

Thesis Optima Fund

Annual Report & Accounts
for the year ended 31st March 2020



THEISIS UNIT TRUST MANAGEMENT LIMITED

Authorised and regulated by the Financial Conduct Authority

Thesis Optima Fund

Contents	Page
Management and Professional Service Providers' Details	3
Report of the Manager	4
Investment Objective and Policy	4
Report of the Investment Manager	6
Constitution	12
Sub-Fund Cross-Holdings	12
Regulatory Disclosure	12
AIFMD Disclosures	13
Certification of Annual Report by Directors	13
Responsibilities of the Manager	14
Statement of the Trustee's Responsibilities	15
Report of the Trustee	15
Independent Auditor's Report to the Unitholders	16
Statement of Accounting Policies, Distribution Policies and Risk Management Policies	18
Optima Growth Sub-Fund	
Portfolio Statement	22
Sub-fund Information	24
Statement of Total Return	35
Statement of Change in Net Assets Attributable to Unitholders	35
Balance Sheet	36
Notes to the Financial Statements	37
Distribution Tables	47

Thesis Optima Fund

Contents (continued)

	Page
Optima Balanced Sub-Fund	
Portfolio Statement	52
Sub-fund Information	54
Statement of Total Return	66
Statement of Change in Net Assets Attributable to Unitholders	66
Balance Sheet	67
Notes to the Financial Statements	68
Distribution Tables	78
Optima Income Sub-Fund	
Portfolio Statement	84
Sub-fund Information	87
Statement of Total Return	99
Statement of Change in Net Assets Attributable to Unitholders	99
Balance Sheet	100
Notes to the Financial Statements	101
Distribution Tables	111

Thesis Optima Fund

Management and Professional Service Providers' Details

Manager:

Thesis Unit Trust Management Limited
Exchange Building
St John's Street
Chichester
West Sussex PO19 1UP
Tel: 01243 531 234

*Authorised and regulated by
the Financial Conduct Authority*

Investment Manager:

Sanlam Private Investments (UK) Limited¹
Monument Place
24 Monument Street
London EC3R 8AJ

*Authorised and regulated by
the Financial Conduct Authority*

¹ Previous Investment Manager was Thesis Asset Management Limited and was changed to Sanlam Private Investments (UK) Limited which was approved by FCA effective on 9th September 2019.

Dealing & Registration:

Northern Trust Global Services SE UK Branch
PO Box 3733
Royal Wootton Bassett
Swindon SN4 4BG
Tel: 0333 300 0375
Fax: 020 7982 3924

*Authorised by the Prudential Regulation Authority and
regulated by the Financial Conduct Authority and the
Prudential Regulation Authority*

Trustee:

NatWest Trustee and Depositary Services Limited
Drummond House, Second Floor
1 Redheughs Avenue
Edinburgh EH12 9RH

*Authorised by the Prudential Regulation Authority and
regulated by the Financial Conduct Authority and the
Prudential Regulation Authority*

Auditor:

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Directors of the Manager:

S. R. Mugford - Finance Director
D. W. Tyerman - Chief Executive Officer
S. E. Noone - Client Services Director
D. K. Mytnik - Non-Executive Director
V. R. Smith - Non-Executive Director
W. D. Prew - Independent Non-Executive Director¹
C. J. Willson - Independent Non-Executive Director²
N. C. Palios - Non-Executive Chair

D.W. Tyerman and S.R. Mugford also hold directorships of other companies within the Thesis group and perform senior management roles within these companies, particularly Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Manager.

D.K. Mytnik, V.R. Smith and N.C. Palios also hold non-executive directorships of other companies within the Thesis group. They are not engaged in other business activities that are of significance to the Trust. W. D. Prew is a Director of Indos Financial Limited, the primary business of which is the provision of Alternative Investment Fund Managers Directive independent depositary services to Alternative Investment Funds. Indos Financial Limited is not appointed as depositary on any alternative investment funds managed by the Manager.

¹ Appointed 12th November 2019

² Appointed 14th November 2019

Thesis Optima Fund

Report of the Manager

for the year ended 31st March 2020

Thesis Unit Trust Management Limited, (the “Manager”) is pleased to present the Manager’s annual report for the Thesis Optima Fund (the “Trust”) year ended 31st March 2020.

The Trust is an umbrella scheme with three sub-funds, namely Optima Growth Sub-Fund, Optima Balanced Sub-Fund and Optima Income Sub-Fund (the “sub-funds”).

Notification of Change

With effect from 9th September 2019, the Investment Manager of the Thesis Optima Fund has changed from Thesis Asset Management Limited to Sanlam Private Investments (UK) Limited.

Investment Objective and Policy

Optima Growth Sub-Fund

This sub-fund’s investment objective is to achieve capital growth over a reasonable investment time horizon, typically five years.

The sub-fund will seek to achieve its investment objective primarily through investment in shares or units of regulated and/or unregulated collective investment schemes and/or closed ended funds. This may include schemes or funds managed by the Manager and/or an associate.

The sub-fund may also invest directly in transferable securities, money market instruments, warrants, deposits, near cash and cash and derivatives. In exceptional circumstances, the Manager may take larger cash positions. The sub-fund may utilise derivatives for efficient portfolio management (including hedging) and for investment purposes.

Optima Balanced Sub-Fund

This sub-fund’s investment objective is to achieve income and capital growth.

The sub-fund will seek to achieve its investment objective primarily through investment in shares or units of regulated and/or unregulated collective investment schemes and/or closed ended funds. This may include schemes or funds managed by the Manager and/or an associate.

The sub-fund may also invest directly in transferable securities, money market instruments, warrants, deposits, near cash and cash and derivatives. In exceptional circumstances, the Manager may take larger cash positions. The sub-fund may utilise derivatives for efficient portfolio management (including hedging) and for investment purposes.

Optima Income Sub-Fund

This sub-fund’s investment objective is to achieve a total return with an emphasis on income together with some capital growth.

The sub-fund will seek to achieve its investment objective primarily through investment in shares or units of regulated and/or unregulated collective investment schemes and/or closed ended funds. This may include schemes or funds managed by the Manager and/or an associate.

The sub-fund may also invest directly in transferable securities, money market instruments, warrants, deposits, near cash and cash and derivatives. In exceptional circumstances, the Manager may take larger cash positions. The sub-fund may utilise derivatives for efficient portfolio management (including hedging) and for investment purposes.

Performance Comparator

Optima Growth Sub-Fund

The sub-fund uses the Investment Association Flexible Investment peer group for performance comparison purposes only.

The peer group has been selected as a comparator for performance as an aggregation of a large number of Sterling based multi-asset mandates in the industry with a similar level of volatility, they offer a clear comparator.

The Manager reserves the right to change the peer group following consultation with the Trustee and in accordance with the rules of COLL. A change could arise, for example, where the Manager determines that an alternative may be more appropriate. Unitholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

Thesis Optima Fund

Report of the Manager

for the year ended 31st March 2020 (continued)

Performance Comparator *(continued)*

Optima Balanced Sub-Fund

The sub-fund uses the Investment Association Mixed Investment 20-60% Shares peer group for performance comparison purposes only.

The peer group has been selected as a comparator for performance as an aggregation of a large number of Sterling based multi-asset mandates in the industry with a similar level of volatility, they offer a clear comparator.

The Manager reserves the right to change the peer group following consultation with the Trustee and in accordance with the rules of COLL. A change could arise, for example, where the Manager determines that an alternative may be more appropriate. Unitholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

Optima Income Sub-Fund

The sub-fund uses the Investment Association Mixed Investment 0-35% Shares peer group for performance comparison purposes only.

The peer group has been selected as a comparator for performance as an aggregation of a large number of Sterling based multi-asset mandates in the industry with a similar level of volatility, they offer a clear comparator.

The Manager reserves the right to change the peer group following consultation with the Trustee and in accordance with the rules of COLL. A change could arise, for example, where the Manager determines that an alternative may be more appropriate. Unitholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

Thesis Unit Trust Management Limited
Manager
24th July 2020

Thesis Optima Fund

Report of the Investment Manager *for the year ended 31st March 2020*

Investment Report – Optima Growth Sub-Fund

From 1st April 2019 to 8th September 2019

The first half of the sub-fund's reporting period started with steady progression in its benchmark, the FTSE UK Private Investor Income index. The sub-fund's return lagged this index which can principally be attributed to its underweight allocation to the US equity market, the strongest performing developed market.

Equity markets moved higher as favourable moves by central banks offset growing concerns about the outlook for global growth and the impact of the US/China trade conflict. The Federal cut interest rates twice in response to the signs of slowing growth, while the ECB cut rates once and renewed its QE programme to boost growth in the Eurozone. These moves help to support markets unsettled by political developments, including Mr. Johnson's appointment as Prime Minister in the UK and his unsuccessful attempt to prorogue Parliament, the growing civil unrest in Hong Kong, yet another political crisis in Italy and the attack on Saudi oilfields in the Middle East. Over the past six months, sterling continued to weaken, falling 3% against the euro, 6% against the US dollar and 8% against the yen. This boosted returns from overseas markets for sterling investors.

Performances of the underlying funds held during the period under review were mixed although our directly invested UK equity strategy performed well overall despite some notable falls from names such as Saga and Just Group which were sold. Elsewhere, for a market that is famous for seeing active managers underperform, it was pleasing that the LF Miton US Opportunities fund at least matched the S&P500. The performance of the Oyster Continental European Opportunities fund, vis-à-vis its benchmark index, though was less pleasing and without a credible story we have sold out of this holding to concentrate in the core JPMorgan Europe Dynamic fund. Elsewhere, alternative asset investments saw contrasting fortunes with BMO's Global Equity Market Neutral V10 falling some 8% in price whilst the Merian Gold and Silver fund returned over 20%. Despite their smaller position sizes, these two holdings were therefore among the sub-fund's leading contributors and detractors.

Thesis Asset Management Limited
Investment Manager
18th November 2019

From 9th September 2019 to 31st March 2020

The period under review can be split into two sections. The recovery of financial markets continued up to February 2020, as investors were pricing in the likely avoidance of a recession due to central bank action to ease monetary policy. Up to this point, equities and bonds had generated strong returns. However, as February progressed, it became apparent that the COVID-19 virus would shut down the global economy and usher in a sharp contraction in economic activity. Financial markets responded to this revelation by selling corporate bonds and equities resulting in short term losses as prices fell. The fund consequently gave back the gains generated earlier in the year to end up with a modest loss in the period.

Given the falls in risk assets, the fund has become more positive on risk assets at this juncture and the equity weight was increased towards the end of March. While equities may have a volatile 12 months ahead, they have value here and also help protect the fund from longer term inflation concerns. We expect the fixed income portion of the fund to be less volatile from here, and to compound as interest is accrued.

The fund was restructured over the period towards a conviction based approach in line with Sanlam's investment philosophy. Given the restricted ability to directly invest into markets, the fund has invested in the Sanlam High Quality Fund as a core holding which gives access to global equities, selling down other equity collectives to pursue a conviction led high quality equity strategy. The Sanlam Active UK equity fund, which also follows a high quality approach, was also purchased to help align the fund with our core growth strategy.

Where possible, we strive to use a Sanlam fund as the benefits of transparency and daily access to the fund manager allow for better understanding of the risks and investment process. However, where Sanlam does not have an appropriate fund, we use our discretion to invest in third party funds which will achieve the investment objective of the fund from a buy list of funds that Sanlam maintain.

None of the underlying collective investments contains any significant risks to the fund, and furthermore the fund manager has full real time visibility on the holdings and trades in the Sanlam funds used.

Thesis Optima Fund

Report of the Investment Manager

for the year ended 31st March 2020 (continued)

Investment Report – Optima Growth Sub-Fund (continued)

The fund has lagged the peer group over the period in question due to the higher exposure to UK equities over the period.

Group/Investment	Annual Period 1st April 2019 to 31st March 2020
Thesis Optima Growth B Acc	-12.05%
<i>Comparator Index: IA Flexible Investment</i>	-8.11%

Source data: Morningstar Direct (£STG Total Return, net income reinvested)

Sanlam Private Investments (UK) Limited
Investment Manager
6th May 2020

Thesis Optima Fund

Report of the Investment Manager

for the year ended 31st March 2020 (continued)

Investment Report – Optima Balanced Sub-Fund

From 1st April 2019 to 8th September 2019

The first half of the sub-fund's reporting period started with steady progression in its benchmark the FTSE UK Private Investor Income index. The sub-fund's return lagged this index which can principally be attributed to a lack of exposure to UK Sovereign debt, the best performing fixed interest asset class, and an underweight allocation to the US equity market, the strongest performing developed market.

Equity markets moved higher as favourable moves by central banks offset growing concerns about the outlook for global growth and the impact of the US/China trade conflict. The Federal cut interest rates twice in response to the signs of slowing growth, while the ECB cut rates once and renewed its QE programme to boost growth in the Eurozone. These moves help to support markets unsettled by political developments, including Mr Johnson's appointment as Prime Minister in the UK and his unsuccessful attempt to prorogue Parliament, the growing civil unrest in Hong Kong, yet another political crisis in Italy and the attack on Saudi oilfields in the Middle East. Over the past six months, sterling continued to weaken, falling 3% against the euro, 6% against the US dollar and 8% against the yen. This boosted returns from overseas markets for sterling investors.

Performances of the underlying funds held during the period under review were mixed although our directly invested UK equity strategy performed well outpacing the FTSE-All-Share. For a market that is famous for seeing active managers underperform the index, it was also pleasing that the JPMorgan US Equity Income fund outperformed the S&P500. In the fixed interest space, though the lack of duration among some of the bond fund managers, specifically the Monument fund, saw returns well behind Gilts. Indeed, with the market actually expecting further rate cuts we therefore decided to sell out of this position before any further underperformance. Proceeds were reinvested to provide some High Yield exposure in the form of the Baillie Gifford High Yield fund. Elsewhere alternative asset investments saw contrasting fortunes with BMO's Global Equity Market Neutral V10 falling some 8% in price whilst the Merian Gold and Silver fund returned over 20%.

Thesis Asset Management Limited
Investment Manager
18th November 2019

From 9th September 2019 to 31st March 2020

The period under review can be split into two sections. The recovery of financial markets continued up to February 2020, as investors were pricing in the likely avoidance of a recession due to central bank action to ease monetary policy. Up to this point, equities and bonds had generated strong returns. However, as February progressed, it became apparent that the COVID-19 virus would shut down the global economy and usher in a sharp contraction in economic activity. Financial markets responded to this revelation by selling corporate bonds and equities resulting in short term losses as prices fell. The fund consequently gave back the gains generated earlier in the year to end up with a modest loss in the period.

Given the falls in risk assets, the fund has become more positive on risk assets at this juncture and the equity weight was increased towards the end of March. While equities may have a volatile 12 months ahead, they have value here and also help protect the fund from longer term inflation concerns. We expect the fixed income portion of the fund to be less volatile from here, and to compound as interest is accrued.

The fund was restructured over the period towards a conviction based approach in line with Sanlam's investment philosophy. Given the restricted ability to directly invest into markets, the fund has invested in the Sanlam High Quality Fund as a core holding which gives access to global equities, selling down other equity collectives to pursue a conviction led high quality equity strategy. The Sanlam Multi Strategy fund, an absolute return fund, was purchased with systematic stop losses and derivative protection which allows it to participate in positive markets and defend in weak markets.

Where possible, we strive to use a Sanlam fund as the benefits of transparency and daily access to the fund manager allow for better understanding of the risks and investment process. However, where Sanlam does not have an appropriate fund, we use our discretion to invest in third party funds which will achieve the investment objective of the fund from a buy list of funds that Sanlam maintain.

None of the underlying collective investments contains any significant risks to the fund, and furthermore the fund manager has full real time visibility on the holdings and trades in the Sanlam funds used.

Thesis Optima Fund

Report of the Investment Manager

for the year ended 31st March 2020 (continued)

Investment Report – Optima Balanced Sub-Fund (continued)

The fund has outperformed the peer group over the period in question.

Group/Investment	Annual Period 1st April 2019 to 31st March 2020
Thesis Optima Balanced Fund – B Acc	-4.46%
Comparator Index: IA Mixed Investment 20-60% Shares sector	-7.18%

Source data: Morningstar Direct (£STG Total Return, net income reinvested)

Sanlam Private Investments (UK) Limited
Investment Manager
6th May 2020

Thesis Optima Fund

Report of the Investment Manager

for the year ended 31st March 2020 (continued)

Investment Report – Optima Income Sub-Fund From 1st April 2019 to 8th September 2019

The first half of the sub-fund's reporting period started with steady progression in its benchmark the FTSE UK Private Investor Conservative index. The sub-fund's return lagged this index which can principally be attributed to a lack of exposure to UK Sovereign debt which was the best performing fixed interest asset class.

Equity markets moved higher as favourable moves by central banks offset growing concerns about the outlook for global growth and the impact of the US/China trade conflict. The Federal cut interest rates twice in response to the signs of slowing growth, while the ECB cut rates once and renewed its QE programme to boost growth in the Eurozone. These moves help to support markets unsettled by political developments, including Mr Johnson's appointment as Prime Minister in the UK and his unsuccessful attempt to prorogue Parliament, the growing civil unrest in Hong Kong, yet another political crisis in Italy and the attack on Saudi oilfields in the Middle East. Over the past six months, sterling continued to weaken, falling 3% against the euro, 6% against the US dollar and 8% against the yen. This boosted returns from overseas markets for sterling investors.

Performances of the underlying funds held during the period under review were mixed although our directly invested UK equity strategy performed despite some notable falls from names such as Saga and Just Group. Elsewhere, for a market that is famous for seeing active managers underperform the index, it was pleasing that the JPMorgan US Equity Income fund outperformed the S&P500. In the fixed interest space, though the lack of duration among some of the bond fund managers, specifically the Monument fund, saw returns well behind Gilts. Indeed, with the market actually expecting further rate cuts we therefore decided to sell out of this position before any further underperformance. Proceeds were reinvested to provide some High Yield exposure in the form of the Baillie Gifford High Yield fund. Elsewhere alternative asset investments saw contrasting fortunes with Kames Property Income fund delivering a negative contribution vis-à-vis the Merian Gold and Silver fund returning over 20%.

Thesis Asset Management Limited
Investment Manager
18th November 2019

From 9th September 2019 to 31st March 2020

The period under review can be split into two sections. The recovery of financial markets continued up to February 2020, as investors were pricing in the likely avoidance of a recession due to central bank action to ease monetary policy. Up to this point, equities and bonds had generated strong returns. However, as February progressed, it became apparent that the COVID-19 virus would shut down the global economy and usher in a sharp contraction in economic activity. Financial markets responded to this revelation by selling corporate bonds and equities resulting in short term losses as prices fell. The fund consequently gave back the gains generated earlier in the year to end up with a modest loss in the period.

Given the falls in risk assets, the fund has become more positive at this juncture and the equity weight was increased towards the end of March. While equities may have a volatile 12 months ahead, they have value here and also help protect the fund from longer term inflation concerns. We expect the fixed income portion of the fund to be less volatile from here, and to compound as interest is accrued.

The fund was restructured over the period towards a conviction based approach in line with Sanlam's investment philosophy. Given the restricted ability to directly invest into markets, the fund has invested direct equities but still utilises collectives for its fixed income exposure. The Sanlam Multi Strategy fund, an absolute return fund, was purchased with systematic stop losses and derivative protection which allows it to participate in positive markets and defend in weak markets. The fund also invested in the Liontrust Strategic bond fund to get exposure to a dynamic strategy utilising government bonds and corporate bonds. Hermes Global High yield Credit fund was added to benefit from attractive risk reward characteristics of the high yield market.

Where possible, we strive to use a Sanlam fund as the benefits of transparency and daily access to the fund manager allow for better understanding of the risks and investment process. However, where Sanlam does not have an appropriate fund, we use our discretion to invest in third party funds which will achieve the investment objective of the fund from a buy list of funds that Sanlam maintain.

None of the underlying collective investments contains any significant risks to the fund, and furthermore the fund manager has full real time visibility on the holdings and trades in the Sanlam funds used.

Thesis Optima Fund

Report of the Investment Manager

for the year ended 31st March 2020 (continued)

Investment Report – Optima Income Sub-Fund (continued)

The fund has outperformed the peer group over the period in question.

Group/Investment	Annual Period 1st April 2019 to 31st March 2020
Thesis Optima Income B Acc	-3.19%
<i>Comparator Index: IA Mixed Investment 0-35% Shares</i>	-3.54%

Source data: Morningstar Direct (£STG Total Return, net income reinvested)

Sanlam Private Investments (UK) Limited
Investment Manager
6th May 2020

Thesis Optima Fund

Constitution

Thesis Optima Fund (the “Trust”) is constituted by a Trust Deed dated 2nd November 2010 between Thesis Unit Trust Management Limited (the “Manager”) and NatWest Trustee and Depositary Services Limited (the “Trustee”). The Trust is a Non-UCITS Retail Scheme, being a category of authorised scheme for the purposes of COLL 1.2.1R. Unitholders are not liable for the debts of the Trust.

The base currency of the Trust is Pounds Sterling.

All three sub-funds consist of Class A, B and C income and accumulation units. Class A units are available to all investors and have an annual management charge of 1.50%. Class B units are available to clients of Thesis Unit Trust Management and others at the discretion of the Manager. Class B units have an annual management charge of 0.75%. Class C units have an annual management charge of 0.50%.

There is no cross liability between all sub-funds held on Thesis Optima Fund.

Sub-Fund Cross-Holdings

No sub-fund held units in any other sub-fund within the Trust during the current or prior year.

Regulatory Disclosure

This document has been issued by Thesis Unit Trust Management Limited (authorised and regulated by the Financial Conduct Authority).

Past performance is not necessarily a guide to future performance. The value of units can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of units to fluctuate. Any references in this report to other investments held within this Trust should not be read as a recommendation to the investor to buy and sell the same, but are included as illustration only.

Thesis Optima Fund

AIFMD Disclosures *(unaudited)*

The provisions of the Alternative Investment Fund Managers Directive (“AIFMD”) took effect in full on 22nd July 2014. That legislation requires the Thesis Unit Trust Management Limited (the “AIFM”), to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management and do not encourage risk taking that is inconsistent with the risk profile and the rules of the Trust nor impair compliance with the AIFM’s duty to act in the best interests of the Trust.

The AIFM is part of a larger group within which remuneration policies are the responsibility of a Remuneration Committee comprised entirely of non-executive directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the group are calculated primarily by reference to the performance of each individual and the profitability of the relevant business unit. The performance of individuals working on the business of the AIFM is assessed primarily by reference to non-financial criteria, especially the effectiveness of their oversight monitoring of delegates appointed to perform investment advisory or fund administration services for the Trust.

Within the group, all staff are employed by the parent company with none employed directly by the Alternative Investment Fund Manager. A number of staff are considered, however, to devote the whole of their time to the business of the AIFM and its subsidiary, TUTMAN LLP, which also acts as an AIFM. The costs of a number of other individuals are allocated between the entities within the group based on the expected amount of time devoted to each.

The total remuneration of those individuals considered to comprise the entire staff of the AIFM and its subsidiary, including those whose time is allocated between group entities, for the financial year ending 30th April 2019, is analysed below:

Fixed Remuneration	£ 1,028,464
Variable Remuneration	170,332
Total	1,198,796
 Headcount (FTE)	 14

The staff members included in the above analysis support the entirety of the funds managed by the AIFM. A breakdown of these figures in relation to each fund managed by the AIFM does not exist.

Management have carried out a review of the general principles within the remuneration policy and the implementation of the remuneration policy during the year and following this review, no changes have been considered necessary.

Certification of Annual Report by Directors

In accordance with the requirements of the Collective Investment Schemes sourcebook (“COLL sourcebook”) and the Investment Funds sourcebook (“FUND”), we hereby certify this Annual Report & Accounts on behalf of the Manager, Thesis Unit Trust Management Limited.

D.W. TYERMAN Director

S. E. NOONE Director

24th July 2020

Thesis Optima Fund

Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL Rules”) and the Investment Funds sourcebook (“FUND”) published by the FCA 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 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 apply 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 and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now known as The Investment Association) in May 2014 and amended in June 2017;
- 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, FUND and the COLL Rules.

Thesis Unit Trust Management Limited
Manager
West Sussex
24th July 2020

Thesis Optima Fund

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Thesis Optima Fund (the "Scheme") for the Year Ended 31st March 2020

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds 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 Scheme and its investors.

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

The Trustee must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked into the 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 in the Scheme is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager (the "AIFM") are carried out (unless they conflict with the Regulations).

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

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

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

NatWest Trustee and Depositary Services Limited
Edinburgh
24th July 2020

Thesis Optima Fund

Independent Auditor's Report to the Unitholders of Thesis Optima Fund

Opinion

We have audited the financial statements of the Thesis Optima Fund (the "Trust") for the year ended 31st March 2020 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for each of the Trust's sub-funds listed on pages 1 to 2 and the accounting policies set out on pages 18 to 21.

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 each of the sub-funds as at 31st March 2020 and of the net revenue and the net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK 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 its sub-funds or to cease their operations, and as they have concluded that the Trust and its sub-funds' 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Manager's conclusions, we considered the inherent risks to the Trust's and its sub-funds' business model and analysed how those risks might affect the Trust's and its sub-funds' financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust or its sub-funds will continue in operation.

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 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.

Thesis Optima Fund

Independent Auditor's Report to the Unitholders of Thesis Optima Fund *(continued)*

Manager's responsibilities

As explained more fully in the statement set out on page 14, the Manager is responsible for: the preparation of the 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 and its sub-funds' 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 its sub-funds 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.

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 section 247 of the Financial Services and Markets Act 2000. 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.

Richard Hinton
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
24th July 2020

Thesis Optima Fund

Statement of Accounting Policies, Distribution Policies, and Risk Management Policies for the year ended 31st March 2020

1. Statement of Compliance

The financial statements have been prepared in accordance with the United Kingdom Generally Accepted Accounting Practice (UK GAAP), as defined within the UK Financial Reporting Standard (FRS 102) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' (the "SORP"), issued by the Investment Management Association (now known as the Investment Association) in May 2014 and amended in June 2017.

2. Summary of Significant Accounting Policies

a) Basis of Preparation

The outbreak of the novel coronavirus (COVID-19), declared by the World Health Organisation as a pandemic on 11th March 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Manager is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations. UK government and general pandemic response best practice.

There are no material events that have been identified that may cast significant doubt about the Trust's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The financial statements have been prepared on a going concern basis. This assessment is made as at the date of issue of these financial statements and is based additionally on the following:

a. the ability, post the announcement of the World Health Organisation of the COVID-19 pandemic, of the Manager and its third party suppliers to continue business as usual as each entity moved their operational functionality from an office based to a working from home environment; and

b. whilst it is recognised that COVID-19 presents many challenges from an investment perspective, it is considered that these do not impact the ability of the Trust to continue as a going concern due to its liquid balance sheet resources that are considerably in excess of annual operating expenditure.

The principal accounting policies which have been applied consistently are set out below.

b) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Trust operates (the "functional currency"). The financial statements are presented in Pounds Sterling, which is the Trust's functional and presentation currency rounded to the nearest £'000.

c) Valuation of Investments

Quoted investments are valued at bid-market value as at 12 noon on the last working day of the accounting year, net of any accrued interest which is included in the balance sheet as accrued revenue. Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value. Purchases and sales are recognised when a legally binding and unconditional right to obtain, or an obligation to deliver, an asset or liability arises.

Collective investment schemes operated by the Manager are valued at their cancellation price for dual priced funds and their single price for single priced funds. Other Collective Investment Schemes are valued at their bid price for dual priced funds and their single price for single priced funds.

All realised and unrealised gains and losses on investments are recognised as net capital gains/(losses) in the Statement of Total Return. Unrealised gains and losses comprise changes in the fair value of investments for the year and from reversal of prior year's unrealised gains and losses for investments which were realised in the accounting year. Realised gains and losses represent the difference between an instruments' initial carrying amount and disposal amount.

d) Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling as at 12 noon on the last working day of the accounting year.

e) Revenue

Revenue from quoted equity and non-equity shares is recognised as a gross amount of any withholding taxes but excludes any other taxes such as attributable tax credits. Quoted equity and non-equity shares are "quoted ex-dividend". Bank interest and other revenue are recognised on an accrual basis.

Distributions from collective investment schemes are included in the property when the security is quoted ex-dividend. Management fee rebates from underlying collective investment schemes is accounted for on an accruals basis. Management fee rebates, where applicable, are included in revenue or net capital gains dependent upon the original treatment of management fees in the underlying collective investment scheme.

Thesis Optima Fund

Statement of Accounting Policies, Distribution Policies, and Risk Management Policies

for the year ended 31st March 2020 (continued)

2. Summary of Significant Accounting Policies (continued)

e) Revenue (continued)

Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

Special dividends are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Where there is evidence to treat all or some of such receipts as revenue, such amounts are recognized as dividend revenue of the sub-fund. Any tax treatment would follow the accounting treatment of the principal amount.

f) Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments) are charged against revenue for the year on an accruals basis.

g) Taxation

Corporation tax is provided at the rate of 20% of taxable revenue after the deduction of allowable expenses. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the Manager considers that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

3. Distribution Policies

a) Basis of Distribution

When appropriate, the Trust will allocate any surplus net revenue as a dividend distribution. Distributions of revenue of the Trust are made on or before the annual revenue allocation date and on or before the interim revenue allocation date, where applicable, in each year. The revenue available for distribution is determined in accordance with COLL. It comprises all revenue received or receivable for the account of the Trust in respect of the accounting year concerned, after deducting net charges and expenses paid or payable out of such revenue.

Where expenses are transferred to capital for distribution purposes this will increase the amount of revenue for distribution, this will however erode capital and may constrain capital growth.

For distribution purposes, all the expenses for the Optima Growth Sub-Fund and Optima Balanced Sub-Fund are borne by the income account of the sub-fund and for the Optima Income Sub-Fund, they are borne by the capital account of the sub-fund.

Marginal tax relief is not taken into account in determining the distribution where a transfer is made between the revenue and capital of the same share class.

b) Distribution from Collective Investment Schemes

The first distributions received from investments in collective investment schemes may include an element of equalisation which represents the average amount of revenue included in the price paid for units. The equalisation is treated as a return of capital for taxation purposes and does not carry a tax credit.

c) Equalisation

Equalisation received from the underlying investments has been treated as a reduction in the book cost of the investments and not distributed.

d) Unclaimed distributions

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the capital of the Update UDF in accordance with COLL.

4. Risk Management Policies

Market price risk

Market risk is the risk that the fair value or future cash flows from financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates or underlying investment prices. The Trust can be exposed to market risk by virtue of its investment into equities and other financial instruments. The Trust may also from time to time utilise derivatives for efficient portfolio management and for hedging purposes. These instruments may be volatile, involve certain special risks and can expose investors to a risk of loss. When used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged, although this basis of risk will be monitored and any material breakdown in correlation can generally be corrected by delta hedging the position or liquidation.

Thesis Optima Fund

Statement of Accounting Policies, Distribution Policies, and Risk Management Policies for the year ended 31st March 2020 (continued)

4. Risk Management Policies (continued)

Market price risk is managed through active portfolio management.

Foreign currency risk

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

The majority of the Trust's investment portfolio is invested in overseas securities and collective investment schemes, which may have holdings in overseas securities and consequently the balance sheet can be affected by movements in foreign exchange rates. At times, the Investment Manager seeks to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies.

Interest rate risk

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

The sub-fund does not invest in fixed and floating rate securities. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The Trust invests in collective investment schemes which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk.

In general, if interest rates rise, the income potential of the Trust also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

Due to the nature of the investments held, the risk to the Trust is insignificant and is therefore not actively managed.

Liquidity risk

Liquidity risk is the risk that the Trust is unable to meet its obligations as they fall due. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Trust. To the extent that a counterparty defaults on its obligation and the Trust is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Trust's maximum exposure to credit risk (not taking account of the value of any collateral or other securities held) in the event that counterparties fail to perform their obligations as of 31st March 2020 in relation to each class of recognised financial assets including derivatives, is the carrying amount of those assets in the balance sheet.

Exposure

Exposure to market risk is calculated using the "commitment approach" methodology. In relation to Position Risk (concentration), this approach involves converting derivative positions into the equivalent positions of the underlying assets. The commitment approach is a simplistic way of identifying the level of exposure that a Trust has through derivatives to the underlying equities, bonds, commodities, currencies etc. However, it does have its limitations and therefore is only used as long as the use of derivatives by the Trust is "non-sophisticated".

Objectives, policies and processes for managing risks

The risks identified above are subject to management and monitoring through the Manager's Risk Management Programme. The principal objectives of the programme are:

- To ensure that all risks are identified and monitored, and that preventive or mitigating actions are implemented
- To assess, review and challenge current and emerging risks
- To minimise the risk of loss to investors
- To administer the sub-fund in a manner which complies with COLL, FUND and the SORP

The Manager has built a Funds Oversight Programme which comprises a range of rolling independent checks including the specific use of derivatives. The results of the programme are reported to the Investment Committee with escalation through to the Operating Committee and the Manager Board. Results of the Funds Oversight Programme are made available to the Trustee as part of their audit programme on the Manager and are also collated into a pack for review and analysis by the Investment Committee on a monthly basis.

Thesis Optima Fund

Statement of Accounting Policies, Distribution Policies, and Risk Management Policies for the year ended 31st March 2020 (continued)

4. Risk Management Policies (continued)

There have not been any changes from the prior year.

Methods used to measure risks

Market price risk

The following checks are also performed as part of the Funds Oversight Programme on a daily basis as follows: limit breaches or positions approaching limits; leverage; eligibility; global exposure; counterparty exposure; collateral cover; OTC pricing check; fair value pricing.

Liquidity risk

Liquidity risk is controlled through monitoring the liquidity of all instruments used in the context of the investment objectives and liquidity requirements of the Trust. Cash positions are monitored and reported to ensure the Trust has sufficient capacity to meet obligations arising from investment in financial derivative positions.

Procedures are in place to review the Trust's weightings to ensure liquidity requirements will be met in the event of extreme market movements to meet the obligation at expiry/ maturity. The process involves at least daily assessment of any impending cash liability to ensure sufficient cash can be raised to cover such liability when it falls due.

The Trust is also monitored through a daily check which assesses the Trust's ability to liquidate the portfolio within one working day. If the portfolio has less than 60% liquidity, it is marked as higher risk and details are reported to the Oversight Committee and monitored for significant changes either to the Trust's makeup or units traded in the Trust. This liquidity check is stress tested by removing the top 20 holdings, with the process being repeated. The process is fully documented and is available upon request.

Credit risk

In order to manage credit risk, the Manager undertakes a cash management check on the Trust, testing for any negative balances and balances in excess of £1m. Any balances highlighted are discussed with the Investment Manager to ensure that the Trust does not take on any unnecessary counterparty risk with the relevant bank and that the strategy is being adhered to.

As the Trust did not hold any derivative positions as at 31st March 2020, it did not have any exposure to counterparties through the use of derivatives.

Thesis Optima Fund

Optima Growth Sub-Fund

Portfolio Statement

as at 31st March 2020

Holdings	Market value £	Percentage of total net assets %
EQUITIES 23.46% (37.46%)		
Bermuda 1.24% (0.88%)		
5,400 Brookfield Infrastructure Partners	173,746	1.24
Denmark 2.34% (0.00%)		
4,100 Orsted	327,547	2.34
Guernsey 0.00% (3.07%)		
Ireland 0.00% (0.80%)		
Jersey 1.93% (2.18%)		
105,000 3i Infrastructure	269,850	1.93
United Kingdom 17.23% (30.53%)		
81,000 Grainger	204,606	1.46
138,000 HICL Infrastructure	225,768	1.61
72,100 Howden Joinery Group	366,845	2.62
832,900 Lloyds Banking Group	272,108	1.94
42,000 Prudential	424,830	3.04
27,000 RELX	460,620	3.29
306,600 Taylor Wimpey	353,663	2.53
13,000 Unite Group	103,675	0.74
	2,412,115	17.23
United States 0.72% (0.00%)		
900 Digital Realty Trust	101,617	0.72
	3,284,875	23.46
TOTAL EQUITIES		
COLLECTIVE INVESTMENT SCHEMES 73.24% (53.22%)		
Ireland 73.24% (15.77%)		
13,000 iShares Physical Gold ETC GBP	328,900	2.35
405,000 Sanlam Active UK Fund 'D' GBP ¹	3,985,200	28.46
2,380,000 Sanlam Global High Quality 'C' Acc GBP ¹	4,508,434	32.20
120,000 Sanlam Multi Strategy Founder GBP Acc ¹	1,432,164	10.23
	10,254,698	73.24

Thesis Optima Fund

Optima Growth Sub-Fund

Portfolio Statement

as at 31st March 2020 (continued)

Holdings	Market value £	Percentage of total net assets %
Luxembourg 0.00% (5.58%)		
United Kingdom 0.00% (31.87%)		
TOTAL COLLECTIVE INVESTMENT SCHEMES	10,254,698	73.24
REAL ESTATE 0.00% (0.88%)		
United Kingdom 0.00% (0.88%)		
Net investments 96.70% (91.56%)	13,539,573	96.70
Net other assets	461,469	3.30
Total net assets	14,001,042	100.00

Note: Comparative figures shown in brackets relate to 31st March 2019.

¹ Related party.

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information

The Comparative Tables on pages 29 to 33 give the performance of each active unit class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the sub-fund's performance disclosed in the Manager's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value (unaudited)

In September 2019, the Financial Conduct Authority (FCA) introduced new rules that require the Board of the Authorised Fund Manager (AFM) to perform an annual Assessment of Value for each unit class within the fund and to report its findings to investors.

These new rules followed the Asset Management Market Study conducted by the FCA to assess ways of giving better protection to those investors who are less able to find better value products, improving competition and strengthening the duty of the AFM to act in the best interest of investors.

The Assessment of Value places a responsibility on the AFM to determine whether the fees and charges of the fund are justified in the context of the overall service and value provided to investors.

Independent AFM model - terminology

The AFM has the regulatory responsibility for all aspects of the fund operations including the actions of its delegates. Its role requires a focus on good investor outcomes, investor protection, oversight, compliance and general regulatory matters.

The Investment Manager is appointed by the AFM and has the full discretion to manage the assets of the portfolio in accordance with the fund's objective and investment policy. The Investment Manager is the entity which delivers out- or under-performance on behalf of investors. It is the entity which in turn receives the greatest share of the Annual Management Charge.

When both functions are performed by the same organization, the firm can be described as 'vertically integrated'. When the functions are performed by separate organisations, the fund can be described as having an Independent AFM. This fund sits in the latter category.

The fund sponsor invites the independent AFM to design and operate the fund. The sponsor contributes to the design and marketing of the fund, having identified the potential for its success.

Background to our firm – Independent AFM

Thesis Unit Trust Management Limited is a specialist provider of independent AFM services. We bring a level of independence which is important and valued by our investors and sponsors. Our approach to delivering good outcomes for investors in our funds, from the initial design phase and throughout the fund life cycle, is based upon having the right blend of experience, culture and governance.

We choose to work with a variety of service providers (fund accountants, depositaries, transfer agents and auditors) and provide independent, bespoke and flexible solutions. By outsourcing day-to-day activity to specialist providers our teams can focus on investor outcomes, risk management, oversight, product governance and regulatory change.

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

We delegate fund servicing to a panel of global, reputable institutions. Consequently, we have an informed view of this part of the supply chain. We benchmark those fund servicers against a range of criteria including service and cost. We build close relationships with our delegates at all levels within our respective organisations allowing for effective escalation when appropriate and always with the best interests of investors in mind. We are also able to change a service provider with relative ease as and when required to improve quality of service, reduce cost or for other strategic or operational reasons.

We delegate investment management to a wide range of firms who utilise different strategies and investment techniques. As such, we have a broad and informed view of the investment management marketplace and independently benchmark across a range of criteria including service, performance and costs. Coming from a fund management background, we have qualified investment managers and research analysts within our AFM business who have the experience to monitor fund performance and challenge third party investment managers on behalf of investors in the funds.

Following the introduction of the new rules, we appointed two independent non-executive directors with a particular remit to oversee and challenge the Assessment of Value process we conduct.

When performing our Assessment of Value, we have reviewed and assessed the different entities involved.

Independent AFM - service and costs

In assessing the quality and cost of our independent AFM service, we have concluded that we have delivered a service that meets the requirements of investors in the funds, and the fund sponsor, and which has delivered value.

Examples of the criteria that we considered included the quality of the relationship with our fund sponsor, the operation and compliance of the fund (including the number of errors and investor complaints), the results from the depositary's inspection and audit of our AFM arrangements, and other factors such as the implementation of regulatory change at no cost to investors.

We judge whether our AFM fee is competitive and can be justified based on feedback from independent consultants, our clients who select us and when existing funds move to us from our competitors. Our fees are tiered thereby providing a mechanism for reducing costs for investors as the fund value increases.

Service provider service and costs

Having separately assessed the quality and cost of the outsourced fund service providers, we have concluded that services have met the requirements expected and delivered value to investors.

Examples of the criteria that we considered included Key Performance Indicators in the key areas including pricing, delivery of statements, delivery of report and accounts, and investor complaints.

We have assessed that the service providers' fees are competitive and provide value to investors by benchmarking against the other service providers on our panel. The majority of fees are tiered thereby providing a mechanism for reducing costs to investors as the fund value increases.

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

It is our judgement that the experience of investors in the fund and an assessment of whether the fund has delivered value is most directly impacted by the services, performance and costs that are attributable to the Investment Manager. Further details of our value assessment, with a particular focus on the Investment Manager, are shown below:

Value consideration	What we considered	Analysis and actions taken	Offers Value
Quality of service	The range and quality of service delivered by the Investment Manager including the experience of the team, track record, quality of relationship with our AFM team, and the results from our governance and oversight arrangements.	We monitor the Investment Manager on a daily basis, and maintain frequent contact with them on a range of aspects of their work including adherence with the investment mandate and policy, liquidity management, and fair value pricing as well as regulatory compliance We have more formal contact quarterly and further periodic reviews on a thematic basis. We are satisfied that the Investment Manager continues to meet our requirements and provide a good quality of service.	Yes
Performance	Whether the fund has provided good performance, net of fees, in relation to its investment objective. We have considered performance against the fund's benchmark and/or appropriate peer group, compliance with investment policy, volatility and liquidity, and any evidence of closet tracking.	The fund has underperformed its benchmark over 1, 3 and 5 years. As the independent AFM, we have monitored and discussed the position with the Investment Manager and will continue to do so. The fund is being actively managed in accordance with the investment objective and policy. Whilst volatility levels triggered a review, our Investment Committee was satisfied with the explanation from the Investment Manager and this will continue to be monitored.	No
Costs	Whether the charges are reasonable compared with the costs of providing the service (considering factors such as the size of the Investment Manager, its balance sheet strength and profit margins).	At a fund size of £14 million, we are satisfied that the costs charged to the fund are reasonable given its size and a holistic assessment of the benefits that accrue to its investors.	Yes
Economies of Scale	Is the fund or the Investment Manager of a size or scale where economies of scale should be passed on to investors.	In view of the fund's size, we do not believe that there are economies of scale available yet to be passed back to the fund.	N/A

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

Value consideration	What we considered	Analysis and actions taken	Offers Value
Comparable market rates	Whether the charges are comparable with similar funds in this sector of the market.	Classes A and B As an independent AFM, we operate multiple funds. We appoint different service providers and a wide range of Investment Manager and can readily benchmark fees. It is our assessment that the OCF of these unit classes is higher than the OCF of other similar funds in the market. A review of the costs is currently underway.	No
		Class C As an independent AFM, we operate multiple funds. We appoint different service providers and a wide range of Investment Managers and can readily benchmark fees. It is our assessment that the OCF of this unit class is lower than the OCF of other similar funds in the market.	Yes
Comparable services	How the charges compare to other comparable funds that the Investment Manager manages.	Class A and B Whilst we do not have visibility of the rates that the Investment Manager charges for providing comparable services outside of our fund range, the OCF of these unit classes is higher with the OCF of other similar funds that we operate. A review of the costs is currently underway.	No
		Classes C Whilst we do not have visibility of the rates that the Investment Managers charge for providing comparable services outside of our fund range, the OCF of this unit class is lower than the OCF of other similar funds that we operate.	Yes

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

Value consideration	What we considered	Analysis and actions taken	Offers Value
Classes of units	Whether investors are invested in a unit class with higher charges than another class which is available. We have also considered different fees which apply to retail and institutional investors where institutional investors are subject to a significantly higher minimum investment.	The highest OCF of the retail class is 92 per cent higher than the institutional class. A differential between retail and institutional unit classes is considered reasonable and justifiable given the operational workload, risks and associated costs of supporting retail investors. However, as noted, a review of the costs of the A unit class is underway.	No

Following our assessment, the board of Thesis Unit Trust Management Limited has concluded that the fund did not offer value to investors over the period.

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables

A Inc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	181.34	175.39	177.25
Return before operating charges*	(19.19)	10.53	2.57
Operating charges	(3.92)	(3.75)	(3.71)
Return after operating charges*	(23.11)	6.78	(1.14)
Distributions on income units	(1.13)	(0.83)	(0.72)
Closing net asset value per unit	157.10	181.34	175.39
*After direct transaction costs of :	0.76	0.22	0.21
Performance			
Return after charges	(12.74)%	3.87%	(0.64)%
Other Information			
Closing net asset value (£'000)	437	557	567
Closing number of units	277,806	307,291	323,277
Operating charges ¹	2.09%	2.06%	2.06%
Direct transaction costs	0.40%	0.12%	0.12%
Prices			
Highest unit price	202.12	190.60	187.60
Lowest unit price	145.44	168.20	174.20

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

A Acc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	186.71	179.74	180.90
Return before operating charges*	(19.96)	10.82	2.64
Operating charges	(4.06)	(3.85)	(3.80)
Return after operating charges*	(24.02)	6.97	(1.16)
Distributions	(1.17)	(0.91)	(0.74)
Retained distributions on accumulation units	1.17	0.91	0.74
Closing net asset value per unit	162.69	186.71	179.74
*After direct transaction costs of :	0.78	0.22	0.22
Performance			
Return after charges	(12.86)%	3.88%	(0.64)%
Other Information			
Closing net asset value (£'000)	5,226	6,772	6,640
Closing number of units	3,210,219	3,627,178	3,694,538
Operating charges ¹	2.09%	2.06%	2.06%
Direct transaction costs	0.40%	0.12%	0.12%
Prices			
Highest unit price	209.41	195.90	192.30
Lowest unit price	150.61	173.00	178.60

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

B Inc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	192.48	191.17	190.90
Return before operating charges*	(20.39)	6.20	3.26
Operating charges	(2.67)	(2.52)	(1.55)
Return after operating charges*	(23.06)	3.68	1.71
Distributions on income units	(2.00)	(2.37)	(0.90)
Closing net asset value per unit	167.42	192.48	191.71
*After direct transaction costs of :	0.80	0.23	0.22
Performance			
Return after charges	(11.98)%	1.92%	0.90%
Other Information			
Closing net asset value (£'000)	1,550	631	271
Closing number of units	924,990	327,679	141,408
Operating charges ¹	1.34%	1.31%	1.31%
Direct transaction costs	0.40%	0.12%	0.12%
Prices			
Highest unit price	215.19	202.60	198.80
Lowest unit price	155.02	178.90	184.60

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

B Acc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	195.92	187.17	186.98
Return before operating charges*	(21.14)	11.30	2.70
Operating charges	(2.75)	(2.55)	(2.51)
Return after operating charges*	(23.89)	8.75	0.19
Distributions	(2.00)	(2.43)	(2.08)
Retained distributions on accumulation units	2.00	2.43	2.08
Closing net asset value per unit	172.03	195.92	187.17
*After direct transaction costs of :	0.83	0.23	0.22
Performance			
Return after charges	(12.19)%	4.67%	0.10%
Other Information			
Closing net asset value (£'000)	5,960	5,006	4,104
Closing number of units	3,462,428	2,555,057	2,192,747
Operating charges ¹	1.34%	1.31%	1.31%
Direct transaction costs	0.40%	0.12%	0.12%
Prices			
Highest unit price	221.18	204.00	199.40
Lowest unit price	159.26	181.20	184.60

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

C Acc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	197.82	188.51	187.95
Return before operating charges*	(21.45)	11.39	2.61
Operating charges	(2.25)	(2.08)	(2.05)
Return after operating charges*	(23.70)	9.31	0.56
Distributions	(2.35)	(2.97)	(2.57)
Retained distributions on accumulation units	2.35	2.97	2.57
Closing net asset value per unit	174.12	197.82	188.51
*After direct transaction costs of :	0.83	0.23	0.23
Performance			
Return after charges	(11.98)%	4.94%	0.30%
Other Information			
Closing net asset value (£'000)	828	1,099	537
Closing number of units	475,383	555,563	284,620
Operating charges ¹	1.09%	1.06%	1.06%
Direct transaction costs	0.40%	0.12%	0.12%
Prices			
Highest unit price	223.79	205.60	200.70
Lowest unit price	161.16	182.80	185.60

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Growth Sub-Fund

Sub-fund Information *(continued)*

Synthetic Risk and Reward Indicator (“SRRI”)

Lower Risk

Higher Risk

Typically lower rewards

Typically higher rewards



1

2

3

4

5

6

7

The SRRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

Thesis Optima Fund

Optima Growth Sub-Fund

Statement of Total Return

for the year ended 31st March 2020

	Notes	£'000	2020 £'000	£'000	2019 £'000
Income					
Net capital (losses)/gains	5		(1,919)		316
Revenue	7	292		289	
Expenses	8	(208)		(179)	
Interest payable and similar charges		(2)		–	
Net revenue before taxation		82		110	
Taxation	9	(1)		–	
Net revenue after taxation for the year			81		110
Total return before distributions			(1,838)		426
Distributions	10		(131)		(110)
Change in net assets attributable to unitholders from investment activities			(1,969)		316

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31st March 2020

	Note	£'000	2020 £'000	£'000	2019 £'000
Opening net assets attributable to unitholders			14,065		12,119
Amounts receivable on issue of units		7,174		4,168	
Amounts payable on cancellation of units		(5,396)		(2,643)	
			1,778		1,525
Change in net assets attributable to unitholders from investment activities			(1,969)		316
Retained distribution on accumulation units	10		127		105
Closing net assets attributable to unitholders			14,001		14,065

Thesis Optima Fund

Optima Growth Sub-Fund

Balance Sheet

as at 31st March 2020

	Notes	2020 £'000	2019 £'000
Assets			
Fixed assets:			
Investments		13,540	12,878
Current assets:			
Debtors	11	476	179
Cash and cash equivalents		426	1,051
Total assets		14,442	14,108
Liabilities			
Creditors:			
Bank overdrafts		(36)	–
Distribution payable	10	–	(3)
Other creditors	12	(405)	(40)
Total liabilities		(441)	(43)
Net assets attributable to unitholders		14,001	14,065

Thesis Optima Fund

Optima Growth Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020

1. Accounting Policies

The accounting, distribution and risk management policies for notes 1 to 4 are provided on pages 18 to 21.

5. Net Capital (Losses)/Gains

Net capital (losses)/gains comprise:

	2020 £'000	2019 £'000
Non-derivative securities ¹	(1,911)	319
Currency losses	(4)	–
Transaction charges	(4)	(4)
Management fee rebate	–	1
Net capital (losses)/gains	<u>(1,919)</u>	<u>316</u>

¹ Includes realised gains of £1,104,163 and unrealised losses of £3,015,147 (31st March 2019: realised gains of £446,215 and unrealised losses of £127,330). The realised gains/losses on investments in the accounting period include amounts previously recognised as unrealised gains/losses in the prior accounting period.

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 24.

Analysis of direct transaction costs for the year ended 31st March 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	18,568	27	–	18,595	0.14	–
Equities	9,552	5	32	9,589	0.05	0.33
	<u>28,120</u>	<u>32</u>	<u>32</u>	<u>28,184</u>		
Sales						
Collective Investment Schemes	14,988	(1)	–	14,987	0.01	–
Equities	10,990	(5)	–	10,985	0.05	–
	<u>25,978</u>	<u>(6)</u>	<u>–</u>	<u>25,972</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.22%	0.18%			

Thesis Optima Fund

Optima Growth Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

6. Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 31st March 2019:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	3,382	–	–	3,382	–	–
Equities	3,382	2	13	3,397	0.06	0.38
	6,764	2	13	6,779		
Sales						
Collective Investment Schemes	2,496	–	–	2,496	–	–
Equities	2,876	(1)	–	2,875	0.03	–
	5,372	(1)	–	5,371		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.02%	0.10%			

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.04% (31st March 2019: 0.20%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

7. Revenue

	2020 £'000	2019 £'000
Bank interest	1	2
Franked CIS revenue	31	33
Franked PID revenue	1	1
Franked UK dividends	157	154
Offshore CIS dividend revenue	27	29
Overseas dividends	47	48
Unfranked CIS revenue	28	20
Unfranked PID revenue	–	2
	292	289

Thesis Optima Fund

Optima Growth Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

8. Expenses

	2020 £'000	2019 £'000
Payable to the Manager or associates of the Manager:		
Manager's service charge	178	151
	<u>178</u>	<u>151</u>
Payable to the Trustee or associates of the Trustee:		
Trustee's fee	9	9
Safe custody charges	5	3
	<u>14</u>	<u>12</u>
Other expenses:		
AIFMD fees	1	–
Audit fees	8	8
Euroclear fees	1	–
Miscellaneous fees	–	2
Printing fees	–	2
Professional fees	1	–
Registration fees	5	4
	<u>16</u>	<u>16</u>
Total expenses	<u><u>208</u></u>	<u><u>179</u></u>

Thesis Optima Fund

Optima Growth Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

9. Taxation

	2020 £'000	2019 £'000
a) Analysis of charge for the year:		
Corporation tax	–	–
Irrecoverable income tax	–	–
Overseas withholding tax	1	–
Total current tax	1	–
Deferred tax charge	–	–
Total taxation	1	–
b) Factors affecting taxation charge for the year:		
Net revenue before tax	82	110
Net revenue multiplied by the standard rate of corporation tax of 20% (2019: 20%)	16	22
Effects of:		
Excess management expenses not utilised	35	31
Franked CIS revenue	(6)	(7)
Franked UK dividends	(31)	(10)
Non-taxable overseas dividends	(9)	(10)
Offshore dividend CIS revenue	(5)	(6)
Overseas withholding tax	1	–
PID franked investment revenue	–	(21)
Tax due to timing differences	–	1
Total tax charge (note 9a)	1	–
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £282,244 (31st March 2019: £246,999) arising as a result of having unutilised management expenses. The unutilised management expenses will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

Thesis Optima Fund

Optima Growth Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

10. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	2020 £'000	2019 £'000
First Quarter distribution	10	4
First Quarter accumulation	78	47
Interim distribution	8	2
Interim accumulation	48	21
Third Quarter distribution	–	1
Third Quarter accumulation	1	9
Final distribution	–	3
Final accumulation	–	28
	<u>145</u>	<u>115</u>
Add: Revenue deducted on units cancelled	4	2
Deduct: Revenue received on units created	(18)	(7)
Net distribution for the year	<u><u>131</u></u>	<u><u>110</u></u>

Reconciliation between net revenue and distribution

	2020 £'000	2019 £'000
Net revenue after taxation	81	110
Deficit transferred to capital	50	–
Add: Revenue brought forward	–	–
Deduct: Revenue carried forward	–	–
Equalisation uplift on RDR conversions	–	–
	<u>131</u>	<u>110</u>

11. Debtors

	2020 £'000	2019 £'000
Accrued revenue	9	39
Amount receivable for issue of units	231	129
CIS income tax recoverable	3	4
Sales awaiting settlement	233	7
	<u>476</u>	<u>179</u>

12. Other creditors

	2020 £'000	2019 £'000
Accrued expenses	30	26
Amount payable for cancellation of units	5	14
Purchases awaiting settlement	370	–
	<u>405</u>	<u>40</u>

Thesis Optima Fund

Optima Growth Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the Manager.

Thesis Unit Trust Management Limited acts as principal on all the transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of unit transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the Manager's periodic charges and if any rebates received are disclosed in note 8. £12,649 (31st March 2019: £13,131) is the amounts payable at the year end.

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

At the year end, the sub-fund held the following Collective Investment Schemes, managed by the Investment Manager.

Fund Name	Holdings	Bid Market Value
	2020	2020
Sanlam Active UK Fund 'D' GBP	405,000	£3,985,200
Sanlam Global High Quality 'C' Acc GBP	2,380,000	£4,508,434
Sanlam Multi Strategy Founder GBP Acc	120,000	£1,432,164

Where investments are held in funds managed by the Investment Manager, a rebate could be paid into the sub-fund. The rebate from underlying securities amounted to £Nil (31st March 2019: £Nil) for the year.

There were no comparative figures as the previous Investment Manager was Thesis Asset Management Limited and was changed to Sanlam Private Investments (UK) Limited which was approved by FCA effective on 9th September 2019.

14. Equalisation

Equalisation is accrued income included in the price of units purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a unitholder's first distribution, resulting in the same rate of distribution on all units. As a capital repayment, it is not liable to income tax but must be deducted from the cost of units for Capital Gains Tax purposes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 31st March 2020 (31st March 2019: £Nil).

16. Unit Classes

The sub-fund currently has five unit classes: A Inc, A Acc, B Inc, B Acc, and C Acc. The distribution per unit is given in the distribution tables on page 47. All units have the same rights on winding up.

The Manager's service charge for the class of each unit is as follows:

A Inc	1.50%
A Acc	1.50%
B Inc	0.75%
B Acc	0.75%
C Acc	0.50%

Thesis Optima Fund

Optima Growth Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

16. Unit Classes (continued)

The following table shows the units in issue during the year:

Class	Opening Units	Units Created	Units Liquidated	Units Converted	Closing Units
A Inc	307,291	19,142	(48,627)	–	277,806
A Acc	3,627,178	564,947	(855,844)	(126,062)	3,210,219
B Inc	327,679	645,749	(48,438)	–	924,990
B Acc	2,555,057	2,086,399	(1,298,775)	119,747	3,462,428
C Acc	555,563	283,959	(364,139)	–	475,383

17. Financial Instruments

In pursuing its investment objective set out on page 4, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, shares in collective investment vehicles, fixed income securities and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf; and
- borrowings used to finance investment activity.

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

At 31st March 2020, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £676,979 (31st March 2019: £643,907).

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

The sub-fund does not have significant direct exposure to currency risk as all assets and liabilities are predominantly held in Sterling. The sub-fund converts all receipts of revenue, received in currency, into Sterling on the day of receipt.

At the year end date, a portion of the net assets of the sub-fund were denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Foreign currency exposure as at 31st March 2020:

Currency	Monetary Exposures 2020 £'000	Non Monetary Exposures 2020 £'000	Total 2020 £'000
Danish kroner	(3)	328	325
Pound sterling	460	12,937	13,397
US dollar	4	275	279
	461	13,540	14,001

Thesis Optima Fund

Optima Growth Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

18. Risks Disclosures (continued)

Foreign currency exposure as at 31st March 2019:

Currency	Monetary	Non	Total
	Exposures	Monetary Exposures	
	2019	2019	2019
	£'000	£'000	£'000
Pound sterling	1,187	12,878	14,065
	1,187	12,878	14,065

At 31st March 2020, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £6,046 (31st March 2019: £Nil).

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

Interest rate risk profile of financial assets as at 31st March 2020:

Currency	Floating Rate	Fixed Rate	Financial Assets	Total
	Financial		Not Carrying	
	Assets	Assets	Interest	
	2020	2020	2020	2020
	£'000	£'000	£'000	£'000
Danish kroner	–	–	328	328
Pound sterling	421	–	12,937	13,358
US dollar	4	–	275	279
	425	–	13,540	13,965

Interest rate risk profile of financial assets as at 31st March 2019:

Currency	Floating Rate	Fixed Rate	Financial Assets	Total
	Financial		Not Carrying	
	Assets	Assets	Interest	
	2019	2019	2019	2019
	£'000	£'000	£'000	£'000
Pound sterling	1,051	–	12,878	13,929
	1,051	–	12,878	13,929

Thesis Optima Fund

Optima Growth Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial liabilities as at 31st March 2020:

	Floating Rate Financial Liabilities 2020 £'000	Financial Liabilities Not Carrying Interest 2020 £'000	Total 2020 £'000
Currency			
Pound sterling	(36)	–	(36)
	(36)	–	(36)

There were no financial liabilities as at 31st March 2019.

Please note that short term debtors and creditors are excluded in the interest rate risk tables above.

The sub-fund's net cash holdings of £389,504 (31st March 2019: £1,051,230) are held in floating rate deposit accounts, whose rates are determined by reference to LIBOR or an international equivalent borrowing rate.

- *Credit risk* - Risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.
- *Fair value* - in the opinion of the Manager, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31st March 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	3,285	–	–	3,285
Collective Investment Schemes	10,255	–	–	10,255
	13,540	–	–	13,540

Valuation technique as at 31st March 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	5,393	–	–	5,393
Collective Investment Schemes	7,485	–	–	7,485
	12,878	–	–	12,878

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

Thesis Optima Fund

Optima Growth Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

19. Leverage

In accordance with the AIFMD we are required to disclose the 'leverage' of the sub-fund. Leverage is defined as any method by which the sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the sub-fund must not exceed maximum exposures under both methods.

The 'commitment' method shall be the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The 'gross' method shall be the sum of the absolute value of all positions and each derivative position will be converted into the equivalent position in the underlying assets. The 'gross' method shall exclude the value of any cash and cash equivalents from the sum of the absolute value of all positions. The Manager must set maximum leverage levels and operate the sub-fund within these levels at all times.

There are two ways in which the Manager can introduce leverage to the sub-fund. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the Manager manages the sub-fund. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

The maximum gross leverage permitted in the sub-fund is 300%. The maximum commitment leverage permitted is 200%. It is expected that the Manager will operate the sub-fund well within these limits.

As at year end 31st March 2020, the total leverage in the sub-fund, using the commitment approach, did not exceed 100.00% (gross 100.59%, commitment 96.34%). Given that the exposure of the sub-fund is 96.34% of NAV this means that some leverage was employed by the sub-fund.

20. Post Balance Sheet Market Events

The latest NAV per Class C Acc of 203.09p as at the close of business on 22nd July 2020 had increased on average across the unit classes by 28.97% compared to the NAV at the year end of 174.12p.

Thesis Optima Fund

Optima Growth Sub-Fund

Distribution Tables

for the year ended 31st March 2020

First Interim Distribution A Inc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.7620	–	0.7620	0.5126
2	0.3345	0.4275	0.7620	0.5126

First Interim Accumulation A Acc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	0.7876	–	0.7876	0.5672
2	0.3073	0.4803	0.7876	0.5672

First Interim Distribution B Inc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	1.1938	–	1.1938	0.9307
2	0.5558	0.6380	1.1938	0.9307

First Interim Accumulation B Acc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.2059	–	1.2059	0.9709
2	0.5429	0.6630	1.2059	0.9709

Thesis Optima Fund

Optima Growth Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

First Interim Accumulation C Acc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.3406	–	1.3406	1.1176
2	0.5913	0.7493	1.3406	1.1176

Second Interim Distribution A Inc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.3726	–	0.3726	0.1305
2	0.0013	0.3713	0.3726	0.1305

Second Interim Accumulation A Acc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	0.3790	–	0.3790	0.1450
2	0.0487	0.3303	0.3790	0.1450

Second Interim Distribution B Inc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.8105	–	0.8105	0.5270
2	0.3307	0.4798	0.8105	0.5270

Thesis Optima Fund

Optima Growth Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Second Interim Accumulation B Acc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	0.7950	–	0.7950	0.5318
2	0.5569	0.2381	0.7950	0.5318

Second Interim Accumulation C Acc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	0.8936	–	0.8936	0.6652
2	0.8251	0.0685	0.8936	0.6652

Third Interim Distribution A Inc (in pence per unit)*

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Paid	2019 Net Distribution Paid
1	–	–	–	–
2	–	–	–	–

Third Interim Distribution A Acc (in pence per unit)*

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Income	Equalisation (note 14)	2020 Net Accumulation	2019 Net Distribution Paid
1	–	–	–	–
2	–	–	–	–

Thesis Optima Fund

Optima Growth Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Third Interim Distribution B Inc (in pence per unit)*

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Paid	2019 Net Distribution Paid
1	–	–	–	0.2924
2	–	–	–	0.2924

Third Interim Accumulation B Acc (in pence per unit)*

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	–	–	–	0.2967
2	–	–	–	0.2967

Third Interim Accumulation C Acc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	–	–	–	0.4318
2	0.1196	–	0.1196	0.4318

Final Distribution A Inc (in pence per unit)*

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Payable	2019 Net Distribution Paid
1	–	–	–	0.1830
2	–	–	–	0.1830

Thesis Optima Fund

Optima Growth Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Final Accumulation A Acc (in pence per unit)*

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	–	–	–	0.2006
2	–	–	–	0.2006

Final Distribution B Inc (in pence per unit)*

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Payable	2019 Net Distribution Paid
1	–	–	–	0.6171
2	–	–	–	0.6171

Final Accumulation B Acc (in pence per unit)*

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	–	–	–	0.6335
2	–	–	–	0.6335

Final Accumulation C Acc (in pence per unit)*

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	–	–	–	0.7534
2	–	–	–	0.7534

* Expenses exceeded revenue during the year, as a result no distributions were paid and allocated..

Thesis Optima Fund

Optima Balanced Sub-Fund

Portfolio Statement

as at 31st March 2020

Holdings	Market value £	Percentage of total net assets %
EQUITIES 18.77% (32.56%)		
Bermuda 0.00% (0.75%)		
Denmark 1.38% (0.00%)		
4,800 Orsted	383,469	1.38
Guernsey 0.00% (3.66%)		
Ireland 0.00% (0.68%)		
Jersey 0.95% (2.69%)		
102,000 3i Infrastructure	262,140	0.95
United Kingdom 15.67% (24.78%)		
20,500 Diageo	519,572	1.87
161,000 Grainger	406,686	1.47
156,000 HICL Infrastructure	255,216	0.92
87,000 Howden Joinery Group	442,656	1.60
11,000 InterContinental Hotels Group	379,665	1.37
899,901 Lloyds Banking Group	293,998	1.06
48,000 Prudential	485,520	1.75
28,600 RELX	487,916	1.76
309,500 Taylor Wimpey	357,008	1.29
12,600 Unilever PLC	507,465	1.83
26,000 Unite Group	207,350	0.75
	4,343,052	15.67
United States 0.77% (0.00%)		
1,900 Digital Realty Trust	214,525	0.77
	5,203,186	18.77
COLLECTIVE INVESTMENT SCHEMES 79.57% (60.75%)		
Bermuda 0.71% (0.00%)		
6,100 Brookfield Infrastructure Partners	196,268	0.71
Ireland 67.55% (9.83%)		
1,580,000 Hermes Global High Yield Credit 'M'	1,346,318	4.86
38,000 iShares Physical Gold ETC GBP	961,400	3.47
4,256,000 Sanlam Global High Quality 'C' Acc GBP ¹	8,062,141	29.08

Thesis Optima Fund

Optima Balanced Sub-Fund

Portfolio Statement

as at 31st March 2020 (continued)

Holdings	Market value £	Percentage of total net assets %
Ireland (continued)		
700,000 Sanlam Multi Strategy Founder GBP Acc ¹	8,354,290	30.14
	18,724,149	67.55
Luxembourg 0.00% (4.48%)		
United Kingdom 11.31% (46.44%)		
720,000 Allianz Global Investment Strategic Bond 'I'	847,080	3.05
364,000 Baillie Gifford High Yield Bond 'B' Acc	803,348	2.90
1,550,000 Liontrust Strategic Bond 'M' Gross Inc	1,485,951	5.36
	3,136,379	11.31
TOTAL COLLECTIVE INVESTMENT SCHEMES	22,056,796	79.57
REAL ESTATE 0.00% (0.81%)		
United Kingdom 0.00% (0.81%)		
Net investments 98.34% (94.12%)	27,259,982	98.34
Net other assets	460,227	1.66
Total net assets	27,720,209	100.00

Note: Comparative figures shown in brackets relate to 31st March 2019.

¹ Related party.

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information

The Comparative Tables on pages 59 to 64 give the performance of each active unit class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the sub-fund's performance disclosed in the Manager's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value (unaudited)

In September 2019, the Financial Conduct Authority (FCA) introduced new rules that require the Board of the Authorised Fund Manager (AFM) to perform an annual Assessment of Value for each unit class within the fund and to report its findings to investors.

These new rules followed the Asset Management Market Study conducted by the FCA to assess ways of giving better protection to those investors who are less able to find better value products, improving competition and strengthening the duty of the AFM to act in the best interest of investors.

The Assessment of Value places a responsibility on the AFM to determine whether the fees and charges of the fund are justified in the context of the overall service and value provided to investors.

Independent AFM model - terminology

The AFM has the regulatory responsibility for all aspects of the fund operations including the actions of its delegates. Its role requires a focus on good investor outcomes, investor protection, oversight, compliance and general regulatory matters.

The Investment Manager is appointed by the AFM and has the full discretion to manage the assets of the portfolio in accordance with the fund's objective and investment policy. The Investment Manager is the entity which delivers out- or under-performance on behalf of investors. It is the entity which in turn receives the greatest share of the Annual Management Charge.

When both functions are performed by the same organization, the firm can be described as 'vertically integrated'. When the functions are performed by separate organisations, the fund can be described as having an Independent AFM. This fund sits in the latter category.

The fund sponsor invites the independent AFM to design and operate the fund. The sponsor contributes to the design and marketing of the fund, having identified the potential for its success.

Background to our firm – Independent AFM

Thesis Unit Trust Management Limited is a specialist provider of independent AFM services. We bring a level of independence which is important and valued by our investors and sponsors. Our approach to delivering good outcomes for investors in our funds, from the initial design phase and throughout the fund life cycle, is based upon having the right blend of experience, culture and governance.

We choose to work with a variety of service providers (fund accountants, depositaries, transfer agents and auditors) and provide independent, bespoke and flexible solutions. By outsourcing day-to-day activity to specialist providers our teams can focus on investor outcomes, risk management, oversight, product governance and regulatory change.

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

We delegate fund servicing to a panel of global, reputable institutions. Consequently, we have an informed view of this part of the supply chain. We benchmark those fund servicers against a range of criteria including service and cost. We build close relationships with our delegates at all levels within our respective organisations allowing for effective escalation when appropriate and always with the best interests of investors in mind. We are also able to change a service provider with relative ease as and when required to improve quality of service, reduce cost or for other strategic or operational reasons.

We delegate investment management to a wide range of firms who utilise different strategies and investment techniques. As such, we have a broad and informed view of the investment management marketplace and independently benchmark across a range of criteria including service, performance and costs. Coming from a fund management background, we have qualified investment managers and research analysts within our AFM business who have the experience to monitor fund performance and challenge third party investment managers on behalf of investors in the funds.

Following the introduction of the new rules, we appointed two independent non-executive directors with a particular remit to oversee and challenge the Assessment of Value process we conduct.

When performing our Assessment of Value, we have reviewed and assessed the different entities involved.

Independent AFM - service and costs

In assessing the quality and cost of our independent AFM service, we have concluded that we have delivered a service that meets the requirements of investors in the funds, and the fund sponsor, and which has delivered value.

Examples of the criteria that we considered included the quality of the relationship with our fund sponsor, the operation and compliance of the fund (including the number of errors and investor complaints), the results from the depositary's inspection and audit of our AFM arrangements, and other factors such as the implementation of regulatory change at no cost to investors.

We judge whether our AFM fee is competitive and can be justified based on feedback from independent consultants, our clients who select us and when existing funds move to us from our competitors. Our fees are tiered thereby providing a mechanism for reducing costs for investors as the fund value increases.

Service provider service and costs

Having separately assessed the quality and cost of the outsourced fund service providers, we have concluded that services have met the requirements expected and delivered value to investors.

Examples of the criteria that we considered included Key Performance Indicators in the key areas including pricing, delivery of statements, delivery of report and accounts, and investor complaints.

We have assessed that the service providers' fees are competitive and provide value to investors by benchmarking against the other service providers on our panel. The majority of fees are tiered thereby providing a mechanism for reducing costs to investors as the fund value increases.

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

It is our judgement that the experience of investors in the fund and an assessment of whether the fund has delivered value is most directly impacted by the services, performance and costs that are attributable to the Investment Manager. Further details of our value assessment, with a particular focus on the Investment Manager, are shown below:

Value consideration	What we considered	Analysis and actions taken	Offers Value
Quality of service	The range and quality of service delivered by the Investment Manager including the experience of the team, track record, quality of relationship with our AFM team, and the results from our governance and oversight arrangements.	We monitor the Investment Manager on a daily basis, and maintain frequent contact with them on a range of aspects of their work including adherence with the investment mandate and policy, liquidity management, and fair value pricing as well as regulatory compliance We have more formal contact quarterly and further periodic reviews on a thematic basis. We are satisfied that the Investment Manager continues to meet our requirements and provide a good quality of service.	Yes
Performance	Whether the fund has provided good performance, net of fees, in relation to its investment objective. We have considered performance against the fund's benchmark and/or appropriate peer group, compliance with investment policy, volatility and liquidity, and any evidence of closet tracking.	The fund has outperformed against its benchmark over 1 and 3 years, and some unit classes underperformed over 5 years. As the independent AFM, we have monitored and discussed the position with the Investment Manager and will continue to do so. The fund is being actively managed in accordance with the investment objective and policy. Whilst volatility levels triggered a review, our Investment Committee was satisfied with the explanation from the Investment Manager and this will continue to be monitored.	Yes
Costs	Whether the charges are reasonable compared with the costs of providing the service (considering factors such as the size of the Investment Manager, its balance sheet strength and profit margins).	At a fund size of £28 million, we are satisfied that the costs charged to the fund are reasonable given its size and a holistic assessment of the benefits that accrue to its investors.	Yes
Economies of Scale	Is the fund or the Investment Manager of a size or scale where economies of scale should be passed on to investors.	In view of the fund's size, we do not believe that there are economies of scale available yet to be passed back to the fund.	N/A

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

Value consideration	What we considered	Analysis and actions taken	Offers Value
Comparable market rates	Whether the charges are comparable with similar funds in this sector of the market.	Classes A and B As an independent AFM, we operate multiple funds. We appoint different service providers and a wide range of Investment Manager and can readily benchmark fees. It is our assessment that the OCF of these unit classes is higher than the OCF of other similar funds in the market. A review of the costs is currently underway.	No
		Class C As an independent AFM, we operate multiple funds. We appoint different service providers and a wide range of Investment Managers and can readily benchmark fees. It is our assessment that the OCF of this unit class is lower than the OCF of other similar funds in the market.	Yes
Comparable services	How the charges compare to other comparable funds that the Investment Manager manages.	Class A Whilst we do not have visibility of the rates that the Investment Manager charges for providing comparable services outside of our fund range, the OCF of this unit class is higher than the OCF of other similar funds that we operate. A review of the costs is currently underway.	No
		Classes B and C Whilst we do not have visibility of the rates that the Investment Managers charge for providing comparable services outside of our fund range, the OCF of these unit classes is lower than the OCF of other similar funds that we operate.	Yes

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

Value consideration	What we considered	Analysis and actions taken	Offers Value
Classes of units	Whether investors are invested in a unit class with higher charges than another class which is available. We have also considered different fees which apply to retail and institutional investors where institutional investors are subject to a significantly higher minimum investment.	The highest OCF of the retail class is 100 per cent higher than the institutional class. A differential between retail and institutional unit classes is considered reasonable and justifiable given the operational workload, risks and associated costs of supporting retail investors. However, as noted a review of the costs of the A and B unit classes are underway.	No

Following our assessment, the board of Thesis Unit Trust Management Limited has concluded that the fund offered value to investors.

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables

A Inc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	122.60	121.26	124.45
Return before operating charges*	(3.64)	7.04	2.38
Operating charges	(2.52)	(2.42)	(2.47)
Return after operating charges*	(6.16)	4.62	(0.09)
Distributions on income units	(2.75)	(3.28)	(3.10)
Closing net asset value per unit	113.69	122.60	121.26
*After direct transaction costs of :	0.22	0.11	0.10
Performance			
Return after charges	(5.02)%	3.81%	(0.07)%
Other Information			
Closing net asset value (£'000)	3,774	4,915	5,164
Closing number of units	3,319,587	4,008,986	4,258,565
Operating charges ¹	2.00%	1.96%	1.97%
Direct transaction costs	0.18%	0.09%	0.08%
Prices			
Highest unit price	132.47	128.00	131.80
Lowest unit price	108.76	117.00	121.20

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

A Acc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	166.75	160.59	160.76
Return before operating charges*	(5.25)	9.40	3.06
Operating charges	(3.46)	(3.24)	(3.23)
Return after operating charges*	(8.71)	6.16	(0.17)
Distributions	(3.76)	(4.40)	(4.04)
Retained distributions on accumulation units	3.76	4.40	4.04
Closing net asset value per unit	158.04	166.75	160.59
*After direct transaction costs of :	0.31	0.15	0.13
Performance			
Return after charges	(5.22)%	3.84%	(0.11)%
Other Information			
Closing net asset value (£'000)	7,755	8,585	8,058
Closing number of units	4,906,831	5,148,724	5,017,906
Operating charges ¹	2.00%	1.96%	1.97%
Direct transaction costs	0.18%	0.09%	0.08%
Prices			
Highest unit price	183.79	169.50	170.20
Lowest unit price	150.89	157.20	159.70

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

B Inc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	129.38	127.00	129.36
Return before operating charges*	(3.94)	7.41	2.48
Operating charges	(1.67)	(1.57)	(1.60)
Return after operating charges*	(5.61)	5.84	0.88
Distributions on income units	(2.91)	(3.46)	(3.24)
Closing net asset value per unit	120.86	129.38	127.00
 *After direct transaction costs of :	 0.24	 0.12	 0.10
Performance			
Return after charges	(4.34)%	4.60%	0.68%
Other Information			
Closing net asset value (£'000)	5,080	3,959	2,985
Closing number of units	4,203,292	3,060,118	2,350,213
Operating charges ¹	1.25%	1.21%	1.22%
Direct transaction costs	0.18%	0.09%	0.08%
Prices			
Highest unit price	140.79	134.20	134.00
Lowest unit price	115.65	123.20	126.90

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

B Acc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	174.87	167.12	166.09
Return before operating charges*	(5.60)	9.85	3.10
Operating charges	(2.28)	(2.10)	(2.07)
Return after operating charges*	(7.88)	7.75	1.03
Distributions	(3.96)	(4.58)	(4.19)
Retained distributions on accumulation units	3.96	4.58	4.19
Closing net asset value per unit	166.99	174.87	167.12
*After direct transaction costs of :	0.32	0.16	0.13
Performance			
Return after charges	(4.51)%	4.64%	0.62%
Other Information			
Closing net asset value (£'000)	4,429	3,886	4,595
Closing number of units	2,652,299	2,222,125	2,749,332
Operating charges ¹	1.25%	1.21%	1.22%
Direct transaction costs	0.18%	0.09%	0.08%
Prices			
Highest unit price	194.05	176.80	175.30
Lowest unit price	159.40	164.50	165.50

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

C Inc

	<i>31/03/2020¹</i> <i>(pence per unit)</i>	<i>31/03/2019²</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	130.80	128.16	130.22
Return before operating charges*	(5.77)	6.80	2.47
Operating charges	(1.12)	(0.38)	(1.28)
Return after operating charges*	(6.89)	6.42	1.19
Distributions on income units	(1.91)	(1.21)	(3.25)
Last quoted share price	–	133.37	–
Closing net asset value per unit	122.00	–	128.16
*After direct transaction costs of :	0.20	–	0.10
Performance			
Return after charges	(5.27)%	5.01%	0.91%
Other Information			
Closing net asset value (£'000)	5,640	–	64
Closing number of units	4,623,061	–	50,085
Operating charges ³	1.00%	0.97%	0.97%
Direct transaction costs	0.18%	0.00%	0.08%
Prices			
Highest unit price	142.06	135.50	134.30
Lowest unit price	116.75	123.20	128.10

¹ C Inc share class became active on 6th June 2019.

² C Inc share class became inactive on 20th August 2018.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

C Acc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	176.41	168.20	166.71
Return before operating charges*	(5.65)	9.89	3.14
Operating charges	(1.83)	(1.68)	(1.65)
Return after operating charges*	(7.48)	8.21	1.49
Distributions	(4.00)	(4.63)	(4.21)
Retained distributions on accumulation units	4.00	4.63	4.21
Closing net asset value per unit	168.93	176.41	168.20
*After direct transaction costs of :	0.32	0.16	0.13
Performance			
Return after charges	(4.24)%	4.88%	0.89%
Other Information			
Closing net asset value (£'000)	1,042	2,037	1,968
Closing number of units	617,073	1,154,402	1,170,100
Operating charges ¹	1.00%	0.96%	0.97%
Direct transaction costs	0.18%	0.09%	0.08%
Prices			
Highest unit price	196.20	178.10	176.40
Lowest unit price	161.20	165.90	166.10

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Balanced Sub-Fund

Sub-fund Information *(continued)*

Synthetic Risk and Reward Indicator (“SRRI”)

Lower Risk

Typically lower rewards

Higher Risk

Typically higher rewards



The SRRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

Thesis Optima Fund

Optima Balanced Sub-Fund

Statement of Total Return

for the year ended 31st March 2020

	Notes	2020 £'000	2019 £'000
Income			
Net capital (losses)/gains	5	(1,813)	555
Revenue	7	662	669
Expenses	8	(337)	(308)
Interest payable and similar charges		(2)	–
Net revenue before taxation		323	361
Taxation	9	(1)	–
Net revenue after taxation for the year		322	361
Total return before distributions		(1,491)	916
Distributions	10	(630)	(637)
Change in net assets attributable to unitholders from investment activities		(2,121)	279

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31st March 2020

	Note	2020 £'000	2019 £'000
Opening net assets attributable to unitholders		23,382	22,834
Amounts receivable on issue of units		11,709	4,750
Amounts payable on cancellation of units		(5,580)	(4,888)
		6,129	(138)
Change in net assets attributable to unitholders from investment activities		(2,121)	279
Retained distribution on accumulation units	10	330	407
Closing net assets attributable to unitholders		27,720	23,382

Thesis Optima Fund

Optima Balanced Sub-Fund

Balance Sheet

as at 31st March 2020

	Notes	2020 £'000	2019 £'000
Assets			
Fixed assets:			
Investments		27,260	22,006
Current assets:			
Debtors	11	3,335	84
Cash and cash equivalents		44	1,458
Total assets		30,639	23,548
Liabilities			
Creditors:			
Bank overdrafts		(374)	–
Distribution payable	10	(33)	(48)
Other creditors	12	(2,512)	(118)
Total liabilities		(2,919)	(166)
Net assets attributable to unitholders		27,720	23,382

Thesis Optima Fund

Optima Balanced Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020

1. Accounting Policies

The accounting, distribution and risk management policies for notes 1 to 4 are provided on pages 18 to 21.

5. Net Capital (Losses)/Gains

Net capital (losses)/gains comprise:

	2020 £'000	2019 £'000
Non-derivative securities ¹	(1,808)	558
Currency gains	2	–
Transaction charges	(7)	(3)
Net capital (losses)/gains	<u>(1,813)</u>	<u>555</u>

¹ Includes realised gains of £1,697,979 and unrealised losses of £3,505,751 (31st March 2019: realised gains of £683,080 and unrealised losses of £125,254). The realised gains/losses on investments in the accounting period include amounts previously recognised as unrealised gains/losses in the prior accounting period.

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 54.

Analysis of direct transaction costs for the year ended 31st March 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	30,065	–	–	30,065	–	–
Equities	12,843	6	39	12,888	0.05	0.30
	<u>42,908</u>	<u>6</u>	<u>39</u>	<u>42,953</u>		
Sales						
Collective Investment Schemes	22,717	–	–	22,717	–	–
Equities	14,038	(7)	–	14,031	0.05	–
	<u>36,755</u>	<u>(7)</u>	<u>–</u>	<u>36,748</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.04%	0.13%			

Thesis Optima Fund

Optima Balanced Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

6. Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 31st March 2019:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	5,866	–	–	5,866	–	–
Equities	4,252	2	17	4,271	0.05	0.40
	10,118	2	17	10,137		
Sales						
Collective Investment Schemes	5,799	–	–	5,799	–	–
Equities	4,148	(2)	–	4,146	0.05	–
	9,947	(2)	–	9,945		
Derivative purchases and sales						
		–	–			
Total cost as percentage of average net asset value		0.02%	0.07%			

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.03% (31st March 2019: 0.18%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

7. Revenue

	2020 £'000	2019 £'000
Bank interest	1	3
Franked CIS revenue	75	52
Franked PID revenue	2	1
Franked UK dividends	259	228
Offshore CIS dividend revenue	23	19
Offshore CIS interest revenue	31	62
Overseas dividends	87	93
Unfranked CIS revenue	184	207
Unfranked PID revenue	–	4
	662	669

Thesis Optima Fund

Optima Balanced Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

8. Expenses

	2020 £'000	2019 £'000
Payable to the Manager or associates of the Manager:		
Manager's service charge	308	276
	<u>308</u>	<u>276</u>
Payable to the Trustee or associates of the Trustee:		
Trustee's fee	10	9
Safe custody charges	2	4
	<u>12</u>	<u>13</u>
Other expenses:		
Audit fees	8	8
Euroclear fees	3	1
Miscellaneous fees	–	2
Printing fees	–	1
Registration fees	6	7
	<u>17</u>	<u>19</u>
Total expenses	<u><u>337</u></u>	<u><u>308</u></u>

Thesis Optima Fund

Optima Balanced Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

9. Taxation

	2020 £'000	2019 £'000
a) Analysis of charge for the year:		
Corporation tax	–	–
Irrecoverable income tax	–	–
Overseas withholding tax	1	–
Total current tax	1	–
Deferred tax charge	–	–
Total taxation	1	–
b) Factors affecting taxation charge for the year:		
Net revenue before tax	323	361
Net revenue multiplied by the standard rate of corporation tax of 20% (2019: 20%)	65	72
Effects of:		
Excess management expenses not utilised	22	7
Franked CIS revenue	(15)	(10)
Franked UK dividends	(52)	(46)
Non-taxable overseas dividends	(17)	(20)
Offshore dividend CIS revenue	(4)	(4)
Overseas withholding tax	1	–
Tax due to timing differences	1	1
Total tax charge (note 9a)	1	–
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £82,080 (31st March 2019: £59,642) arising as a result of having unutilised management expenses. The unutilised management expenses will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

Thesis Optima Fund

Optima Balanced Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

10. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	2020 £'000	2019 £'000
First Quarter distribution	94	83
First Quarter accumulation	138	146
Interim distribution	108	50
Interim accumulation	101	92
Third Quarter distribution	68	55
Third Quarter accumulation	62	90
Final distribution	33	48
Final accumulation	29	79
	<u>633</u>	<u>643</u>
Add: Revenue deducted on units cancelled	21	14
Deduct: Revenue received on units created	(24)	(20)
Net distribution for the year	<u><u>630</u></u>	<u><u>637</u></u>

Reconciliation between net revenue and distribution

	2020 £'000	2019 £'000
Net revenue after taxation	322	361
Add: Expenses allocated to capital	308	276
	<u><u>630</u></u>	<u><u>637</u></u>

11. Debtors

	2020 £'000	2019 £'000
Accrued revenue	25	52
Amount receivable for issue of units	40	8
CIS income tax recoverable	4	6
Fee rebates receivable	8	8
Overseas tax recoverable	1	–
Sales awaiting settlement	3,257	10
	<u><u>3,335</u></u>	<u><u>84</u></u>

12. Other creditors

	2020 £'000	2019 £'000
Accrued expenses	39	36
Amount payable for cancellation of units	280	82
Purchases awaiting settlement	2,193	–
	<u><u>2,512</u></u>	<u><u>118</u></u>

Thesis Optima Fund

Optima Balanced Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the Manager.

Thesis Unit Trust Management Limited acts as principal on all the transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of unit transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the Manager's periodic charges and if any rebates received are disclosed in note 8. £25,411 (31st March 2019: £23,133) is the amounts payable at the year end.

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

At the year end, the sub-fund held the following Collective Investment Schemes, managed by the Investment Manager.

Fund Name	Holdings	Bid Market Value
	2020	2020
Sanlam Global High Quality 'C' Acc GBP	4,256,000	£8,062,141
Sanlam Multi Strategy Founder GBP Acc	700,000	£8,354,290

Where investments are held in funds managed by the Investment Manager, a rebate could be paid into the sub-fund. The rebate from underlying securities amounted to £Nil (31st March 2019: £Nil) for the year.

There were no comparative figures as the previous Investment Manager was Thesis Asset Management Limited and was changed to Sanlam Private Investments (UK) Limited which was approved by FCA effective on 9th September 2019.

14. Equalisation

Equalisation is accrued income included in the price of units purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a unitholder's first distribution, resulting in the same rate of distribution on all units. As a capital repayment, it is not liable to income tax but must be deducted from the cost of units for Capital Gains Tax purposes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 31st March 2020 (31st March 2019: £Nil).

16. Unit Classes

The sub-fund currently has six unit classes: A Inc, A Acc, B Inc, B Acc, C Inc and C Acc. The distribution per unit is given in the distribution tables on page 78. All units have the same rights on winding up.

The Manager's service charge for the class of each unit is as follows:

A Inc	1.50%
A Acc	1.50%
B Inc	0.75%
B Acc	0.75%
C Inc	0.50%
C Acc	0.50%

The following table shows the units in issue during the year:

Thesis Optima Fund

Optima Balanced Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

16. Unit Classes (continued)

Class	Opening Units	Units Created	Units Liquidated	Units Converted	Closing Units
A Inc	4,008,986	127,702	(566,938)	(250,163)	3,319,587
A Acc	5,148,724	659,020	(779,039)	(121,874)	4,906,831
B Inc	3,060,118	1,528,691	(622,283)	236,766	4,203,292
B Acc	2,222,125	997,815	(683,140)	115,499	2,652,299
C Inc ¹	–	4,874,976	(251,915)	–	4,623,061
C Acc	1,154,402	102,295	(639,624)	–	617,073

¹ C Inc became inactive on 20th August 2018 and went active on 6th June 2019.

17. Financial Instruments

In pursuing its investment objective set out on page 4, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, shares in collective investment vehicles, fixed income securities and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf; and
- borrowings used to finance investment activity.

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

At 31st March 2020, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £1,362,999 (31st March 2019: £1,100,310).

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

The sub-fund does not have significant direct exposure to currency risk as all assets and liabilities are predominantly held in Sterling. The sub-fund converts all receipts of revenue, received in currency, into Sterling on the day of receipt.

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

Interest rate risk profile of financial assets as at 31st March 2020:

Currency	Floating Rate Financial Assets	Fixed Rate Assets	Financial Assets Not Carrying Interest	Total
	2020 £'000		2020 £'000	
Danish kroner	–	–	383	383
Pound sterling	37	–	26,466	26,503
US dollar	7	–	411	418
	44	–	27,260	27,304

Thesis Optima Fund

Optima Balanced Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial assets as at 31st March 2019:

Currency	Floating Rate	Fixed Rate	Financial Assets	Total
	Financial		Not Carrying	
	Assets	2019	Interest	2019
	2019	2019	2019	2019
	£'000	£'000	£'000	£'000
Pound sterling	1,458	–	22,006	23,464
	1,458	–	22,006	23,464

Interest rate risk profile of financial liabilities as at 31st March 2020:

Currency	Floating Rate	Financial	Total
	Financial	Liabilities Not	
	Liabilities	Carrying	2020
	2020	Interest	2020
	£'000	£'000	£'000
Pound sterling	(374)	–	(374)
	(374)	–	(374)

There were no financial liabilities as at 31st March 2019.

Please note that short term debtors and creditors are excluded in the interest rate risk tables above.

The sub-fund's net cash holdings of £(330,345) (31st March 2019: £ 1,458,385) are held in floating rate deposit accounts, whose rates are determined by reference to LIBOR or an international equivalent borrowing rate.

Thesis Optima Fund

Optima Balanced Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

18. Risks Disclosures (continued)

- *Credit risk* - Risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.
- *Fair value* - in the opinion of the Manager, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31st March 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	5,203	–	–	5,203
Collective Investment Schemes	22,057	–	–	22,057
	27,260	–	–	27,260
Valuation technique as at 31st March 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	7,803	–	–	7,803
Collective Investment Schemes	14,203	–	–	14,203
	22,006	–	–	22,006

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

19. Leverage

In accordance with the AIFMD we are required to disclose the 'leverage' of the sub-fund. Leverage is defined as any method by which the sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the sub-fund must not exceed maximum exposures under both methods.

The 'commitment' method shall be the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The 'gross' method shall be the sum of the absolute value of all positions and each derivative position will be converted into the equivalent position in the underlying assets. The 'gross' method shall exclude the value of any cash and cash equivalents from the sum of the absolute value of all positions. The Manager must set maximum leverage levels and operate the sub-fund within these levels at all times.

There are two ways in which the Manager can introduce leverage to the sub-fund. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the Manager manages the sub-fund. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

The maximum gross leverage permitted in the sub-fund is 300%. The maximum commitment leverage permitted is 200%. It is expected that the Manager will operate the sub-fund well within these limits.

As at year end 31st March 2020, the total leverage in the sub-fund, using the commitment approach, did exceed 100.00% (gross 107.92%, commitment 103.86%). Given that the exposure of the sub-fund is 103.86% of NAV this means that no leverage was employed by the sub-fund.

Thesis Optima Fund

Optima Balanced Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

20. Post Balance Sheet Market Events

The latest NAV per Class C Acc of 191.11p as at the close of business on 22nd July 2020 had increased on average across the unit classes by 13.13% compared to the NAV at the year end of 168.93p.

Thesis Optima Fund

Optima Balanced Sub-Fund

Distribution Tables

for the year ended 31st March 2020

First Interim Distribution A Inc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	1.1418	–	1.1418	1.1501
2	0.4219	0.7199	1.1418	1.1501

First Interim Accumulation A Acc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.5545	–	1.5545	1.5236
2	0.7146	0.8399	1.5545	1.5236

First Interim Distribution B Inc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	1.2084	–	1.2084	1.2065
2	0.4646	0.7438	1.2084	1.2065

First Interim Accumulation B Acc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.6325	–	1.6325	1.5888
2	0.6389	0.9936	1.6325	1.5888

Thesis Optima Fund

Optima Balanced Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

First Interim Distribution C Inc (in pence per unit)*

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.1952	–	0.1952	1.2135
2	0.1952	–	0.1952	1.2135

First Interim Accumulation C Acc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.6459	–	1.6459	1.6062
2	0.4259	1.2200	1.6459	1.6062

Second Interim Distribution A Inc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.8191	–	0.8191	0.7112
2	0.4169	0.4022	0.8191	0.7112

Second Interim Accumulation A Acc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.1240	–	1.1240	0.9516
2	0.2561	0.8679	1.1240	0.9516

Thesis Optima Fund

Optima Balanced Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Second Interim Distribution B Inc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.8676	–	0.8676	0.7496
2	0.2950	0.5726	0.8676	0.7496

Second Interim Accumulation B Acc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.1828	–	1.1828	0.9951
2	0.3990	0.7838	1.1828	0.9951

Second Interim Distribution C Inc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.8768	–	0.8768	–
2	0.7148	0.1620	0.8768	–

Second Interim Accumulation C Acc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.1935	–	1.1935	1.0010
2	0.4423	0.7512	1.1935	1.0010

Thesis Optima Fund

Optima Balanced Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Third Interim Distribution A Inc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.5291	–	0.5291	0.7549
2	0.1077	0.4214	0.5291	0.7549

Third Interim Accumulation A Acc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.7309	–	0.7309	1.0162
2	0.0620	0.6689	0.7309	1.0162

Third Interim Distribution B Inc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.5609	–	0.5609	0.7954
2	0.0298	0.5311	0.5609	0.7954

Third Interim Accumulation B Acc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.7695	–	0.7695	1.0507
2	0.1386	0.6309	0.7695	1.0507

Thesis Optima Fund

Optima Balanced Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Third Interim Distribution C Inc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.5665	–	0.5665	–
2	0.0058	0.5607	0.5665	–

Third Interim Accumulation C Acc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.7773	–	0.7773	1.0682
2	0.1057	0.6716	0.7773	1.0682

Final Distribution A Inc (in pence per unit)

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Payable	2019 Net Distribution Paid
1	0.2556	–	0.2556	0.6681
2	0.1395	0.1161	0.2556	0.6681

Final Accumulation A Acc (in pence per unit)

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.3546	–	0.3546	0.9036
2	0.2471	0.1075	0.3546	0.9036

Thesis Optima Fund

Optima Balanced Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Final Distribution B Inc (in pence per unit)

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Payable	2019 Net Distribution Paid
1	0.2717	–	0.2717	0.7042
2	0.1999	0.0718	0.2717	0.7042

Final Accumulation B Acc (in pence per unit)

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.3744	–	0.3744	0.9461
2	0.2025	0.1719	0.3744	0.9461

Final Distribution C Inc (in pence per unit)*

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Payable	2019 Net Distribution Paid
1	0.2737	–	0.2737	–
2	0.2737	–	0.2737	–

Final Accumulation C Acc (in pence per unit)

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.3786	–	0.3786	0.9527
2	0.2237	0.1549	0.3786	0.9527

* There were no group 2 units for this period.

Thesis Optima Fund

Optima Income Sub-Fund

Portfolio Statement

as at 31st March 2020

Holdings	Market value £	Percentage of total net assets %
EQUITIES 18.98% (18.77%)		
Bermuda 0.28% (0.35%)		
1,900 Brookfield Infrastructure Partners	61,133	0.28
Cayman Islands 0.24% (0.00%)		
1,300 Tencent Holdings	51,552	0.24
Denmark 0.30% (0.00%)		
800 Orsted	63,912	0.30
Germany 1.55% (0.00%)		
1,800 Bayer	84,725	0.40
2,300 Fresenius Medical Care AG & Co. KGaA	120,809	0.56
1,400 SAP	126,314	0.59
	331,848	1.55
Guernsey 0.00% (4.02%)		
Ireland 1.58% (0.29%)		
1,600 Accenture 'A'	219,602	1.02
1,600 Medtronic	119,154	0.56
	338,756	1.58
Jersey 0.37% (3.10%)		
31,000 3i Infrastructure	79,670	0.37
Netherlands 0.34% (0.00%)		
1,100 Heineken	72,569	0.34
Switzerland 0.51% (0.00%)		
420 Roche	110,443	0.51
United Kingdom 6.99% (11.01%)		
7,100 Diageo	179,949	0.84
126,000 Grainger	318,276	1.48
48,000 HICL Infrastructure	78,528	0.37
30,000 Howden Joinery Group	152,640	0.71
1,800 InterContinental Hotels Group	62,127	0.29
147,143 Lloyds Banking Group	48,072	0.22
9,472 Prudential	95,809	0.45
6,400 RELX	109,184	0.51
113,000 Taylor Wimpey	130,346	0.61
3,900 Unilever PLC	157,072	0.73

Thesis Optima Fund

Optima Income Sub-Fund

Portfolio Statement

as at 31st March 2020 (continued)

Holdings	Market value £	Percentage of total net assets %
United Kingdom (continued)		
21,000 Unite Group	167,475	0.78
	1,499,478	6.99
United States 6.82% (0.00%)		
180 Alphabet 'C'	167,029	0.78
100 Booking Holdings	105,590	0.49
3,000 Cognizant Technology Solutions	114,971	0.54
1,500 Digital Realty Trust	169,362	0.79
4,100 Exxon Mobil	124,388	0.58
1,140 Facebook	152,962	0.71
600 General Dynamics	64,837	0.30
1,150 Johnson & Johnson	123,639	0.58
1,700 Microsoft	220,469	1.03
3,700 Oracle	150,688	0.70
1,200 Yum! Brands	68,599	0.32
	1,462,534	6.82
TOTAL EQUITIES	4,071,895	18.98
COLLECTIVE INVESTMENT SCHEMES 79.89% (73.44%)		
Ireland 46.03% (9.82%)		
2,760,000 Hermes Global High Yield Credit 'M'	2,351,796	10.96
38,000 iShares Physical Gold ETC GBP	961,400	4.48
550,000 Sanlam Multi Strategy Founder GBP Acc ¹	6,564,085	30.59
	9,877,281	46.03
Luxembourg 0.00% (8.16%)		
United Kingdom 33.86% (55.46%)		
1,880,000 Allianz Global Investment Strategic Bond 'I'	2,211,820	10.31
733,000 Baillie Gifford High Yield Bond 'B' Acc	1,617,731	7.54
776 Federated Sterling Cash Plus '3' Acc	82,799	0.38
1 Legg Mason IF Rare Global Infrastructure Income 'S' Income (Hedged)	1	—
3,500,000 Liontrust Strategic Bond 'M' Gross Inc	3,355,373	15.63
	7,267,724	33.86
TOTAL COLLECTIVE INVESTMENT SCHEMES	17,145,005	79.89

Thesis Optima Fund

Optima Income Sub-Fund

Portfolio Statement

as at 31st March 2020 (continued)

Holdings	Market value £	Percentage of total net assets %
REAL ESTATE 0.00% (0.38%)		
United Kingdom 0.00% (0.38%)		
Net investments 98.87% (92.59%)	21,216,900	98.87
Net other assets	243,064	1.13
Total net assets	21,459,964	100.00

Note: Comparative figures shown in brackets relate to 31st March 2019.

¹ Related party.

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information

The Comparative Tables on pages 92 to 97 give the performance of each active unit class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the sub-fund's performance disclosed in the Manager's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value (unaudited)

In September 2019, the Financial Conduct Authority (FCA) introduced new rules that require the Board of the Authorised Fund Manager (AFM) to perform an annual Assessment of Value for each unit class within the fund and to report its findings to investors.

These new rules followed the Asset Management Market Study conducted by the FCA to assess ways of giving better protection to those investors who are less able to find better value products, improving competition and strengthening the duty of the AFM to act in the best interest of investors.

The Assessment of Value places a responsibility on the AFM to determine whether the fees and charges of the fund are justified in the context of the overall service and value provided to investors.

Independent AFM model - terminology

The AFM has the regulatory responsibility for all aspects of the fund operations including the actions of its delegates. Its role requires a focus on good investor outcomes, investor protection, oversight, compliance and general regulatory matters.

The Investment Manager is appointed by the AFM and has the full discretion to manage the assets of the portfolio in accordance with the fund's objective and investment policy. The Investment Manager is the entity which delivers out- or under-performance on behalf of investors. It is the entity which in turn receives the greatest share of the Annual Management Charge.

When both functions are performed by the same organization, the firm can be described as 'vertically integrated'. When the functions are performed by separate organisations, the fund can be described as having an Independent AFM. This fund sits in the latter category.

The fund sponsor invites the independent AFM to design and operate the fund. The sponsor contributes to the design and marketing of the fund, having identified the potential for its success.

Background to our firm – Independent AFM

Thesis Unit Trust Management Limited is a specialist provider of independent AFM services. We bring a level of independence which is important and valued by our investors and sponsors. Our approach to delivering good outcomes for investors in our funds, from the initial design phase and throughout the fund life cycle, is based upon having the right blend of experience, culture and governance.

We choose to work with a variety of service providers (fund accountants, depositaries, transfer agents and auditors) and provide independent, bespoke and flexible solutions. By outsourcing day-to-day activity to specialist providers our teams can focus on investor outcomes, risk management, oversight, product governance and regulatory change.

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

We delegate fund servicing to a panel of global, reputable institutions. Consequently, we have an informed view of this part of the supply chain. We benchmark those fund servicers against a range of criteria including service and cost. We build close relationships with our delegates at all levels within our respective organisations allowing for effective escalation when appropriate and always with the best interests of investors in mind. We are also able to change a service provider with relative ease as and when required to improve quality of service, reduce cost or for other strategic or operational reasons.

We delegate investment management to a wide range of firms who utilise different strategies and investment techniques. As such, we have a broad and informed view of the investment management marketplace and independently benchmark across a range of criteria including service, performance and costs. Coming from a fund management background, we have qualified investment managers and research analysts within our AFM business who have the experience to monitor fund performance and challenge third party investment managers on behalf of investors in the funds.

Following the introduction of the new rules, we appointed two independent non-executive directors with a particular remit to oversee and challenge the Assessment of Value process we conduct.

When performing our Assessment of Value, we have reviewed and assessed the different entities involved.

Independent AFM - service and costs

In assessing the quality and cost of our independent AFM service, we have concluded that we have delivered a service that meets the requirements of investors in the funds, and the fund sponsor, and which has delivered value.

Examples of the criteria that we considered included the quality of the relationship with our fund sponsor, the operation and compliance of the fund (including the number of errors and investor complaints), the results from the depositary's inspection and audit of our AFM arrangements, and other factors such as the implementation of regulatory change at no cost to investors.

We judge whether our AFM fee is competitive and can be justified based on feedback from independent consultants, our clients who select us and when existing funds move to us from our competitors. Our fees are tiered thereby providing a mechanism for reducing costs for investors as the fund value increases.

Service provider service and costs

Having separately assessed the quality and cost of the outsourced fund service providers, we have concluded that services have met the requirements expected and delivered value to investors.

Examples of the criteria that we considered included Key Performance Indicators in the key areas including pricing, delivery of statements, delivery of report and accounts, and investor complaints.

We have assessed that the service providers' fees are competitive and provide value to investors by benchmarking against the other service providers on our panel. The majority of fees are tiered thereby providing a mechanism for reducing costs to investors as the fund value increases.

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

It is our judgement that the experience of investors in the fund and an assessment of whether the fund has delivered value is most directly impacted by the services, performance and costs that are attributable to the Investment Manager. Further details of our value assessment, with a particular focus on the Investment Manager, are shown below:

Value consideration	What we considered	Analysis and actions taken	Offers Value
Quality of service	The range and quality of service delivered by the Investment Manager including the experience of the team, track record, quality of relationship with our AFM team, and the results from our governance and oversight arrangements.	We monitor the Investment Manager on a daily basis, and maintain frequent contact with them on a range of aspects of their work including adherence with the investment mandate and policy, liquidity management, and fair value pricing as well as regulatory compliance We have more formal contact quarterly and further periodic reviews on a thematic basis. We are satisfied that the Investment Manager continues to meet our requirements and provide a good quality of service.	Yes
Performance	Whether the fund has provided good performance, net of fees, in relation to its investment objective. We have considered performance against the fund's benchmark and/or appropriate peer group, compliance with investment policy, volatility and liquidity, and any evidence of closet tracking.	The fund has outperformed against its benchmark over 3 years, and some unit classes outperformed over 1 and 5 years. As the independent AFM, we have monitored and discussed the position with the Investment Manager and will continue to do so. The fund is being actively managed in accordance with the investment objective and policy. Whilst volatility levels triggered a review, our Investment Committee was satisfied with the explanation from the Investment Manager and this will continue to be monitored.	Yes
Costs	Whether the charges are reasonable compared with the costs of providing the service (considering factors such as the size of the Investment Manager, its balance sheet strength and profit margins).	At a fund size of £21 million, we are satisfied that the costs charged to the fund are reasonable given its size and a holistic assessment of the benefits that accrue to its investors.	Yes
Economies of Scale	Is the fund or the Investment Manager of a size or scale where economies of scale should be passed on to investors.	In view of the fund's size, we do not believe that there are economies of scale available yet to be passed back to the fund.	N/A

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

Value consideration	What we considered	Analysis and actions taken	Offers Value
Comparable market rates	Whether the charges are comparable with similar funds in this sector of the market.	Classes A and B As an independent AFM, we operate multiple funds. We appoint different service providers and a wide range of Investment Manager and can readily benchmark fees. It is our assessment that the OCF of these unit classes is higher than the OCF of other similar funds in the market. A review of the costs is currently underway.	No
		Class C As an independent AFM, we operate multiple funds. We appoint different service providers and a wide range of Investment Managers and can readily benchmark fees. It is our assessment that the OCF of this unit class is lower than the OCF of other similar funds in the market.	Yes
Comparable services	How the charges compare to other comparable funds that the Investment Manager manages.	Class A Whilst we do not have visibility of the rates that the Investment Manager charges for providing comparable services outside of our fund range, the OCF of this unit class is higher than the OCF of other similar funds that we operate. A review of the costs is currently underway.	No
		Classes B and C Whilst we do not have visibility of the rates that the Investment Managers charge for providing comparable services outside of our fund range, the OCF of these unit classes is lower than the OCF of other similar funds that we operate.	Yes

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

Assessment of Value (unaudited) *(continued)*

Value consideration	What we considered	Analysis and actions taken	Offers Value
Classes of units	Whether investors are invested in a unit class with higher charges than another class which is available. We have also considered different fees which apply to retail and institutional investors where institutional investors are subject to a significantly higher minimum investment.	The highest OCF of the retail class is 96 per cent higher than the institutional class. A differential between retail and institutional unit classes is considered reasonable and justifiable given the operational workload, risks and associated costs of supporting retail investors. However, as noted a review of the costs of the A unit class is underway.	No

Following our assessment, the board of Thesis Unit Trust Management Limited has concluded that the fund offered value to investors.

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables

A Inc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	91.61	91.64	92.32
Return before operating charges*	(1.51)	4.45	3.71
Operating charges	(1.91)	(1.89)	(1.97)
Return after operating charges*	(3.42)	2.56	1.74
Distributions on income units	(2.08)	(2.59)	(2.42)
Closing net asset value per unit	86.11	91.61	91.64
*After direct transaction costs of :	0.08	0.03	0.03
Performance			
Return after charges	(3.73)%	2.79%	1.88%
Other Information			
Closing net asset value (£'000)	2,586	3,531	3,975
Closing number of units	3,003,589	3,854,284	4,337,533
Operating charges ¹	2.04%	2.05%	2.09%
Direct transaction costs	0.08%	0.04%	0.03%
Prices			
Highest unit price	96.53	94.49	98.85
Lowest unit price	83.47	89.06	91.57

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

A Acc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	135.52	131.79	129.36
Return before operating charges*	(2.39)	6.48	5.22
Operating charges	(2.85)	(2.75)	(2.79)
Return after operating charges*	(5.24)	3.73	2.43
Distributions	(2.87)	(3.76)	(3.42)
Retained distributions on accumulation units	2.87	3.76	3.42
Closing net asset value per unit	130.28	135.52	131.79
*After direct transaction costs of :	0.11	0.05	0.05
Performance			
Return after charges	(3.87)%	2.83%	1.88%
Other Information			
Closing net asset value (£'000)	6,871	7,693	7,549
Closing number of units	5,275,203	5,677,522	5,728,535
Operating charges ¹	2.04%	2.05%	2.09%
Direct transaction costs	0.08%	0.04%	0.03%
Prices			
Highest unit price	145.57	136.10	138.40
Lowest unit price	125.87	130.70	131.20

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

B Inc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	95.88	95.19	95.17
Return before operating charges*	(1.77)	4.50	3.69
Operating charges	(1.27)	(1.25)	(1.31)
Return after operating charges*	(3.04)	3.25	2.38
Distributions on income units	(2.04)	(2.56)	(2.36)
Closing net asset value per unit	90.80	95.88	95.19
 *After direct transaction costs of :	 0.08	 0.04	 0.03
Performance			
Return after charges	(3.17)%	3.41%	2.50%
Other Information			
Closing net asset value (£'000)	5,800	3,108	2,499
Closing number of units	6,387,395	3,241,627	2,625,908
Operating charges ¹	1.29%	1.30%	1.34%
Direct transaction costs	0.08%	0.04%	0.03%
Prices			
Highest unit price	101.71	98.27	99.06
Lowest unit price	87.99	93.06	95.19

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

B Acc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	140.89	136.19	132.92
Return before operating charges*	(2.75)	6.51	5.11
Operating charges	(1.88)	(1.81)	(1.84)
Return after operating charges*	(4.63)	4.70	3.27
Distributions	(3.02)	(3.69)	(3.32)
Retained distributions on accumulation units	3.02	3.69	3.32
Closing net asset value per unit	136.26	140.89	136.19
*After direct transaction costs of :	0.12	0.05	0.05
Performance			
Return after charges	(3.29)%	3.45%	2.46%
Other Information			
Closing net asset value (£'000)	5,154	3,985	3,225
Closing number of units	3,783,310	2,828,772	2,368,159
Operating charges ¹	1.29%	1.30%	1.34%
Direct transaction costs	0.08%	0.04%	0.03%
Prices			
Highest unit price	152.17	141.40	140.60
Lowest unit price	131.65	135.70	134.80

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

C Inc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	136.02	130.39	95.55
Return before operating charges*	(2.59)	10.60	38.36
Operating charges	(1.45)	(1.42)	(1.49)
Return after operating charges*	(4.04)	9.18	36.87
Distributions on income units	(2.83)	(3.55)	(2.03)
Closing net asset value per unit	129.15	136.02	130.39
 *After direct transaction costs of :	 0.11	 0.05	 0.05
Performance			
Return after charges	(2.97)%	7.04%	38.59%
Other Information			
Closing net asset value (£'000)	78	68	56
Closing number of units	60,208	49,866	42,738
Operating charges ¹	1.04%	1.05%	1.09%
Direct transaction costs	0.08%	0.04%	0.03%
Prices			
Highest unit price	144.59	139.07	138.30
Lowest unit price	125.15	132.00	96.75

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

C Acc

	<i>31/03/2020</i> <i>(pence per unit)</i>	<i>31/03/2019</i> <i>(pence per unit)</i>	<i>31/03/2018</i> <i>(pence per unit)</i>
Change in Net Asset Value per Unit			
Opening net asset value per unit	141.78	136.78	133.21
Return before operating charges*	(2.86)	6.47	5.07
Operating charges	(1.52)	(1.47)	(1.50)
Return after operating charges*	(4.38)	5.00	3.57
Distributions	(2.96)	(3.64)	(3.25)
Retained distributions on accumulation units	2.96	3.64	3.25
Closing net asset value per unit	137.40	141.78	136.78
*After direct transaction costs of :	0.12	0.05	0.05
Performance			
Return after charges	(3.09)%	3.66%	2.68%
Other Information			
Closing net asset value (£'000)	971	1,525	1,499
Closing number of units	706,420	1,075,526	1,095,700
Operating charges ¹	1.04%	1.05%	1.09%
Direct transaction costs	0.08%	0.04%	0.03%
Prices			
Highest unit price	153.38	142.30	141.10
Lowest unit price	132.71	136.50	135.10

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Thesis Optima Fund

Optima Income Sub-Fund

Sub-fund Information *(continued)*

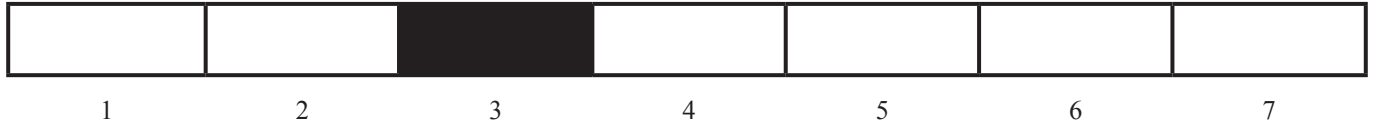
Synthetic Risk and Reward Indicator (“SRRI”)

Lower Risk

Typically lower rewards

Higher Risk

Typically higher rewards



The SRRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

Thesis Optima Fund

Optima Income Sub-Fund

Statement of Total Return

for the year ended 31st March 2020

	Notes	£'000	2020 £'000	£'000	2019 £'000
Income					
Net capital (losses)/gains	5		(1,061)		299
Revenue	7	470		561	
Expenses	8	(273)		(260)	
Interest payable and similar charges		(2)		(1)	
Net revenue before taxation		195		300	
Taxation	9	(2)		(19)	
Net revenue after taxation for the year			193		281
Total return before distributions			(868)		580
Distributions	10		(466)		(541)
Change in net assets attributable to unitholders from investment activities			(1,334)		39

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31st March 2020

	Note	£'000	2020 £'000	£'000	2019 £'000
Opening net assets attributable to unitholders			19,910		18,803
Amounts receivable on issue of units		7,859		5,479	
Amounts payable on cancellation of units		(5,275)		(4,767)	
			2,584		712
Change in net assets attributable to unitholders from investment activities			(1,334)		39
Retained distribution on accumulation units	10		300		356
Closing net assets attributable to unitholders			21,460		19,910

Thesis Optima Fund

Optima Income Sub-Fund

Balance Sheet

as at 31st March 2020

	Notes	2020 £'000	2019 £'000
Assets			
Fixed assets:			
Investments		21,217	18,434
Current assets:			
Debtors	11	4,682	95
Cash and cash equivalents		467	1,507
Total assets		26,366	20,036
Liabilities			
Creditors:			
Distribution payable	10	(26)	(34)
Other creditors	12	(4,880)	(92)
Total liabilities		(4,906)	(126)
Net assets attributable to unitholders		21,460	19,910

Thesis Optima Fund

Optima Income Sub-Fund

Notes to the Financial Statements for the year ended 31st March 2020

1. Accounting Policies

The accounting, distribution and risk management policies for notes 1 to 4 are provided on pages 18 to 21.

5. Net Capital (Losses)/Gains

Net capital (losses)/gains comprise:

	2020 £'000	2019 £'000
Non-derivative securities ¹	(1,059)	302
Currency gains	2	–
Transaction charges	(4)	(3)
Net capital (losses)/gains	<u>(1,061)</u>	<u>299</u>

¹ Includes realised gains of £999,998 and unrealised losses of £2,059,404 (31st March 2019: realised gains of £248,888 and unrealised gains of £53,211). The realised gains/losses on investments in the accounting period include amounts previously recognised as unrealised gains/losses in the prior accounting period.

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 87.

Analysis of direct transaction costs for the year ended 31st March 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	24,713	–	–	24,713	–	–
Equities	6,167	3	12	6,182	0.05	0.19
	<u>30,880</u>	<u>3</u>	<u>12</u>	<u>30,895</u>		
Sales						
Collective Investment Schemes	21,495	–	–	21,495	–	–
Equities	5,581	(3)	–	5,578	0.05	–
	<u>27,076</u>	<u>(3)</u>	<u>–</u>	<u>27,073</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.03%	0.05%			

Thesis Optima Fund

Optima Income Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

6. Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 31st March 2019:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	7,048	–	–	7,048	–	–
Equities	1,672	1	6	1,679	6.00	36.00
	8,720	1	6	8,727		
Sales						
Collective Investment Schemes	5,785	–	–	5,785	–	–
Equities	1,486	(1)	–	1,485	7.00	–
	7,271	(1)	–	7,270		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.01%	0.03%			

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.03% (31st March 2019: 0.26%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

7. Revenue

	2020 £'000	2019 £'000
Bank interest	1	3
Franked CIS revenue	50	44
Franked PID revenue	–	1
Franked UK dividends	82	80
Offshore CIS dividend revenue	17	9
Offshore CIS interest revenue	49	107
Overseas dividends	75	69
Unfranked CIS revenue	196	247
Unfranked PID revenue	–	1
	470	561

Thesis Optima Fund

Optima Income Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

8. Expenses

	2020 £'000	2019 £'000
Payable to the Manager or associates of the Manager:		
Manager's service charge	244	229
	<hr/> 244	<hr/> 229
Payable to the Trustee or associates of the Trustee:		
Trustee's fee	9	9
Safe custody charges	4	4
	<hr/> 13	<hr/> 13
Other expenses:		
AIFMD fees	1	–
Audit fees	8	8
Euroclear fees	1	4
Printing fees	1	1
Registration fees	5	5
	<hr/> 16	<hr/> 18
Total expenses	<hr/> 273 <hr/>	<hr/> 260 <hr/>

Thesis Optima Fund

Optima Income Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

9. Taxation

	2020 £'000	2019 £'000
a) Analysis of charge for the year:		
Corporation tax	–	19
Overseas withholding tax	2	–
Total current tax	2	19
Deferred tax charge	–	–
Total taxation	2	19
b) Factors affecting taxation charge for the year:		
Net revenue before tax	195	300
Net revenue multiplied by the standard rate of corporation tax of 20% (2019: 20%)	39	60
Effects of:		
Excess management expenses not utilised	5	–
Franked CIS revenue	(10)	(9)
Franked UK dividends	(17)	(16)
Non-taxable overseas dividends	(14)	–
Non-taxable CIS dividends	–	(14)
Offshore dividend CIS revenue	(3)	(2)
Overseas withholding tax	2	–
Total tax charge (note 9a)	2	19
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £4,950 (31st March 2019: £Nil) arising as a result of having unutilised management expenses. The unutilised management expenses will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

Thesis Optima Fund

Optima Income Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

10. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	2020 £'000	2019 £'000
First Quarter distribution	51	68
First Quarter accumulation	110	124
Interim distribution	51	40
Interim accumulation	81	70
Third Quarter distribution	45	49
Third Quarter accumulation	68	95
Final distribution	26	34
Final accumulation	41	67
	<u>473</u>	<u>547</u>
Add: Revenue deducted on units cancelled	20	14
Deduct: Revenue received on units created	(27)	(20)
Net distribution for the year	<u><u>466</u></u>	<u><u>541</u></u>

Reconciliation between net revenue and distribution

	2020 £'000	2019 £'000
Net revenue after taxation	193	281
Add: Expenses allocated to capital	273	260
	<u>466</u>	<u>541</u>

11. Debtors

	2020 £'000	2019 £'000
Accrued revenue	18	36
Amount receivable for issue of units	148	47
CIS income tax recoverable	5	8
Overseas tax recoverable	1	–
Sales awaiting settlement	4,510	4
	<u>4,682</u>	<u>95</u>

12. Other creditors

	2020 £'000	2019 £'000
Accrued expenses	36	33
Amount payable for cancellation of units	73	39
Corporation tax payable	–	20
Purchases awaiting settlement	4,771	–
	<u>4,880</u>	<u>92</u>

Thesis Optima Fund

Optima Income Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the Manager.

Thesis Unit Trust Management Limited acts as principal on all the transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of unit transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the Manager's periodic charges and if any rebates received are disclosed in note 8. £19,441 (31st March 2019: £19,417) is the amounts payable at the year end.

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

At the year end, the sub-fund held the following Collective Investment Schemes, managed by the Investment Manager.

Fund Name	Holdings 2020	Bid Market Value 2020
Sanlam Multi Strategy Founder GBP Acc	550,000	£6,564,085

Where investments are held in funds managed by the Investment Manager, a rebate could be paid into the sub-fund. The rebate from underlying securities amounted to £Nil (31st March 2019: £Nil) for the year.

There were no comparative figures as the previous Investment Manager was Thesis Asset Management Limited and was changed to Sanlam Private Investments (UK) Limited which was approved by FCA effective on 9th September 2019.

14. Equalisation

Equalisation is accrued income included in the price of units purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a unitholder's first distribution, resulting in the same rate of distribution on all units. As a capital repayment, it is not liable to income tax but must be deducted from the cost of units for Capital Gains Tax purposes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 31st March 2020 (31st March 2019: £Nil).

16. Unit Classes

The sub-fund currently has six classes of units: A Inc, A Acc, B Inc, B Acc, C Inc and C Acc. The distribution per unit is given in the distribution tables on page 111. All units have the same rights on winding up.

The Manager's service charge for the class of each unit is as follows:

A Inc	1.50%
A Acc	1.50%
B Inc	0.75%
B Acc	0.75%
C Inc	0.50%
C Acc	0.50%

Thesis Optima Fund

Optima Income Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

16. Unit Classes (continued)

The following table shows the units in issue during the year:

Class	Opening Units	Units Created	Units Liquidated	Units Converted	Closing Units
A Inc	3,854,284	175,151	(815,532)	(210,314)	3,003,589
A Acc	5,677,522	841,036	(1,173,339)	(70,016)	5,275,203
B Inc	3,241,627	4,365,817	(1,393,661)	173,612	6,387,395
B Acc	2,828,772	1,458,387	(589,315)	85,466	3,783,310
C Inc	49,866	11,400	(1,058)	–	60,208
C Acc	1,075,526	99,033	(468,139)	–	706,420

17. Financial Instruments

In pursuing its investment objective set out on page 4, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, shares in collective investment vehicles, fixed income securities and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf; and
- borrowings used to finance investment activity.

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

At 31st March 2020, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £1,060,845 (31st March 2019: £921,681).

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

The sub-fund does not have significant direct exposure to currency risk as all assets and liabilities are predominantly held in Sterling. The sub-fund converts all receipts of revenue, received in currency, into Sterling on the day of receipt.

Thesis Optima Fund

Optima Income Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

18. Risks Disclosures (continued)

At the year end date, a portion of the net assets of the sub-fund were denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Foreign currency exposure as at 31st March 2020:

Currency	Monetary	Non	Total
	Exposures	Monetary	
	2020	Exposures	2020
	£'000	£'000	£'000
Danish kroner	–	64	64
Euro	–	404	404
Hong Kong dollar	–	52	52
Pound sterling	238	18,724	18,962
Swiss franc	1	111	112
US dollar	4	1,862	1,866
	243	21,217	21,460

There were no exposures to currency risk as at 31st March 2019.

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.

Interest rate risk profile of financial assets as at 31st March 2020:

Currency	Floating Rate	Fixed Rate	Financial Assets	Total
	Financial		Not Carrying	
	Assets	2020	Interest	2020
	2020	£'000	£'000	£'000
	£'000			
Danish kroner	–	–	64	64
Euro	–	–	404	404
Hong Kong dollar	–	–	52	52
Pound sterling	463	–	18,724	19,187
Swiss franc	–	–	111	111
US dollar	4	–	1,862	1,866
	467	–	21,217	21,684

Thesis Optima Fund

Optima Income Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial assets as at 31st March 2019:

Currency	Floating Rate	Fixed Rate	Financial Assets	Total
	Financial		Not Carrying	
	Assets	2019	Interest	2019
	2019	2019	2019	2019
	£'000	£'000	£'000	£'000
Pound sterling	1,507	–	18,434	19,941
	1,507	–	18,434	19,941

There were no financial liabilities as at 31st March 2020 (31st March 2019:£Nil).

Please note that short term debtors and creditors are excluded in the interest rate risk tables above.

The sub-fund's net cash holdings of £466,986 (31st March 2019: £1,507,063) are held in floating rate deposit accounts, whose rates are determined by reference to LIBOR or an international equivalent borrowing rate.

- *Credit risk* - Risk management policies surrounding this risk are discussed in note 4 on pages 19 to 21.
- *Fair value* - in the opinion of the Manager, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31st March 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	4,072	–	–	4,072
Collective Investment Schemes	17,145	–	–	17,145
	21,217	–	–	21,217
Valuation technique as at 31st March 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	3,812	–	–	3,812
Collective Investment Schemes	14,622	–	–	14,622
	18,434	–	–	18,434

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

Thesis Optima Fund

Optima Income Sub-Fund

Notes to the Financial Statements

for the year ended 31st March 2020 (continued)

19. Leverage

In accordance with the AIFMD we are required to disclose the 'leverage' of the sub-fund. Leverage is defined as any method by which the sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways 'gross method' and 'commitment method' and the sub-fund must not exceed maximum exposures under both methods.

The 'commitment' method shall be the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The 'gross' method shall be the sum of the absolute value of all positions and each derivative position will be converted into the equivalent position in the underlying assets. The 'gross' method shall exclude the value of any cash and cash equivalents from the sum of the absolute value of all positions. The Manager must set maximum leverage levels and operate the sub-fund within these levels at all times.

There are two ways in which the Manager can introduce leverage to the sub-fund. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the Manager manages the sub-fund. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

The maximum gross leverage permitted in the sub-fund is 300%. The maximum commitment leverage permitted is 200%. It is expected that the Manager will operate the sub-fund well within these limits.

As at year end 31st March 2020, the total leverage in the sub-fund did not exceed 100.00% (gross 100.71%, commitment 98.49%). Given that the exposure of the sub-fund is 98.49% of NAV this means that no leverage was employed by the sub-fund.

20. Post Balance Sheet Market Events

The latest NAV per Class C Acc of 153.87p as at the close of business on 22nd July 2020 had increased on average across the unit classes by 11.99% compared to the NAV at the year end of 137.40p.

Thesis Optima Fund

Optima Income Sub-Fund

Distribution Tables

for the year ended 31st March 2020

First Interim Distribution A Inc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.7565	–	0.7565	0.8976
2	0.4647	0.2918	0.7565	0.8976

First Interim Accumulation A Acc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.1190	–	1.1190	1.2910
2	0.4053	0.7137	1.1190	1.2910

First Interim Distribution B Inc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.7523	–	0.7523	0.8976
2	0.2447	0.5076	0.7523	0.8976

First Interim Accumulation B Acc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.1134	–	1.1134	1.2831
2	0.3511	0.7623	1.1134	1.2831

Thesis Optima Fund

Optima Income Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

First Interim Distribution C Inc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	1.0605	–	1.0605	1.2527
2	0.6430	0.4175	1.0605	1.2527

First Interim Accumulation C Acc (in pence per unit)

Group 1: Units purchased prior to 1st April 2019

Group 2: Units purchased from 1st April 2019 to 30th June 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	1.1023	–	1.1023	1.2709
2	0.5954	0.5069	1.1023	1.2709

Second Interim Distribution A Inc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.5682	–	0.5682	0.5284
2	0.2687	0.2995	0.5682	0.5284

Second Interim Accumulation A Acc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	0.8472	–	0.8472	0.7695
2	0.4834	0.3638	0.8472	0.7695

Thesis Optima Fund

Optima Income Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Second Interim Distribution B Inc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.5650	–	0.5650	0.5197
2	0.3380	0.2270	0.5650	0.5197

Second Interim Accumulation B Acc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	0.8281	–	0.8281	0.7439
2	0.3376	0.4905	0.8281	0.7439

Second Interim Distribution C Inc (in pence per unit)*

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Income	Equalisation (note 14)	2019 Net Distribution Paid	2018 Net Distribution Paid
1	0.7746	–	0.7746	0.7122
2	0.7746	–	0.7746	0.7122

Second Interim Accumulation C Acc (in pence per unit)

Group 1: Units purchased prior to 1st July 2019

Group 2: Units purchased from 1st July 2019 to 30th September 2019

Group	Net Accumulation	Equalisation (note 14)	2019 Net Accumulation	2018 Net Accumulation
1	0.8104	–	0.8104	0.7314
2	0.3690	0.4414	0.8104	0.7314

Thesis Optima Fund

Optima Income Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Third Interim Distribution A Inc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.4658	–	0.4658	0.6774
2	0.0193	0.4465	0.4658	0.6774

Third Interim Accumulation A Acc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.6987	–	0.6987	0.9896
2	0.0933	0.6054	0.6987	0.9896

Third Interim Distribution B Inc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.4558	–	0.4558	0.6706
2	0.0937	0.3621	0.4558	0.6706

Third Interim Accumulation B Acc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.6767	–	0.6767	0.9784
2	0.1098	0.5669	0.6767	0.9784

Thesis Optima Fund

Optima Income Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Third Interim Distribution C Inc (in pence per unit)*

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.6242	–	0.6242	0.9323
2	0.6242	–	0.6242	0.9323

Third Interim Accumulation C Acc (in pence per unit)

Group 1: Units purchased prior to 1st October 2019

Group 2: Units purchased from 1st October 2019 to 31st December 2019

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.6573	–	0.6573	0.9616
2	0.0533	0.6040	0.6573	0.9616

Final Distribution A Inc (in pence per unit)

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Payable	2019 Net Distribution Paid
1	0.2914	–	0.2914	0.4844
2	0.0999	0.1915	0.2914	0.4844

Final Accumulation A Acc (in pence per unit)

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.4389	–	0.4389	0.7125
2	0.1981	0.2408	0.4389	0.7125

Thesis Optima Fund

Optima Income Sub-Fund

Distribution Tables

for the year ended 31st March 2020 (continued)

Final Distribution B Inc (in pence per unit)

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Payable	2019 Net Distribution Paid
1	0.2702	–	0.2702	0.4680
2	0.0292	0.2410	0.2702	0.4680

Final Accumulation B Acc (in pence per unit)

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.4041	–	0.4041	0.6863
2	0.1337	0.2704	0.4041	0.6863

Final Distribution C Inc (in pence per unit)*

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Income	Equalisation (note 14)	2020 Net Distribution Payable	2019 Net Distribution Paid
1	0.3889	–	0.3889	0.6492
2	0.3889	–	0.3889	0.6492

Final Accumulation C Acc (in pence per unit)*

Group 1: Units purchased prior to 1st January 2020

Group 2: Units purchased from 1st January 2020 to 31st March 2020

Group	Net Accumulation	Equalisation (note 14)	2020 Net Accumulation	2019 Net Accumulation
1	0.3657	–	0.3657	0.6742
2	0.3657	–	0.3657	0.6742

*There were no group 2 units for this period.



Thesis Unit Trust Management Limited
Exchange Building
St. John's Street
Chichester
West Sussex PO19 1UP
www.tutman.co.uk