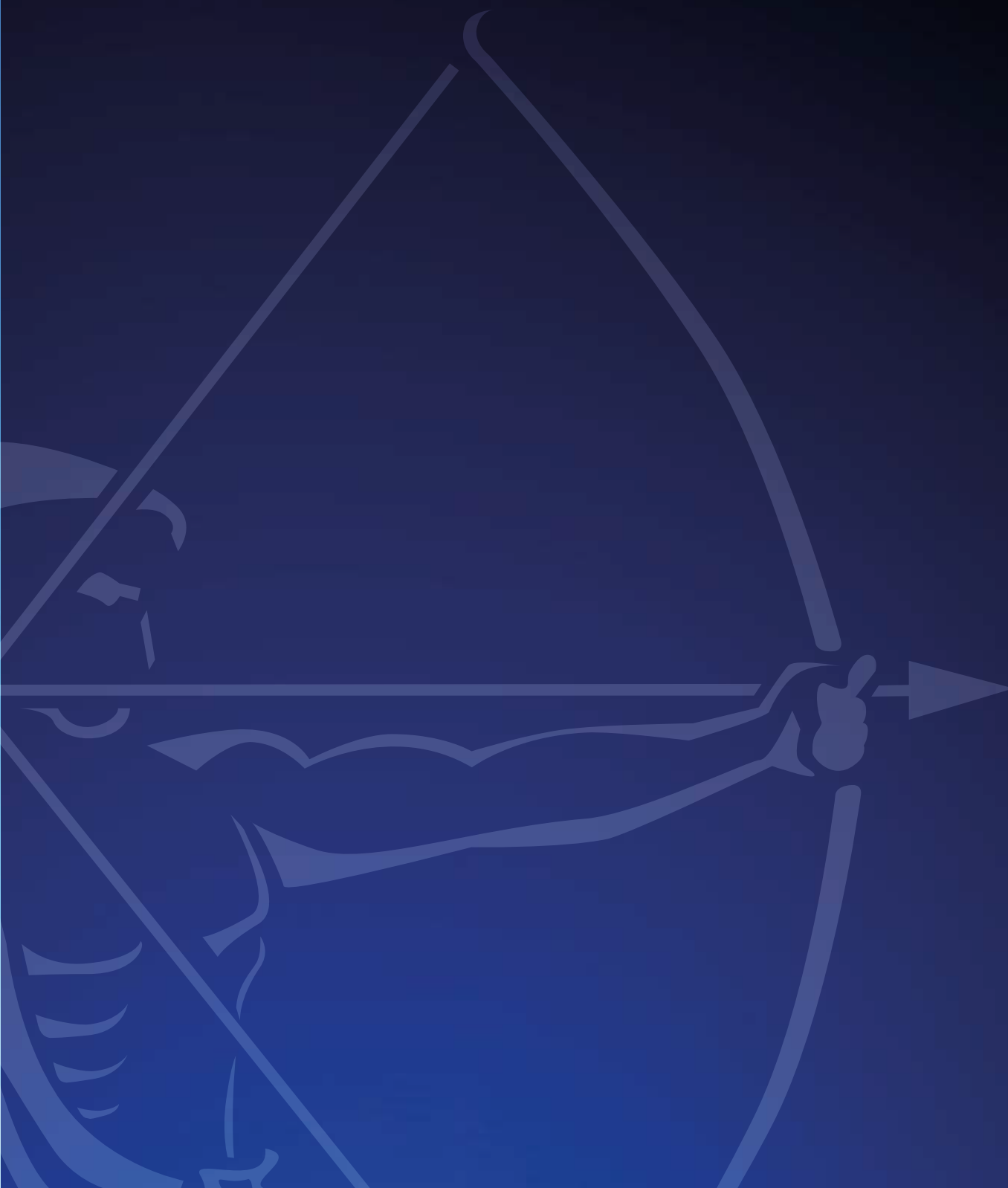


ODYSSEAN

INVESTMENT TRUST PLC



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



About Us

Odyssean Investment Trust PLC (the “Company”, the “Trust” or “OIT”) is an investment trust which is listed on the premium segment of the Official List of the FCA and admitted to trading on the premium segment of the main market for listed securities of the LSE. The Company had total net assets of £122.6m as at 31 March 2021.

The Board of the Company comprises four non-executive Directors, all of whom are independent of the portfolio manager, Odyssean Capital LLP (“Odyssean” or the “Portfolio Manager”).



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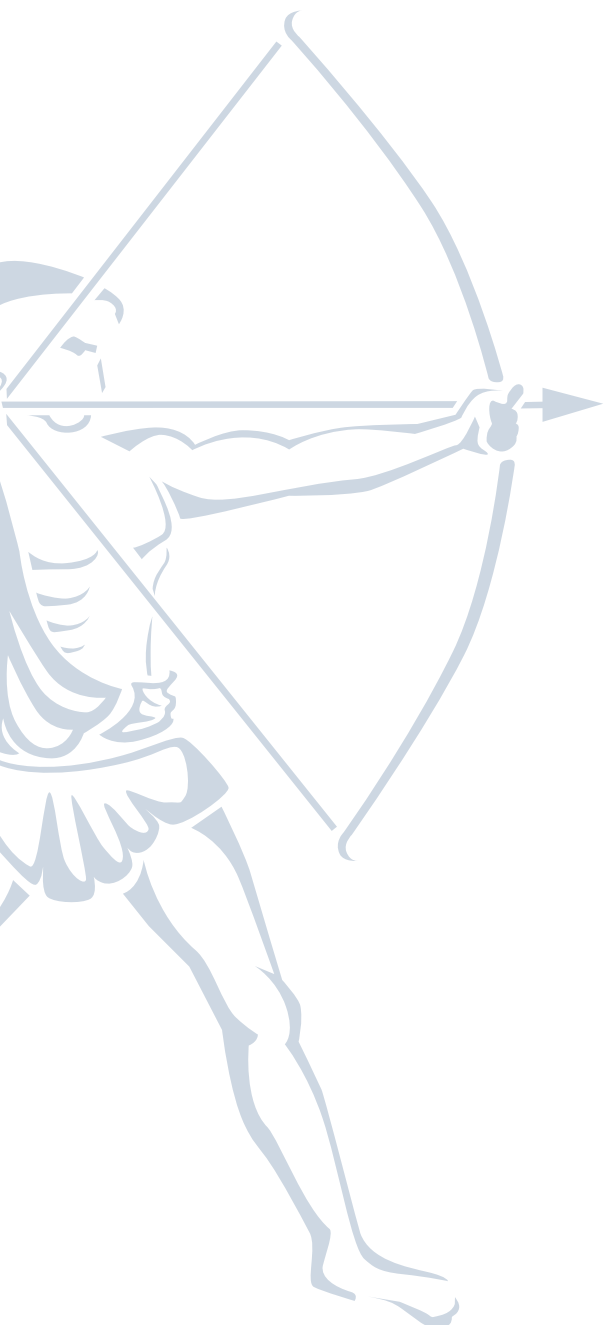
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Investment Objective



The investment objective of the Company is to achieve attractive total returns per share principally through capital growth over a long-term period.



Investment Policy

The Company primarily invests in smaller company equities quoted on markets operated by the London Stock Exchange, where the Portfolio Manager believes the securities are trading below intrinsic value and where this value can be increased through strategic, operational, management and/or financial initiatives. Where the Company owns an influencing stake, it will engage with other stakeholders to help improve value. The Company may, at times, invest in securities quoted on other recognised exchanges and/or unquoted securities.

It is expected that the majority of the Portfolio by value will be invested in companies too small to be considered for inclusion in the FTSE 250 Index, although there are no specific restrictions on the market capitalisation of issuers into which the Company may invest.

The portfolio will typically consist of up to 25 holdings, with the top 10 holdings accounting for the majority of the Company's aggregate Net Asset Value ("NAV") across a range of industries. The Company will adhere to an exclusion-based investment approach to avoid investment in companies involved in activities the Company deems unethical and/or unsustainable.

The Company may hold cash in the Portfolio from time to time to maintain investment flexibility. There is no limit on the amount of cash which may be held by the Company from time to time.

Investment restrictions

- No exposure to any investee company will exceed 15 per cent. of Net Asset Value at the time of investment.
- The Company may invest up to 20 per cent. of Gross Assets at the time of investment in unquoted securities where the issuer has its principal place of business in the UK.

- The Company may invest up to 20 per cent. of Gross Assets at the time of investment in quoted securities not traded on the London Stock Exchange.
- The Company will not invest more than 10 per cent., in aggregate, of Gross Assets at the time of investment in other listed closed-end investment funds.

Ethical and sustainability investment restrictions

The Company will not invest¹ in companies which derive any revenue from, or are engaged in:

- the production or direct distribution of pornography;
- the manufacture, production or retail of controversial weapons² (e.g. chemical, biological or nuclear weapons, cluster munitions, landmines), civilian firearms and ammunition;
- the manufacture of alcohol and tobacco products;
- the ownership or operation of gambling facilities;
- sub-prime and/or predatory lending;
- oil and gas production (both conventional and unconventional, including shale oil and gas, coal seam gas, coal bed methane, thermal coal, tar sands, Arctic onshore/offshore deepwater, shallow water and other onshore/offshore) and includes extraction and refining;
- animal experimentation or animal testing, (a) where there is a proven alternative and/or where testing is not mandated by regulation; or (b) where there is no proven alternative and/or the experimentation or testing is mandated by regulation, but where the investee company is not adhering to the "three Rs" ethics of Replacement, Reduction and Refinement.

The Company will not invest more than 10 per cent., in aggregate, of Gross Assets at the time of investment in companies involved in distributing, licensing, retailing or supplying tobacco and/or alcohol beverage products.

¹ The Company will base its analysis of an investee company's revenues and activities on publicly available information, and will exclude revenues and activities that are considered to be de-minimis, being those that represent less than 1% of the investee company's revenue.

² Controversial weapons are those that have an indiscriminate and disproportional humanitarian impact on civilian populations, the effects of which can be felt long after military conflicts have ended.



Investment Policy *(continued)*

Borrowings

The Company does not intend to incur borrowings for investment purposes, although the Company may, from time to time, utilise borrowings over the short term for working capital purposes up to 10 per cent. of Net Asset Value at the time of borrowing.

Derivatives and Hedging

The Company will not use derivatives for investment purposes. It is expected that the Company's assets will be predominantly denominated in Sterling and, as such, the Company does not intend to engage in hedging arrangements, however, the Company may do so if the Board deems it appropriate for efficient portfolio management purposes.

General

The Company will not be required to dispose of any asset or to rebalance the Portfolio as a result of a change in the respective valuations of its assets.

The Company intends to conduct its affairs so as to qualify as an investment trust for the purposes of section 1158 of the CTA 2010.

Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting and the approval of the Financial Conduct Authority. Non-material changes to the investment policy may be approved by the Board.



Financial Summary

Company performance	As at 31 March 2021	As at 31 March 2020	Change
Shareholders' funds	£122.6m	£80.1m	53.1%
NAV per share	139.3p	90.8p	53.4%
Share price per share	129.0p	90.0p	43.3%
Share price discount to NAV per share [#]	(7.4)%	(0.9)%	

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue (loss)/income per ordinary share*	(0.7)p	0.6p
Capital return/(loss) per ordinary share*	49.2p	(6.2)p
Total return/(loss) per ordinary share*	48.5p	(5.6)p

* Based on the weighted average number of shares in issue during the period.

High/low during the year ended	31 March 2021	31 March 2020
NAV		
– high	140.1p	116.5p
– low	87.0p	81.6p
Share price		
– high	135.5p	117.0p
– low	86.0p	76.0p
Share price premium/(discount) to NAV per share		
– high	6.9%	3.1%
– low	(14.5)%	(15.3)%

Performance	Year ended 31 March 2021	Year ended 31 March 2020
NAV Total Return per share [#]	53.4%	(5.7)%
NSCI ex IC plus AIM Total Return Index ^{***}	71.3%	(23.2)%

** Source: Bloomberg.

Cost of running the Company	Year ended 31 March 2021	Year ended 31 March 2020
Annualised ongoing charges [#]	1.4%	1.7%

[#] Alternative Performance Measures (see Glossary on page 91).

Past performance is not a guide to future performance.

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Strategic Report



STRATEGIC REPORT

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Chairman's Statement

Introduction

I am pleased to present the Annual Report and Financial Statements for Odyssean Investment Trust PLC ("OIT" or "the Company") covering the year from 1 April 2020 to 31 March 2021.

Performance

In a period marked by huge volatility and uncertainty, the net assets of the Company increased by £42.5m to £122.6m and represented a strong increase in net asset value per share of 53.4%. Over the same period, the NSCI ex IT plus AIM Total Return Index (the "comparator index") rose by 71.3%.

The Company has recently celebrated its third anniversary, and as such it is worth reflecting on the incredible progress that has been made in the years since its launch. From inception on 30 April 2018 to 31 March 2021, the NAV per share has grown by 41.7% – more than double the return from the comparator index. More impressively, this performance has been delivered with an average net cash position in the portfolio of 25%, demonstrating the underlying strength of the performance of the portfolio companies. I am delighted that this outperformance of our NAV over its hurdle has resulted in a performance fee of £1.825 million being payable to the Portfolio Manager. 50% of the net sum will be invested and held in our shares subject to a lock up for a period of 3 years.

From what began as an agreement that the UK Smaller Companies sector suffered some key underlying inefficiencies, has emerged a Portfolio Manager with the experience and resources to focus on generating long-term returns by applying private equity disciplines to public markets. The closed-ended structure of investment companies has delivered the semi-permanent capital needed to execute the patient investment style crucial to our success.

Since IPO, we have witnessed all 'four seasons' of market conditions and traditional style leadership has whipsawed between growth and value, at times in an incredibly dramatic fashion. With this market backdrop, the Board is delighted with the progress made since the Company's launch. The investment approach has generated pleasing absolute and relative performance through these volatile years, and has weathered an unprecedented global pandemic. Most encouragingly, the approach has proven resilient in times of extreme market stress, which has more than compensated for some lagging of the market during more exuberant times.

Knowledge forms the backbone of the investment process. It shapes how the team values companies and identifies opportunities for improved performance, as well as providing a deep understanding of the characteristics that attract buyers. It is not a surprise that the NAV growth has benefitted from the takeover of a number of portfolio companies, often at premiums in excess of 40% to the market price. In addition, the team's experience working with companies to make operational improvements gives them significant advantage in identifying opportunities where companies are operating below their potential. These 'self help' actions mean the portfolio can unlock significant potential future returns from value growth that are independent of broader market moves.

The differentiated way in which the manager has built the portfolio and delivered returns continues to provide the Board with confidence in the Portfolio Manager's investment strategy, approach, and execution.

Discount and premium management

The share price has trailed the NAV growth due to a modest increase in discount over the year closing at 7.4% and averaged 6% over the year. The widening appears to have been driven by some modest institutional selling due to a mandate change, which has taken time to be absorbed by the market. Post the period end, as this selling has abated, the discount has narrowed to low single digits.



Chairman's Statement *(continued)*

As detailed in the interim report, the Company repurchased 275,000 shares at a discount exceeding 12% in May 2020 and remains open to buying shares back again should the discount become excessive.

The appointment of Frostrow in July 2020 as a distribution partner for institutional investors, and the Portfolio Manager's appointment of a new PR agency in June 2020 to raise the Company's profile with retail investors, has helped broaden the shareholder register and improve liquidity of the shares.

With a strong three-year track record now established, there is a prospect of attracting new institutional shareholders which require this length of discreet performance history.

Dividend

The Board has not recommended a dividend and does not expect to do so in the near future, as the Portfolio Manager's style is one that focuses on uncovering long-term value. The Directors expect that returns for shareholders will be primarily driven by capital growth of the shares rather than dividend income. The Company will pay a dividend only if the need arises in order to retain investment trust status.

The Board

I would like to thank my Board colleagues for their help and support during these unprecedented times.

There were no changes to the membership of the Board during the year. In line with good corporate governance practice, an annual review of the effectiveness of the Board and its committees was performed, which is described in more detail on page 53. The Board is satisfied that each Director has the capacity to be fully engaged with the Company's business. All Directors will stand for re-election at the forthcoming AGM and the appropriate resolutions can be found in the Notice of AGM on page 93.

Portfolio Manager

Even with the extreme upheaval caused by COVID restrictions, the Portfolio Manager has continued to work effectively and has adapted well to revised working conditions. Meetings with portfolio companies and existing and prospective investors have continued to be undertaken on Zoom or Microsoft Teams. Similarly, the Portfolio Manager has hosted quarterly reviews by webinar and we are pleased to report that this has proven a

particularly effective and productive way of engaging with existing and potential shareholders.

Although at an early stage, the Portfolio Manager's initiative to increase transparency and improve disclosure of ESG reporting at its portfolio companies has started well. The Board shares the Portfolio Manager's view that, over time, improved disclosure and identification and reporting against key metrics is likely to drive improved ESG performance at portfolio companies.

The Board is also pleased to see that the Portfolio Managers continue to add to their personal holdings in the Company which provides continued alignment of interests with the Company's shareholders for the long term.

Amendments to Investment Policy

In January 2021 shareholders supported the Board's proposal to introduce additional investment restrictions to respond to growing investor focus on ethical and sustainable investments. The Portfolio Manager had managed its assets informally according to many of these restrictions since the Company launched, and as such does not believe formalising the limitations will detract from its ability to generate attractive returns. The approval of the additional restrictions provides clarity and certainty to shareholders and may also broaden the appeal of the Company to investors with a specific ethical and sustainable investment focus.

Annual General Meeting

The third AGM of the Company will take place at 12.00 noon on Wednesday, 22 September 2021. At the time of writing it is very much hoped that it will be possible to hold the AGM at the offices of Odyssean Capital LLP, 6 Stratton Street, Mayfair, London W1J 8LD. The Notice convening the AGM together with explanations of the proposed resolutions can be found on pages 93 to 102.

Articles of Association

Shareholders will note in the Notice of AGM that the Board is proposing changes to the Company's Articles of Association to enable the Directors to determine the time and place of general meetings and the manner in which they are conducted (including the ability to hold hybrid meetings). The amendments are being sought in response to challenges posed by the government restrictions on social interactions as a result of the COVID-19 pandemic,



Chairman's Statement *(continued)*

which have made it difficult or impossible for shareholders to attend physical meetings. The proposed key changes to the Articles and their effects are described in detail on pages 47 and 48 in the Directors' Report.

The Board hopes that shareholders understand why those changes are necessary and agree that attendance at an AGM partly via digital means is preferable to being forced to hold reduced meetings with limited attendance to guarantee everyone's safety. Of course, the Board still prefers to meet with shareholders in person and will only use the powers proposed in the changes to the Articles in the event of a further surge of Covid-19 or another emergency.

Amendments are also being proposed to be made to the Articles to reflect recent changes to law and regulation, including changes to the AIC Code of Corporate Governance and to permit the Company to request information from shareholders to satisfy due diligence and reporting requirements under the US Foreign Account Tax Compliance Act of 2010 ("US FATCA") or similar laws and thereby avoid adverse tax consequences which would otherwise arise under US FATCA or similar laws.

The proposed new Articles (marked to show the proposed changes) will be available for inspection on the Company's website, www.oitplc.com and at the Company's registered office and will also be available for inspection at the AGM. Should it be impossible to view the proposed new Articles at the registered office then an electronic copy can also be requested from the Company Secretary by writing to info@frostrow.com.

Outlook

The pace and progress of recovery that we are seeing is very different across various business sectors and geographies and while investors have priced in optimistic recovery scenarios in some sectors, they are more cautious in others. Alongside this, growth momentum companies, especially those quoted on AIM, have continued to see their multiples expand.

Generating sustainable long term returns from this point requires an experienced investment team. Since the Company's launch, the Portfolio Manager and its investment strategy have been proven to add value. They are adept at identifying and evaluating opportunities which have not been recognised by the market. In an investment world which is often focused on the short term, they have consistently acted as long-term investors, aided by their continued aligned interests with shareholders.

No investment strategy can outperform over every period. However, the encouraging performance since launch, the continued market inefficiencies identified in smaller companies and the skills and culture of the manager give the Board confidence in the portfolio's future. Shareholders continue to have access to a focused portfolio of companies selected for their potential to generate attractive and balanced returns, and an investment manager focused on its long-term future, supported by a closed-ended structure.

Whilst equity markets have had a strong run since the announcement of the vaccines in November 2020, the prospects for value creation amongst portfolio companies remain good. Since the period end, we have seen exceptional corporate interest in our portfolio. Elementis has received another bid approach, which has been rejected by the Board, at a value reflecting 2.5 times the cost of the Company's investment. Vectura has received a bid from the private equity group Carlyle and Spire Healthcare has received an approach from Australia's Ramsay Health Care. There are, of course, no guarantees that portfolio company M&A will continue to add value for shareholders, but with the high value added nature of portfolio companies' activities and strong market positions, the prospect for further M&A related upside appears strong.

The Portfolio Manager's skills in valuation and its quality discipline should result in sustainable capital growth for the Company and its shareholders over the medium to long term in what remains an inefficient part of the equity market.

We are very grateful for the support shown by the shareholders during what has been an unprecedented year.

Jane Tufnell
Chairman

28 May 2021

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Stuart Widdowson



Ed Wielechowski

Portfolio Manager's Report

Details of the Portfolio Manager

The Company's Portfolio Manager is Odyssean Capital LLP.

The Portfolio Manager was founded in 2017 by Stuart Widdowson and Harwood Capital Management Limited, an independently owned investment group, and is jointly owned by both parties. The Chairman of the Portfolio Manager is Ian Armitage, former CEO and Chairman of HgCapital.

The Portfolio Manager's investment team, Stuart Widdowson and Ed Wielechowski, identify and undertake research on potential investee companies as well as managing the portfolio. They draw on the experience of a three-strong Panel of Advisors, who have run and invested in multiple quoted and unquoted smaller companies. In addition, the investment team draws on the expertise and experience of Mr Armitage and Mr Christopher Mills, who sits on Odyssean's Board as a Non-Executive Director. Mr Armitage and Mr Mills have more than 87 years' combined investment experience in quoted and unquoted smaller companies.

Stuart Widdowson

Stuart has spent the last 20 years investing in public and private UK small and mid-size corporates and a further two years providing investment advisory services in the same field.

Prior to founding the Portfolio Manager, Stuart was at GVQ Investment Management ("GVQ"), where he held the position of fund manager and head of strategic investments for more than seven years. During his time at GVQ, Stuart led the transformation of the performance of Strategic Equity Capital plc ("SEC") and significantly improved shareholder value. Stuart led SEC to win several industry awards and was recognised as Fund Manager of the Year at both the PLC and QCA awards in 2015.

Stuart began his career as a strategy consultant undertaking commercial due diligence and strategy projects for private equity and corporate clients. In 2001, he joined HgCapital and spent five years working on small and mid-cap leveraged buyouts in the UK and Germany. During this time, he worked on a number of public to private transactions of UK quoted companies.

Ed Wielechowski

Ed joined the Portfolio Manager in December 2017 as a Fund Manager.

Prior to joining Odyssean, Ed was a Principal in the technology team at HgCapital. He joined HgCapital in 2006 and worked on numerous completed deals, including multiple bolt-on transactions made by portfolio companies. He has additional quoted market experience, having led the successful IPO of Manx Telecom plc in 2014, as well as having evaluated and executed public to private transactions. Ed started his career as an analyst in the UK mergers and acquisitions department of JPMorgan in 2004.



Portfolio Manager's Report *(continued)*

The investment approach

Our investment approach applies the core elements of the private equity investment philosophy – highly focused, long-term, engaged ‘ownership’ style investment – to public markets. We believe that this approach creates a portfolio unlike that of many typical public equity funds and that, well executed, can offer attractive, differentiated, risk-adjusted returns.

- **Highly concentrated portfolio:** We look to build a highly concentrated portfolio of no more than 25 investee companies where we carry out intensive diligence, only investing behind our highest conviction ideas.
- **Narrow focus:** We are focused on smaller companies typically too small for inclusion in the FTSE 250 index. We believe this market is less efficient, offering more opportunities to find mis-pricings. Further, we believe the best investment decisions are made from a base of knowledge and experience, and we will make the majority of investments in industry sectors that we and our advisors, know well (TMT, Services, Industrials and Healthcare).
- **Targeting long-term holding periods:** We will evaluate each investment opportunity over a 3 to 5-year investment horizon. We have structured our business to reflect this belief and do not intend to run any capital which is redeemable over short time periods. To think like an ‘owner’ of a business we believe your capital should behave like one too.
- **Engaged investment style:** We are engaged investors. We like investing in companies which, whilst good, are underperforming their potential and where we see the opportunity for constructive corporate engagement to unlock improved sustainable returns for all stakeholders.

The Company's investment objective is to deliver long term capital growth rather than outperform a specific index. Our differentiated investment approach, allied with our sector focus and the recently revised investment restrictions approved in January 2021, is likely to lead to periods of NAV per share performance materially different to those of the broader market. We fully anticipate this potential short-term performance variance and will focus on comparative investment performance on a rolling three-year basis.

The absolute return mentality of the strategy, allied with the desire to avoid being a forced seller, may lead to net cash balances being held over the long-term. We anticipate a core range of 5-15% over the long term. Net cash balances will not be used as an attempt to market time, but to enable us to invest where blocks of stock are available rather than being required to sell a less liquid holding on short notice.

Implementing the investment strategy

There are three key factors we look for when we analyse a potential investment;

- 1) a valuation opportunity;
- 2) in a higher-quality company; and
- 3) with improvement potential.

Our view is that buying at a fair price and supporting improved performance generates capital growth, while our quality filters mitigate losses in the event of unexpected headwinds.

Valuation

We look for two valuation factors in every investment. Firstly, what we refer to as “static valuation” – does the company trade at a discount to its current value? This is not only judged by traditional public market ratios. We also seek to model every company through the lens of a private equity buyer (of which we have considerable experience) as well as evaluating its attractiveness to strategic trade buyers.

Secondly, we are looking for companies which can grow their value over time – “dynamic valuation”. We particularly look for situations where there are multiple, independent drivers of value creation present, and where management actions can unlock these. We believe seeking multiple value drivers makes an investment case more secure and less exposed to single areas of uncertainty or misjudgement.

Quality

We assess every potential investment against qualitative and quantitative quality criteria. The quality assessment is important to mitigate the risk of permanent capital destruction from investments which fail to achieve their value potential. In our experience, higher quality companies are more likely to maintain a minimum value through difficult times and are more able to attract high calibre management teams to rectify underperformance.



Portfolio Manager's Report *(continued)*

Improvement potential and engagement

We particularly like companies that are in some way underperforming relative to their potential, and where the current valuation does not price in the potential for improvement. Once invested, constructive corporate engagement can help to unlock value. Our mantra is to buy good businesses and sell excellent businesses. The spectrum of areas which can be improved is broad and includes operating performance, asset utilisation, overly complex business structures/organisation, strategic direction, poor M&A, investor relations, and governance and pay.

ESG in our investment process

We have historically focused on evaluating and engaging on corporate governance ("G") and financial performance as part of our investment process.

In January 2021, shareholders approved a change in the investment policy of the Company to implement negative screening of certain investments, deemed unethical and or involved in activities which were deemed unsustainable. These restrictions augment our approach to corporate engagement, provide clarity and certainty to investors and largely formalise the approach we have taken since we launched.

Our partnership with the specialist ESG data provider for smaller quoted companies, announced in December 2020, has enabled us to analyse all our portfolio companies ESG performance. Many of these companies are too small to have attracted ratings from the major ESG rating agencies. As at the time of preparation, we have shared these reports with each of our portfolio companies.

This is in line with the pragmatic approach to E&S engagement given the more resource-constrained nature of smaller quoted companies. Our focus is on how boards approach sustainability, where the scope for improvement is, how progress is evaluated and how it is reported to investors. Our belief is that performing ahead of peers and market expectations on ESG should attract new shareholders, a higher rating and a lower cost of equity, all things which will drive enhanced returns and benefit the Company's shareholders.

Progress and performance in the past year

The year ending March 2021 will be remembered for the intense and continuous disruption of the COVID pandemic, and the unprecedented monetary, fiscal and

political actions taken by governments around the world to stabilise economies following the sudden impact of the virus in early 2020. It was a period of great uncertainty, yet the subsequent recovery in sentiment, and in financial markets, has been nothing short of extraordinary.

We were pleased to see the Company's NAV per share rise 53.4% in the year to March 2021, and consider this to be a strong performance. Nonetheless it compared unfavourably with the NSCI&AIM index (which we use as a comparator but not a benchmark) which rose by an astonishing 71.3%. To put these sharp moves in perspective, from 1955 to the end of December 2020, the annualised returns from the larger NSCI Index have been 14.7% per annum (source: Numis Securities).

This strong upwards trend was also reflected in AIM, which was the strongest performing index in the UK over the period. It delivered a return in excess of 82% after a very tough March 2020. At the end of March 2021, the average AIM company was trading at a forward p/e of 21.4x (source: Peel Hunt), the highest rating that AIM has traded on since 2007.

The relative 'underperformance' of the Company's NAV compared to the indices noted above across the period reflected the NAV giving back some of the exceptional relative outperformance delivered in the previous year to March 2020, much of which was generated in March 2020 itself. The strong outperformance in the prior year has more than compensated for the NAV lagging the explosive markets in the period under review.

A number of factors contributed to this performance profile, including running with a net cash balance sheet which dampens market volatility, as well as our focused investment strategy and stock selection process. We also avoided more volatile sectors (e.g. resources) and those heavily impacted by the COVID shock (e.g. discretionary consumer shares). Share prices in consumer shares were hit hard in March 2020 and recovered strongly throughout the second half of the period. However, in our view many are now pricing in a flawless recovery for calendar year 2022, and several are valued at all time high enterprise values.

An interesting facet of market performance through the period was the relative performance of different styles – with no single style factor delivering outperformance during 2020. The initial phase of the pandemic through the second quarter of 2020 saw 'growth' stocks perform strongly as investors flocked to position themselves



Portfolio Manager's Report *(continued)*

as COVID winners, while 'value' stocks relatively underperformed. However, the subsequent vaccine rally in the last five months of the year saw a rapid rotation into value while the cyclical beneficiaries of reopening, 'growth' stocks were left behind.

Throughout this see-saw between factor leadership, our investment style delivered a relatively stable and consistent performance. We are neither 'growth' nor 'value' investors. Instead we focus on delivering positive returns from each investment in excess of our IRR target, where we believe there is an attractive risk/reward trade off. Our detailed bottom-up investment process seeks out stock specific, special situations to build a substantially different portfolio to that of more style-driven investors. We believe this approach will generate strong and steady returns over the medium to long term without the style driven extremes evident during the last year.

Looking to the stock level drivers of performance, positive contributions to NAV performance were widely spread across the portfolio. The top five positive contributors were SDL/RWS, Elementis, Volution, NCC and Benchmark, all of which delivered more than 450bps each to the NAV per share growth over the period. Both SDL and Elementis attracted corporate interest from trade buyers with the other names delivering positive trading updates.

Equiniti was the only notable negative contributor to the NAV during the period. It was exited in full as detailed in the interim report.

The portfolio was on average 92% invested across the period and net cash ended the period at c.11%, having fallen as low as 2% in December 2020.

Portfolio development

Given the dramatic movements in equity markets through the year, portfolio activity was higher than would normally be expected as we looked to exploit the opportunities presented and re-position the portfolio to benefit from COVID recovery situations.

There was significant new investment throughout the year, most notably in the first half of the period. In total £40.6m was invested into stock purchases. Of this, £16.7m went into seven new positions, with the remaining £23.9m invested into existing positions where further research supported an increased weighting or where share price weakness offered an opportunity to enhance existing holdings in attractive companies with strong potential for capital growth.

Our aim with all new investments has been to remain focused on our core sectors of interest, identifying market leaders in GDP+ growth markets which offer self-help opportunities, but which will also benefit from the eventual COVID bounce-back and recovery. A prime example of this process in action is in two new material positions initiated in the period – Euromoney, a B2B information business, and private UK hospital operator Spire Healthcare. We explore the investment thesis for each in the 'Portfolio detail' section of this report.

Of the existing positions, material further investments were made in Clinigen and Elementis as further diligence built our conviction on the attractive investment cases following our initial investments into each in the previous year up to March 2020. We also made a significant further investment into Vectura, a leading developer of inhaled medicines, which was a smaller portfolio position we had held for some time. Our decision to build the holding was driven by favourable news flow on a key new product launch, the beneficial result of a material patent litigation and our positive view on recent management change and strategic repositioning of the business. These items saw limited reflection in the share price but in our view have materially improved the risk/reward profile of the shares.

As a result of this investment activity, healthcare has become the largest sector exposure of the portfolio, reflecting the variety of special situations we have found in this sector which we feel have been somewhat left behind as the market focused on specific COVID beneficiaries.

Through the period we realised £48.8m from stock sales, with nine positions fully exited raising £21.7m as we actively pruned back the portfolio and recycled capital into our most attractive ideas. The majority of exited positions were smaller names in the portfolio which had delivered ahead of expectations. The largest single position exited was that of Equiniti which returned £6.3m. Unfortunately, as flagged at the interim results, this realisation was below cost.

In terms of corporate activity in the portfolio, the key event during the period was the late August announcement of an all share bid for SDL from listed peer RWS. SDL was the largest position in the portfolio at the time, and as a result of the bid we inherited a position in RWS – a business significantly above the market cap range where we typically focus. We view the combination of RWS and SDL as commercially sensible but have looked to reduce our exposure to RWS at appropriate valuations, given its




Portfolio Manager's Report *(continued)*

position beyond our core remit. The approach for SDL further validates our investment approach and focus on identifying good businesses which can do better, and which are covetable to acquirers. Through our hold period SDL identified and initiated a significant self-help program driving improved efficiency, as well as significantly refreshing its market leading technology offering. It is this combination of a clear path for delivery of improving margins alongside an evidenced tech roadmap which made SDL an attractive asset for RWS.

We have continued to actively engage with the portfolio where appropriate in order to drive value and are pleased to see progress being made. As highlighted in announcements through the year, we have seen increasing opportunity to use ESG as a further engagement area. ESG is high up the priority list of small cap boards, but we observe significant confusion as to how best to disclose and report on this issue to shareholders, particularly given the lack of standardisation and the plethora of rating agencies available. Our approach, benefitting from the support of an external consultant, has been to review each company in our portfolio in order to give a holistic view of company performance against a range of the leading rating agencies' criteria. This single view has been well received when shared with management and we are pleased by the level of engagement this has started. We are hopeful that it will support a path of improved ESG disclosure, and ultimately behaviours, across the portfolio.

Portfolio detail

At the end of the period under review, the portfolio comprised 17 companies, the largest positions being **Elementis**, **RWS**, and **Clinigen**. Backgrounds to our investment thesis for each company have been detailed in our prior reports and key updates through the period are detailed below:

ELEMENTIS	Elementis is a leading producer of specialty chemicals focused on personal care, talc and coatings markets.	% NAV: 11% Sector: Industrials
<i>Performance in period</i> Elementis trading was impacted by COVID through the period but showed sequential demand improvement through the year as the impact of the lock downs eased. Pleasingly, despite the impact of the pandemic, the group delivered on targeted self-help cost savings, identified further opportunities to come and managed to drive de-leverage as expected. These key underpinnings of our investment case appear well supported. Late 2020 saw a series of bid approaches by trade acquiror Mineral Technologies Inc, the final bid at 130p per share. We viewed these approaches as opportunistic and significantly below fair value of the business. We were pleased to engage with management in their rejection of this offer. <i>Outlook</i> Despite a strong performance for shares over the past 12 months, we continue to see significant value to come from Elementis. On the demand side, 2021 and 2022 should see a normalisation of COVID headwinds, but beyond this we are also buoyed by the actions of management to invest in focused new product development targeting \$100m of annualised new sales in the coming years. Management have identified further cost saving actions which would seemingly deliver their mid-term target of 17% margins before any further benefit of new revenue growth is delivered – we see upside beyond this. Combine these opportunities with strong cash generation and unique high-quality mineral assets underpinning value and there are multiple levers to future value growth.		
	A global leader in the provision of content translation services, it also develops and sells a range of software products that support the content translation workflow for linguists and enterprises.	% NAV: 10% Sector: TMT



Portfolio Manager's Report *(continued)*

Performance in period

We inherited our shares in RWS following the all share take-over of SDL in August 2020. We see significant commercial logic to the combination; firstly it creates a clear global leader in translation services – a market where customers are increasingly shifting demand to larger, more trusted partners; secondly SDL's best in class technology products can be cross sold to RWS customers; and finally we also see significant cost synergies to be delivered from the combination, materially above those publicly identified at the time of the deal.

Post announcement of the transaction the two businesses have traded broadly in-line with expectations, some COVID impact on client activity has seen revenue growth slow, but crucially integration of the two businesses remains on track.

Outlook

The size of RWS means it is not within our core area of investment focus, and we have looked to reduce our holding at attractive prices. Going forward we believe there is significant opportunity for the group as the full scope of synergies from the SDL transaction are delivered, end customer demand recovers from COVID and management look to further bolt-on M&A in the still highly fragmented, growing market.



Clinigen provides a range of services to the pharmaceutical market, focused on ensuring that hard to access medicines reach the right patients at the right time. The group supports distribution of unlicensed medicines into smaller or hard to access markets, supports commercialisation of licensed products globally and supports clinical trials.

% NAV: 10%
Sector: Healthcare

Performance in period

Clinigen saw some COVID headwinds during the period as cancer treatments and clinical trials slowed. These headwinds reduced through the year as lockdowns eased. Through the pandemic-impacted period the group continued to make progress with good new business wins (including material wins for COVID vaccine storage and distribution) and strong operational cash generation. Pleasingly the group is also showing early signs of progress around revitalisation of the key recently acquired products – with supply of Erwinase into the UK starting ahead of schedule and positive news on demand for Proleukin for use in ongoing clinical trials.

Outlook

We remain excited about Clinigen's prospects and see them as undervalued at current share prices. The group has strong positions in secular growth markets well placed to drive revenues at 5%-10% p.a., with break out potential from both the Proleukin and Erwinase products scaling more rapidly than expected. Cash generation should be strong in the coming years, rapidly bringing down the currently high leverage levels, and management appear more focused on delivering the benefits from historic acquisition with the recent appointment of a new COO. A weak US Dollar represents a potential FX headwind in the near term, but we expect material earnings growth in the coming years.

We have seven mid-sized investments in [Flowtech](#), [Chemring](#), [Benchmark](#), [Vectura](#), [Wilmington](#), [Spire](#), and [Euromoney](#). Spire is a new position, built during the past six months. Our investment thesis is detailed below. The investment cases for the other names have been described in prior reports (Euromoney thesis set out in the prior interim report).



Leading UK distributor of hydraulic and pneumatic components.

% NAV: 7%
Sector: Services



Portfolio Manager's Report *(continued)*

Performance in period

Flowtech is one of the more cyclically-exposed companies in our portfolio and as a result saw a material drop off in demand as COVID struck. Pleasingly, the business managed to trade through the worst of the pandemic whilst maintaining a full service to its customers and remaining cash generative in all months. We believe this strong performance allowed the group to marginally gain share through the period.

The group managed to continue to deliver on its operational improvement programme through the crisis with significant cost savings delivered and further cash recovered from working capital, this supported the group in driving down debt through the period despite the lock down headwinds.

Outlook

Flowtech has gone through significant change in recent periods, with a strengthening of the board, increased focus on delivering cost benefits from legacy M&A, improved investor disclosure and the identification of significant digital channel revenue opportunities.

Although COVID has been a serious headwind, we see these issues now receding and the group is well placed to bounce back should the UK stage a strong recovery. In this instance the stronger operational platform the group is building stands it in good stead to deliver improved profitability, and opportunities in digital channels offer the opportunity to accelerate growth and build share.



Chemring produces countermeasures for aircraft, sophisticated sensor products, and energetic devices including rocket components and provides contracted R&D for governments – primarily serving the defence sector.

**% NAV: 7%
Sector: Industrials**

Performance in period

Chemring's focus on defence end markets left it well insulated from the pandemic and the group delivered a strong performance through the period supporting our investment case and demonstrating the improving quality of the business.



The Countermeasures & Energetics division saw strong performance as the Salisbury and Australia facilities returned to full production (following a site explosion and capex investment respectively). F-35 demand continues to be a strong tail wind for the division as this new platform starts its multi-year roll out. The Sensors division saw strong progress with sales from the initial large US DoD programme of record ('HMDS') delivering continuing volume and the specialised cyber/electronic warfare consultancy Roke delivering double digit growth.

Outlook

We see the performance of the group through the period as representative of the significant progress they have made in recent years to build a higher quality business. We see more to come from here, as increased investment in F-35 capacity comes through, and Roke looks to expand further having won its first US contract in 2020. With order books strong, and key further large US sensor contract decision points in late 2021 there are significant opportunities to look forward to.



Portfolio Manager's Report *(continued)*

 Benchmark Holdings	Benchmark has leading positions in key parts of the growing global aquaculture market. The group is a leading provider of genetics services to the salmon market, production of early stage nutrition products primarily for the shrimp market and a developer of health products for the salmon market.	% NAV: 6% Sector: Healthcare
<i>Performance in period</i>		
<p>Benchmark has had a very busy period with significant progress made against many of the areas that underpinned our investment case.</p>		
<p>Significant streamlining of the business was delivered with nine disposals of non-core, operations realising £44m of proceeds. Other loss-making activities were also shut down. Together these actions have focused the group down to its core competencies around aquaculture genetics, health and early stage nutrition. Alongside these actions management have re-shaped the cost structure of the business offering a clear path to profitability.</p>		
<p>Against this positive news, COVID was a headwind through the period with the shrimp industry significantly impacted by reduced demand for their products from the hospitality sector.</p>		
<i>Outlook</i>		
<p>Although some COVID headwinds are likely to remain in the near term, we see Benchmark at an exciting time in its development. We believe the recent actions taken to simplify the business and reduce costs are delivering returns and that the new management team are taking the group in the right direction. In the near term, we see approval of the key BMK08/Cleantreat salmon sea lice treatment as the major potential positive for the business. This product has the potential to significantly change the financial shape of the group and will in turn be a key driver of the next leg of the equity story.</p>		
 VECTURA	A leading developer of inhaled pharmaceuticals.	% NAV: 6% Sector: Healthcare
<i>Performance in period</i>		
<p>We significantly increased our position in Vectura during the period primarily driven by the two key pieces of news which we felt materially improved the risk/reward profile of the equity story.</p>		
<p>Firstly, the group finally received FDA approval for its generic version of GSK's Advair product (V315). This crystallised a material milestone payment from its development partner and adds a further revenue stream to the group with royalties likely to start immediately and subsequently growing to potentially material size. Secondly, the group announced a positive court ruling on its long running patent litigation against GSK with the outcome that Vectura should receive c.\$200m in historic underpaid royalties at some point in FY21. The majority of this is to be returned to shareholders. Finally we are positive on the progress in the period of the new management team's actions to pivot the group from speculative R&D development towards a more CDMO* services focused model, this should fundamentally de-risk the profile of the group whilst still capitalising on its unique, industry leading IP and knowhow.</p>		
<i>Outlook</i>		
<p>We continue to see significant value in Vectura. The group offers an attractive mix of stable cash generation from already in market products, a strong balance sheet supportive of M&A and the potential for accelerating growth as the new CDMO strategy delivers. We see the unique IP of the group and its market position as highly valuable to the right acquiror.</p>		
<p>*CDMO = Contract Development and Manufacturing Organisation</p>		

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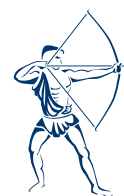
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Portfolio Manager's Report *(continued)*

Wilmington plc	B2B information, training and media provider focused on the compliance, healthcare and professional business markets.	% NAV: 5% Sector: TMT
<p><i>Performance in period</i></p> <p>Wilmington benefitted from a strong and stable performance from its core data and information businesses through the COVID impacted period even as its in-person training and events businesses were put on hold by lockdowns. Importantly, the group used the enforced shift to remote working to accelerate its long-planned move to digital provision of its training services, we believe allowing the group to gain share and emerge from the pandemic stronger than when it went in. Despite the headwinds, Wilmington continued to deleverage through the period and with the new management having reviewed existing business operations and identified those that are non-core, further M&A is now back on the agenda.</p>		
<p><i>Outlook</i></p> <p>We believe that Wilmington will benefit from the changes to its end markets that COVID has accelerated. Significant digital investment by the new management team put in place the platform to deliver content online, and drive an improved sales process. These investments will bear further fruits alongside the more obvious benefits of the return of in person events as economies reopen. The robustness of the group's business model, with significant subscription revenue, and the opportunity coming from the increased shift to digital appear well placed to drive value from here.</p>		
<p>New Position</p>  <p>Spire Healthcare</p>	<p>Leading UK operator of private hospitals, serving NHS and private pay patients</p>	<p>% NAV: 5% Sector: Healthcare</p>
<p>Spire Healthcare is the leading UK operator of private hospitals (by revenue) with 39 locations across the UK and market leading care quality ratings. The group generates revenue from a balanced mix of NHS, private insured and self-pay patients. We think the business is well placed to benefit from a COVID recovery and self-help actions under a new, high quality management team.</p> <p>The group (and the whole private hospital sector) saw significant disruption from the initial COVID lockdown, with the NHS effectively commandeering all private hospital capacity in the UK to manage demand. In return, the sector saw their costs covered by the NHS – effectively putting the sector into 'deep freeze'. Spire is poised to see significant benefit coming out of the pandemic as these activities return, and the NHS has already started releasing private hospital capacity.</p> <p>Covid has driven a significant back log in demand for elective medical procedures – NHS waiting lists are estimated to have grown to 10m+ procedures, alongside significant build up in self-paid and insured demand as people avoided hospitals through the initial phases of the pandemic. This back log will need to be processed, with NHS waiting list clearance in particular likely to increase demand for private sector capacity to drive down this politically sensitive number. It is also likely that local NHS trusts will be able to access central funding rather than use their own budgets to utilise the private sector to reduce the backlog, removing a significant barrier to uptake. The expected increased level of demand working through the system will be a multi-year positive story for Spire allowing more efficient utilisation of its well invested estate, and crucially increased visibility, allowing improved efficiency of staffing rotas.</p> <p>On top of this, we are impressed by the significant scope for self-help under the recently installed management team at the group. The private healthcare sector is a laggard in the use of digital technologies to streamline its business, something which the pandemic has forced to change. Spire's new management team have identified significant opportunities from digital efficiencies with initial successes in rolling out online pre-assessment of patients, reducing nursing time focused on this largely administrative task. Further opportunities to digitise the patient journey exist as well as accelerating private customer acquisition through use of digital channels.</p> <p>Our initial purchases of Spire were made at a significant discount to tangible book value, which is well supported by free hold property.</p>		



Portfolio Manager's Report *(continued)*

Euromoney Institutional Investor PLC	Global B2B information business providing data, pricing information and insight to the asset management, commodities and a range of financial services markets.	% NAV: 5% Sector: TMT
<p><i>Performance in period</i></p> <p>Similar to Wilmington, Euromoney saw trading through the period impacted by COVID restricting in-person events but below this were a number of positive underlying trends. Full year performance came in ahead of COVID reduced expectations. The group demonstrated the robustness of its business model with subscription revenues delivering growth supported by strong performance in the Pricing and DMI divisions. The group also made good progress in offsetting the decline in physical events by monetising virtual events where possible</p> <p>On an operational level the group continued to see improving momentum in its Asset Management division, indicative that the turnaround of this business is gathering momentum. Through the pandemic management acted quickly to deliver £15m of operational cost savings, alongside further savings to come which offers significant scope to reinvest in areas to drive incremental growth. These developments continue to support our investment thesis.</p> <p><i>Outlook</i></p> <p>We continue to believe Euromoney is an exciting investment proposition with multiple value growth drivers and a downside protected by the robustness of the business and a net cash balance sheet.</p> <p>The group is well positioned to see a COVID recovery as in person events return, but also has further growth opportunities as it sees benefits from management's investment into improving the technology platforms underlying its unique data assets. We also see further opportunities to reduce costs in what was a business run in a highly silo'd nature historically.</p> <p>Finally, we see the current share price as a discount to a sum of the parts value, with the value of the high growth, high quality market data business underestimated in particular. We note that significant PE activity in the B2B media space offers an obvious solution should listed markets fail to reflect the true value of the underlying assets.</p>		

The remaining seven investments represent between c.1% and 4% of NAV each. These are spread across our core focus sectors and all offer scope to scale, subject to further due diligence and pricing remaining attractive.

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Portfolio Manager's Report *(continued)*

Outlook

The beginning of the new financial year has started in a similar vein to when OIT launched in May 2018. Whilst there is a prevailing narrative of UK equity markets being inexpensive compared with global equities, this view seems to stem more from large swathes of the FTSE 100 being unloved and lowly rated – namely resource and financial companies – rather than any accurate perception of the wider market, particularly in the small cap space.

In reality, many quoted UK companies are trading at high ratings, either driven by perceived safety, a generous rating for assumed growth, or where the market is pricing in recovered earnings potential rather than the current earnings level. There is limited room for disappointment in these ratings. It seems that with Brexit resolved and the apparent success of the vaccination programme, UK equities may well be off the “naughty step” with international investors.

As we enter the next period for OIT, three big issues are on investors' minds. Namely, capturing the COVID recovery, concerns over inflation, and the battle between growth and value.

On the first issue, we note that unlike a “normal” recession, the COVID pandemic has negatively impacted not just cyclical companies but also non-cyclical companies, due to the physical inability to trade. Recovery in sectors impacted by COVID is proving to be asymmetric, determined by the progressive staged lifting of lockdown restrictions. We believe that many consumer and leisure companies appear to be pricing in a full recovery already in 2022 based almost solely on the “reopening” trade. However, in our view these companies have limited opportunity to improve their financial performance in a sustainable way over the long term. Whilst some may return to rolling out new units, taking advantage of vacant space, with the cost of borrowing remaining so low. These situations are not a focus for us.

Instead, we are specifically seeking out situations outside the consumer sector, where earnings recovery is not just driven by sales but is also augmented by self-help. Self-help initiatives can include measures to improve efficiency, as well as targeted incremental sales growth, and the benefits to investors are two-fold. Firstly, it creates incremental earnings growth over and above the COVID recovery. Secondly, if the wider recovery stalls, self-help will ensure that previous peak earnings have the potential to be achieved sooner than previous peak sales.

On the second concern, there is much commentary about whether the macroeconomic policies of many governments are deliberately positioned to create higher inflation to inflate away the excess debts which have been exacerbated by the pandemic. Our belief is that despite the prospect of heightened inflation, companies with strong business models, enjoying higher margins and market leading positions have better prospects of maintaining and growing their profits in real terms than lower margin companies with limited competitive advantage and poor business models. In addition, companies which are well invested, capex light and backed by other long term fixed assets such as property, should perform better than companies which are underinvested and/or require considerable capex to “stand still”.

Many of the latter companies are also highly dependent on commodity prices and their prospects rely on their ability to pass input prices on. Where their value add is limited, as reflected by low margins and ROCE, their business models are at risk from rising inflation. We will continue to avoid these companies as well as contracting companies which tie up considerable assets in working capital.

We do however remain open to investing in companies with more than 1.5x net debt/EBITDA, where there is clear asset backing (fixed or IP), as provided the debt is reasonable, able to be serviced/refinanced and paid down by free cashflow, some indebtedness in periods of inflation can create considerable equity value.

Finally, there is much debate about the performance of growth vs value investment styles, and which is ideally placed to lead the market over the short, medium and long term. We regard ourselves as neither traditional growth nor value investors and have built a portfolio that aims to avoid the impact of extreme swings between the two styles. We are looking for multiple drivers of capital increase in our portfolio companies during our period of ownership, leading to a balanced return, not just reliant on sales-driven earnings growth. Likewise, we are not interested in “cheap” stocks with problems, instead looking to pay below our view of the intrinsic value for higher quality companies.

Moreover, we will sell down and exit positions in portfolio companies when their market value exceeds our view of their intrinsic value and their likely value as a takeover target to a trade buyer. Maintaining this discipline of pegging intrinsic value to a takeover valuation, and selling as our opinion of fair value is exceeded is critical, in our view, to delivering attractive returns.



Portfolio Manager's Report *(continued)*

During a period when valuations are generous, as has been the case most recently, valuation discipline is all the more important. Over the long term we have found it is preferable to be patient to wait for the right investment opportunity at the right price, rather than compromise on our return targets. In our experience the path of recovery can be uncertain and often takes longer than expected, whilst valuations often experience a trough of disillusionment after an initial wave of hope. Many recovery stocks in our universe are trading at multiples which imply that expectations are exuberant, and we are content to wait for a period that can provide more interesting risk/reward investment opportunities.

We are fortunate to manage an unconstrained mandate which is not benchmarked and provides us the opportunity to wait patiently for compelling investments. The closed-ended structure allows us to invest in a highly concentrated portfolio of less liquid companies, enabling us to select a small number of investments each year which we believe offer an attractive risk/reward balance. As we cross the third anniversary of the launch of the Company we continue to be optimistic for the future potential of the portfolio as well as our ability to find and execute attractive new investments with the potential for superior long-term growth.

Stuart Widdowson | Ed Wielechowski
Odyssean Capital LLP

28 May 2021

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Portfolio of Investments

as at 31 March 2021

Company	Sector	Country of Listing	Cost £'000	Valuation £'000	% of Net Assets
Elementis	Industrials	UK	6,692	13,052	10.7
RWS Holdings	TMT	UK	7,645	12,180	9.9
Clinigen Group	Healthcare	UK	9,377	11,632	9.5
Flowtech Fluidpower	Business Services	UK	9,349	8,987	7.3
Chemring Group	Industrials	UK	6,157	7,980	6.5
Vectura Group	Healthcare	UK	6,819	7,514	6.1
Benchmark Holdings	Healthcare	UK	6,369	7,411	6.1
Wilmington	TMT	UK	4,762	6,187	5.0
Spire Healthcare Group	Healthcare	UK	4,352	5,906	4.8
Euromoney Institutional Investor	TMT	UK	5,243	5,724	4.7
Top ten equity investments			66,765	86,573	70.6
Other equity investments*			17,133	22,686	18.5
Total equity investments			83,898	109,259	89.1
Cash and other net current assets				13,301	10.9
Net assets				122,560	100.0

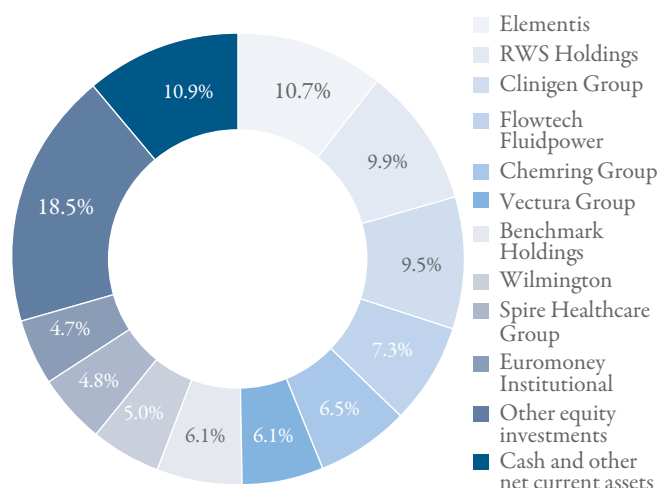
* Other equity investments include seven investments, each representing between c.1% and 4% of NAV. These are spread across our core focus sectors and all offer scope to scale, subject to further due diligence and pricing remaining attractive.



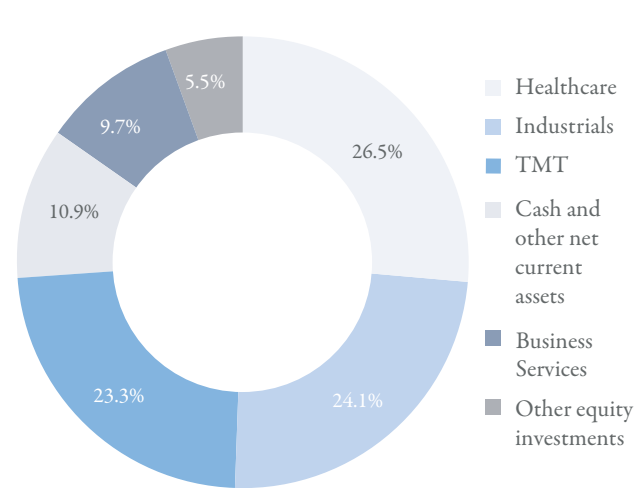
Distribution of Investments

as at 31 March 2021 (% of net assets)

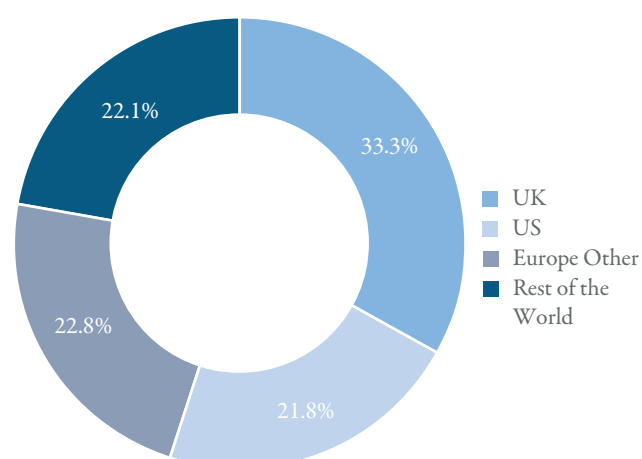
Portfolio holdings



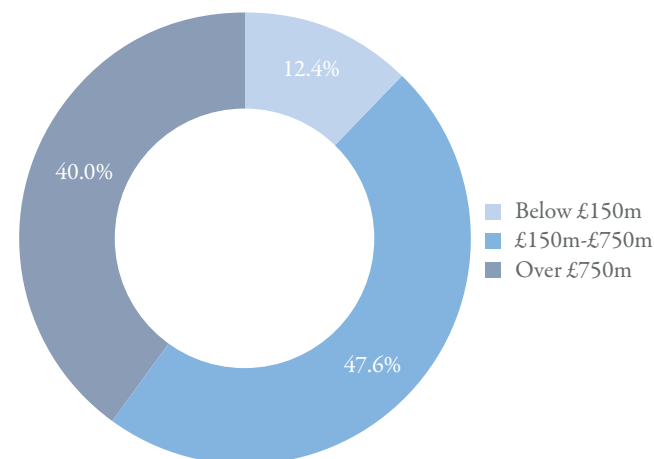
% holding by sector



Geographical revenue exposure (% of invested capital)



Market capitalisation (% of invested capital)



As at 31 March 2021, the net assets of the Company were £122.6 m.



Business Review

The Strategic Report, set out on pages 6 to 41, contains a review of the Company's business model and strategy, an analysis of its performance during the financial year ended 31 March 2021 and its future developments and details of the principal risks and challenges it faces. In particular, the Chairman's Statement on pages 7 to 9 and the Portfolio Manager's Report on pages 10 to 21 concentrate on the outlook for the current year and the factors likely to affect the position of the business. The Strategic Report has been prepared solely to provide information to shareholders to enable them to assess how the Directors have performed their duty to promote the success of the Company.

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Further information on how the Directors have discharged their duty under Section 172 of the Companies Act 2006 can be found on pages 25 to 29.

Business model

Status of the Company

The Company was incorporated on 21 December 2017 and the IPO took place on 1 May 2018. It is registered in England and Wales as a public limited company and is an investment company within the terms of section 833 of the Companies Act 2006. The principal activity of the Company is to carry on business as an investment trust. The Company has been approved by HM Revenue & Customs as an authorised investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010, subject to there being no subsequent serious breaches of regulations. In the opinion of the Directors, the Company is directing its affairs so as to enable it to continue to qualify for such approval.

The Company's shares have a listing on the premium segment of the Official List of the FCA and trade on the LSE's main market for listed securities.

The Company is a member of the AIC, a trade body which promotes investment companies and also develops best practice for its members.

Purpose

The purpose of the Company is to achieve predominantly capital growth in our shareholders' wealth over time. It aims to achieve this by using its closed-ended structure to invest in a concentrated number of less liquid, higher-quality smaller quoted companies, which the Portfolio Manager believes are undervalued and could be generating higher returns for their shareholders. The long-term nature of the Company's capital enables the Portfolio Manager to undertake constructive corporate engagement with the underlying portfolio companies and their stakeholders, on financial and operating performance, strategy and sustainability, specifically ESG practices.

Sustainable improvement in a smaller quoted company's financial and operational performance, and ESG practices, not only benefit the shareholders of the Company, but also the shareholders and stakeholders in the underlying portfolio companies.

Investment objective

The investment objective of the Company is to achieve attractive total returns per share principally through capital growth over a long-term period.

Investment policy

The Company's full investment policy is set out on pages 3 and 4 and contains information on the policies which the Company follows, including in relation to borrowings, derivatives and hedging. The Company invests primarily in smaller company equities quoted on markets operated by the LSE, where the Portfolio Manager believes the securities are trading below intrinsic value and where this value can be increased through strategic, operational, management and/or financial initiatives.

Any material change to the Company's investment policy would require the approval of shareholders by way of an ordinary resolution at a general meeting and the approval of the FCA. Non-material changes to the investment policy may be approved by the Board.

During the year under review, at a General Meeting held on 11 January 2021, shareholders approved changes to the investment policy to restrict investment in certain sectors or businesses that the Board, as advised by the Portfolio Manager, deems unethical and/or unsustainable. The Board was pleased to see that 99.93% of all shareholders who cast their vote at the General Meeting, agreed with the proposed changes.



Business Review *(continued)*

Portfolio analysis

A detailed review of how the Company's assets have been invested is contained in the Chairman's Statement on pages 7 to 9 and the Portfolio Manager's Report on pages 10 to 21. A list of all the Company's investments is contained in the Portfolio of Investments on page 22.

Section 172 statement

Overview

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006. In doing so, Directors must take into consideration the interests of the various stakeholders of the Company, the impact the Company has on the community and the environment, take a long-term view on consequences of the decisions they make as well as aim to maintaining a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty naturally supports the Company in achieving its investment objective and helps to ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains how the Directors have discharged their duty under Section 172 below.

To ensure that the Directors are aware of, and understand, their duties they are provided with the pertinent information when they first join the Board as well as receive regular and ongoing updates and training on the relevant matters. Induction and access to training is provided for new Directors. They also have continued access to the advice and services of the Company Secretary, and when deemed necessary, the Directors can seek independent professional advice. The schedule of Matters Reserved for the Board, as well as the Terms of Reference of its committees are reviewed on an annual basis and further describe Directors' responsibilities and obligations and include any statutory and regulatory duties. The Audit Committee has the responsibility for the ongoing review of the Company's risk management systems and internal controls and, to the extent that they are applicable, risks related to the matters set out in Section 172 are included in the Company's risk register and are subject to periodic and regular reviews and monitoring.

Stakeholders

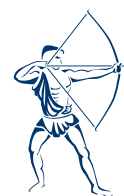
A company's stakeholders are normally considered to comprise of its shareholders, its employees, its customers, its suppliers as well as the wider community in which the company operates and impacts. The Company is different in that as an investment trust it has no employees and, significantly, its customers are synonymous with its shareholders. In terms of suppliers, the Company receives professional services from a number of different providers, principal among them being the Portfolio Manager. The Board believes that the wider community in which the Company operates encompasses its portfolio of investee companies and the communities in which they operate.

As the Company is an externally managed investment company and does not have any employees or customers, its key stakeholders comprise its shareholders, its portfolio companies and its service providers, primarily the Portfolio Manager. Details of how the Board considers the needs and priorities of the Company's stakeholders and how these are taken into account during all its discussions and as part of its decision-making are detailed below. All discussions involve careful considerations of the longer-term consequences of any decisions and their implications for stakeholders.



Business Review *(continued)*

Stakeholder	Board Engagement
Shareholders	<p>The Board is committed to maintaining open channels of communication and to engage with shareholders in a manner which they find most meaningful, in order to gain an understanding of the views of shareholders. These include:</p> <ul style="list-style-type: none">– Annual General Meeting – The Company welcomes and encourages attendance, voting and participation from shareholders at the AGM, during which the Directors and the Portfolio Manager are available to discuss issues affecting the Company and answer any questions. The Portfolio Manager provides a presentation at the AGM on the Company's performance and its future outlook. The Company values any feedback and questions it may receive from shareholders ahead of and during the AGM. Whilst at the AGM held in September 2020 normal shareholder attendance was not possible due to Covid-19 restrictions, a webinar was held following the formal proceedings of the AGM during which the Portfolio Manager provided an update on the Company and shareholders' questions sent in prior to the AGM were answered;– Publications – The Annual and Interim Reports of the Company are made available on its website and the Annual Report is circulated to shareholders. These reports provide shareholders with a clear understanding of the Company's portfolio and financial position. This information is supplemented by a monthly factsheet and regular presentations which are available on the website. Feedback and/or questions the Company receives from the shareholders help the Company evolve its reporting, aiming to render the reports and updates transparent and understandable;– Shareholder meetings – The Portfolio Manager and the Company's Broker are in regular contact with major shareholders. The Chairman and the other Directors are available to meet with shareholders to understand their views on governance and the Company's performance where they wish to do so. Furthermore, on 13 July 2020, the Board appointed Frostrow Capital LLP ("Frostrow") as Company Secretary, Administration Manager and Marketing Specialist. Shareholders are able to meet with the Portfolio Manager and with Frostrow throughout the year. The results from all meetings between the Portfolio Manager, Frostrow, the Broker and shareholders, and the views of the shareholders are reported to the Board on a regular basis;– Shareholder concerns – In the event shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman. Other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels. Shareholders wishing to communicate directly with the Board should contact the Company Secretary at the registered office address on page 103; and– Investor relations updates – At every Board meeting, the Directors receive updates from the Company's Broker on the share trading activity, share price performance and any shareholders' feedback, as well as updates from the Portfolio Manager and from Frostrow. To gain a deeper understanding of the views of its shareholders and potential investors, the Portfolio Manager and Frostrow also meet regularly with shareholders. Any pertinent feedback is taken into account when Directors discuss the share capital and any possible fundraisings. The willingness of the shareholders, including the partners and staff of the Portfolio Manager, to maintain their holdings over the long-term period is another way for the Board to gauge how the Company is meeting its objectives and suggests a presence of a healthy corporate culture.



Business Review *(continued)*

Stakeholder	Board Engagement
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The Portfolio Manager

The Portfolio Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective to provide shareholders with attractive total return over a long-term period.

The management of the Company's portfolio is delegated to the Portfolio Manager, which manages the assets in accordance with the Company's objectives and policies. At each Board meeting, representatives from the Portfolio Manager are in attendance to present reports to the Directors covering the Company's current and future activities, portfolio of assets and its investment performance over the preceding period.

Maintaining a close and constructive working relationship with the Portfolio Manager is crucial as the Board and Odyssean both aim to continue to achieve consistent, long-term returns in line with its investment objective. Important components in the collaboration with the Portfolio Manager, representative of the Company's culture, are:

- Operating in a fully supportive, co-operative and open environment and maintaining ongoing communication with the Board between formal meetings;
- Encouraging open discussion with the Portfolio Manager, allowing time and space for original and innovative thinking;
- Recognising that the interests of shareholders and the Portfolio Manager are for the most part well aligned, adopting a tone of constructive challenge, balanced with robust negotiation of the Portfolio Manager's terms of engagement if those interests should not be fully united;
- Drawing on Board members' individual experience and knowledge to support the Portfolio Manager in its monitoring of and engagement with portfolio companies; and
- Willingness to make the Board members' experience available to support the Portfolio Manager in the sound long-term development of its business and resources, recognising that the long-term health of the Portfolio Manager is in the interests of shareholders in the Company.

The management arrangements are set out in greater detail on pages 30 and 32. In addition to the management fee, the Portfolio Manager also receives a performance fee if certain circumstances are met. In respect of the year ended 31 March 2021, a performance fee of £1,825,000 has been accrued. The Board is very happy with the outperformance which is being rewarded in this fashion and it should be noted that 50% of the performance fee will be invested by the Portfolio Managers in purchasing shares in the Company, thus further aligning their interests with those of other shareholders.

Portfolio companies

The Company invests into available opportunities, allocating capital across different portfolio companies to meet the Company's investment objectives within the pre-defined portfolio limits and with a focus on portfolio level diversification.

The relationship with the Portfolio Manager is fundamental to ensuring the Company meets its purpose. Day-to-day engagement with portfolio companies is undertaken by the Portfolio Manager. Details of how Odyssean carries out portfolio management, as well as information on its differentiated investment approach and the structuring of investments can be found in the Portfolio Manager's report on pages 10 to 21. The Board receives updates at each scheduled Board meeting from the Portfolio Manager on specific investments including regular valuation reports and detailed portfolio and returns analyses. Odyssean's engagement with portfolio companies incorporates recurring due diligence reviews, active voting at their annual general meetings, discussions with their stakeholders (including but not limited to executives, non-executives, other shareholders and corporate advisors) and on-site visits.

In particular, the Board strongly supports the Portfolio Managers in engaging with portfolio companies on ESG issues with the aim of improving operations, ESG standards and performance as well as company culture.



Business Review *(continued)*

Stakeholder	Board Engagement
Other service providers	<p>In order to function as an investment trust with a premium listing on the LSE, the Company relies on a diverse range of reputable advisors for support in meeting all relevant obligations.</p> <p>The Company's main functions are delegated to a number of service providers, each engaged under separate contracts. The Board maintains regular contact with its key external providers and receives regular reporting from them, both through the Board and committee meetings, as well as outside of the regular meeting cycle. Their advice and views are routinely taken into account.</p> <p>The Audit Committee reviews and evaluates the financial reporting control environments in place at each service provider.</p> <p>Through its Management Engagement Committee, the Board formally assesses their performance, fees and continuing appointment annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. During the year, the Board terminated the contract with Link as administrator and company secretary, and appointed Frostrow Capital LLP as the Company's Administration Manager, Company Secretary and Marketing Specialist.</p>

The above mechanisms for engaging with stakeholders are kept under review by the Directors and will be discussed on a regular basis at Board meetings to ensure that they remain effective.



Business Review *(continued)*

Key topics of engagement with stakeholders and outcomes

<p>Key topics of engagement with investors</p> <ul style="list-style-type: none"> ● Ongoing dialogue with shareholders concerning the strategy of the Company, performance, the portfolio and ESG issues. 	<p>Actions taken and principal decisions</p> <ul style="list-style-type: none"> ● The Portfolio Manager, Frostrow and the Broker meet regularly with shareholders and potential investors to discuss the Company's Strategy, performance, the portfolio and any ESG issues which might be raised. ● During the year the decision was taken to amend the investment guidelines restrict investment in certain sectors and businesses that the Board deems unethical and/or unsustainable. Shareholders approved the changes at the general meeting held on 11 January 2021.
<p>Key topics of engagement with the Portfolio Manager on an ongoing basis</p> <ul style="list-style-type: none"> ● Portfolio composition, performance, outlook and business updates as well as ESG engagement with portfolio companies. ● The impact of Brexit on their business and the portfolio. ● The impact of Covid-19 on their business and the portfolio. 	<p>Actions taken and principal decisions</p> <ul style="list-style-type: none"> ● Updates are received by the Board at every Board meeting. ● No specific action on Brexit is required. ● Regular updates were received by the Board throughout the year in respect of the impact of the pandemic on investment decision making and working practices.
<p>Key topics of engagement with other service providers</p> <ul style="list-style-type: none"> ● The Directors have frequent engagement with the Company's other service providers through the annual cycle of reporting and due diligence meetings and conversations with the Portfolio Manager. Since the appointment of Frostrow as Company Secretary, Frostrow has regular conversations with all other service providers on behalf of the Board and the Management Engagement Committee. ● This engagement is completed with the aim of maintaining an effective working relationship and oversight of the services provided. 	<p>Actions taken and principal decisions</p> <ul style="list-style-type: none"> ● During the year, the decision was taken to appoint Frostrow as Company Secretary, Administration Manager and Marketing Specialist for the Company. ● No other specific action was required in respect of the other service providers, as the reviews of their services have been positive and the Directors believe that their continued appointment is in the best interest of the Company.

Overview

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Business Review *(continued)*

Culture

The Directors agree that establishing and maintaining a healthy corporate culture among the Board and in its interaction with the Portfolio Manager, shareholders and other stakeholders supports the delivery of the Company's goals. The Board seeks to promote a culture of openness, debate and integrity through ongoing dialogue and engagement with its service providers, principally, the Portfolio Manager.

The Board strives to ensure that its culture is in line with the Company's purpose, values and strategy. As detailed in the Corporate Governance Statement, the Company has a number of policies and procedures in place to assist with maintaining a culture of good governance including those relating to diversity, Directors' conflicts of interest and Directors' dealings in the Company's shares. The Board assesses and monitors compliance with these policies as well as the general culture of the Board through Board meetings and in particular, during the annual evaluation process which is undertaken by each Director (for more information see the performance evaluation section on page 53).

The Board is cognisant of the nature of companies that the Company invests in and notes that their performance could fluctuate while the Portfolio Manager actively engages with them. This requires a culture of patience from the Board, supported by an orderly, disciplined investment management process by the Portfolio Manager. The Board pays particular attention to Odyssean's corporate engagement initiatives and proxy voting policies. Additional information on the Board's approach to ESG matters is detailed on pages 33 and 34.

The Board seeks to appoint the best possible service providers and evaluates their remit, performance and cost effectiveness on a regular basis. The Board considers the culture of the Portfolio Manager and other service providers, including their policies, practices and behaviour, through regular reporting from these stakeholders and, in particular, during the annual review of the performance and continuing appointment of all service providers through its Management Engagement Committee.

Key performance indicators

At each Board meeting, the Directors consider several performance measures to assess the Company's success in achieving its objective. The key performance indicators used to measure the progress and performance of the Company over time are established industry measures. These are as follows:

* Alternative Performance Measures (see Glossary on page 91).

Net asset value

The NAV at 31 March 2021 was 139.3p per ordinary share, compared to 90.8p per ordinary share at the end of the previous period, an increase of 53.4%. The NAV total return* since the launch of the Company on 1 May 2018 to 31 March 2021 was 41.7%. The total return from the NSCI ex IC plus AIM Total Return Index* was 19.8% for the same period.

A full description of the Company's performance for the year ended 31 March 2021 can be found in the Portfolio Manager's Report on pages 10 to 21.

*Share price total return**

The Company's share price at the previous year end was 90.0p and increased to 129.0p as at 31 March 2021, resulting in a return of 43.3% during the year.

*Share price premium/(discount) to NAV**

The share price discount to NAV changed from (0.9)% at the previous year end to (7.4)% as at 31 March 2021. During the year ended 31 March 2021, the shares traded at an average discount to NAV of 6%.

Revenue return per ordinary share

In the year to 31 March 2021, the Company made a revenue loss of 0.7p per share (2020: revenue return of 0.6p per share).

*Ongoing charges**

The Company's ongoing charges ratio for the year ended 31 March 2021 was 1.4% (year ended 31 March 2020: 1.7%).

Management arrangements – Portfolio Manager

The Company is an internally managed investment company for the purposes of the UK's Alternative Investment Fund Managers Directive and is its own alternative investment fund manager. The Board is therefore responsible for the portfolio management and risk management functions of the Company.

Pursuant to the terms of the Portfolio Management Agreement, the Board has delegated responsibility for discretionary portfolio management functions to Odyssean Capital LLP as Portfolio Manager, subject always to the overall supervision and control of the Board.

The initial term of the Portfolio Management Agreement is three years commencing on the date of the Company's launch (the "Initial Term"). The Company may terminate the Portfolio Management Agreement by giving the



Business Review *(continued)*

Portfolio Manager not less than six months' prior written notice such notice not to be served prior to the end of the Initial Term. The Portfolio Manager may terminate the Portfolio Management Agreement by giving the Company not less than six months' prior written notice, such notice not to be served prior to the end of the Initial Term.

Management Fee

The Portfolio Manager is entitled to receive an annual management fee equal to the lower of: (i) 1% of the NAV (calculated before deduction of any accrued but unpaid management fee and any performance fee) per annum; or (ii) 1% per annum of the Company's market capitalisation. The annual management fee is calculated and accrues daily and is payable quarterly in arrears.

The Portfolio Manager is also entitled to reimbursement for all costs and expenses properly incurred by it in the performance of its duties under the Portfolio Management Agreement.

Performance Fee

In addition, the Portfolio Manager is entitled to a performance fee in certain circumstances.

The Company's performance is measured over rolling three-year periods ending on 31 March each year (each a "Performance Period"), by comparing the NAV total return per ordinary share over a Performance Period against the total return performance of the NSCI ex IC plus AIM Total Return Index (the "Comparator Index"). The first Performance Period runs from IPO to 31 March 2021.

A Performance Fee is payable if the NAV per ordinary share at the end of the relevant Performance Period (as adjusted to: (i) add back the aggregate value of any dividends per ordinary share paid (or accounted as paid for the purposes of calculating the NAV) to shareholders during the relevant Performance Period; and (ii) exclude any accrual for unpaid Performance Fee accrued in relation to the relevant Performance Period) (the "NAV Total Return per Share") exceeds both:

- i) (a) the NAV per ordinary share at IPO, in relation to the first Performance Period; and (b) thereafter the NAV per ordinary share on the first business day of a Performance Period; in each case as adjusted by the aggregate amount of (i) the total return on the Comparator Index (expressed as a percentage); and (ii) 1% per annum over the relevant Performance Period (the "Target NAV per Share");

- ii) the highest previously recorded NAV per ordinary share as at the end of the relevant Performance Period in respect of which a Performance Fee was last paid (or the NAV per ordinary share as at IPO, if no Performance Fee has been paid) (the "High Watermark"); and
- iii) with any resulting excess amount being known as the "Excess Amount".

The Portfolio Manager will be entitled to 10% of the Excess Amount multiplied by the time weighted average number of ordinary shares in issue during the relevant Performance Period to which the calculation date relates. The Performance Fee will accrue daily.

Payment of a Performance Fee that has been earned will be deferred to the extent that the amount payable exceeds 1.75% per annum of the NAV at the end of the relevant Performance Period (amounts deferred will be payable when, and to the extent that, following any later Performance Period(s) with respect to which a Performance Fee is payable, it is possible to pay the deferred amounts without causing that cap to be exceeded or the relevant NAV total return per share to fall below both the relevant target NAV per share and the relevant High Watermark for such Performance Period, with any amount not paid being retained and carried forward).

Subject at all times to compliance with relevant regulatory and tax requirements, any Performance Fee paid or payable shall:

- where as at the relevant calculation date, the ordinary shares are trading at, or at a premium to, the latest published NAV per ordinary share, be satisfied as to 50% of its value by the issuance of new ordinary shares by the Company to the Portfolio Manager (rounded down to the nearest whole number of ordinary shares) (including the reissue of treasury shares) issued at the latest published NAV per ordinary share applicable at the date of issuance;
- where as at the relevant calculation date, the ordinary shares are trading at a discount to the latest published NAV per ordinary share, be satisfied as to 100% of its value in cash and the Portfolio Manager shall, as soon as reasonably practicable following receipt of such payment, use 50% of such Performance Fee payment to make market purchases of ordinary shares (rounded down to the nearest whole number of ordinary shares) within four months of the date of receipt of such Performance Fee payment.



Business Review *(continued)*

Each such tranche of shares issued to, or acquired by, the Portfolio Manager will be subject to a lock-up undertaking for a period of three years post issuance or acquisition (subject to customary exceptions).

At no time shall the Portfolio Manager (and/or any persons deemed to be acting in concert with it for the purposes of the Takeover Code) be obliged, in the absence of a relevant whitewash resolution having been passed in accordance with the Takeover Code, to receive, or acquire, further ordinary shares where to do so would trigger a requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code. Where any restriction exists on the issuance of further ordinary shares to the Portfolio Manager, the relevant amount of the Performance Fee may be paid in cash.

Based on the performance of the Company to 31 March 2021, a performance fee of £1,825,000 has been accrued (2020: £nil) and is expected to be cash settled upon approval of the annual report in respect of the year ended 31 March 2021.

Administration Manager, Company Secretary and Marketing Specialist

During the year under review, with effect from 13 July 2021, the Board appointed Frostrow Capital LLP ('Frostrow') as the Company's Administration Manager and Company Secretary as well as Marketing Manager. Frostrow is an independent provider of services to the investment companies sector and currently has a total of 16 investment trust and investment company clients whose assets totalled approximately £15 billion as at the date of this report.

Administrative, company secretarial and marketing services are provided by Frostrow under an agreement dated 23 June 2020. An annual administration and management services fee of 22.5 basis points of the market capitalisation of the Company up to (but not including) £150 million, charged monthly in arrears, is payable. Frostrow's fees will reduce from 22.5 basis points to 20 basis points on market capitalization of the Company in excess of £150 million in size up to and including £500 million, and to 17.5 basis points on market capitalisation in excess of £500 million. The agreement may be terminated by either party on six months' written notice. Further details can be found in note 4 to the financial statements.

Custodian

RBC Investor Services Trust was appointed as the Company's Custodian pursuant to an agreement dated 22 March 2018. RBC is in charge of, *inter alia*, safekeeping and custody of the Company's assets, investments and cash, processing transactions and foreign exchange services, if necessary. The Company and the Custodian may terminate the Custody Agreement with 90 days' written notice.

Portfolio Manager evaluation and continuing appointment

The Board keeps the ongoing performance of the Portfolio Manager under continual review and the Management Engagement Committee conducts an annual appraisal of the Portfolio Manager's performance and makes a recommendation to the Board about the continuing appointment of the Portfolio Manager.

The Management Engagement Committee has reviewed Odyssean's performance, with respect to their provision of portfolio management and other services. Due consideration was given to the quality and continuity of its personnel, succession planning and investment processes. Alongside the performance review, the Committee completed an appraisal of the terms of the Portfolio Management Agreement to ensure that the terms remained competitive and in the interest of the Company. The Portfolio Manager has executed the investment strategy according to the Board's expectations and it is the opinion of the Directors that the continuing appointment of the Portfolio Manager on the terms agreed is in the interests of shareholders as a whole.

Frostrow's evaluation and continuing appointment

The review of the performance of Frostrow as Administration Manager, Company Secretary and Marketing Specialist is a continuous process carried out by the Board and a formal evaluation was undertaken by the Management Engagement Committee in May 2021. The Board believes that the continuing appointment of Frostrow Capital LLP under the terms described above, is in the interests of shareholders. In coming to this decision, the Board also took into consideration the quality and depth of experience of the management, administrative and company secretarial team that Frostrow allocates to the Company.



Business Review *(continued)*

Company promotion

The Company has appointed Frostrow to promote the Company's shares to professional investors in the UK and Ireland. As Investment Company Specialists, the Frostrow team provides a continuous, pro-active marketing, distribution and investor relations service that aims to promote the Company by encouraging demand for the shares.

Frostrow actively engages with professional investors, typically discretionary wealth managers, some institutions and a range of execution-only platforms. Regular engagement helps to attract new investors and retain existing shareholders, and over time results in a stable share register made up of diverse, long-term holders.

Frostrow arranges and manages a continuous programme of one-to-one meetings with professional investors around the UK. These include regular meetings with "gate keepers", the senior points of contact responsible for their respective organisations' research output and recommended lists. The programme of regular meetings also includes autonomous decision makers within large multi-office groups, as well as small independent organisations. Some of these meetings involve Odyssean Capital LLP, but most of the meetings do not, which means the Company is being actively represented both to existing and potential investors, while the Portfolio Managers concentrate on the portfolio. Due to the Covid-19 pandemic, most of these meetings have been held via video conference.

The Company also benefits from involvement in the regular professional investor seminars run by Frostrow in major centres, notably London and Edinburgh, and webinars which are focused on buyers of investment companies.

Frostrow produces many key corporate documents, monthly factsheets, annual and half-yearly reports. All Company information and invitations to investor events, including updates from the Portfolio Managers on portfolio and market developments, are regularly emailed to a growing database, overseen by Frostrow, consisting of professional investors across the UK and Ireland.

Frostrow maintains close contact with all the relevant investment trust broker analysts, particularly those from Winterflood Securities Limited, the Company's corporate broker, but also others who publish and distribute research on the Company to their respective professional investor clients.

The Company further benefits from regular press coverage, with articles appearing in respected publications that are widely read by both professional and self-directed private investors. The latter typically buy their shares via retail platforms, which account for a significant proportion of the Company's share register.

Employees, human rights, social and community issues

The Board recognises the requirement under Companies Act 2006 to detail information about human rights, employees and community issues, including information about any policies it has in relation to these matters and the effectiveness of these policies. These requirements do not apply to the Company as it has no employees, all the Directors are non-executive and it has outsourced all its functions to third party service providers. The Company has therefore not reported further in respect of these provisions, however, it does expect its service providers and portfolio companies to respect these requirements.

Board diversity

All through the year ended 31 March 2021, the Board of Directors of the Company comprised two male and two female Directors. The Board firmly believes in the benefits of cognitive diversity and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives.

Further details of the Company's diversity policy are set out on page 53.

Integrity and business ethics

The Company is committed to carrying out business in an honest and fair manner with a zero-tolerance approach to bribery, tax evasion and corruption. As such, policies and procedures are in place to prevent the above. The Board's expectations are that its principal service providers have similar governance policies in place. The Company Secretary, on behalf of the Board, will seek assurances from service providers on a regular basis.

Environmental, social and governance issues

The Company has no employees, property or activities other than investments, so its direct environmental impact is minimal. In carrying out its activities and in its relationships with service providers, the Company aims to conduct itself responsibly, ethically and fairly.



Business Review *(continued)*

The Board is comprised entirely of non-executive Directors and the day-to-day management of the Company's business is delegated to the Portfolio Manager. The Portfolio Manager aims to be a responsible investor and believes it is important to invest in companies that act responsibly in respect of environmental, ethical and social issues.

The Portfolio Manager is specifically looking to invest in companies which have average or above average ESG characteristics or practices, but where improvement potential exists. Being mindful of the smaller company nature of many of the portfolio companies, the Portfolio Manager has a pragmatic engagement approach, focused on dialogue with portfolio companies around their performance, disclosure and general practices compared with best-in-class peers, and seeking positive changes in specific areas. However, following the amendment of the investment guidelines during the year under review, the Portfolio Managers will not invest in non-ethical or unsustainable businesses as set out on pages 3 and 4.

The Directors believe that proxy voting is an important part of the corporate governance process. It is the policy of the Company to vote at all shareholder meetings of investee companies, and the Board has delegated voting activities to the Portfolio Manager. The Portfolio Manager follows relevant regulatory requirements with an aim to make voting decisions which will best support growth in shareholder value and will commonly take into account best practices regarding corporate governance, board composition, remuneration and ESG issues. The Portfolio Manager also provides the Directors with a six-monthly update regarding the voting decisions made in respect of the investee companies.

Modern slavery

While the Company is not within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged to make a slavery and human trafficking statement, the Company considers its supply chains to be of low risk as its principal service providers are the professional advisers set out in the Corporate Information section on page 103.



Risk Management

Principal Risks, Emerging Risks and Risk Management

The Board considers that the risks detailed within this report are the principal risks currently facing the Company to deliver its strategy.

The Board is responsible for the ongoing identification, evaluation and management of the of the principal risks faced by the Company and the Audit Committee, on behalf of the Board, has established a process for the regular review of these risks and their mitigation. This process accords with the UK Governance Code and the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The impact of the global Covid-19 pandemic on the operations of the Company and its service providers was also considered as part of this process.

During the year ended 31 March 2021, the Audit Committee has carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. The Committee also considered the controls in place to mitigate the inherent risks and whether additional controls or actions were required to bring the residual risk down to an acceptable level. The Committee was satisfied with the controls that are in place. In respect of the ongoing impact of Covid-19 on business everywhere, the Committee was reassured that all service providers of the Company had adequate business continuity measures in place to ensure that no operational issues would arise out of new working-from-home practices and that cyber and IT risks were properly addressed.

Further details as well as a summary of the Company's approach to risk and how principal risks and uncertainties were dealt with during the year under review, are set out on pages 37 to 41.

Internal control review

The Board is also responsible for the internal controls relating to the Company, including the reliability of the financial reporting process, and for reviewing their effectiveness.

Key procedures established with a view to providing effective financial control, have been in place throughout the year ended 31 March 2021 and up to the date of this Report. The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which are issued for publication is reliable and that the assets of the Company are safeguarded.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's investment objective. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Directors have carried out a review of the effectiveness of the Company's risk management and internal control systems as they have operated during the year and up to the date of approval of this Report. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

Internal control assessment process

Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Company's overall investment objective. During the year, the Board – through the Audit Committee and together with Frostrow – has re-categorised its risk management controls under the following key headings: Corporate Strategy; Accounting, Legal and Regulatory; Operational; Investment and Business Activities. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance;
- the cost to the Company and benefits related to the review of risk and associated controls of the Company; and
- the extent to which the third parties operate the relevant controls.



Risk Management *(continued)*

An updated risk matrix has been produced by Frostrow Capital LLP so that the risks identified and the controls in place to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. This risk register is reviewed by the Audit Committee regularly at every meeting.

Most of the day-to-day management functions of the Company are sub-contracted, and the Directors therefore obtain regular assurances and information from key third party suppliers regarding the internal systems and controls operating in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls each year, which is reviewed by the Audit Committee.



Risk Management *(continued)*

Principal risks and uncertainties	Mitigation
<p>Investment performance is not comparable to the expectations of investors</p> <p>Consistently poor performance could lead to a fall in the share price and a widening of the discount. The success of the Company depends on the Portfolio Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, depends on the ability of the Portfolio Manager to apply its investment processes and identify suitable investments.</p>	<p>The Board reviews and discusses the Company's performance against its investment objective and policy, as well reviewing performance in comparison to industry peers and the broader comparative market. The Board also keeps the performance of the Portfolio Manager under continual review, along with a review of significant stock decisions and the overall rationale for holding the current portfolio. In addition, the Management Engagement Committee conducts an annual appraisal of the Portfolio Manager.</p>
<p>Share price performance</p> <p>The market price of the Company's shares, like shares in all investment companies, may fluctuate independently of the NAV and thus may not reflect the underlying NAV of the shares. The shares could trade at a discount or premium to NAV at different times, depending on factors such as market conditions, investors' perceptions of the merits of the Company's objective and investment policy, supply and demand for the shares and the extent investors value the activities of the Company and/or the Portfolio Manager.</p>	<p>The Board monitors the relationship between the share price and the NAV, including regular review of the level of discount relative to that of companies in the sector. The Company has taken powers to re-purchase shares and will consider doing so to reduce the volatility of any share price discount. The Company has also taken powers to issue shares (only at a premium to NAV) to provide liquidity to the market to meet investor demand by way of issue of further shares.</p> <p>In May 2020, the Company undertook a buyback of 275,000 shares in order to help narrow the gap between NAV per share and the share price at the time. These shares are currently held in treasury, but will be re-issued once the shares start trading at a premium again.</p> <p>The Board and the Portfolio Managers all own shares in the Company, by way of aligning their own interests with those of all other shareholders. The Directors invest their Directors' fees in shares, which are bought at the end of every quarter, and the Portfolio Managers invest at least 50% of any performance fee in shares. For more details about the performance fee, please see pages 31 and 32.</p> <p>In addition, in the seventh year following the IPO (and every seventh year thereafter), the Board will provide shareholders with an opportunity to realise their shares at the applicable NAV.</p>



Risk Management *(continued)*

Principal risks and uncertainties	Mitigation
<p>Portfolio Manager – loss of personnel or reputation</p> <p>The identification and selection of investment opportunities and the management of the day-to-day activities of the Company depends on the diligence, skill, judgement and business contacts of the Portfolio Manager's investment professionals and the information and deal flow they generate during the normal course of their activities. The Company's future success depends on the continuing ability of these individuals to provide services and the Portfolio Manager's ability to strategically recruit, retain and motivate new talented personnel as required. The departure of some or all of the Portfolio Manager's investment professionals could prevent the Company from achieving its investment objective and give rise to a significant public perception risk regarding the potential performance of the Company.</p>	<p>The Board maintains a good level of communication and has a good relationship with the Portfolio Manager, and regularly reviews the Portfolio Manager's performance at Board meetings. The Portfolio Manager's Compliance Officer also reports to the Board regularly and the Portfolio Manager would report to the Board immediately in the event of any change in key personnel.</p> <p>Odyssean Capital LLP as Portfolio Manager has appointed an investment team consisting of Stuart Widdowson and Ed Wielechowski, both of whom are very experienced in managing the portfolio in accordance with the Company's principles and investment strategy.</p>
<p>Material changes within the Portfolio Manager's organisation</p> <p>Material changes could occur within the Portfolio Manager's organisation or its affiliates which are to the detriment of the Company's standing in respect of its competitors and its profitability.</p>	<p>The Portfolio Manager has advance notice of any material changes within its organisation and would report to the Board immediately in the event of any such changes, including within its organisation and affiliates or to its key personnel.</p>
<p>Valuation of unquoted investments</p> <p>The Company may invest in unquoted companies from time to time. Such investments, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed and quoted securities and they may be more difficult to realise.</p>	<p>All financial information is reviewed by the Board at regular meetings. The Board and/or Chairman of the Audit Committee will approve the valuation of unquoted investments prior to their reflection in the Company's NAV. No unquoted investments were held by the Company during the year.</p>



Risk Management *(continued)*

Principal risks and uncertainties	Mitigation
<p>Reliance on the performance of third-party service providers</p> <p>The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is reliant upon the performance of third-party service providers for its executive function. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a material adverse effect on the operation of the Company.</p>	<p>The Board has appointed third party service providers with relevant experience. Each third party service provider is monitored by the Board and their roles are evaluated at least annually by the Management Engagement Committee.</p> <p>During the year, Frostrow Capital LLP was appointed as the new Company Secretary, Administration Manager and Marketing Specialist following an evaluation of the services provided by the previous company secretary and administrator.</p> <p>The Board has considered the operational risks associated with COVID-19 relating to the functioning of all of the service providers to the Company. Each service provider has continued to operate with its employees working remotely and service has not been disrupted. The Board continues to monitor the performance of all service providers given the current requirements for employees to work remotely where they are able to do so.</p>

Emerging Risks

The Company has carried out a detailed assessment of its emerging and principal risks. The International Risk Governance Council's definition of an "emerging" risk is one that is new, or is a familiar risk in a new or unfamiliar context or under new context conditions (re-emerging). Failure to identify emerging risks may cause reactive actions rather than being proactive and, in a worst case scenario, could cause the Company to become unviable or otherwise fail or force the Company to change its structure, objective or strategy.

The Audit Committee reviews the Company's risk register at its half-yearly meetings. Emerging risks are discussed in detail as part of this process to try to ensure that emerging as well as well-known risks are identified and mitigated as far as possible. The emerging risks identified during the year were the Covid-19 pandemic, the impact of which is dealt with below, as well as risks related to the environment, social issues and governance (ESG) such as the impact of climate change or bad governance of portfolio companies. All ESG-related risks are constantly being assessed by the Investment Managers and reported to the Board.

The experience and knowledge of the Directors is useful in these discussions, as are update papers and advice received from the Board's key service providers such as the Portfolio Manager, Frostrow and the Company's brokers. In addition, the Company is a member of the AIC, which provides regular technical updates, draws members' attention to forthcoming industry and regulatory issues and advises on compliance obligations.

Brexit

The Board has considered whether the United Kingdom's exit from the European Union ("Brexit") poses a discrete risk to the Company. At the date of this report, the UK has left the EU and has come out of the "transition period" with a trade and security deal finalised with the EU on 24 December 2020, the exact impact of which remains to be seen.

As the Company and its portfolio companies are priced in sterling, movements in exchange rates should not affect the net asset value. However, whilst the Company's current shareholders are predominantly UK based, sharp



Risk Management *(continued)*

or unexpected changes in investor sentiment, or tax or regulatory changes, could lead to short-term selling pressure on the Company's shares which potentially could lead to the share price discount widening.

Overall, however, the Board believes that over the longer term, Brexit is unlikely to affect the Company's business model or whether the Company's shares trade at a premium or discount to the net asset value per share. The Board will continue to monitor developments as they occur.

Impact of Covid-19

The Board recognises that the emergence and spread of Covid-19 represents a new area of risk, both to the Company's investment performance and to its operations. During the year under review, the Portfolio Managers successfully continued their dialogue with investee companies and the Board has stayed in close contact with the portfolio managers and has been continuously monitoring portfolio and share price developments. The Board has also received assurances from all of the Company's service providers in respect of:

- their business continuity plans and the steps being taken to guarantee the ongoing efficiency of their operations while ensuring the safety and well-being of their employees;
- their cyber security measures including improved user-access controls, safe remote working and evading malicious attacks; and
- any increased risks of fraud as a result of decreased operations and possible employee terminations and weakness in user-access controls resulting in the potential for management overrides.

With the emergence of several vaccines, the outlook is cautiously positive, but the Board will continue to monitor developments as they occur.

Going Concern

The content of the Company's portfolio, trading activity, the Company's cash balances and revenue forecasts, and the trends and factors likely to affect the Company's performance are reviewed and discussed at each Board meeting. For the year ended 31 March 2021, the emergence of Covid-19 has added the factor of a global pandemic and

its effect on the investment management and the general operations of the Company and its service providers to the deliberations of the Board, which will also remain an influencing factor for the year ending 31 March 2022.

The Board has considered a detailed assessment of the Company's ability to meet its liabilities as they fall due, including tests which modelled the effects of further substantial falls in markets and significant reductions in market liquidity to that experienced to date in connection with the coronavirus pandemic, on the Company's NAV, its cash flows and its expenses. Further information is provided in the Audit Committee report.

Based on the information available to the Directors at the date of this report, including the results of these stress tests, the conclusions drawn in the Viability Statement, the Company's cash balances, and the liquidity of the Company's listed investments, the Directors are satisfied that the Company has adequate financial resources to continue in operation for at least the next 12 months and that, accordingly, it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Long Term Viability Statement

In accordance with the UK Corporate Governance Code, the Directors have carefully assessed the Company's position and prospects as well as the principal risks and have formed a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three financial years. The Board has chosen a three-year horizon in view of the long-term nature and outlook adopted by the Investment Manager when making investment decisions.

To make this assessment and in reaching this conclusion, the Audit Committee has considered the Company's financial position and its ability to liquidate its portfolio and meet its liabilities as they fall due:

- the portfolio is principally comprised of investments listed and traded on stock exchanges. These are actively traded and, whilst perhaps less liquid than larger quoted companies, the portfolio is well diversified;
- the portfolio is typically run with a net cash position (average of 9.3% in net cash over the past two years) and as a result there is ample liquidity on a day-to-day basis for the Company to meet its obligations;



Risk Management *(continued)*

- the expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position; and
- the Company has no employees, only its non-executive Directors. Consequently, it does not have redundancy or other employment related liabilities or responsibilities.

The Audit Committee, as well as considering the potential impact of the Company's principal risks and various severe but plausible downside scenarios, has also considered the following assumptions in considering the Company's longer-term viability:

- there will continue to be demand for investment trusts;
- the Board and the Portfolio Manager will continue to adopt a long-term view when making investments;
- the Company invests principally in the securities of UK listed companies to which investors will wish to continue to have exposure;
- regulation will not increase to a level that makes running the Company uneconomical; and
- the performance of the Company will continue to be satisfactory.

Covid-19 was also factored into the key assumptions made by assessing its impact on the Company's key risks and whether the key risks had increased in their potential to affect the normal, favourable and stressed market conditions. As part of this review the Board considered the impact of a significant and prolonged decline in the Company's performance and prospects. This included a range of plausible downside scenarios such as reviewing the effects of substantial falls in investment values and the impact of the Company's ongoing charges ratio, which were the subject of stress testing.

Furthermore, the Audit Committee considered the operational resilience of the Company's service providers, and thereby the operational viability of the Company. During the year under review, the majority of meetings were held online, and all key service providers have been contacted with regard to their business continuity systems in place due to the pandemic as well as their IT and cyber security systems to prevent fraudulent activity of any kind. There have been no issues raised and the Audit Committee was reassured that all key service providers were operating well and to their normal high service standards while ensuring the safety of their employees by enabling them to work remotely.

Approval

This Strategic Report has been approved by the Board of Directors and signed on its behalf by:

Jane Tufnell
Chairman

28 May 2021

Governance



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Board of Directors

as at 31 March 2021



Jane Tufnell

Chairman

Jane started her career in 1986 joining County NatWest, firstly in corporate finance and then moving to fund management where she jointly ran the NatWest pension fund's exposure to UK smaller companies.

In 1994, Jane co-founded Ruffer Investment Management Limited where she worked for over 20 years to build the business to an AUM of £20 billion, before leaving in 2014. Jane now has a variety of directorships including Schroder UK Public Private Trust plc and Record plc, the currency management specialist. She is also a non-executive director and chairman of ICG Enterprise Trust plc. She was previously a director of The Diverse Income Trust plc and JPM Claverhouse Investment Trust plc.

Date of appointment: 21 December 2017



Arabella Cecil

Senior Independent Director

Arabella began working in finance in 1987, training in Milan and Paris before CL-Laing in London, where she headed the firm's Extel-rated food producers research team.

From 1996, she worked as a freelance photojournalist and filmmaker, and in 1998, she founded a media company which specialised in the IMAX® format. Between 2008 and 2012, she worked for Culross Global Management, ultimately as a member of the firm's Investment and Risk Committees. In 2012, she co-founded BACIT Limited serving as Chief Investment Officer, and from 2015, as a non-executive director until the company became Syncona. She served as Chief Investment officer of Syncona's fund portfolio until April 2019, and in May 2019, established Hyde Capital Partners.

Date of appointment: 31 January 2018



Peter Hewitt

Chairman of the Management Engagement Committee

Peter has 35 years' investment management experience. In 1983, he joined Ivory & Sime managing first US equities and then moving onto UK smaller companies from 1987 to 1992. He then focussed on management of UK pension fund accounts until 1996. He moved to Murray Johnstone as Head of UK Equities with a focus on UK income funds. In 2000, he re-joined Friends Ivory & Sime and specialised in management of investment trust funds and products.

In 2008, he launched BMO Managed Portfolio Trust (formerly F&C Managed Portfolio Trust) onto the LSE and remains the current investment manager of the company. He is currently a director of Global Equities at BMO Global Asset Management Limited.

Date of appointment: 31 January 2018



Richard King

Chairman of the Audit Committee

Richard spent 35 years with Ernst and Young LLP (EY) becoming deputy managing partner of UK & Ireland and a member of both the Europe, Middle East, India and Africa (EMEA) Board and Global management group. Since leaving EY, Richard has been involved either as chairman or non-executive director on a variety of private and public companies and has been involved in company disposals in excess of £400 million.

Richard is a non-executive director of GYG plc. He is also the chair of trustees for the Willow Foundation and a director of Fareshare.

Date of appointment: 21 December 2017

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Directors' Report

The Directors are pleased to present the Annual Report and Financial Statements for the year ended 31 March 2021. In accordance with Companies Act 2006 (as amended), the Listing Rules and the Disclosure Guidance and Transparency Rules, the Corporate Governance Statement, Directors' Remuneration Report, Report from the Audit Committee and the Statement of Directors' Responsibilities should be read in conjunction with one another, and the Strategic Report. As permitted by legislation, some of the matters normally included in the Directors' Report have instead been included in the Strategic Report, as the Board considers them to be of strategic importance.

Directors

The Directors in office during the year and at the date of this report, and their biographical details, are shown on page 43.

None of the Directors or any persons connected with them had a material interest in the transactions and arrangements of, or the agreement with, the Portfolio Manager during the year.

Performance and outlook

A summary of the Company's performance during the year ended 31 March 2021 and the outlook for the forthcoming year is set out in the Strategic Report on pages 7 to 21.

Corporate governance

The Company's Corporate Governance Statement is set out on pages 50 to 55 and forms part of this report. Details regarding independent professional advice, insurance and indemnity are set out in that statement on page 54.

Share capital

Share issues

On 20 June 2018, the Company was granted a block listing of 5.0 million ordinary shares to be listed to the premium segment of the Official List of the FCA and admitted to trading on the premium segment of the LSE's main market. During the year ended 31 March 2021, no shares

were issued under the block listing (year ended 31 March 2020: none). As at the date of this report, a balance of 4.2 million shares remain under this block listing.

At the AGM held on 22 September 2020, the Directors were granted authority to issue up to 17,596,442 ordinary shares, being 20% of the ordinary shares in issue at the time of the passing of the resolution.

No share issues were made during the year or since the year end. Proposals for the renewal of the Directors' authority to issue shares will be set out in the Notice of AGM.

Purchase of own shares

At the AGM held on 22 September 2020, the Directors were granted the authority to buy back up to 13,188,533 ordinary shares, being 14.99% of the ordinary shares in issue at the time of the passing of the resolution (less 275,000 shares held in treasury).

During the year ended 31 March 2021, the Company purchased in the stock market 275,000 shares (with a nominal value of £2,750.00) for treasury, at a total cost of £230,000. The share purchases were made with a view to reducing discount volatility and maintaining the middle market price at which the shares traded close to the NAV. No further shares were bought back during the year and up to the date of this report.

Current share capital

As at 31 March 2021, there were 88,257,211 ordinary shares in issue, 275,000 of which were held in treasury. The total voting rights of the Company as at 31 March 2021 and as at the date of this report were 87,982,211.

There are no restrictions concerning the transfer of securities in the Company or on voting rights; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.



Directors' Report *(continued)*

Substantial shareholdings

The Company has been informed of the following notifiable interests in the voting rights of the Company:

31 March 2021 Shareholder	Number of ordinary shares held	% of voting rights
Harwood Capital	13,500,000	15.34
Cazenove Capital Management	10,239,659	11.64
Brewin Dolphin, stockbrokers	7,148,828	8.13
Mr Ian Armitage	6,675,000	7.58
Investec Wealth & Investment	5,589,846	6.36
Schroder Investment Management	3,551,728	4.03
Close Brothers Asset Management	3,187,621	3.63
Raymond James Investment Services	3,072,357	3.49
Charles Stanley	2,704,774	3.07
Hargreaves Lansdown, Stockbrokers (EO)	2,685,056	3.06

30 April 2021 Shareholder	Number of ordinary shares held	% of voting rights
Harwood Capital	13,500,000	15.34
Cazenove Capital Management	10,158,031	11.55
Brewin Dolphin, stockbrokers	7,116,577	8.09
Mr Ian Armitage	6,675,000	7.58
Investec Wealth & Investment	5,645,472	6.42
Schroder Investment Management	3,507,728	3.99
Raymond James Investment Services	3,270,205	3.72
Close Brothers Asset Management	3,205,177	3.64
Charles Stanley	2,777,193	3.15
Hargreaves Lansdown, Stockbrokers (EO)	2,761,868	3.14

Interests of key management personnel in the shares of the Company as at 31 March 2021:

	Ordinary Shares	% of voting rights
Stuart Widdowson	1,472,507	1.67
Ed Wielechowski	223,588	0.25

Beneficial Owners of Ordinary Shares – Information Rights

The beneficial owners of ordinary shares who have been nominated by the registered holder of those shares to receive information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, Equiniti, or to the Company directly.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross-reference table indicating where the information is set out. The information required under Listing Rules 9.8.4(5) and 9.8.4(6) in relation to Peter Hewitt waiving his Director's fee is set out on page 60. The Directors confirm that there are no additional disclosures to be made in relation to Listing Rule 9.8.4.

Anti-Bribery and Corruption Policy

The Board has adopted a zero-tolerance approach to instances of bribery and corruption. Accordingly, it expressly prohibits any Director or associated persons when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for themselves or for the Company.

The Board applies the same standards to its service providers in their activities for the Company.

A copy of the Company's Anti Bribery and Corruption Policy can be found on its website at www.oitplc.com. The policy is reviewed annually by the Audit Committee.

Prevention of the Facilitation of Tax Evasion

In response to the implementation of the Criminal Finances Act 2017, the Board has adopted a zero-tolerance



Directors' Report *(continued)*

approach to the criminal facilitation of tax evasion. A copy of the Company's policy on preventing the facilitation of tax evasion can be found on the Company's website www.oitplc.com. The policy is reviewed annually by the Audit Committee.

Political Donations

The Company has not made any political donations in the past, nor does it intend to do so in the future.

Corporate Governance

The Corporate Governance report, which includes the Company's Corporate Governance policies is set out on pages 50 to 55.

Global Greenhouse Gas Emissions for the Year ended 31 March 2021

The Company is an investment trust, with neither employees nor premises, nor has it any financial or operational control of the assets which it owns. It has no greenhouse gas emissions to report from its operations nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, including those within the Company's underlying investment portfolio. Consequently, the Company consumed less than 40,000 kWh of energy during the year in respect of which the Directors' Report is prepared and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

Common Reporting Standard (CRS)

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to certain shareholders. The reporting obligation began in 2016 and will be an annual requirement going forward. The Registrars, Equiniti Limited, have been engaged to collate such information and file the reports with HMRC on behalf of the Company.

Other Statutory Information

The following information is disclosed in accordance with the Companies Act 2006:

- The rules on the appointment and replacement of directors are set out in the Company's articles of association (the "Articles"). A change to the Articles would be governed by the Companies Act 2006.
- Subject to the provisions of the Companies Act 2006, to the Articles, and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. The powers shall not be limited by any special powers given to the Directors by the Articles and a meeting of the Directors at which a quorum is present may exercise all the powers exercisable by the Directors. The Directors' powers to buy back and issue shares, in force at the end of the year, are recorded in the Directors' Report.

There are no agreements:

- (i) to which the Company is a party that might affect its control following a takeover bid; and/or
- (ii) between the Company and its Directors concerning compensation for loss of office.

Auditor

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

KPMG LLP has expressed its willingness to continue in office as Auditor of the Company and resolutions for its re-appointment and for the Audit Committee to determine its remuneration will be proposed at the forthcoming AGM.

Financial risk management

The Company's financial instruments comprise its investment portfolio, cash balances, debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 12 to the Financial Statements.



Directors' Report *(continued)*

Post Balance Sheet Events

Details of the post Balance Sheet events are set out in note 14 to the Financial Statements.

Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a general meeting of the shareholder.

Proposed amendments to the Articles of Association

The Board of Directors (the "Board") is proposing to make amendments to the Company's Articles of Association (the "Articles") to enable the Directors of the Company (the "Directors") to determine the time and place of general meetings and the manner in which they are conducted (including the ability to hold hybrid meetings). The amendments are being sought in response to challenges posed by the government restrictions on social interactions as a result of the COVID-19 pandemic, which have made it difficult or impossible for shareholders to attend physical meetings. The key changes proposed to be introduced in the Articles and their effect are set out below.

Further amendments are also being proposed to be made to the Articles to reflect recent changes to law and regulation (including changes to the AIC Code of Corporate Governance (the "AIC Code") as described below) and to permit the Company to request information from shareholders to satisfy due diligence and reporting requirements under the US Foreign Account Tax Compliance Act of 2010 ("US FATCA") or similar laws and thereby avoid adverse tax consequences which would otherwise arise under US FATCA or similar laws. In addition, the Company is seeking an amendment to the Articles to permit the Company to require the transfer of shares where the shareholder in question fails to comply with such request or may cause the Company issues under US FATCA or any similar laws.

(i) Electronic participation in general meetings

The Board will have the ability to determine whether a general meeting shall be held as either a 'physical meeting' or as a 'hybrid meeting', with the latter involving both the physical attendance of members and participation by members via electronic means. It is the current expectation of the Directors that hybrid meetings would only be used where a solely physical meeting is impracticable or unworkable.

(ii) Postponement of general meetings and alternative arrangements for general meetings

The Board's existing ability to postpone the time at which a general meeting is to be held, or change the place of the general meeting, will be updated, including to allow changes to the electronic facility or facilities to be used, in the event that they decide it has become impracticable or undesirable to hold the meeting at the declared time and place or using the declared facility or facilities.

(iii) Power to adjourn

The chairman of a general meeting (with the consent of the meeting) will have the ability to adjourn the meeting from time to time and from place to place (or in the case of a meeting held at a principal meeting place and one or more satellite meeting places, such other places) and/or from such electronic facility or facilities for the attendance and participation to such electronic facility or facilities as determined by the chair of the meeting (or, in default, the Board) in his/her or its absolute discretion. Further, the chairman of a general meeting will have the ability to interrupt or adjourn the meeting without the consent of the meeting if it appears to the chairman that the facilities at the principal meeting place or any satellite meeting place or an electronic facility or facilities or security at the general meeting have become inadequate or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the notice of meeting.

(iv) Accommodation of members and security arrangements

The Board will have the ability to put in place security measures where considered appropriate in the circumstances, and to take such action, give such directions or put in place such arrangements as are considered appropriate to secure the safety of those attending the meeting and to promote the orderly conduct of the meeting in relation to both physical attendance and attendance by electronic facility.

(v) Method of voting

A resolution put to vote at a general meeting held partly by means of electronic facility or facilities shall be decided on a poll, which poll votes may be cast by such electronic means as the Board deems appropriate.

(vi) Information rights and forced transfers

The Board will have the ability, at any time, to serve notice on any member requiring that member to promptly provide the Company with any information, representations, certificates, waivers or forms relating to such member to



Directors' Report *(continued)*

enable the Company to satisfy its diligence and reporting requirements in relation to the US FATCA and the requirements of similar laws which the Company may be subject from time to time.

(vii) Retirement at annual general meetings

In accordance with the AIC Code, all of the Directors shall retire from office at each annual general meeting of the Company except any Director appointed by the Board after the notice of that annual general meeting has been given and before the annual general meeting has been held.

This summary is intended only to highlight the principal amendments which are likely to be of interest to shareholders and there are additional consequential changes which will be required as result of the principal amendments being made. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to shareholders.

The proposed new Articles (marked to show the proposed changes) will be available for inspection on the Company's website, www.oitplc.com and at the Company's registered office, from the date of this document until the close of the annual general meeting, and will also be available for inspection at the venue of the annual general meeting from fifteen minutes before and during the annual general meeting. Should it be impossible to view the proposed new Articles at the registered office then an electronic copy can also be requested from the Company Secretary by writing to info@frostrow.com.

Annual General Meeting (AGM)

The third AGM of the Company will be held at 12.00 noon on Wednesday, 22 September 2021 at the offices of Odyssean Capital LLP, 6 Stratton Street, Mayfair, London W1J 8LD. The full text of the Notice of the AGM together with explanatory notes can be found on pages 93 to 102.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting.

Resolution 9: Authority to allot shares up to approximately 10% of the ordinary shares in issue.

Resolution 10: Authority to allot shares up to approximately a further 10% of the ordinary shares in issue;

Resolution 11: Authority to disapply pre-emption rights in respect of the shares to be allotted under Resolution 9;

Resolution 12: Authority to disapply pre-emption rights in respect of the shares to be allotted under Resolution 10;

Resolution 13: Authority to buy back up to 14.99% of shares in issue;

Resolution 14: Authority to hold General Meetings (other than the AGM) on at least 14 clear days' notice; and

Resolution 15: To adopt the draft Articles of Association produced to the meeting as the Articles of Association of the Company in substitution for, and to the exclusion of, the Company's existing Articles of Association. Please see above for the detailed changes.

Resolutions 9 and 10 will be put to shareholders as ordinary resolutions and Resolutions 11 to 15 will be asked as special resolutions.

Ordinary resolutions require that more than 50% of the votes cast at the relevant meeting must be in favour of the resolutions. Special resolutions require that at least 75% of the votes cast must be in favour of the resolution to be passed.

Recommendation

The Directors consider that all the resolutions to be proposed at the AGM are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

AGM Arrangements

The Board hopes that it will be possible to hold the AGM in person on 22 September 2021. However, shareholders should note that at the time of writing this annual report, it is not clear whether it will be possible to hold a physical AGM or whether renewed social distancing rules will necessitate a much pared-down AGM in order to guarantee everyone's safety and well-being in view of Covid-19. In case the decision has to be made that it will not be possible for shareholders to meet with the Board in person and that the Board can only conduct the minimal statutory business at the AGM, then arrangements will be made for shareholders to attend via a webinar, view the Managers' presentation and ask questions in advance.



Directors' Report *(continued)*

Shareholders are encouraged to view the Company's website, www.oitplc.com for further information nearer the time. Questions can be submitted to the Company Secretary at info@frostrow.com.

Shareholders are also strongly encouraged to exercise their votes in respect of the meeting in advance by returning their forms of proxy. This will ensure that all shareholders' votes are registered in the event that attendance is not possible or restricted or if the meeting is postponed. Further details about the voting process can be found in the Notice of Meeting.

By order of the Board

Frostrow Capital LLP
Company Secretary

28 May 2021

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Corporate Governance Statement

This Corporate Governance Statement forms part of the Directors' Report.

The Board is accountable to shareholders for the governance of the Company's affairs and is committed to maintaining the highest standard of corporate governance for the long-term sustainable success of the Company, generating value for shareholders, other stakeholders and contributing to the wider society through investing in its portfolio companies. In this statement, the Company reports on its compliance with the AIC Code of Corporate Governance published in February 2019 (the "AIC Code"), sets out how the Board and its committees have operated during the past year and describes how the Board exercises effective stewardship over the Company's activities in the interests of shareholders and other stakeholders of the Company. The AIC Code addresses all the principles set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company as an investment trust.

The Board is confident that it has properly undertaken its duties to shareholders and other stakeholders, and taken a long-term approach to the management of the Company.

Statement of compliance with the AIC Code

The Board of the Company has considered the principles and recommendations of the AIC Code and considers that reporting against the principles and recommendations of the AIC Code (which incorporates the UK Code), will provide better information to shareholders.

The Financial Reporting Council (the "FRC") has endorsed the AIC Code. The terms of the FRC's endorsement mean that AIC members who report against the AIC Code meet fully their obligations under the UK Code and the related disclosure requirements contained in the Listing Rules of the FCA. A copy of the AIC Code can be obtained via the AIC's website at www.theaic.co.uk. A copy of the UK Code can be obtained at www.frc.org.uk.

The Board recognises the importance of a strong corporate governance culture and has established a framework for corporate governance which it considers to be appropriate to the business of the Company.

The Board considers that it has managed its affairs in compliance with the AIC Code and the relevant provisions of the UK Code throughout the year ended 31 March 2021, except where it has concluded that

adherence or compliance with any particular principle or recommendation of either of the Codes would not have been appropriate to the Company's circumstances. Similar to the UK Code, the AIC Code specifies a "comply or explain" basis and the Board's report under this section explains any deviation from its recommendations.

The UK Code includes provisions relating to:

- the role of the chief executive; and
- executive directors' remuneration.

The Board considers these provisions are not relevant to the position of the Company, being an externally-managed investment company. The Company has therefore not reported further in respect of these provisions.

The Board of Directors

The Board of Directors is collectively responsible for the long-term success of the Company. It provides overall leadership, sets the strategic aims of the Company and ensures that the necessary resources are in place for the Company to meet its objectives and fulfil its obligations to shareholders within a framework of high standards of corporate governance and effective internal controls. The Directors are responsible for the determination of the Company's investment policy and investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of the Portfolio Manager.

The Board consists of four non-executive Directors, who have substantial recent and relevant experience of investment trusts and financial and public company management.

Other than their letters of appointment as Directors, none of the Directors has a contract of service with the Company nor has there been any other contract or arrangement between the Company and any Director at any time during the year. Directors are not entitled to any compensation for loss of office. Copies of the letters of appointment are available on request from the Company Secretary and will be available at the AGM.



Corporate Governance Statement *(continued)*

Chairman and Senior Independent Director

The Chairman, Jane Tufnell, is deemed by her fellow independent Board members to be independent in character and judgement, and free of any conflicts of interest. She leads the Board and is responsible for its overall effectiveness in directing the Company. In liaison with the Company Secretary, she ensures that the Directors receive accurate, timely and clear information. Mrs Tufnell considers herself to have sufficient time to spend on the affairs of the Company. She has no significant commitments other than those disclosed in her biography on page 43. The role and responsibilities of the Chairman are clearly defined and set out in writing, a copy of which is available on the Company's website.

Arabella Cecil is the Senior Independent Director of the Company. She provides a sounding board for the Chairman and serves as an intermediary for the other Directors and shareholders. Miss Cecil also provides a channel for any shareholder concerns regarding the Chairman and will take the lead in the annual evaluation of the Chairman by the other independent Directors. The role and responsibilities of the Senior Independent Director are clearly defined and set out in writing, a copy of which is available on the Company's website.

Culture

The Chairman demonstrates objective judgement, promotes a culture of openness and debate, and facilitates effective contributions by all Directors. The Directors are required to act with integrity, lead by example and promote this culture within the Company.

The Board seeks to ensure the alignment of the Company's purpose, values and strategy with the culture of openness, debate and integrity through ongoing dialogue, and engagement with the Portfolio Manager and the Company's other service providers. The culture of the Board is considered as part of the annual performance evaluation process which is undertaken by each Director. The culture of the Company's service providers is also considered by the Board during the annual review of their performance and while considering their continuing appointment.

Board operation

The Directors have adopted a formal schedule of matters specifically reserved for their approval. A copy of this schedule is available on the Company's website. These matters include, but are not limited to, the following:

- approval of the Company's investment policy, long-term objectives and business strategy;
- approval of the policies regarding insurance, hedging, borrowing limits and corporate security;
- approval of the Company's Annual and Interim Reports, financial statements and accounting policies, prospectuses, circulars and other shareholder communications;
- approval for raising new capital and major financing facilities;
- Board appointments and removals;
- appointment and removal of the Portfolio Manager, Auditor and the Company's other service providers; and
- approval of the Company's annual operating budgets.

Board meetings

The Company has four scheduled Board meetings a year with additional meetings in respect of share issuances and regulatory matters arranged as necessary.

At each scheduled Board meeting, the Directors follow a formal agenda which is circulated in advance by the Company Secretary. The Company Secretary, the Administration Manager and the Portfolio Manager regularly provide the Board with financial information, including an annual expenses budget, together with briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice. A description of the Company's risk management and internal control systems is set out in the Strategic Report on pages 35 to 41.

Board Committees

Given the number of Directors, the Board does not consider it necessary for the Company to establish separate nomination and remuneration committees and all of the matters that can be delegated to such committees are considered by the Board as a whole. The Board considers that the combined knowledge and experience of its members enable it to successfully fulfil the role of these committees.



Corporate Governance Statement *(continued)*

The Board has established three committees to assist with its operations: the Audit Committee; the Management Engagement Committee and the Disclosure Committee. Each committee's delegated responsibilities are clearly defined in formal terms of reference, which are available on the Company's website.

Audit Committee

The Audit Committee is chaired by Richard King and comprises all Directors. It meets formally at least twice a year. The Board believes it is appropriate for the Chairman of the Company to be a member of the Audit Committee as she provides a valuable contribution to the Committee and her membership enhances the operation of the Committee and its interaction with the Board.

The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Committee and that the Committee, as a whole, has the competence relevant to the investment trust sector. The Chairman of the Audit Committee has significant recent and relevant financial experience.

The Audit Committee has direct access to the Company's Auditor, and provides a forum through which the Auditor reports to the Board. Representatives of the Auditor attend meetings of the Audit Committee at least twice a year.

Further details about the Audit Committee and its activities during the year under review are set out on pages 56 to 58.

Management Engagement Committee

Peter Hewitt is the Chairman of the Management Engagement Committee, which comprises all Directors. The Committee meets at least once a year to review the ongoing performance and the continuing appointment of all service providers of the Company, including the Portfolio Manager. The Committee also considers any variation to the terms of all service providers' agreements and reports its findings to the Board. During the year, the Management Engagement Committee carried out a review of the arrangements for the provision of administration and company secretarial services to the Company. Following this review, the Board approved that Frostrow Capital LLP be appointed to provide these services, in addition to acting as the Company's marketing facilitator. This appointment took effect from 13 July 2020.

The performance of the Company's service providers is closely monitored by the Committee and in arriving at its decisions regarding the continuing appointment of the service providers, it is aided by the feedback received from the Portfolio Manager and the Company Secretary on the performance of those service providers.

Disclosure Committee

The Disclosure Committee is chaired by Jane Tufnell, the Chairman of the Board, and includes Arabella Cecil as its member. The Committee has been established to ensure the identification and disclosure of inside information and the Company's ongoing compliance with the Market Abuse Regulation. No meetings of the Committee were held during the year.

Meeting attendance

The number of scheduled Board and Audit Committee meetings held during the year ended 31 March 2021 and the attendance of the individual Directors is shown below:

	Board Meetings		Audit Committee		Management Engagement Committee	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended
Jane Tufnell	4	4	2	2	1	1
Arabella Cecil	4	4	2	2	1	1
Peter Hewitt	4	4	2	2	1	1
Richard King	4	4	2	2	1	1

In addition, five ad hoc committee and Board meetings were held during the year, and one Strategy meeting after the year-end. All meetings were attended by all Directors.



Corporate Governance Statement *(continued)*

Performance evaluation

The Directors are aware that they need to continually monitor and improve Board performance and recognise that this can be achieved through regular evaluation of the Board, its committees and the individual Directors; this provides a valuable feedback mechanism for improving Board's effectiveness.

An evaluation of the Board and its Committees as well as the Chairman and the individual Directors is carried out annually.

The Chairman acts on the results of the Board's evaluation by recognising the strengths and addressing the weaknesses of the Board and recommending any areas for development.

During the year ended 31 March 2021, the performance of the Board, its committees and individual Directors (including each Director's independence) was evaluated through a formal assessment process led by the Chairman. This involved the circulation of a Board and Committee evaluation checklist, tailored to suit the nature of the Company, followed by discussions between the Chairman and each of the Directors. The performance of the Chairman was evaluated by the Senior Independent Director.

Although the Company is not a constituent of the FTSE 350 Index, the Board had determined in the previous year that in line with the recommendation of the AIC Code, an externally facilitated Board evaluation would be carried out during 2021, being the third year since the Company's launch. Such an external review of the Board's working processes and efficiency was undertaken by Frostrow as the new Administrator and Company Secretary during the year.

As part of the Board evaluation discussions, each of the Directors also assessed the overall time commitment of their external appointments and it was concluded that all Directors have sufficient time to discharge their duties. During the year and since the year-end, all Directors have without fail attended all Board and Committee meetings.

The Chairman is satisfied that the structure and operation of the Board continues to be effective and relevant and that there is a satisfactory mix of skills, experience and knowledge of the Company. The Board has considered the position of all the Directors including the Chairman as part of the evaluation process and believes that it

would be in the Company's best interests to propose them for re-election.

Independence of Directors

The independence of the Directors was reviewed as part of the annual evaluation process and it was found that each Director is considered to be independent in character and judgement and entirely independent of the Portfolio Manager. None of the Directors sits on the boards of any other companies managed by the Portfolio Manager.

Tenure

The Company has no set policy on the length of the tenure of the Directors. It is intended that all Directors, including the Chairman, would remain on the Board no longer than nine years. However, the Board has agreed that to facilitate a phased and efficient refreshment of the Board, if necessary, the Chairman could stay on for more than nine years as a Director.

Re-election of Directors

In accordance with the AIC Code, all Directors are subject to annual re-election.

Accordingly, all Directors will be standing for re-election at the Company's forthcoming AGM. As detailed above, following formal performance evaluation, it is considered that each current Director has the necessary skills and experience, and continues to contribute effectively to the management of the Company. In addition, it is believed that the Board has the relevant expertise and sufficient time to provide the appropriate leadership and direction for the Company. Therefore, the Board strongly recommends the re election of each of the Directors on the basis of their experience and expertise in investment matters, their independence and continuing effectiveness and commitment to the Company.

Diversity

The Board has adopted a diversity policy which reflects its belief in the benefits of cognitive diversity, and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives to the Board and its Committees. The Board does not feel that it would be appropriate to set targets as all appointments are made on merit.



Corporate Governance Statement *(continued)*

The Company does not have any other administrative and management bodies as all its functions have been outsourced to third party service providers.

Conflicts of interest

Company Directors have a statutory obligation to avoid a situation in which they (and connected persons) have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company.

In line with the Companies Act 2006, the Board has the power to sanction any potential conflicts of interest that may arise and impose such limits or conditions that it thinks fit. A register of interests and external appointments is maintained by the Company Secretary and is reviewed at every Board meeting to ensure that all details are kept up to date. Should a conflict arise, the Board has the authority to request that the Director concerned abstains from any relevant discussion, or vote. Appropriate authorisation will be sought prior to the appointment of any new directors or if any new conflicts or potential conflicts arise.

No conflicts of interest arose during the year under review.

Induction of new Directors

The Company has an established process in place for the induction of new Directors. An induction pack will be provided to new Directors by the Company Secretary, containing relevant information about the Company, its constitutional documents and its processes and procedures. New appointees will also have the opportunity of meeting with the Chairman and relevant persons at the Portfolio Manager.

Training and Advice

On an ongoing basis, and further to the annual evaluation process, the Company Secretary will make arrangements for Directors to develop and refresh their skills and knowledge in areas which are mutually identified as being likely to be required, or of benefit to them, in carrying out their duties effectively. Directors will endeavour to make themselves available for any relevant training sessions which may be organised for the Board.

The AIC holds regular Director Roundtable events throughout the year, which are designed to cover the latest issues and regulatory developments affecting the investment company sector. The Director Roundtables are open to all member investment company directors.

Insurance and indemnity provisions

The Board has agreed arrangements whereby Directors may take independent professional advice in the furtherance of their duties. The Company has Directors' and Officers' liability insurance to cover legal defence costs and public offering of securities insurance in place in respect of the IPO. Under the Company's Articles of Association, the Directors are provided, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. The Company has also entered into a deed of indemnity with each Director pursuant to which it has agreed to insure, indemnify and/or loan funds to the Director in relation to certain specific liabilities incurred by them in the performance of their duties as a Director of the Company.

Relations with shareholders

Details regarding the Company's engagement with its shareholders are set out within the Strategic Report on page 25.

Internal control review and assessment process

Details of the Company's internal control review and the assessment process are outlined in the Strategic Report on pages 35 and 36.

Company Secretary

The Board has direct access to the advice and services of the Company Secretary, Frostrow Capital LLP, which is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with. The Company Secretary is also responsible to the Board for ensuring timely delivery of the information and reports which the Directors require and that the statutory obligations of the Company are met.



Corporate Governance Statement *(continued)*

UK Stewardship Code and Exercise of Voting Powers

The Board and the Investment Manager support the UK Stewardship Code, issued by the FRC, which sets out the principles of effective stewardship by institutional investors. The Company's investment portfolio is managed by Odyssean Capital LLP who have extensive experience and a strong commitment to effective stewardship.

The Board has delegated discretion to Odyssean Capital LLP to exercise voting powers on its behalf in respect of shares owned by the Company.

Nominee Share Code

Where the Company's shares are held via a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend, speak and vote at the Company's general meetings.

Significant Holdings and Voting Rights

Details of the shareholders with substantial interests in the Company's shares, the Directors' authorities to issue and repurchase the Company's shares, and the voting rights of the shares are set out in the Report of the Directors.

Audit, Risk and Internal Control

The Statement of Directors' Responsibilities on pages 63 to 64 describes the Directors' responsibility for preparing this annual report.

The Audit Committee Report on pages 56 to 58 explains the work undertaken to allow the Directors to make this statement and to apply the going concern basis of accounting. It also sets out the main roles and responsibilities and the work of the Audit Committee throughout the year, and describes the Directors' review of the Company's risk management and internal control systems.

A description of the principal risks facing the Company and an explanation of how they are being managed is provided in the Strategic Report on pages 35 to 41.

The Board's assessment of the Company's longer-term viability is set out in the Business Review on pages 40 to 41.

Remuneration

The Directors' Remuneration Report on pages 59 to 62 sets out the levels of remuneration for each Director and explains how Directors' remuneration is determined.

Frostrow Capital LLP
Company Secretary

28 May 2021

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Audit Committee Report

I am pleased to present the Audit Committee Report for the year ended 31 March 2021.

Role of the Audit Committee

The primary responsibilities of the Audit Committee are:

- to monitor the integrity and contents of the Company's half-yearly reports, annual reports and financial statements and accounting policies, and to review compliance with regulatory and financial reporting requirements;
- to advise the Board, where requested, on whether the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to review the principal and emerging risks facing the Company that would threaten its business model, future performance, solvency or liquidity;
- to review the Company's internal financial controls and review the adequacy and effectiveness of the Company's risk management systems;
- to assess the prospects of the Company for the next 12 months and to consider its longer-term viability;
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to oversee the selection process of possible new appointees as external auditor;
- to make recommendations to the Board in relation to the appointment, re-appointment and removal of the Auditor;
- to approve the Auditor's remuneration and its terms of engagement;
- to review the adequacy and scope of the external audit;
- to consider the independence, objectivity and effectiveness of the Auditor and the effectiveness of the audit;
- to approve any non-audit services to be provided by the Auditor and the fees paid for such services; and

- to ensure the effective operation of the Company's data protection policy.

Matters considered during the period

During the year ended 31 March 2021, the Committee met twice and each Director's attendance at these meetings is set out in the table on page 52. The Committee also met once following the year end. The Committee has:

- reviewed the internal controls and risk management systems of the Company and its third party service providers;
- agreed the audit plan with the Auditor, including the principal areas of focus, and the fees in respect of the audit;
- received and discussed with the Auditor their report on the results of the audit; and
- reviewed the Company's Half-Yearly Report and Annual Report and Financial Statements, discussed the appropriateness of the accounting policies adopted and advised the Board accordingly.

The Committee has direct access to the Auditor, KPMG LLP, who attends Committee meetings on a regular basis. The Committee has the opportunity to meet with the Auditor without the Portfolio Manager being present.

The issues considered by the Committee in relation to the Annual Report and Financial Statements were:

Significant issue

(a) Valuation of investments

The Board relies on the Administrator and the Portfolio Manager to use correct listed prices and seeks comfort in the testing of this process through their internal controls reports. The Committee reviewed with the Portfolio Manager and the Administrator the valuation process of the Company's investments and the systems in place to ensure the accuracy of these valuations. The Committee, in consultation with the Portfolio Manager, has decided not to change any valuations in light of COVID-19 given investments were all quoted on recognised stock exchanges. The Company uses the services of an independent custodian, RBC Investor Services Trust (UK Branch), to hold the assets of the Company. The custodian's and the Portfolio Manager's records are reconciled daily.



Audit Committee Report *(continued)*

Other issues

(a) Internal controls

During the year, the Committee reviewed and re-worked the Company's risk register. The register is updated on an ongoing basis and reviewed at every meeting of the Committee.

The Audit Committee receives a report on internal control and compliance from the Portfolio Manager and discusses this with the Portfolio Manager. Reports from the Company's other service providers are also reviewed. No significant matters of concern arose from these discussions.

The Company does not have an internal audit function as most of its day-to-day operations are delegated to third parties, all of whom have their own internal control procedures. The Committee discussed whether it would be appropriate to establish an internal audit function, and agreed that the existing system of monitoring and reporting by third parties remains appropriate and sufficient.

(b) Going concern and long-term viability

In line with the AIC Code, the Committee considered the Company's financial requirements and viability for the forthcoming year and over a longer period of three years. Their considerations have included the impact of COVID-19 on the markets, society as a whole and the Company. As a result of this assessment, the Committee concluded that the Company had adequate resources to continue in operation and meet its liabilities as they fall due both for the forthcoming year and over the next two years. Related disclosures are set out on pages 40 and 41.

(c) Maintenance of investment trust status

The Portfolio Manager and the Administrator have reported to the Audit Committee to confirm continuing compliance with the requirements for maintaining investment trust status. The position is also discussed with the Auditor as part of the audit process.

Following the consideration of the above issues and its detailed review, the Committee was of the opinion that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy and advised the Board accordingly.

Audit fees and non-audit services

An audit fee of £37,600 has been agreed in respect of the audit for the year ended 31 March 2021 (year ended 31 March 2020: £30,000).

In accordance with the Company's non-audit services policy, the Audit Committee reviews the scope and nature of all proposed non-audit services before engagement, to ensure that auditor independence and objectivity are safeguarded. The policy includes a list of non-audit services which may be provided by the Auditor provided there is no apparent threat to independence, as well as a list of services which are prohibited. In respect of any permissible non-audit service up to a fee of £10,000 or where any urgent matters arise, the Audit Committee has delegated authority to the Portfolio Manager to approve these between meetings. Non-audit services are capped at 70% of the average of the statutory audit fees for the preceding three years. No non-audit services were provided by the Auditor during the year ended 31 March 2021 (2020: none).

Further information on the fees paid to the Auditor is set out in note 4 to the Financial Statements on page 81.

Effectiveness of the external audit

The Audit Committee monitors and reviews the effectiveness of the external audit carried out by the Auditor, including a detailed review of the audit plan and the audit results report, and makes recommendations to the Board on the re-appointment, remuneration and terms of engagement of the Auditor. This review takes into account the experience and tenure of the audit partner and team, the nature and level of services provided, and confirmation that the Auditor has complied with independence standards. Any concerns with the effectiveness of the external audit process would be reported to the Board. No concerns were raised in respect of the year ended 31 March 2021.



Audit Committee Report *(continued)*

Independence and objectivity of the Auditor

The Committee receives an annual assurance from the Auditor that its independence is not compromised. No non-audit services were provided by the Auditor to the Company during the year. Following a review of the performance of the Auditor, the Committee is satisfied that the Auditor remains independent and objective, and has fulfilled its obligations to the Company and its shareholders. There are no contractual obligations that would restrict the Committee in selecting an alternative external auditor.

KPMG LLP has been the Auditor to the Company since launch in 2018. The auditor is required to rotate the audit partner every five years and the current audit partner is Jatin Patel, who has been in place for three years. It is therefore anticipated that Mr Patel will serve as audit partner for two more years until completion of the audit process in 2023. No tender for the audit of the Company has been undertaken. The Committee will review the continuing appointment of the Auditor on an annual basis and give regular consideration to the Auditor's fees and independence, along with matters raised during each audit.

Re-appointment of the Auditor

Following consideration of the performance of the Auditor, the services provided during the year and a review of its independence and objectivity, the Committee has recommended to the Board the re-appointment of KPMG LLP as Auditor to the Company.

In accordance with the requirements relating to the appointment of auditors, the Company would need to conduct an audit tender no later than for the accounting period beginning 1 April 2028.

Richard King
Chairman of the Audit Committee

28 May 2021



Directors' Remuneration Report

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2021.

As the Company has no employees and the Board is comprised wholly of non-executive Directors, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole, at its discretion within an aggregate ceiling of £300,000 per annum, as prescribed in the Company's Articles of Association. Each Director abstains from voting on their own individual remuneration. During the period, the Board reviewed the levels of Directors' remuneration while having regard to the Company's financial position and performance, remuneration in other companies of comparable scale and complexity and market statistics generally.

During the year ended 31 March 2021, the annual fees were set out at the rate of £34,000 for the Chairman, £27,500 for the Chairman of the Audit committee and £24,000 for a Director.

For the year ending 31 March 2022, it is proposed that all Directors' fees be increased by 3.5% and rounded up to the nearest £500 with effect from 1 April 2021 in order to bring them more in line with the market. The new annual

fee rates for the year ending 31 March 2022 are £35,500 for the Chairman, £28,500 for the Chairman of the Audit Committee and £25,000 for a Director.

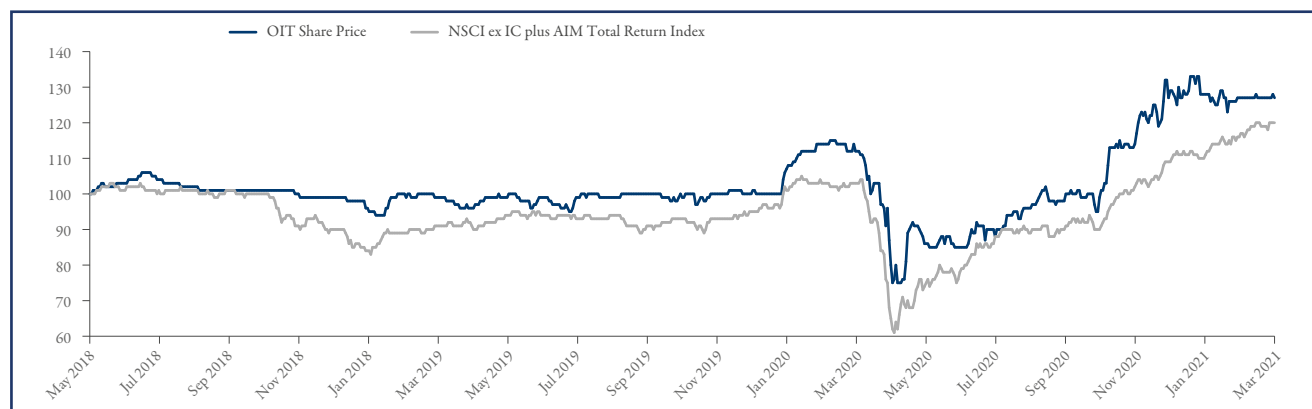
Each of the Directors has agreed to use their applicable Directors' fees (net of applicable taxes) to acquire the Company's ordinary shares in the secondary market, subject to regulatory requirements. In relation to any dealings, the Directors will comply with the share dealing code adopted by the Company in accordance with the Market Abuse Regulation.

An ordinary resolution will be put to shareholders at the forthcoming AGM to be held on 22 September 2021 to receive and approve the Directors' Remuneration Report.

The Directors' Remuneration Policy was approved by shareholders at the AGM held on 27 June 2019. The provisions of the Remuneration Policy, as detailed on page 62, will apply until they are next put to shareholders for renewal of that approval, which must be at intervals of not more than three years, or earlier, if proposals are made to vary the policy. The Remuneration Policy is binding and sets the parameters within which Directors' remuneration may be set. There will be no significant change in the way the Remuneration Policy will be implemented in the course of the next financial year.

Company performance

The graph below compares the total return to holders of ordinary shares since they were first admitted to trading on the LSE, compared to the total return of the NSCI ex IC plus AIM Total Return Index. Further information about the Company's performance during the year is detailed in the Chairman's Statement and the Portfolio Manager's Report on pages 7 to 21.



As at 31 March 2021. Performance measured from close of business on 1 May 2018. Share performance since inception assumes IPO price of 100.0p. Source: Bloomberg. Rebased to 100.



Directors' Remuneration Report *(continued)*

Directors' remuneration for the year ended 31 March 2021 (audited)

The single total figure table below details the remuneration received by the Directors who served during the year:

Director	Year ended 31 March 2021			Year ended 31 March 2020		
	Fees	Taxable benefits	Total	Fees	Taxable benefits	Total
Jane Tufnell ¹	£34,000	–	£34,000	£34,000	–	£34,000
Arabella Cecil ²	£24,000	–	£24,000	£24,000	–	£24,000
Peter Hewitt ²	– ³	–	–	– ³	£595	£595
Richard King ¹	£27,500	–	£27,500	£27,500	–	£27,500
	£85,500	–	£85,500	£85,500	£595	£86,095

¹ Appointed on 21 December 2017.

² Appointed on 31 January 2018.

³ Peter Hewitt is not receiving a fee in respect of his services as a Director to the Company; this is owing to his employment as a director of Global Equities in BMO Global Asset Management Limited.

There are no variable elements in the remuneration payable to the Directors. Taxable benefits included in the above table are in respect of the amounts reimbursed to Directors as travel and other expenses properly incurred by them in the performance of their duties.

Relative importance of spend on pay

The table below shows the proportion of the Company's income spent on pay.

	Year ended 31 March 2021	Year ended 31 March 2020
Spend on Directors' fees*	£85,500	£86,095
Management fee and other expenses	£1,442,000	£1,313,000

* As the Company has no employees, the total spend on pay on remuneration comprises only the Directors' fees.

In the absence of any employees, dividend payments made during the year and amount spent on shares buybacks, the management fee and other expenses have been included because the Directors believe it will help shareholders' understanding of the relative importance of the spend on pay. The figures for this measure are the same as those shown in notes 3 and 4 to the Financial Statements.



Directors' Remuneration Report *(continued)*

Directors' interests (audited)

The Company's Articles of Association do not require a Director to own shares in the Company. The interests of the Directors and any connected persons in the ordinary shares of the Company at 31 March 2021 and 28 May 2021, the date of this report, are shown in the table below:

	28 May 2021 Number of shares	31 March 2021 Number of shares	31 March 2020 Number of shares
Jane Tufnell	576,695	572,910	559,086
Arabella Cecil	156,205	152,618	133,636
Peter Hewitt	35,000	35,000	35,000
Richard King	67,800	67,800	55,935

None of the Directors or any person connected with them had a material interest in the Company's transactions, arrangements or agreements during the year.

Voting at AGM

The Directors' Remuneration Report for the year ended 31 March 2020 was approved at the AGM held on 22 September 2020. The votes cast by proxy on the resolution were:

	Directors' Remuneration Report	
	Number of votes	% of votes cast
For	39,725,249	100.0
Against	999	0.0
Total votes cast	39,726,248	100.0
Votes withheld	4,537	0.0

Any proxy votes which were at the discretion of the Chairman were included in the "For" total. A vote withheld is not a vote in law and is not counted in the calculations of votes cast by proxy.



Directors' Remuneration Report *(continued)*

Remuneration policy

The Company follows the recommendation of the AIC Code that non executive Directors' remuneration should reflect the time commitment and responsibilities of the role. The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, and be determined with reference to comparable organisations and appointments.

All Directors are non-executive, appointed under the terms of letters of appointment. There are no service contracts in place. The Company has no employees.

The fees for the non-executive Directors are determined within the limits (not to exceed £300,000 per annum) set out in the Company's Articles of Association, or any greater sum that may be determined by special resolution of the Company. Directors are not eligible for bonuses, share options, long-term incentive schemes or other performance-related benefits as the Board does not believe that this is appropriate for non-executive Directors. There are no pension arrangements or retirement benefits in place for the Directors of the Company.

Under the Company's Articles of Association, if any Director is called upon to perform or render any special duties or services outside their ordinary duties as a Director, they may be paid such reasonable additional remuneration as the Board, or any committee authorised by the Board, may from time to time determine.

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings of the Company.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Directors' fee levels

Component	Role	Rate at 1 April 2021	Purpose of Remuneration
Annual fee	Chairman	£35,500	Commitment as Chairman ¹
Annual fee	Non-executive Director	£25,000	Commitment as non-executive Director ²
Additional fee	Chairman of the Audit Committee	£3,500	For additional responsibilities and time commitments ³
Additional fee	All Directors	N/A	For extra or special services performed in their role as a Director ⁴
Expenses	All Directors	N/A	Reimbursement of expenses incurred in the performance of duties as a Director

- 1 The Chairman of the Board is paid a higher fee than the other Directors to reflect the more onerous role.
- 2 The Company's Articles of Association limit the aggregate fees payable to the Board of Directors to £300,000 per annum.
- 3 The Chairman of the Audit Committee is paid a higher fee than the other Directors to reflect the more onerous role.
- 4 Additional fees would only be paid in exceptional circumstances in relation to the performance of extra or special services.

Each of the Directors has agreed to use their applicable Directors' fees (net of applicable taxes) to acquire the Company's ordinary shares in the secondary market, subject to regulatory requirements.

Fees are reviewed annually in accordance with the above policy. The fee for any new Director appointed to the Board will be determined on the same basis. The Company is committed to ongoing shareholder dialogue and any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board when reviewing the Directors' remuneration policy and in the annual review of Directors' fees.

Compensation will not be made upon early termination of appointment.

Approval

The Directors' Remuneration Report was approved by the Board and signed on its behalf by:

Jane Tufnell
Chairman

28 May 2021



Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial period. Accordingly, the Directors have prepared the Financial Statements in accordance with IFRS as adopted by the EU. Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: “Accounting Policies, Changes in Accounting Estimates and Errors” and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company’s financial position and financial performance;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors’ Report, Directors’ Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual Report includes information required by the Listing Rules of the FCA.

The Financial Statements are published on the Company’s website, www.oitplc.com, which is maintained on behalf of the Company by the Portfolio Manager. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Financial Statements since they were initially presented on the website.

Under the Portfolio Management Agreement, the Portfolio Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

We confirm that to the best of our knowledge:

- the Financial Statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.



Statement of Directors' Responsibilities *(continued)*

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Jane Tufnell
Chairman

28 May 2021

Independent auditor's report

to the members of Odyssean Investment Trust PLC

1. Our opinion is unmodified

We have audited the financial statements of Odyssean Investment Trust PLC ("the Company") for the year ended 31 March 2021 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2021 and its return for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 29 November 2018. The period of total uninterrupted engagement is for the financial period ended 31 March 2019 and 31 March 2020. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. Non on-audit services prohibited by that standard were provided.

Overview

Materiality:	£1.25m (2020: £0.82m)
Company financial statements as a whole	1% of Total Assets (2020: 1%)
Recurring risk:	Risk related to carrying value
Key audit matter:	Carrying amount of quoted investments

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2020), in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

	The risk	Our response
Carrying amount of quoted investments (£109m; (2020: £72m)) Refer to page 56 (Audit Committee Report), page 76 (accounting policy) and page 83 and 84 (financial disclosures).	Low risk, high value: The Company's portfolio of quoted investments makes up 87% (2020: 88%) of the Company's total assets by value and is considered to be one of the key drivers of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	We performed the detailed tests below rather than seeking to rely on controls, because the nature of the balance is such that detailed testing is determined to be the most effective manner of obtaining audit evidence. Our procedures included: Tests of detail: Agreeing the valuation of 100% of quoted investments in the portfolio to externally quoted prices; and Enquiry of custodians: Agreeing investment holdings in the portfolio to independently received third party confirmations from investment custodians or performed alternate procedure on unconfirmed balances. Our findings: We found the carrying amount of quoted investments to be acceptable (2020: acceptable).

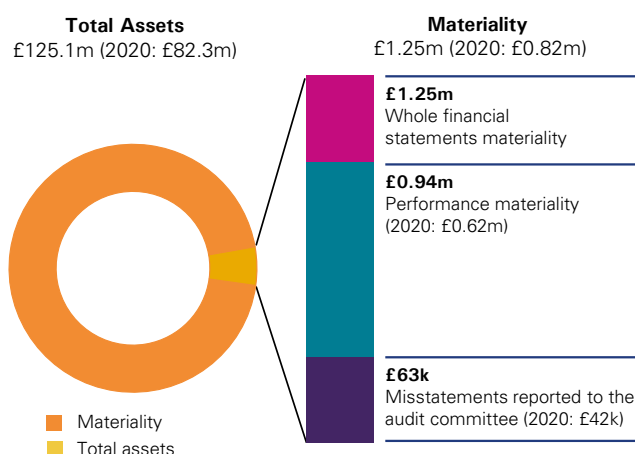
3. Our application of Company materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £1.25m (2020: £0.82m), determined with reference to a benchmark of total assets, of which it represents 1% (2020: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to £0.94m (2020: £0.62m). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £63k (2020: £42k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.



4. Going Concern

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

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources and its ability to operate over this period were:

- the impact of a significant reduction in the valuation of investments;
- the liquidity of the investment portfolio and its ability to meet the liabilities of the Company as and when they fall due; and
- the operational resilience of key service organisations.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Company's liquid investment position (and the results of their reverse stress testing).

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is no material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the Listing Rules set out on page 40 is materially consistent with the financial statements and our audit knowledge

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

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- assessing the segregation of duties in place between the Directors, the Administrator and the Company's Investment Manager; and
- reading Board and Audit Committee minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries. We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

On this audit we have rebutted the fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any significant unusual transactions or additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors, the Investment Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

5. Fraud and breaches of laws and regulations – ability to detect (continued)

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

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and its qualification as an Investment Trust under UK taxation legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

Context of the ability of the audit to detect fraud or breaches of law or regulation

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

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

6. We have nothing to report on the other information in the Annual Report

The directors are 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.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the principal risks, emerging risks and risk management section on page 35 that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;
- The Emerging and Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 40 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as

subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 62, the Directors are responsible for: the preparation of the financial statements including being satisfied that they 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company 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 other irregularities (see below), 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, other irregularities 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.

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
 15 Canada Square
 London
 E14 5GH

28 May 2021

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Statement of Comprehensive Income

for the year ended 31 March 2021

	Notes	Year ended 31 March 2021			Year ended 31 March 2020		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	2	852	–	852	1,949	133	2,082
Net gains/(losses) on investments at fair value	7	–	45,113	45,113	–	(5,588)	(5,588)
Total income/(loss)		852	45,113	45,965	1,949	(5,455)	(3,506)
Expenses							
Portfolio management fee	3	(943)	(1,825)	(2,768)	(904)	–	(904)
Other expenses	4	(499)	–	(499)	(495)	–	(495)
Total expenses		(1,442)	(1,825)	(3,267)	(1,399)	–	(1,399)
(Loss)/return before taxation		(590)	43,288	42,698	550	(5,455)	(4,905)
Taxation	5	(3)	–	(3)	(7)	–	(7)
(Loss)/return for the period		(593)	43,288	42,695	543	(5,455)	(4,912)
Basic and diluted (loss)/return per ordinary share (pence)	6	(0.7)	49.2	48.5	0.6	(6.2)	(5.6)

The total column of this statement is the Income Statement of the Company prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the EU. The supplementary revenue and capital columns are presented in accordance with the Statement of Recommended Practice issued by the AIC (“AIC SORP”).

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

There is no other comprehensive income, and therefore the profit for the period after tax is also the total comprehensive income.

The accompanying notes are an integral part of these financial statements.

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Statement of Changes in Equity

for the year ended 31 March 2021

Notes	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Year ended 31 March 2021						
Opening balance as at 1 April 2020	883	449	85,475	(6,726)	14	80,095
Total comprehensive income for the year	–	–	–	43,288	(593)	42,695
Share repurchases into treasury	–	–	(230)	–	–	(230)
As at 31 March 2021	883	449	85,245	36,562	(579)	122,560

Notes	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Year ended 31 March 2020						
Opening balance as at 1 April 2019	883	449	85,475	(1,271)	(529)	85,007
Total comprehensive income for the period	–	–	–	(5,455)	543	(4,912)
As at 31 March 2020	883	449	85,475	(6,726)	14	80,095

The accompanying notes are an integral part of these financial statements.



Balance Sheet

as at 31 March 2021

	Notes	31 March 2021 £'000	31 March 2020 £'000
Non current assets			
Investments at fair value through profit or loss	7	109,259	72,266
Current assets			
Trade and other receivables	8	143	187
Cash and cash equivalents		15,689	9,800
		15,832	9,987
Total assets		125,091	82,253
Current liabilities			
Trade and other payables	9	(2,531)	(2,158)
Total liabilities		(2,531)	(2,158)
Total assets less current liabilities		122,560	80,095
Net assets		122,560	80,095
Represented by:			
Share capital	10	883	883
Share premium account		449	449
Special distributable reserve	10	85,245	85,475
Capital reserve		36,562	(6,726)
Revenue reserve		(579)	14
Total equity attributable to equity holders of the Company		122,560	80,095
Basic and diluted NAV per ordinary share (pence)	11	139.3	90.8

The accompanying notes are an integral part of these financial statements.

These statements were approved and authorised for issue by the Board on 28 May 2021 and signed on its behalf by:

Jane Tufnell
Chairman

Company Registered Number: 11121934



Cash Flow Statement

for the year ended 31 March 2021

	Notes	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Reconciliation of total return/(loss) before taxation to net cash (outflow)/inflow from operating activities			
Return/(loss) before tax		42,698	(4,905)
(Gains)/losses on investments held at fair value through profit and loss		(45,113)	5,588
Decrease in receivables		44	105
Increase in payables		1,881	32
Taxation paid		(3)	(10)
Net cash (outflow)/inflow from operating activities		(493)	810
Investing activities			
Purchases		(42,138)	(26,405)
Sales		48,758	17,167
Net cash inflow/(outflow) from investing activities		6,620	(9,238)
Financing activities			
Shares repurchased into treasury		(230)	–
Share issue costs		–	10
Net cash (outflow)/inflow from investing activities		(230)	10
Increase/(decrease) in cash and cash equivalents		5,897	(8,418)
Reconciliation of net cash flow movements in funds			
Cash and cash equivalents at the beginning of the year		9,800	18,219
Exchange rate movements		(8)	(1)
Increase/(decrease) in cash and cash equivalents		5,897	(8,418)
Increase/(decrease) in net cash		5,889	(8,419)
Cash and cash equivalents at end of year		15,689	9,800

The accompanying notes are an integral part of these financial statements.



Notes to the Financial Statements

for the year ended 31 March 2021

1. Accounting Policies

Odyssean Investment Trust PLC is a listed public company incorporated and registered in England and Wales. The registered office of the Company is 25 Southampton Buildings, London WC2A 1AL. The principal activity of the Company is that of an investment trust company within the meaning of sections 1158/1159 of the Corporation Tax Act 2010 and its investment approach is detailed in the Strategic Report.

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with IFRS as adopted by the EU which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), and as applied in accordance with the provisions of the Companies Act 2006. The annual financial statements have also been prepared in accordance with the AIC SORP for the financial statements of investment trust companies and venture capital trusts, except to any extent where it is not consistent with the requirements of IFRS.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been prepared alongside the Income Statement.

The functional currency of the Company is Sterling because this is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in Sterling rounded to the nearest thousand, except where otherwise indicated.

b) Going concern

The financial statements have been prepared on a going concern basis that approval as an investment trust company will continue to be met.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future, being a period of at least 12 months from the date these financial statements were approved. In making the assessment, the Directors have considered the likely impacts of the current COVID-19 pandemic on the Company, operations and the investment portfolio. The Directors noted the cash balance exceeds any short-term liabilities, the Company has no debt and the Company holds a portfolio of investments listed on the LSE. The Company is a closed end fund, where assets are not required to be liquidated to meet redemptions. Whilst the economic future is uncertain, and the Directors believe it is possible the Company could experience further reductions in income and/or market value that this should not be to a level which would threaten the Company's ability to continue as a going concern. The Directors, the Portfolio Manager and other service providers have put in place contingency plans to minimise disruption. Furthermore, the Directors are not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, debt and investment commitments. Therefore, the financial statements have been prepared on a going concern basis.

c) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of the business, being investment business. The Company invests in small companies principally based in countries bordering the North Atlantic Ocean.

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Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

1. Accounting Policies *(continued)*

d) Accounting developments

In the current year, the Company has applied a number of amendments to IFRS, issued by the IASB. These include annual improvements to IFRS, changes in standards, legislative and regulatory amendments, changes in disclosure and presentation requirements.

The adoption of the changes has had no material impact on the current or prior years' financial statements.

e) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts in the Balance Sheet, the Income Statement and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are: recognising and classifying unusual or special dividends received as either revenue or capital in nature; when determining any deferred performance fee, this may be affected by future changes in the Company's portfolio and other assets and liabilities; and setting the levels of dividends paid and proposed in satisfaction of both the Company's long-term objective and its obligations to adhere to investment trust status rules under Section 1158 of the Corporation Tax Act 2010.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. There are no significant judgements or estimates in these financial statements.

f) Investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis in accordance with the documented investment strategy and information is provided internally on that basis to the Company's Board of Directors and other key management personnel.

The investments held by the Company are designated by the Company as 'at fair value through profit or loss'. All gains and losses are allocated to the capital return within the Statement of Comprehensive Income as 'Gains or losses on investments held at fair value through profit or loss'. Also included within this heading are transaction costs in relation to the purchase or sale of investments. When a sale or purchase is made under a contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date.



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

1. Accounting Policies *(continued)*

f) Investments *(continued)*

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which is either the bid price or the closing price for Stock Exchange Electronic Trading Service ('SETS'). The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been accumulated is recognised in profit or loss.

Fair values for unquoted investments, or investments for which the market is inactive, are established by using various valuation techniques in accordance with the International Private Equity and Venture Capital Valuation (the "IPEV") guidelines. These may include recent arm's length market transactions, earnings multiples and the net asset basis.

All investments for which a fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy levels set out in note 7.

g) Foreign currency translation

Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the date of the transaction. Items that are denominated in foreign currencies are retranslated at the rates prevailing on the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is capital or revenue in nature.

h) Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

i) Other receivables and payables

Trade receivables and trade payables are measured at amortised cost and balances revalued for exchange rate movement.

j) Income

Dividends receivable on quoted equity shares are taken to revenue on an ex-dividend basis. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Dividends from overseas companies are shown gross of any withholding taxes which are disclosed separately in the Statement of Comprehensive Income.

Special dividends are taken to the revenue or capital account depending on their nature. In deciding whether a dividend should be regarded as capital or revenue receipt, the Board reviews all relevant information as to the sources of the dividend on a case-by-case basis.



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

1. Accounting Policies *(continued)*

j) Income *(continued)*

When the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Any excess in the value of the cash dividend is recognised in the capital column.

All other income is accounted on a time-apportioned accruals basis and is recognised in the Statement of Comprehensive Income.

k) Expenses

All expenses are accounted on an accruals basis and are allocated wholly to revenue with the exception of the Performance Fees and transaction costs which are allocated wholly to capital, as the fee payable by reference to the capital performance of the Company.

l) Taxation

The charge for taxation is based on the net revenue for the year and takes into account taxation deferred or accelerated because of temporary differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with recommendations of the SORP, the allocation method used to calculate the tax relief expenses charged to capital is the 'marginal' basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

m) Dividends payable to shareholders

Dividends to shareholders are recognised as a liability in the period in which they are paid or approved in general meetings and are taken to the Statement of Changes in Equity. Dividends declared and approved by the Company after the Balance Sheet date have not been recognised as a liability of the Company at the Balance Sheet date.

n) Share capital and reserves

The share capital represents the nominal value of equity shares.

The share premium account represents the accumulated premium paid for shares issued above their nominal value less issue expenses.

The special distributable reserve was created on 7 August 2018. This reserve may be used for the costs of share buybacks, the cancellation of shares, and distribution by way of dividends.

The capital reserve represents realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items. In addition, performance fee costs are allocated to the capital reserve.

The revenue reserve represents the surplus of accumulated revenue profits being the excess of income derived from holding investments less the costs associated with running the Company. This reserve may be distributed by way of dividends.



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

2. Income

	Year ended 31 March 2021 Income £'000	Year ended 31 March 2021 Capital £'000	Year ended 31 March 2021 Total £'000	Year ended 31 March 2020 Income £'000	Year ended 31 March 2020 Capital £'000	Year ended 31 March 2020 Total £'000
Income from investments						
UK dividends	852	–	852	1,922	133	2,055
Other income						
Bank interest received	–	–	–	24	–	24
Other income	–	–	–	3	–	3
Total income	852	–	852	1,949	133	2,082

3. Portfolio management fee

	Year ended 31 March 2021			Year ended 31 March 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Portfolio management fee	943	–	943	904	–	904
Performance fee	–	1,825	1,825	–	–	–
	943	1,825	2,768	904	–	904

The Company is liable to pay a performance fee depending on the performance of the Company over a three-year period and thereafter a rolling three-year period as set out in the Company's prospectus dated 26 March 2018. Based on the performance of the Company to 31 March 2021, a performance fee of £1,825,000 has been accrued (2020: £nil) and is expected to be cash settled upon approval of this Annual Report in accordance with details set out on pages 80 and 81.

Pursuant to the terms of the Portfolio Management Agreement, the Portfolio Manager is entitled, with effect from IPO on 1 May 2018, to receive an annual management fee equal to the lower of: (i) 1% of the NAV (calculated before deduction of any accrued but unpaid Management fee and any performance fee) per annum; or (ii) 1% per annum of the Company's market capitalisation. The annual management fee is calculated and accrues daily and is payable quarterly in arrears.

In addition, the Portfolio Manager will be entitled to a performance fee in certain circumstances.



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

3. Portfolio management fee *(continued)*

The Company's performance is measured over rolling three-year periods ending on 31 March each year (each a "Performance Period"), by comparing the NAV total return per ordinary share over a Performance Period against the total return performance of the NSCI ex IC plus AIM Total Return Index (the "Comparator Index"). The first Performance Period will run from IPO to 31 March 2021.

A Performance Fee is payable if the NAV per ordinary share at the end of the relevant Performance Period (as adjusted to: (i) add back the aggregate value of any dividends per ordinary share paid (or accounted as paid for the purposes of calculating the NAV) to shareholders during the relevant Performance Period; and (ii) exclude any accrual for unpaid Performance Fee accrued in relation to the relevant Performance Period) (the "NAV Total Return per Share") exceeds both:

- (i) (a) the NAV per ordinary share at IPO, in relation to the first Performance Period; and (b) thereafter the NAV per ordinary share on the first business day of a Performance Period; in each case as adjusted by the aggregate amount of (i) the total return on the Comparator Index (expressed as a percentage); and (ii) 1% per annum over the relevant Performance Period (the "Target NAV per Share");
- (ii) the highest previously recorded NAV per ordinary share as at the end of the relevant Performance Period in respect of which a Performance Fee was last paid (or the NAV per ordinary share as at IPO, if no Performance Fee has been paid) (the "High Watermark"); and
- (iii) with any resulting excess amount being known as the "Excess Amount".

The Portfolio Manager will be entitled to 10% of the Excess Amount multiplied by the time weighted average number of ordinary shares in issue during the relevant Performance Period to which the calculation date relates. The Performance Fee will accrue daily.

Payment of a Performance Fee that has been earned will be deferred to the extent that the amount payable exceeds 1.75% per annum of the NAV at the end of the relevant Performance Period (amounts deferred will be payable when, and to the extent that, following any later Performance Period(s) with respect to which a Performance Fee is payable, it is possible to pay the deferred amounts without causing that cap to be exceeded or the relevant NAV total return per share to fall below both the relevant target NAV per share and the relevant High Watermark for such Performance Period, with any amount not paid being retained and carried forward).

Subject at all times to compliance with relevant regulatory and tax requirements, any Performance Fee paid or payable shall:

- where as at the relevant calculation date, the ordinary shares are trading at, or at a premium to, the latest published NAV per ordinary share, be satisfied as to 50% of its value by the issuance of new ordinary shares by the Company to the Portfolio Manager (rounded down to the nearest whole number of ordinary shares) (including the reissue of treasury shares) issued at the latest published NAV per ordinary share applicable at the date of issuance;
- where as at the relevant calculation date, the ordinary shares are trading at a discount to the latest published NAV per ordinary share, be satisfied as to 100% of its value in cash and the Portfolio Manager shall, as soon as reasonably practicable following receipt of such payment, use 50% of such Performance Fee payment to make market purchases of ordinary shares (rounded down to the nearest whole number of ordinary shares) within four months of the date of receipt of such Performance Fee payment.



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

3. Portfolio management fee *(continued)*

Each such tranche of shares issued to, or acquired by, the Portfolio Manager will be subject to a lock-up undertaking for a period of three years post issuance or acquisition (subject to customary exceptions).

At no time shall the Portfolio Manager (and/or any persons deemed to be acting in concert with it for the purposes of the Takeover Code) be obliged, in the absence of a relevant whitewash resolution having been passed in accordance with the Takeover Code, to receive, or acquire, further ordinary shares where to do so would trigger a requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code. Where any restriction exists on the issuance of further ordinary shares to the Portfolio Manager, the relevant amount of the Performance Fee may be paid in cash.

In addition, the Portfolio Manager is entitled to reimbursement for all costs and expenses properly incurred by it in the performance of its duties under the Portfolio Management Agreement.

The initial term of the Portfolio Management Agreement is three years commencing on the date of IPO (the "Initial Term"). The Company may terminate the Portfolio Management Agreement by giving the Portfolio Manager not less than six months' prior written notice, such notice not to be served prior to the end of the Initial Term. The Portfolio Manager may terminate the Portfolio Management Agreement by giving the Company not less than six months' prior written notice, such notice not to be served prior to the end of the Initial Term.

4. Other expenses

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Directors' fees*	86	86
Company Secretarial and Administration fee – Link**	43	149
Frostrow Capital***	164	–
Auditors remuneration	38	30
Other expenses	168	230
	499	495

* Peter Hewitt is not receiving a Director fee in respect of his services to the Company. Each of the Directors has agreed to use their applicable Directors' fees (net of applicable taxes) to acquire ordinary shares in the secondary market, subject to regulatory requirements. In relation to any dealings, the Directors will comply with the share dealing code adopted by the Company in accordance with the Market Abuse Regulation. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

** Link Company Matters Ltd was appointed as Company Secretary and Administrator until 12 July 2020.

*** Frostrow Capital LLP was appointed with effect from 13 July 2020.



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

5. Taxation

	Year ended 31 March 2021			Year ended 31 March 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Analysis of charge in year						
Current tax:						
Overseas tax suffered	3	–	3	7	–	7
	3	–	3	7	–	7

The tax assessed for the year is the standard rate of Corporation Tax in the UK of 19% (2020: 19%). The differences are explained below:

	Year ended 31 March 2021			Year ended 31 March 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net (loss)/return before taxation	(590)	43,288	42,698	550	(5,455)	(4,905)
Theoretical tax at UK corporation tax rate of 19% (2020: 19%)	(112)	8,225	8,113	105	(1,037)	(932)
Effects of:						
UK dividends that are not taxable	(162)	–	(162)	(346)	–	(346)
Foreign dividends that are not taxable	–	–	–	(17)	–	(17)
Non-taxable investment losses/(gains)	–	(8,572)	(8,572)	(1)	1,037	1,036
Irrecoverable overseas tax	3	–	3	7	–	7
Unrelieved excess expenses	274	347	621	259	–	259
	3	–	3	7	–	7

Factors that may affect future tax charges

At 31 March 2021, the Company had no unprovided deferred tax liabilities (2020: £nil). At that date, based on current estimates and including the accumulation of net allowable losses, the Company had unrelieved losses of £5,828,000 (2020: £2,564,000) that are available to offset future taxable revenue. A deferred tax asset of £1,107,000 (2020: £435,000) has not been recognised because the Company is not expected to generate sufficient taxable income in future periods in excess of the available deductible expenses and accordingly, the Company is unlikely to be able to reduce future tax liabilities through the use of existing surplus losses.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Trust meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an Investment Trust company.



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

6. (Loss)/return per ordinary share

The capital, revenue and total return per ordinary share are based on the net (loss)/return shown in the Income Statement and the weighted average number of ordinary shares during the period of 88,020,635 (2020: 88,257,211).

There are no dilutive instruments issued by the Company.

7. Investments held at fair value through profit or loss

	As at 31 March 2021 £'000	As at 31 March 2020 £'000
Opening book cost	83,719	68,330
Opening investment holding losses	(11,453)	(1,523)
Opening fair value	72,266	66,807
Analysis of transactions made during the year		
Purchases at cost	40,637	28,214
Sales proceeds received	(48,758)	(17,167)
Gains on sales of investments	8,298	4,342
Gains/(losses) on investment holding	36,816	(9,930)
Closing fair value	109,259	72,266
Closing book cost	83,896	83,719
Closing investment holding gains/(losses)	25,363	(11,453)
Closing fair value	109,259	72,266
Transaction costs	269	140



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

7. Investments held at fair value through profit or loss *(continued)*

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following three levels:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1, if they reflect actual and regularly occurring market transactions on an arms length basis.

- **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

	As at 31 March 2021				As at 31 March 2020			
	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Quoted at fair value	109,259	109,259	–	–	72,266	72,266	–	–
Total	109,259	109,259	–	–	72,266	72,266	–	–

There were no transfers between levels during the period.

8. Trade and other receivables

	As at 31 March 2021 £'000	As at 31 March 2020 £'000
Other receivables	143	187
	143	187



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

9. Trade and other payables

	As at 31 March 2021 £'000	As at 31 March 2020 £'000
Due to brokers	300	1,808
Portfolio management and performance fees	2,106	231
Other payables	125	119
	2,531	2,158

10. Share capital

	Year ended 31 March 2021		Year ended 31 March 2020	
	Number of Shares	£'000	Number of Shares	£'000
Issued and fully paid:				
Ordinary shares of 1p:				
Balance at beginning of the period	88,257,211	883	88,257,211	883
Balance at end of the period	88,257,211	883	88,257,211	883

Special distributable reserve

Upon initial placing and subsequent issuance of the Company's ordinary shares on 1 May 2018 and 27 June 2018 respectively, the Company accumulated a premium account of £85,495,000. Following approval of the Court, effective on 8 August 2018, the share premium account was cancelled and the balance after cancellation cost of £20,000 was transferred to the special distributable reserve.

On 22 May 2020, the Company purchased 275,000 of its own ordinary shares at a total cost of £230,000 and these shares have been placed into treasury.

11. Net asset value per ordinary share

The basic net asset value per ordinary share is based on net assets of £122,560,000 (2020: 80,095,000) and the number of ordinary shares in issue of 87,982,211 (2020: 88,257,211).

There are no dilutive instruments issued by the Company.

Overview

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Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

12. Financial Instruments

Investment objective and policy

The Company primarily invests in smaller company equities quoted on markets operated by the LSE, which the Portfolio Manager believes are trading below intrinsic value and where this value can be increased through strategic, operational, management and financial initiatives.

The Company's investment objective and policy are detailed on pages 3 and 4.

The Company's financial instruments include its investment portfolios, cash balances, trade receivables and trade payables that arise directly from its operations. Adherence to the Company's investment policy is key to mitigating risk.

Risks

The Portfolio Manager monitors the financial risks affecting the Company on an ongoing basis and the Board regularly receive financial information, which is used to identify and monitor risk. All risks are actively reviewed and managed by the Board.

The risks identified arising from the Company's financial instruments are:

- (i) market risk, including market price risk, interest rate risk and currency risk;
- (ii) liquidity risk;
- (iii) credit and counterparty risk

(i) Market risk

Market risk is the risk of loss arising from movements in observable market variables. The fair value of future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. The Portfolio Manager assesses the exposure to market risk when making each investment decision and these risks are monitored by the Portfolio Manager on a regular basis and the Board at meetings with the Portfolio Manager.

Market price risk

The Company is exposed to market price risk (i.e. changes in market prices other than those arising from currency or interest rate risk) which may affect the value of investments whose future prices are uncertain. The Company's exposure to market price risk comprises movements in the value of the Company's investments. If the fair value of the Company's investments at the year-end increased or decreased by 10%, then it would have had an impact on the Company's capital return and equity of £10,926,000 (2020: £7,227,000).

The Portfolio Manager manages this risk by following the investment objective as set out in the prospectus. The Portfolio Manager assesses the exposure to market price risk when making each investment decision and monitors the overall level of market price risk on the whole investment portfolio on an ongoing basis. The Portfolio Manager maintains a net cash position and intends to maintain this for the foreseeable future.



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

12. Financial instruments *(continued)*

Currency risk

Currency risk is the risk that fair values of future cash flows of a financial instrument fluctuate because of changes in foreign exchange rates. The Company has limited exposure to foreign currency fluctuations, it has only one (2020: one) investment in EUR fair valued at £2,226,000 (2020: £1,157,000) impacted by foreign exchange rates which has an immaterial effect on the investment portfolio. A 5% rise or decline in Sterling against the foreign currency denominated investment held at year end would have decreased/increased the net asset value by £106,000 (2020: £58,000). Whilst the Company's other investments are denominated in Sterling, the Company may have currency exposure through the trading activities of its investee companies.

The Portfolio Manager does not hedge underlying portfolio companies.

Interest rate risk

Interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate movements may potentially affect future cash flows from the level of income receivable on cash deposits.

The Company's bank balances are subject to a variable rate of interest, it does not generate significant income from interest and the Portfolio Manager does not hedge against this. The Company has no gearing and therefore there is limited downside risk from increasing interest costs on borrowings.

If the Company maintained the following level of cash for a year £15,689,000 (2020: £9,800,000), a 1% increase in interest rates would increase the revenue return and net assets by £157,000 (2020: £98,000). If there was a fall of 1% in interest rates, it would potentially impact the Company by turning positive interest to negative interest. The total effect would be a revenue reduction/cost increase of £157,000 (2020: £98,000).

The portfolio Manger actively manages the cash positions of the Company.

(ii) Liquidity risk

The Company's assets mainly comprise readily realisable securities which can be easily sold to meet funding commitments and obligations. Liquidity risk is mitigated by the fact that the Company has £15,689,000 (2020: £9,800,000) cash at bank and the assets are readily realisable. The Company is a closed-end fund, assets do not need to be liquidated to meet redemptions.

The Portfolio Manager maintains a net cash position and intends to maintain this for the foreseeable future. The Portfolio Manager will manage the portfolio to maintain sufficient cash balances to meet its obligations or liabilities as they fall due.

(iii) Credit risk

This is the risk a counterparty of the Company will not meet their obligations to the Company.

The Company does not have any significant exposure to credit risk arising from one individual party. Credit risk is spread across a number of counterparties, each having an immaterial effect on the Company's cash flows, should a default happen. The credit standing of all counterparties is reviewed periodically and assesses the debtors to ensure they are neither past due or impaired.

All the investments of the Company which are traded on a recognised exchange are held by the Company's custodian, RBC Investor Services Trust ("RBC"). All the Company's cash is also held by RBC. The Portfolio Manager and the Board actively monitor the relationship with RBC and review RBC's internal control report.



Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

13. Related party transactions

The amounts incurred in respect of Portfolio Management fees during the period to 31 March 2021 was £943,000 (2020: 904,000), of which £281,000 (2020: £231,000) was outstanding at 31 March 2021. The amount accrued in relation to the performance fee provision as at 31 March 2021 was £1,825,000 (2020: £nil).

Fees paid to the Company's Directors and Directors shareholdings, are disclosed in the Directors' Remuneration Report. At the year end, there were no outstanding fees payable to Directors (2020: £nil).

14. Subsequent events

There have been no events with material impact on the Company since the Balance Sheet date.

Additional Information and Notice of AGM



ADDITIONAL INFORMATION

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Shareholder Information

Investing in the Company

The Company's shares are traded on the LSE and can be bought or sold through a stock broker or other financial intermediary.

Shares in the Company are available through savings plans, including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs, which facilitate both regular monthly investments and lump sum investments in the Company's shares. The Company's shares are also available on various investment platforms.

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is no comprehensive nor constitutes any form of recommendation, can be found below:

AJ Bell YouInvest	www.youinvest.co.uk
Barclays Smart Investor	www.barclays.co.uk/smart-investor
Bestinvest	www.bestinvest.co.uk
Charles Stanley Direct	www.charles-stanley-direct.co.uk
EQi	www.eqi.co.uk
Halifax Investing	www.halifax.co.uk/investing.html
Hargreaves Lansdown	www.hl.co.uk
HSBC	www.hsbc.co.uk/investments
iDealing	www.idealing.com
interactive investor	www.ii.co.uk
iWeb	www.iweb-sharedealing.co.uk
Saxo Markets	www.home.saxo
The Share Centre	www.share.com
WealthClub	www.wealthclub.co.uk

Risk warnings

Past performance is no guarantee of future performance. The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares. As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with the supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these

reasons investors may not get back the original amount invested. Although the Company's shares are denominated in sterling, it may invest in stocks and shares which are exposed to currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. Investors should note that tax rates and reliefs may change at any time in the future. The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatments of ISAs may not be maintained.

Share capital and NAV information

Ordinary 1p shares	88,257,211
SEDOL number	BFFK7H5
ISIN	GB00BFFK7H57
Ticker	OIT
LEI	213800RWVAQJKXYHSZ74

The Company's NAV is released daily to the LSE and published on the Company's website.

Sources of further information

Copies of the Company's Annual and Interim Reports, Stock Exchange announcements and further information on the Company can be obtained from its website: www.oitplc.com.

Share register enquiries

The register for the ordinary shares is maintained by Equiniti Limited. In the event of queries regarding your holding, please contact the Registrar on 0371 384 2030. Changes of name and/or address must be notified in writing to the Registrar, at the address shown on page 103. You can check your shareholding and find practical help on transferring shares or updating your details at www.shareview.co.uk.

Key dates

Company's year end	31 March
Annual results announced	May/June
AGM	September
Company's half-year end	30 September
Half-yearly results announced	November/December

Association of Investment Companies

The Company is a member of the AIC, which publishes monthly statistical information in respect of member companies. The AIC can be contacted on 020 7282 5555, enquiries@theaic.co.uk or visit the website: www.theaic.co.uk.



Glossary

AGM

Annual General Meeting

AIC

Association of Investment Companies

Alternative Performance Measure ('APM')

An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework.

Comparator Benchmark

The Company's Comparator Benchmark is the NSCI (Numis Smaller Companies Index) ex IC plus AIM Total Return Index. The benchmark is used only as a yard stick to compare investment performance.

Cost

The book cost of each investment is the total acquisition value, including transaction costs, less the value of any disposals or capitalised distributions allocated on a weighted average cost basis.

Discount/premium (APM)

A description of the difference between the share price and the net asset value per share. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Premium/(Discount) Calculation	31 March 2021	31 March 2020	
Closing NAV per share (p)	139.3	90.8	a
Closing share price (p)	129.0	90.0	b
Discount ($c = ((b-a)/a) \times 100$) (%)	(7.4)%	(0.9)%	c

The discount and performance are calculated in accordance with guidelines issued by the AIC. The discount is calculated using the net asset values per share inclusive of accrued income with debt at market value.

ESG

Environmental, social and governance

EU

European Union

FCA

Financial Conduct Authority

Gearing

Gearing refers to the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. If the Company's assets fall, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets. The Company had no borrowings during the year (2020:nil).

IPO

Initial public offering

Key Performance Indicators ('KPIs')

KPIs are a shortlist of corporate attributes that are used to assess the general progress of the Company. These are outlined on page 30.

LSE

London Stock Exchange

M&A

Mergers and acquisitions

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Glossary *(continued)*

Net Asset Value ('NAV') per Share

The NAV is shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of all of the Company's assets, at their current market value, having deducted all liabilities and prior charges at their par value, or at their asset value as appropriate. The total NAV per share is calculated by dividing shareholders' funds of £122,560,000(2020: £80,095,000) by the number of Ordinary Shares in issue 87,982,211 (2020: 88,257,211) at the year end.

NAV Total Return (APM)

NAV total return is the closing NAV per share including any cumulative dividends paid as a percentage over the opening NAV. NAV total return is an alternative way of measuring investment management performance of investment trusts which is not affected by movements in the share price.

NAV Total Return	31 March 2021	31 March 2020	
Closing NAV per share (p)	139.3	90.8	a
Opening NAV Per share (p)	90.8	96.3	b
Dividend reinvested (p)	–	–	
NAV total return			
($c = ((a-b)/b \times 100)$ (%)	53.4%	(5.7%)	c

NSCI ex IT plus AIM Index

Numis Smaller Companies ex Investment Trust plus AIM Index.

Ongoing Charges Ratio (APM)

As recommended by the AIC in its guidance, ongoing charges are the Company's annualised expenses (excluding finance costs and certain non-recurring items) expressed as a percentage of the average monthly net assets of the Company during the year as disclosed to the LSE.

	31 March 2021	31 March 2020
Ongoing charges (a)	1,442,000	1,399,000
Average net asset value (b)	101,160,000	84,064,000
Ongoing charges (a/b) expressed as a %	1.4%	1.7%

P/E

Price earnings ratio

R&D

Research and development

TMT

Technology, media and telecom

Total assets

Total assets are the sum of both fixed and current assets with no deductions.

Share Price Total Return (APM)

Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The combined effect of any dividends paid, together with the rise or fall in the share price. This is calculated by the movement in the share price plus dividend income reinvested by the Company at the prevailing share price.

Share Price Total Return	31 March 2021	31 March 2020	
Closing share price (p)	129.0	90.0	a
Opening share price (p)	90.0	99.3	b
Dividend reinvested (p)	–	–	
Share price total return			
($c = ((a-b)/b \times 100)$ (%)	43.3%	(9.4%)	c

UCITS

Undertakings for the Collective Investment in Transferable Securities

Volatility

The term volatility describes how much and how quickly the share price or net asset value has tended to change in the past. Those investments with the greatest movement in their share prices are known as having high volatility, whereas those with a narrow range of change are known as having low volatility.



Notice of Annual General Meeting

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your shares in Odyssean Investment Trust plc, please forward this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that the third ANNUAL GENERAL MEETING of Odyssean Investment Trust plc will be held at the offices of Odyssean Capital LLP, 6 Stratton Street, Mayfair, London W1J 8LD at 12 noon on Wednesday, 22 September 2021 to consider and vote on the resolutions below:

Resolutions 1 to 10 (inclusive) will be proposed as ordinary resolutions and resolutions 11 to 15 (inclusive) will be proposed as special resolutions.

1. To receive and, if thought fit, to accept the Strategic Report, Directors' Report, Auditors Report and the audited Financial Statements for the year ended 31 March 2021.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 March 2021.
3. To re-elect Mrs Jane Tufnell as a Director of the Company.
4. To re-elect Miss Arabella Cecil as a Director of the Company.
5. To re-elect Mr Peter Hewitt as a Director of the Company.
6. To re-elect Mr Richard King as a Director of the Company.
7. To re-appoint KPMG LLP as Auditor to the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which financial statements are laid before the Company.
8. To authorise the Audit Committee to determine the remuneration of the Auditor of the Company.
9. THAT, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot ordinary shares up to 8,798,221 (representing approximately 10% of the ordinary shares in issue as at the date of this Notice, excluding treasury shares) or, if changed, 10% of the ordinary shares in issue immediately following the passing of this resolution, such authority to expire at conclusion of the Company's AGM to be held in 2022, unless renewed, varied or revoked by the Company in a general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require ordinary shares to be allotted in pursuance of such offer or agreement as if such authority had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot ordinary shares but without prejudice to any allotment of ordinary shares or grant of rights made, offered or agreed to be made pursuant to such authorities.

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Notice of Annual General Meeting *(continued)*

10. THAT, subject to the passing of Resolution 9, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Act”) to exercise all the powers of the Company to allot ordinary shares up to 8,798,221 (representing approximately 10% of the ordinary shares in issue as at the date of this Notice, excluding treasury shares) or, if changed, 10% of the ordinary shares in issue immediately following the passing of this resolution, such authority to expire at conclusion of the Company’s AGM to be held in 2022, unless renewed, varied or revoked by the Company in a general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require ordinary shares to be allotted in pursuance of such offer or agreement as if such authority had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot ordinary shares but without prejudice to the authority granted to the Directors pursuant to Resolution 9, or any allotment of ordinary shares or grant of rights made, offered or agreed to be made pursuant to such authorities.
11. THAT, subject to the passing of Resolution 9, the Directors be generally empowered (pursuant to sections 570 and 573 of the Companies Act 2006 (the “Act”)) to allot ordinary shares and to sell ordinary shares from treasury for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the issue of up to 8,798,221 shares (representing approximately 10% of the ordinary shares in issue as at the date of this Notice, excluding treasury shares) or, if changed, 10% of the ordinary shares in issue immediately following the passing of this resolution. This power will expire at the conclusion of the Company’s AGM to be held in 2022 (unless previously revoked, varied or renewed by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell from treasury ordinary shares in pursuance of such an offer or agreement as if such power had not expired.
12. THAT, subject to the passing of Resolution 10, the Directors be generally empowered (pursuant to sections 570 and 573 of the Companies Act 2006 (the “Act”)) to allot ordinary shares and to sell ordinary shares from treasury for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the issue of up to 8,798,221 shares (representing approximately 10% of the ordinary shares in issue as at the date of this Notice, excluding treasury shares) or, if changed, 10% of the ordinary shares in issue immediately following the passing of this resolution. This power will expire at the conclusion of the Company’s AGM to be held in 2022 (unless previously revoked, varied or renewed by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell from treasury ordinary shares in pursuance of such an offer or agreement as if such power had not expired. This resolution is in addition to the authority granted pursuant to, but without prejudice to that granted to, the Directors in Resolution 11 above.
13. THAT, the Company be authorised in accordance with section 701 of the Companies Act 2006 (the “Act”) to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares provided that the maximum number of ordinary shares authorised to be purchased will be up to 14.99% of the ordinary shares in issue at the date of this Notice (excluding treasury shares) or, if changed, 14.99% of the ordinary shares in issue immediately following the passing of this resolution. The minimum price which may be paid for an ordinary share is £0.01. The maximum price which may be paid for an ordinary share must not be more than the higher of:
- (i) 5% above the average of the mid-market value of the ordinary shares for the five business days before the purchase is made; or
 - (ii) the higher of the price of the last independent trade and the highest current independent bid for the ordinary shares on the trading venue where the purchase is carried out.



Notice of Annual General Meeting *(continued)*

Such authority will expire at the AGM of the Company to be held in 2022, save that the Company may contract to purchase ordinary shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase ordinary shares in pursuance of such contract. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to make market purchases of ordinary shares.

14. THAT, a general meeting, other than an AGM, may be called on not less than 14 clear days' notice.
15. THAT with effect from the conclusion of the meeting the draft Articles of Association produced to the meeting and, for the purposes of identification, initialled by the chairman of the meeting be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the Company's existing Articles of Association.

Shareholders should note that, should recurring restrictions in view of the Covid-19 pandemic make it impossible to hold a physical meeting without endangering the wellbeing of shareholders and other attendees, then the Board will only conduct the statutory, formal business this year in order to meet the minimum legal requirements. In that case arrangements will be made for shareholders to attend via a webinar, view a presentation by the Investment Managers and ask questions in advance. Shareholders are encouraged to view the Company's website, www.oitplc.com for further information nearer the time. Questions to the Board and the Portfolio Managers can be submitted to the Company Secretary at info@frostrow.com. Should time pressures make it impossible to answer all questions during the webinar, then an effort will be made to answer them on the website afterwards.

All shareholders should look on the Company's website, www.oitplc.com, for any final changes to the AGM arrangements and whether attendance will be possible. In any case, all shareholders are strongly advised to exercise their votes in advance of the meeting by proxy, by following the voting instructions overleaf.

By order of the Board

Frostrow Capital LLP
Company Secretary

28 May 2021

Registered Office: 25 Southampton Buildings, London WC2A 1AL

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Notice of Annual General Meeting *(continued)*

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1. Holders of ordinary shares are entitled to attend, speak and vote at the AGM, subject to the restrictions due to the Covid-19 pandemic as set out in the Directors' Report on page 48. A member entitled to attend, speak and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed, they must not be appointed in respect of the same shares. To be effective, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 12.00 noon on Monday, 20 September 2021.

If you return more than one proxy appointment, either by paper or electronic communication, that received last by Equiniti before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder. The termination of the authority of a person to act as proxy must be notified to the Company in writing. Amended instructions must be received by the Company's Registrar by the deadline for receipt of proxies.

To appoint more than one proxy, shareholders will need to complete a separate proxy form in relation to each appointment, stating clearly on each proxy form the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares to which each proxy appointment relates or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. If you require additional proxy forms, please contact the Registrar's helpline on 0371 384 2030 (+44 (0) 121 415 7047 from outside the UK). Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales). All proxy forms must be signed and should be returned together in the same envelope if possible.

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holders (the first named being the most senior).

2. Only those ordinary shareholders registered in the register of members of the Company as at 6.30 pm on Monday, 20 September 2021 (the "specified time") shall be entitled to attend or vote at the aforesaid AGM in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.30 pm on 20 September 2021 shall be disregarded in determining the rights of any person to attend or vote at the meeting. If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting, or if the Company gives notice of the adjourned meeting, at the time specified in that notice.
3. Shareholders who hold their shares electronically may submit their votes through CREST. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com.



Notice of Annual General Meeting *(continued)*

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting and any adjournment thereof by following the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST manual (available via www.euroclear.com). The message, in order to be valid, must be transmitted so as to be received by them Company’s agent (ID RA19) by the latest time for receipt of proxy appointments specified in note 1 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

4. A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “Nominated Person”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in note 1 above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered members of the Company.
5. Shareholders (and any proxies or representatives they appoint) agree, by attending the meeting, that they are expressly requesting and that they are willing to receive any communications (including communications relating to the Company’s securities) made at the meeting.
6. As 28 May 2021 (being the date of the publication of this notice), the Company’s issued share capital amounted to 88,257,211 ordinary shares carrying one vote each. 275,000 shares were held in treasury. Therefore, the total voting rights of the Company as at the date of this notice of meeting were 87,982,211.
7. Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. To be able to attend and vote at the meeting, corporate representatives will be required to produce prior to their entry to the meeting evidence satisfactory to the Company of their appointment. Corporate shareholders may also appoint one or more proxies in accordance with note 1.



Notice of Annual General Meeting *(continued)*

8. Any question relevant to the business of the AGM may normally be asked at the meeting by anyone permitted to speak at the meeting. You can also submit your question in advance by letter addressed to the Secretary at the registered office of the Company or by email to info@frostrow.com. The Company must answer any question asked by a member relating to the business being dealt with at the meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
9. Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
10. Members satisfying the thresholds in section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the AGM unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the AGM.
11. Members satisfying the thresholds in section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM. A matter may properly be included in the business at the AGM unless (i) it is defamatory of any person, or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the AGM.
12. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the chairman of the meeting as his/her proxy is to ensure that both he/she and his/her proxy comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.
13. Copies of the letters of appointment of the Directors of the Company and the Articles of Association will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Notice until the conclusion of the AGM and on the date of the AGM at the offices of Odyssean Capital LLP, 6 Stratton Street, Mayfair, London W1J 8LD from 11.45 a.m. until the conclusion of the meeting. Alternatively, should Covid restrictions continue, the above documents can be requested from the Company Secretary by writing to info@frostrow.com.



Notice of Annual General Meeting *(continued)*

14. This notice, the information required by section 311A of the Companies Act 2006 and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice, will be available on the Company's website at www.oitplc.com.
15. Members may not use any electronic address provided either in the Notice of Meeting or any related documents (including the form of proxy) to communicate with the Company for any purpose other than those expressly stated.

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Explanatory Notes to the Resolutions

Resolutions 1 to 10 will be proposed as ordinary resolutions and Resolutions 11 to 15 will be proposed as special resolutions.

Resolution 1 – To receive the Annual Report and Financial Statements

The Annual Report and Financial Statements for the year ended 31 March 2021 will be presented to the AGM and shareholders will be given an opportunity at the meeting to ask questions. The Annual Report and Financial Statements have already been mailed to shareholders and can also be found on the Company's website at www.oitplc.com under Corporate Information.

Resolution 2 – To receive and approve the Directors' Remuneration Report

The Directors' Remuneration Report is set out in full on pages 59 to 62 of the Annual Report.

Resolutions 3 to 6 – Re-election of Directors

Resolutions 3 to 6 deal with the re-election of each Director. Biographies of each of the Directors can be found on page 43 of the Annual Report.

The Board has confirmed, following a performance review, that the Directors standing for re-election continue to perform effectively.

Resolutions 7 and 8 – Re-appointment of auditors

Resolution 7 relates to the re-appointment of KPMG LLP as the Company's independent auditors to hold office until the next Annual General Meeting of the Company and Resolution 8 authorises the Audit Committee to set their remuneration. Following the implementation of the Competition and Markets Authority order on Statutory Audit Services only the Audit Committee may negotiate and agree the terms of the auditors' service agreement.

Resolutions 9 and 10 – Authority to allot ordinary shares

Resolutions 9 and 10, ordinary resolutions as set out in the Notice of AGM, if passed, will renew the Directors' authority to allot shares in accordance with statutory pre-emption rights. These resolutions will authorise the Board to allot:

- ordinary shares generally and unconditionally in accordance with section 551 of Companies Act 2006 up to an aggregate nominal value of £87,982, representing approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed (Resolution 9); and
- further ordinary shares generally and unconditionally in accordance with section 551 of Companies Act 2006 up to an additional aggregate nominal value of £87,982, representing approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed (Resolution 10).

As at 28 May 2021, 275,000 shares were held in treasury.



Explanatory Notes to the Resolutions *(continued)*

If both these resolutions are passed, shareholders will be granting the Directors authority to allot up to 20% of the Company's issued share capital. The Board believes that passing of Resolutions 9 and 10 is in the shareholders' interests as the authority is intended to be used for funding investment opportunities sourced by the Portfolio Manager, thereby mitigating any potential dilution of investment returns for existing shareholders, and the Directors will only issue new ordinary shares at a price above the prevailing NAV per ordinary share. If only Resolution 9 is passed and Resolution 10 is not passed, shareholders will only be granting Directors the authority to allot up to 10% of the existing issued ordinary share capital of the Company. These authorities, if given, will lapse at the conclusion of the 2022 AGM of the Company.

The Directors do not currently intend to allot shares other than to take advantage of opportunities in the market as they arise and only if they believe it would be advantageous to the Company's shareholders to do so.

In the event that Resolution 9 is not passed, Resolution 10 will not be proposed at the AGM.

Resolutions 11 and 12 – Disapplication of pre-emption rights

Resolution 11, a special resolution, is being proposed to authorise the Directors to disapply the statutory preemption rights of existing shareholders in relation to the issue of shares under Resolution 9, for cash or the sale of shares out of treasury up to an aggregate nominal amount of £87,982, being approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM or, if changed, 10% of the issued share capital immediately upon the passing of this resolution.

Resolution 12, a special resolution, is being proposed to authorise the Directors to disapply the statutory preemption rights of existing shareholders in relation to the further issue of shares under Resolution 10, for cash or the sale of shares out of treasury up to an aggregate nominal amount of £87,982, being approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM or, if changed, 10% of the issued share capital immediately upon the passing of this resolution.

In respect of Resolutions 11 and 12, shares would only be issued at a price above the prevailing NAV per share. The Directors will only issue shares on a non-pre-emptive basis if they believe it would be in the best interests of the Company's shareholders.

If both these resolutions are passed, shareholders will be granting the Directors authority to allot up to 20% of the Company's issued share capital on a non-pre-emptive basis. Although this percentage authority is higher than the authority typically sought by investment companies, the Board believes that in order to have the maximum flexibility to raise finance to enable the Company to take advantage of suitable opportunities, the passing of Resolutions 11 and 12 is in the shareholders' interests.

Resolution 13 – Purchase of own shares

Resolution 13, a special resolution, will renew the Company's authority to make market purchases of up to 13,188,533 ordinary shares (being 14.99% of the issued share capital as at the date of the Notice of AGM), either for cancellation or placing into treasury at the determination of the Directors. Purchases of ordinary shares will be made within guidelines established from time to time by the Board. Any purchase of ordinary shares would be made only out of the available cash resources of the Company. The maximum price which may be paid for an ordinary share must not be more than the higher of (i) 5% above the average of the mid-market value of the ordinary shares for the five business days before the purchase is made, or (ii) the higher of the price of the last independent trade and the highest current independent bid for the ordinary shares on the trading venue where the purchase is carried out. The minimum price which may be paid is £0.01 per ordinary share.



Explanatory Notes to the Resolutions *(continued)*

The Directors would only use this authority in order to address any significant imbalance between the supply and demand for the ordinary shares and to manage the discount to NAV at which the ordinary shares trade. Ordinary shares will be repurchased only at prices below the NAV per ordinary share, which should have the effect of increasing the NAV per ordinary share for remaining shareholders.

This authority, if approved by shareholders, will expire at the AGM to be held in 2022, when a resolution for its renewal will be proposed.

Resolution 14 – Notice period for general meetings

In terms of the Companies Act 2006, the notice period for general meetings (other than an AGM) is 21 clear days' notice unless the Company: (i) has gained shareholder approval for the holding of general meetings on 14 clear days' notice by passing a special resolution at the most recent AGM; and (ii) offers the facility for all shareholders to vote by electronic means. The Company would like to preserve its ability to call general meetings (other than an annual general meeting) on less than 21 clear days' notice. The shorter notice period proposed by resolution 14, a special resolution, would not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. The approval will be effective until the date of the AGM to be held in 2022, when it is intended that a similar resolution will be proposed.

Resolution 15 – Amendment to the Articles of Association

The Directors are proposing to make amendments to the Company's Articles of Association (the "Articles") to enable them to determine the time and place of general meetings and the manner in which they are conducted (including the ability to hold hybrid meetings). The amendments are being sought in response to challenges posed by the government restrictions on social interactions as a result of the COVID-19 pandemic, which have made it difficult or impossible for shareholders to attend physical meetings. The key changes proposed to be introduced in the Articles and their effect are set out in detail on pages 47 and 48 in the Directors' Report.

Further amendments are also being proposed to be made to the Articles to reflect recent changes to law and regulation, including changes to the AIC Code of Corporate Governance (the "AIC Code") and to permit the Company to request information from shareholders to satisfy due diligence and reporting requirements under the US Foreign Account Tax Compliance Act of 2010 ("US FATCA") or similar laws and thereby avoid adverse tax consequences which would otherwise arise under US FATCA or similar laws. In addition, the Company is seeking an amendment to the Articles to permit the Company to require the transfer of shares where the shareholder in question fails to comply with such request or may cause the Company issues under US FATCA or any similar laws.

The proposed new Articles (marked to show the proposed changes) will be available for inspection on the Company's website, www.oitplc.com and at the Company's registered office, from the date of this document until the close of the annual general meeting, and will also be available for inspection at the venue of the annual general meeting from fifteen minutes before and during the annual general meeting. Should it be impossible to view the proposed new Articles at the registered office then an electronic copy can also be requested from the Company Secretary by writing to info@frostrow.com.

Directors' Recommendation

The Directors consider each resolution being proposed at the AGM to be in the best interests of the Company and shareholders as a whole and they unanimously recommend that all shareholders vote in favour of them, as they intend to do in respect of their own beneficial shareholdings.



Corporate Information

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Shareholder warning

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These calls typically come from fraudsters operating in 'boiler rooms' offering investors shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. While high profits are promised, those who buy or sell shares in this way usually lose their money. These fraudsters can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

It is very unlikely that either the Company or the Company's Registrar would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you have been contacted by an unauthorised firm regarding your shares, you can report this using the FCA helpline on 0800 111 6768 or by using the share fraud reporting form at www.fca.org.uk/consumers/scams.

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2 Check the FCA Warning List

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3 Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

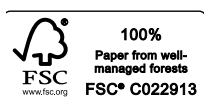
Report a Scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at www.fca.org.uk/consumers/report-scam-unauthorised-firm. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at www.fca.org.uk/scamsmart

Remember: if it sounds too good to be true, it probably is!



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