub-fund of the LF Majedie Asset Management Investment Fund Company, which is an investment company with variable capital managed and operated by the Manager.

Up to 20% of the Scheme Property may be held in near cash (as defined in the FCA Glossary).

Although the Manager has power to do so, Derivatives will not be used in the Trust. If the Manager should decide to use Derivatives in the Trust, at least 60 days' prior written notice would be given to Unitholders.

Benchmark

The Trust's target benchmark is the FTSE All-Share Total Return Index.

The FTSE All-Share Total Return Index has been selected as the Trust's target benchmark as the Trust has the discretion to invest across the broadest spectrum of UK companies. We have chosen the FTSE All-Share Total Return Index as the target benchmark as it is considered to be the broadest price performance measure for UK companies. The index is used as a target and the Trust is not constrained in how far its holdings can deviate from the weightings of the index.

MANAGER'S REPORT *continued*

for the year ended 31 December 2020

Remuneration Policy

Link Fund Solutions Limited ('LFSL') is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. LFSL's remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within LFSL including in respect of the risk profile of the funds it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable LFSL to achieve and maintain a sound capital base.

None of LFSL's staff receives remuneration based on the performance of any individual fund.

LFSL acts as the operator of both UCITS funds and Alternative Investment Funds ('AIFs').

LFSL delegates portfolio management for the funds to various investment management firms. The portfolio managers' fees and expense for providing investment management services are paid by the Manager out of its own remuneration under the Manager agreement. The investment management firms may make information on remuneration publicly available in accordance with the disclosure requirements of Pillar 3 of the Capital Requirements Directive. This disclosure is in respect of LFSL activities (including activities performed by its sister company Link Fund Administrators Limited (LFAL) or by employees of that entity), and excludes activities undertaken by third party investment management firms. LFSL staff do not perform duties solely for particular funds, nor are they remunerated by reference to the performance of any individual fund. Accordingly, the information below is for LFSL as a whole. No attempt has been made to attribute remuneration to the Trust itself.

Information on LFSL's remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. Accordingly, the information disclosed relates to the year ended 30 June 2020, being the most recent accounting period for which accounts have been prepared for LFSL prior to the production of these accounts. As at 30 June 2020, LFSL operated 107 UCITS and 93 AIFs, whose respective assets under management ('AuM') were £41,011 million and £37,140 million. The Trust was valued at £64 million as at that date and represented 0.08% of LFSL's total AuM and 0.16% of its UCITS AuM.

MANAGER'S REPORT *continued*

for the year ended 31 December 2020

The disclosure below represents that required under COLL 4.5.7R (7) for funds subject to UCITS obligations.

2020	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by LFSL for the financial year to 30 June 2020	165	6,573	635	7,208
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial year to 30 June 2020.				
Senior management (including all Board members)	6	609	215	824
Staff engaged in control functions	4	371	30	401
Risk takers and other identified staff	15	1,327	164	1,491
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	—	—	—	—

LFSL's remuneration arrangement include fixed salaries, contributory pension arrangements and certain other benefits, and the potential for discretionary bonuses. The amount available for payment of discretionary bonuses is dependent on satisfactory performance by LFSL, and the Link Group as a whole, rather than the performance of any individual fund. Bonuses may then be paid to staff to reflect their contribution to the LFSL's success. The precise metrics used will vary by function, but consideration is given to both qualitative and quantitative measures.

Further details can be found at: <https://www.linkfundsolutions.co.uk/media/gjcdba2w/lfs-explanation-of-compliance-with-remuneration-code.pdf>

MANAGER'S REPORT *continued*

for the year ended 31 December 2020

Securities Financing Transactions

The Trust has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

Value Assessment

In accordance with current Financial Conduct Authority rules, the Manager is required to carry out an annual assessment on whether the Trust provides value to investors. The outcome of the latest assessment is available on the Manager's website.

LINK FUND SOLUTIONS LIMITED

Manager of LF Majedie Institutional Trust
31 March 2021

MANAGER'S REPORT *continued* INVESTMENT MANAGER'S REPORT

for the year ended 31 December 2020

This report covers the period 1 January 2020 to 31 December 2020. During the period the Trust returned -6.0% (Class B Accumulation shares, gross of fees, GBP) against the FTSE All-Share Index return of -9.8%.

After the sharp COVID-19 induced stock market falls of the first half of the year, sentiment improved in the second half. Despite the ongoing difficulties of managing the pandemic, and its significant health and economic consequences, the year ended with investors taking encouragement from the removal of three pieces of uncertainty.

The first of these was the election of Joe Biden as the 46th President of the United States. The election of a Democratic president – who will have the support of the US Senate – has reassured equity markets. The formal approval of multiple COVID-19 vaccines also boosted confidence. The roll out of vaccines is particularly good news for the UK market, as it contains many stocks – such as commodity, industrial and retail businesses – that can benefit from the economic recovery that should follow. Last, and very specifically to the UK equity market, came the announcement of a post Brexit trade deal between the UK and the European Union. Brexit is now 'done'. For over four years the Brexit process has dogged UK politics and international investors' perception of UK financial markets. In practice, there are further negotiations to come – such as the precise terms of the service sector's access to the EU's common market. However, investors are now likely to look more favourably on the UK equity market as one into which they can deploy capital with confidence.

The Trust remained well diversified through the year. As a result, outperformance was driven by a broad range of stocks. Foremost among the contributors was the holding in Barrick Gold: the defensive characteristics of the metal it mines unsurprisingly resulted in a strong share price over the year. The holding in Etsy also performed well, reflecting the step change in consumer use of online retail. Elsewhere, strong operational performance from stock specific opportunities such as FeverTree and Electrocomponents were helpful. The Small Cap element of the portfolio also made a welcome return to the positive attribution fold. The main detractors were strongly performing large index constituents in which only modest positions were held, including Rio Tinto, AstraZeneca and Reckitt Benckiser. The holding in the airport and train station convenience store operator SSP was also unsurprisingly a negative contributor.

The Trust's underlying trading activity throughout the year remained stock driven and based on our deep fundamental investment research. In the first half, as the pandemic took hold, the focus was on defensive investments. We took advantage of market weakness to increase our position in Unilever, a company we have long admired because of its attractive emerging market exposure, steady cashflow, strong management and increasingly impressive ESG profile. A new position was established in Roche, which offers a strong pipeline in oncology, a high-quality diagnostics business. It also has a 3% dividend yield. In a similar vein, we built up the position in AstraZeneca, reflecting the strength of its pipeline. Later in the year we began to increase positions in more cyclical stocks that would benefit from the economic recovery that is expected to follow the roll out of COVID-19 vaccines. Significant purchases in this respect included NatWest and Bellway.

MANAGER'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

Major sales through the year included GlaxoSmithKline: we are increasingly unenthusiastic about the outlook its drug pipeline. We also made significant reductions to stocks after they had held up well in the market weakness, including in Tesco, Rentokil and Barrick Gold. Other significant sales included BP: we are concerned that the company will struggle to reorientate its assets profitably towards renewable energy. We also sold Pearson, as it faces ever tougher competition.

COVID-19 is not yet in the rear-view mirror, as its effects continue to be felt in healthcare and economic terms in communities around the world. With lockdowns of varying degrees of severity in place at the time of writing in many economies, COVID-19 currently has the upper hand over the vaccines. Nonetheless, equity markets have taken the latest lockdowns in their stride. We share the optimism that economies should start to benefit from improving levels of economic activity from this spring onwards. In the short term, we acknowledge that it remains a tough backdrop for many businesses and for government finances.

A return to some degree of economic normality should underpin greater focus on stock-level fundamentals. As topics such as Brexit and COVID-19 take a smaller role in daily news flow, investors should focus on the underlying value available across the UK equity market's deep pool of stocks. In our view, investors will find much to like in the UK market in the months ahead: strong businesses, low valuations (both in absolute terms and relative to global equities), and robust corporate governance fundamentals. Furthermore, there is the scope for corporate activity. On the first day of trading in January there was an £8 billion bid by a US firm for a FTSE100 stock – we think this bid could be the first of many across the UK market.

There remain risks, not least how the pandemic develops, and the state of government finances. Tax rises, to pay for myriad COVID-19 support schemes, are inevitable. However, a strong recovery is anticipated in the UK economy this year. This should soften the blow of tax rises. Fiscal measures will also help return the UK economy to a sustainable growth trajectory. Importantly, this will include measures to help the levelling-up political agenda (which should support a broader base to the economic recovery) and promote the much needed green recovery.

Overall, we expect 2021 to be a year in which UK equities begin a recovery towards the longer-term rates of returns enjoyed by global equities. We are also confident that we can continue to build on the portfolio's outperformance in 2020.

MAJEDIE ASSET MANAGEMENT LIMITED

Investment Manager

15 January 2021

MANAGER'S REPORT *continued*

TRUST INFORMATION

Risk and Reward Profile



This indicator shows how much a trust has risen and fallen in the past, and therefore how much a trust's returns have varied. It is a measure of a trust's volatility. The higher a trust's past volatility the higher the number on the scale and the greater the risk that investors in that trust may have made losses as well as gains.

During the year the indicator changed from 5 to 6. The Trust has been classed as 6 because its volatility has been measured as above average to high.

The indicator is based on historical data and may not be a reliable indication for the future.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a trust is risk free.

Market Risk: the investments of the Trust are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.

Equity Risk: the value of equities may fall as well as rise and as a class of investment, equities are typically more volatile than other common investment types such as bonds or cash.

For full details of the Trust's risks, please see the Prospectus which may be obtained upon application and can be found on the Manager's website, www.linkfundsolutions.co.uk.

MANAGER'S REPORT *continued*
TRUST INFORMATION *continued*

Comparative Tables

'B' ACCUMULATION UNITS

CHANGE IN NET ASSETS PER UNIT	31.12.20 pence per unit	31.12.19 pence per unit	31.12.18 pence per unit
Opening net asset value per unit	1,373.78	1,200.02	1,323.11
Return before operating charges*	(85.28)	174.41	(121.78)
Operating charges	—	(0.65)	(1.31)
Return after operating charges	(85.28)	173.76	(123.09)
Distributions	(26.80)	(53.42)	(48.46)
Retained distributions on accumulation units	26.80	53.42	48.46
Closing net asset value per unit	1,288.50	1,373.78	1,200.02
* after direct transaction costs of:	3.96	1.74	1.12

PERFORMANCE

Return after charges	(6.21)%	14.48%	(9.30)%
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OTHER INFORMATION

Closing net asset value (£'000)	70,956	75,653	73,331
Closing number of units	5,506,910	5,506,910	6,110,797
Operating charges ¹	—%	0.05%	0.10%
Direct transaction costs	0.34%	0.13%	0.09%

PRICES

Highest unit price	1,388.35	1,393.09	1,407.11
Lowest unit price	899.72	1,198.42	1,185.24

¹ Effective 1 July 2019, this unit class is no longer charged expenses.

MANAGER'S REPORT *continued*
TRUST INFORMATION *continued*

Trust Performance to 31 December 2020 (%)

	1 year	3 years	5 years
LF Majedie Institutional Trust	(6.00)	(2.01)	28.52
FTSE All-Share Total Return Index ¹	(9.82)	(2.71)	28.46

¹ Source: Bloomberg, closing price.

The performance of the Trust is based on the published price per 'B' Accumulation unit which includes reinvested income.

The performance of the Trust disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to above performance being calculated on the latest published price (at 12.00 p.m.) prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on page 46.

RISK WARNING

An investment in a unit trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

MANAGER'S REPORT *continued*

PORTFOLIO STATEMENT

as at 31 December 2020

Holding	Portfolio of Investments	Value £'000	31.12.20 %
	EQUITIES - 97.88% (31.12.19 - 95.63%)		
	OIL & GAS - 3.15% (31.12.19 - 12.22%)		
	OIL & GAS PRODUCERS - 3.15% (31.12.19 - 12.22%)		
113,964	BP	290	0.41
154,195	Royal Dutch Shell 'B'	1,942	2.74
		<u>2,232</u>	<u>3.15</u>
	TOTAL OIL & GAS	<u>2,232</u>	<u>3.15</u>
	BASIC MATERIALS - 5.35% (31.12.19 - 8.02%)		
	FORESTRY & PAPER - 1.39% (31.12.19 - 2.13%)		
57,214	Mondi	984	1.39
	MINING - 3.96% (31.12.19 - 5.89%)		
34,194	Anglo American	829	1.17
28,681	Barrick Gold	478	0.67
29,948	BHP	576	0.81
8,352	Newmont Mining	366	0.51
10,338	Rio Tinto	565	0.80
		<u>2,814</u>	<u>3.96</u>
	TOTAL BASIC MATERIALS	<u>3,798</u>	<u>5.35</u>
	INDUSTRIALS - 19.31% (31.12.19 - 14.28%)		

MANAGER'S REPORT *continued*
PORTFOLIO STATEMENT *continued*

as at 31 December 2020

Holding	Portfolio of Investments	Value £'000	31.12.20 %
	CONSTRUCTION & MATERIALS - 2.11% (31.12.19 - 1.18%)		
244,016	Breedon ¹	213	0.30
92,843	Marshalls	694	0.98
99,210	Polypipe	592	0.83
		1,499	2.11
	AEROSPACE & DEFENCE - 4.92% (31.12.19 - 3.71%)		
290,977	BAE Systems	1,422	2.00
107,790	Meggitt	503	0.71
489,898	QinetiQ	1,567	2.21
		3,492	4.92
	INDUSTRIAL ENGINEERING - 2.16% (31.12.19 - 0.14%)		
77,083	Weir	1,534	2.16
	INDUSTRIAL TRANSPORTATION - 0.70% (31.12.19 - 0.19%)		
305	AP Moller-Maersk 'B'	500	0.70
	SUPPORT SERVICES - 9.42% (31.12.19 - 9.06%)		
37,809	Ashtead	1,300	1.83
7,679	Diploma	168	0.24
222,082	Electrocomponents	1,933	2.73
190,345	Essentra	583	0.82
839,187	Hays	1,200	1.69
132,397	Mears	203	0.29
1,081,043	Serco	1,292	1.82
		6,679	9.42
	TOTAL INDUSTRIALS	13,704	19.31

MANAGER'S REPORT *continued*
PORTFOLIO STATEMENT *continued*

as at 31 December 2020

Holding	Portfolio of Investments	Value £'000	31.12.20 %
	CONSUMER GOODS - 12.41% (31.12.19 - 3.40%)		
	BEVERAGES - 3.59% (31.12.19 - 0.42%)		
28,573	Diageo	822	1.16
68,406	Fever-Tree Drinks ¹	1,727	2.43
		<u>2,549</u>	<u>3.59</u>
	FOOD PRODUCERS - 0.90% (31.12.19 - 2.69%)		
28,177	Associated British Foods	638	0.90
	HOUSEHOLD GOODS & HOME CONSTRUCTION - 3.41% (31.12.19 - 0.00%)		
34,743	Bellway	1,027	1.45
13,869	Reckitt Benckiser	907	1.28
289,101	Taylor Wimpey	479	0.68
		<u>2,413</u>	<u>3.41</u>
	PERSONAL GOODS - 4.51% (31.12.19 - 0.29%)		
199,684	PZ Cussons	459	0.64
62,495	Unilever	2,745	3.87
		<u>3,204</u>	<u>4.51</u>
	TOTAL CONSUMER GOODS	<u>8,804</u>	<u>12.41</u>
	HEALTH CARE - 8.20% (31.12.19 - 7.30%)		

MANAGER'S REPORT *continued*
PORTFOLIO STATEMENT *continued*

as at 31 December 2020

Holding	Portfolio of Investments	Value £'000	31.12.20 %
	HEALTH CARE EQUIPMENT & SERVICES - 2.98% (31.12.19 - 1.43%)		
31,595	Boston Scientific	830	1.17
230,048	ConvaTec	458	0.64
54,947	Smith & Nephew	830	1.17
		2,118	2.98
	PHARMACEUTICALS & BIOTECHNOLOGY - 5.22% (31.12.19 - 5.87%)		
34,473	AstraZeneca	2,525	3.56
4,597	Roche	1,176	1.66
		3,701	5.22
	TOTAL HEALTH CARE	5,819	8.20
	CONSUMER SERVICES - 20.29% (31.12.19 - 23.13%)		
	FOOD & DRUG RETAILERS - 5.59% (31.12.19 - 7.78%)		
35,511	Greggs	636	0.90
253,946	Morrison (Wm.) Supermarkets	450	0.63
1,246,221	Tesco	2,884	4.06
		3,970	5.59
	GENERAL RETAILERS - 6.26% (31.12.19 - 4.36%)		
196,379	Auto Trader	1,170	1.65
183,090	Card Factory	78	0.11
453,062	Dixons Carphone	525	0.74
34,374	Dunelm	417	0.59
13,900	eBay	511	0.72

MANAGER'S REPORT *continued*
PORTFOLIO STATEMENT *continued*

as at 31 December 2020

Holding	Portfolio of Investments	Value £'000	31.12.20 %
1,497	Etsy	195	0.27
61,192	HomeServe	627	0.88
142,810	Marks & Spencer	195	0.28
10,176	Next	721	1.02
		4,439	6.26
	MEDIA - 5.47% (31.12.19 - 4.95%)		
25,759	4imprint	661	0.93
82,813	Ascential	318	0.45
88,239	Daily Mail & General Trust	657	0.93
112,198	RELX	2,011	2.83
29,557	WPP	236	0.33
		3,883	5.47
	TRAVEL & LEISURE - 2.97% (31.12.19 - 6.04%)		
43,234	Compass	589	0.83
97,088	Domino's Pizza	307	0.43
654,925	FirstGroup	485	0.69
44,549	Ryanair	655	0.92
28,125	Saga	71	0.10
		2,107	2.97
	TOTAL CONSUMER SERVICES	14,399	20.29
	TELECOMMUNICATIONS - 1.87% (31.12.19 - 4.93%)		

MANAGER'S REPORT *continued*
PORTFOLIO STATEMENT *continued*

as at 31 December 2020

Holding	Portfolio of Investments	Value £'000	31.12.20 %
	FIXED LINE TELECOMMUNICATIONS - 0.80% (31.12.19 - 3.18%)		
139,072	Koninklijke KPN	310	0.44
29,446	Orange	256	0.36
		566	0.80
	MOBILE TELECOMMUNICATIONS - 1.07% (31.12.19 - 1.75%)		
627,524	Vodafone	759	1.07
	TOTAL TELECOMMUNICATIONS	1,325	1.87
	UTILITIES - 0.59% (31.12.19 - 1.71%)		
	GAS, WATER & MULTIUTILITIES - 0.59% (31.12.19 - 1.71%)		
901,420	Centrica	419	0.59
	TOTAL UTILITIES	419	0.59
	FINANCIALS - 24.62% (31.12.19 - 19.25%)		
	BANKS - 6.33% (31.12.19 - 6.08%)		
310,879	Barclays	456	0.64
85,218	HSBC	323	0.46
2,952,673	Lloyds Banking	1,076	1.52
1,318,772	NatWest	2,209	3.11
92,175	Standard Chartered	429	0.60
		4,493	6.33

MANAGER'S REPORT *continued*
PORTFOLIO STATEMENT *continued*

as at 31 December 2020

Holding	Portfolio of Investments	Value £'000	31.12.20 %
	NON-LIFE INSURANCE - 1.07% (31.12.19 - 1.13%)		
238,930	Direct Line	762	1.07
	LIFE INSURANCE - 4.67% (31.12.19 - 3.25%)		
855,772	Legal & General	2,277	3.21
91,869	St. James's Place	1,039	1.46
		<u>3,316</u>	<u>4.67</u>
	REAL ESTATE INVESTMENT & SERVICES - 0.13% (31.12.19 - 1.41%)		
63,239	Capital & Counties Properties	91	0.13
	FINANCIAL SERVICES - 5.19% (31.12.19 - 1.30%)		
177,700	3i	2,057	2.90
60,955	AJ Bell	264	0.37
64,930	Hargreaves Lansdown	990	1.40
4,102	London Stock Exchange	369	0.52
		<u>3,680</u>	<u>5.19</u>
	EQUITY INVESTMENT INSTRUMENTS - 7.23% (31.12.19 - 6.08%)		
1,414,925	LF Majedie UK Smaller Companies ^{2,3}	5,126	7.23
	TOTAL FINANCIALS	<u>17,468</u>	<u>24.62</u>
	TECHNOLOGY - 2.09% (31.12.19 - 1.39%)		

MANAGER'S REPORT *continued*
PORTFOLIO STATEMENT *continued*

as at 31 December 2020

Holding	Portfolio of Investments	Value £'000	31.12.20 %
	SOFTWARE & COMPUTER SERVICES - 1.70% (31.12.19 - 1.39%)		
37,740	Aveva	1,208	1.70
	TECHNOLOGY HARDWARE & EQUIPMENT - 0.39% (31.12.19 - 0.00%)		
2,372	NXP Semiconductors	276	0.39
	TOTAL TECHNOLOGY	1,484	2.09
	TOTAL EQUITIES	69,452	97.88
	Portfolio of investments	69,452	97.88
	Net other assets	1,504	2.12
	Net assets	70,956	100.00

The investments have been valued in accordance with note 1(E) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

- ¹ Quoted on the Alternative Investments Market (AIM).
- ² Collective investment scheme.
- ³ Related party holding. (See Note 11).

MANAGER'S REPORT *continued*
SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 December 2020

Total purchases for the year £'000 (note 15)	42,823	Total sales for the year £'000 (note 15)	39,966
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Unilever	3,209	GlaxoSmithKline	3,333
AstraZeneca	2,283	BP	2,631
RELX	1,909	Barrick Gold	2,083
Roche	1,814	Pearson	1,632
Hargreaves Lansdown	1,569	Rentokil Initial	1,467
Boston Scientific	1,328	Associated British Foods	1,449
NatWest	1,210	Tesco	1,416
3i	1,057	Royal Dutch Shell 'B'	1,251
Fever-Tree Drinks	1,049	Etsy	1,055
Reckitt Benckiser	1,004	Mondi	1,041

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

MANAGER'S STATEMENT

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

N. BOYLING

K. J. MIDL

LINK FUND SOLUTIONS LIMITED

Manager of LF Majedie Institutional Trust

31 March 2021

STATEMENT OF MANAGER'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority ('the COLL Sourcebook') requires the Manager to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Trust and of the net revenue/expense and net capital gains/losses on the property of the Trust for the year.

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, the Prospectus and the COLL Sourcebook.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee in its capacity as Trustee of the LF Majedie Institutional Trust must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Manager, which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme document of the Trust in relation to the investment and borrowing powers applicable to the Trust.

REPORT OF THE TRUSTEE

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

Trustee of LF Majedie Institutional Trust

31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LF MAJEDIE INSTITUTIONAL TRUST ('THE TRUST')

Opinion

We have audited the financial statement of the Trust for the year ended 31 December 2020 which comprise the *Statement of Total Return, the Statement of Change in Unitholders' Funds, the Balance Sheet, the Related Notes and Distribution Table* and the accounting policies set out on pages 32 to 34.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of the Trust as at 31 December 2020 and of the net revenue and the net capital losses on the property of the Trust for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust or to cease their operations, and as they have concluded that the Trust's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LF MAJEDIE INSTITUTIONAL TRUST ('THE TRUST') *continued*

- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO FRAUD

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Trust's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Depositary, the Administrator and the investment manager.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Manager and the Administrator, no further high-risk journal entries or other adjustments were identified.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LF MAJEDIE INSTITUTIONAL TRUST ('THE TRUST') *continued*

IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO NON-COMPLIANCE WITH LAWS AND REGULATIONS

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Trust's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

CONTEXT OF THE ABILITY OF THE AUDIT TO DETECT FRAUD OR BREACHES OF LAW OR REGULATION

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LF MAJEDIE INSTITUTIONAL TRUST ('THE TRUST') *continued*

Other information

The Manager is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Manager's Report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Trust have not been kept; or
- the financial statements are not in agreement with the accounting records.

Manager's (Link Fund Solutions Limited) Responsibilities

As explained more fully in their statement set out on page 22, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust'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 they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LF MAJEDIE INSTITUTIONAL TRUST ('THE TRUST') *continued*

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Trust's unitholders, 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 Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

**GRANT ARCHER
FOR AND ON BEHALF OF KPMG LLP, STATUTORY AUDITOR**

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

31 March 2021

FINANCIAL STATEMENTS STATEMENT OF TOTAL RETURN

for the year ended 31 December 2020

	Notes	£'000	31.12.20 £'000	£'000	31.12.19 £'000
Income:					
Net capital (losses)/gains	3		(6,173)		9,437
Revenue	4	1,486		5,139	
Expenses	5	—		(193)	
Net revenue before taxation		1,486		4,946	
Taxation	6	(10)		(32)	
Net revenue after taxation			1,476		4,914
Total return before distributions			(4,697)		14,351
Distributions	7		(1,476)		(4,914)
Change in shareholders' funds from investment activities			(6,173)		9,437

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the year ended 31 December 2020

	Note	£'000	31.12.20 £'000	£'000	31.12.19 £'000
Opening net assets			75,653		103,644
Amounts receivable on issue of units		—		2	
In-specie creations		—		29,360	
Amounts payable on redemption of units		—		(70,676)	
					(41,314)
Dilution adjustment	1(G)		—		110
Change in shareholders' funds from investment activities			(6,173)		9,437
Retained distribution on accumulation units	7		1,476		3,776
Closing net assets			70,956		75,653

FINANCIAL STATEMENTS *continued*
BALANCE SHEET

as at 31 December 2020

	Notes	31.12.20 £'000	31.12.19 £'000
ASSETS			
Fixed assets			
Investments		69,452	72,344
Current assets			
Debtors	8	112	314
Cash and bank balances	9	1,392	3,021
Total assets		70,956	75,679
LIABILITIES			
Creditors			
Other creditors	10	—	(26)
Total liabilities		—	(26)
Net assets		—	75,653
Shareholders' funds		70,956	75,653

FINANCIAL STATEMENTS *continued* **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2020

1. Accounting Policies

The principal accounting policies, which have been applied in both the current and prior year, are set out below.

(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 Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The Manager has made an assessment of the Trust's ability to continue as a going concern, and is satisfied they have the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections, key service provider's operational resilience, and the impact of COVID-19. The Manager also considered the Trust's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

(B) RECOGNITION OF REVENUE

Dividends on quoted equities are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Reportable income from funds with 'reporting fund' status for UK tax purposes is recognised when the information is made available by the reporting fund.

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

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

FINANCIAL STATEMENTS *continued* **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2020

(C) TREATMENT OF EXPENSES

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue.

(D) TAXATION

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Offshore income gains, from funds without reporting status, are liable to corporation tax at 20% and any resulting charge is deducted from capital.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

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.

(E) BASIS OF VALUATION OF INVESTMENTS

All investments are valued at their fair value as at close of business on the last business day of the financial year.

Quoted investments are valued at fair value which generally is the bid price.

Collective investment schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds.

(F) EXCHANGE RATES

The base and functional currency of the Trust is pounds sterling. 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 exchange rate prevailing at close of business on the last business day of the financial year.

(G) DILUTION ADJUSTMENT

The Manager may apply a dilution adjustment whenever there are net inflows or net outflows of £1,000,000 or more. The maximum range of dilution adjustment for the Trust is up to 2% of Net Asset Value per Unit on inflows and up to 1.5% of Net Asset Value per unit on outflows.

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

(H) PORTFOLIO TRANSACTION COSTS

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Indirect transaction costs may be incurred on transactions in underlying schemes but these do not form part of the direct transaction costs disclosures. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread disclosed is the difference between the bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

2. Distribution Policies

Surplus revenue after expenses and taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to unitholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the Manager's discretion. Final distributions are made in accordance with the COLL Sourcebook.

Distributions which have remained unclaimed by unitholders for more than six years are credited to the capital property of the Trust.

The ordinary element of stock 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 of the Trust. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

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. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

3. Net Capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	31.12.20 £'000	31.12.19 £'000
Non-derivative securities	(6,158)	9,436
Currency (losses)/gains	(15)	5
Transaction charges	—	(4)
Net capital (losses)/gains	(6,173)	9,437

4. Revenue

	31.12.20 £'000	31.12.19 £'000
Non-taxable dividends	1,472	5,077
UK property income distributions	10	54
Interest distributions on CIS holdings	1	1
Bank interest	3	7
Total revenue	1,486	5,139

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

5. Expenses

	31.12.20 £'000	31.12.19 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	—	137
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	—	15
Safe custody and other bank charges	—	2
	—	17
Other expenses:		
Audit fees*	—	6
Administration fees	—	25
Fund accounting fees	—	2
Transfer Agency fees	—	6
	—	39
Total expenses	—	193

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the Manager out of its remuneration.

Effective 1 July 2019, the Trust no longer charged expenses other than from the Annual Management Charge fee. The 'X' income unit class was closed on 29 July 2019 and so the Trust no longer incurs an Annual Management Charge fee.

* The audit fee for the year, excluding VAT, was £6,750 (31.12.19: £9,400).

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

6. Taxation

	31.12.20 £'000	31.12.19 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	—	—
Overseas tax	10	33
Irrecoverable income tax	—	(1)
Current tax charge	10	32
Deferred tax – origination and reversal of timing differences (note 6c)	—	—
Total taxation (note 6b)	10	32

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.12.19: 20%). The difference is explained below:

	31.12.20 £'000	31.12.19 £'000
Net revenue before taxation	1,486	4,946
Corporation tax at 20%	297	989
Effects of:		
Non-taxable dividends	(294)	(1,015)
Utilised/(Unutilised) excess management expenses	(3)	26
Corporation tax charge	—	—
Overseas tax	10	33
Irrecoverable income tax	—	(1)
Total tax charge (note 6a)	10	32

c) Deferred tax

At the year end there is a potential deferred tax asset of £509,000 (31.12.19: £512,000) in relation to surplus management expenses. It is unlikely that the Trust will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

7. Distributions

	31.12.20 £'000	31.12.19 £'000
Interim	735	3,011
Final	741	1,367
	<u>1,476</u>	<u>4,378</u>
Add: Revenue deducted on redemption of units	—	677
Equalisation on In-specie creations	—	(141)
Net distribution for the year	<u>1,476</u>	<u>4,914</u>

The distribution per unit is set out in the tables on page 46.

8. Debtors

	31.12.20 £'000	31.12.19 £'000
Sales awaiting settlement	—	15
Accrued revenue:		
Non-taxable dividends	104	274
Taxation recoverable:		
Income tax	3	6
Overseas withholding tax	5	19
	<u>8</u>	<u>25</u>
Total debtors	<u>112</u>	<u>314</u>

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

9. Cash and Bank Balances

	31.12.20 £'000	31.12.19 £'000
Bank balances	1,392	3,021
Total cash and bank balances	1,392	3,021

10. Other Creditors

	31.12.20 £'000	31.12.19 £'000
Purchases awaiting settlement	—	21
Other expenses	—	5
Total other creditors	—	26

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

11. Related party transactions

On 1 July 2019, the Manager of the Trust changed from Majedie Asset Management Limited to Link Fund Solutions Limited ('LFSL'). For the year ending 31 December 2019, the Annual Management Charge ('AMC') attributable to Link Fund Solutions Limited was £17,000 and £120,000 was attributable to Majedie Asset Management Limited. Effective 29 July 2019, the AMC is no longer charged to the Trust due to the closure of the 'X' income class.

The aggregate monies received by the Manager through the issue of units and paid on redemption of units are disclosed in the Statement of Change in shareholders' funds on page 30. There were no amounts outstanding at the year end.

As part of the investment strategy, the Trust may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager, or for which Link Fund Solutions is also the Manager. At the balance sheet date the value of the holdings was as follows:

	31.12.20	31.12.19
	£'000	£'000
Manager and Investment Manager in Common	5,126	4,598

Majedie Asset Management Limited, which is the Investment Manager held 955 (31.12.19: 955) of the Fund's units at the balance sheet date.

A unitholder may be able to exercise significant influence over the financial and operating policies of the Trust and as such is deemed to be a related party. At the balance sheet date the following unitholder held in excess of 20% of the units in issue of the Trust:

Bristol-Myers Squibb Trustees Limited	57.98% (31.12.19: 57.98%)
Sony U.K. Pension Trust Limited	42.00% (31.12.19: 42.00%)

12. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.12.19: none).

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

13. Units in Issue

	B Accumulation
Annual Management Charge	— %
Opening units in issue	5,506,910
Issues	—
Redemptions	—
Closing units in issue	<u>5,506,910</u>

14. Risk Management Policies

In pursuing the investment objective 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 Efficient Portfolio Management (including hedging) and investment purposes.

The main risks from the Trust's holding of financial instruments, together with the Manager's policy for managing these risks, are set out below:

The Manager has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a trust and how the Manager seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the Manager in managing the identified risks of the Trust. The Manager requires that the appointed Investment Manager to the Trust has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the trust managed.

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfill contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Trust 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 Trust has fulfilled its obligations. As part of its due diligence process, the Manager undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the Manager has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Trust's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate securities and on bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Trust to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

As the Fund seeks to obtain its return from investing mainly in equities and has no significant exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Where the Trust invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

The table below shows the direct foreign currency risk profile:

	31.12.20	31.12.19
	£'000	£'000
Currency:		
Danish krone	502	145
Euros	1,248	3,025
Japanese yen	—	106
Swiss franc	1,176	280
US dollar	2,657	4,521
	<u>5,583</u>	<u>8,077</u>
Pounds sterling	65,373	67,576
Net assets	<u>70,956</u>	<u>75,653</u>

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £279,000 on the net assets of the Trust (31.12.19: £404,000).

(D) LEVERAGE

The Trust did not employ any significant leverage in the current or prior year.

(E) LIQUIDITY RISK

The main liability of the Trust is the redemption of any units that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

The Manager monitors the liquidity profile of the Trust on a daily basis. In assessing the liquidity profile of the Trust, the Manager assesses how much of the Trust can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile. In assessing the liquidity of a company's shares, the Manager utilises the lower of the 5 and 30 day average market volume of that company's shares. Where a risk is identified then a more in depth review is undertaken to establish its significance, by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume. Based on this analysis 100% (31.12.19: 100%) of the portfolio can be liquidated within 5-days and 100% (31.12.19: 100%) within 30-days. Given this and the Manager's understanding of the investor base, it is considered that the liquidity profile of the Trust is appropriate.

All financial liabilities are payable in one year or less, or on demand.

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Trust's financial instruments 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 primarily from uncertainty about the future prices of financial instruments that the Trust holds. Market price risk represents the potential loss the Trust may suffer through holding market positions in the face of price movements. The Trust's investment portfolio is exposed to price fluctuations, which are monitored by the Manager in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Trust's portfolio would have the effect of increasing the return and net assets by £3,473,000 (31.12.19: £3,617,000).

(G) DERIVATIVES

The Trust held no derivatives in the current or prior year.

15. Portfolio transaction costs

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.12.20				
Ordinary shares	42,394	18	182	42,594
Collective investment schemes	229	—	—	229
Purchases total	<u>42,623</u>	<u>18</u>	<u>182</u>	<u>42,823</u>
<i>Transaction cost % of purchases total</i>		<i>0.04%</i>	<i>0.43%</i>	
<i>Transaction cost % of average NAV</i>		<i>0.03%</i>	<i>0.28%</i>	
Ordinary shares	39,985	(18)	(1)	39,966
Sales total	<u>39,985</u>	<u>(18)</u>	<u>(1)</u>	<u>39,966</u>
<i>Transaction cost % of sales total</i>		<i>0.05%</i>	—	
<i>Transaction cost % of average NAV</i>		<i>0.03%</i>	—	

Average portfolio dealing spread at 31.12.20 is 0.16% (31.12.19: 0.14%).

FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2020

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.12.19				
Ordinary shares	28,847	12	122	28,981
Purchases total	28,847	12	122	28,981
<i>Transaction cost % of purchases total</i>		0.04%	0.42%	
<i>Transaction cost % of average NAV</i>		0.01%	0.10%	
Ordinary shares	89,501	(26)	(1)	89,474
Collective investment schemes	6,285	—	—	6,285
Sales total	95,786	(26)	(1)	95,759
<i>Transaction cost % of sales total</i>		0.03%	—	
<i>Transaction cost % of average NAV</i>		0.02%	—	

16. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(E) of the Accounting Policies).

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.12.20				
Investment assets	64,326	5,126	—	69,452
31.12.19				
Investment assets	67,746	4,598	—	72,344

DISTRIBUTION TABLE

for the year ended 31 December 2020 – in pence per unit

EQUALISATION

Equalisation applies only to units purchased during the distribution period (Group 2 units – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the units. 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 units for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.01.20	01.07.20
To	30.06.20	31.12.20

'B' ACCUMULATION UNITS

Interim	Net Revenue	Equalisation	Allocated 31.08.20	Allocated 31.08.19
Group 1	13.3495	–	13.3495	28.6093
Group 2	13.3495	0.0000	13.3495	28.6093

Final	Net Revenue	Equalisation	Allocation 28.02.21	Allocated 28.02.20
Group 1	13.4486	–	13.4486	24.8067
Group 2	13.4486	0.0000	13.4486	24.8067

GENERAL INFORMATION

Valuation Point

The Scheme Property is valued daily on Business Days at 12.00 noon (London time).

Buying and Selling Units

The Manager will accept orders to buy or sell units on any Business Day between 8.30 a.m. and 5.30 p.m. (London time). Orders to buy units and redemption requests may be made in writing (including by facsimile); or, if the applicant is already a Unitholder of the Trust, by telephone; in addition, the Manager may from time to time make arrangements to allow Units to be bought on-line or through other communication media. Orders in writing should be sent to:

Link Fund Solutions Limited
PO Box 389
Darlington
DL1 9UF

Orders and redemption requests by facsimile should be sent to:
Fax: 0113 224 6001

Prices

The most recent prices for all publicly available Classes of Unit in the Trust will normally be published on the Manager's website www.linkfundsolutions.com and on the Investment Manager's website www.majedie.com and are also available on request from the Manager by calling 0344 892 0974 or writing to:

Link Fund Solutions Limited
PO Box 389
Darlington
DL1 9UF

GENERAL INFORMATION *continued*

Other Information

The Trust Deed, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the Manager which is also the Head Office. Copies of these may be obtained upon application and, excepting the Trust Deed, can be found on the Manager's website, www.linkfundsolutions.co.uk.

The Register of Unitholders can be inspected by unitholders during normal business hours at the Customer Service Centre, Link Fund Administrators Limited at Central Square, 29 Wellington Street, Leeds LS1 4DL.

Unitholders who have any complaints about the operation of the Trust should contact the Manager or the Trustee in the first instance. In the event that a unitholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Data Protection

Unitholders' names will be added to a mailing list which may be used by the Manager, its associates or third parties to inform investors of other products by sending details of such products. Unitholders who do not want to receive such details should write to the Manager requesting their removal from any such mailing list.



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