The Loch Moy Fund

Annual Report

for the year ended 30 November 2024

Contents

The Loch Moy Fund

Report of the Authorised Corporate Director ('ACD')

Evelyn Partners Fund Solutions Limited ('EPFL'), as ACD, presents herewith the Annual Report for The Loch Moy Fund for the year ended 30 November 2024.

The Loch Moy Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 15 April 2011. The Company is incorporated under registration number IC000888. It is a non-UCITS retail scheme ('NURS') complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL') and the Investment Funds sourcebook ('FUND'), as published by the Financial Conduct Authority ('FCA'). As the Company is a NURS, the ACD also acts as Alternative Investment Fund Manager ('AIFM') in order to comply with the Alternative Investment Fund Manager's Directive ('AIFMD').

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Company consist predominantly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these accounts and applicable accounting standards have been followed.

The Financial Stability Board ('FSB') created the Task Force on Climate-related Financial Disclosures ('TCFD') to improve and increase reporting of climate-related financial information. EPFL have produced TCFD reports in compliance with the FCA's rules on climate-related financial disclosures. The TCFD Product report is designed to help you understand the impact the Company has on the climate and equally how climate change could influence the performance of the Company. The report will also give you the ability to compare a range of climate metrics with other funds. To understand the governance, strategy, and risk management that EPFL has in place to manage the risks and opportunities related to climate change, please refer to the TCFD Entity report. These reports are available on our website https://www.evelyn.com/services/fund-solutions/tcfd-reporting/.

The shareholders are not liable for the debts of the Company.

The Company has no Directors other than the ACD.

The Instrument of Incorporation can be inspected at the offices of the ACD.

Copies of the Prospectus and Key Investor Information Document ('KIID') are available on request free of charge from the ACD.

Investment objective and policy

The objective of the Company is to provide capital growth and to a lesser extent income through investing globally in transferable securities, money market instruments, units in collective investment schemes (regulated and unregulated), deposits, warrants, derivatives and forward transactions (for Efficient Portfolio Management), that can best take advantage of economic opportunities worldwide. There is no limit to which the Company can be invested in each sector, subject to the investment restrictions in the FCA Regulations.

It is the ACD's intention that derivatives be used for Efficient Portfolio Management purposes.

The Company will be managed in a manner that maintains eligibility for the stocks and shares component of an individual savings account.

Changes affecting the Company in the year

There were no fundamental or significant changes to the Company in the year.

Further information in relation to the Company is illustrated on page 37.

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes sourcebook and the Investment Funds sourcebook, we hereby certify the Annual Report on behalf of the ACD, Evelyn Partners Fund Solutions Limited.

Neil Coxhead
Director
Evelyn Partners Fund Solutions Limited
28 February 2025

Statement of the Authorised Corporate Director's responsibilities

The Collective Investment Schemes sourcebook ('COLL') and the Investment Funds sourcebook ('FUND') published by the FCA, require the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net expense and net capital gains on the scheme property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for the Financial Statements of UK Authorised Funds ('the SORP') issued by The Investment Association in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- taking reasonable steps for the prevention and detection of fraud and irregularities; and
- the maintenance and integrity of the Company's information on the ACD's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

COLL also requires the ACD to carry out an Assessment of Value on the Company and publish this assessment within the Annual Report.

The ACD is responsible for the management of the Company in accordance with the Instrument of Incorporation, the Prospectus, COLL and FUND.

Assessment of Value - The Loch Moy Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Evelyn Partners Fund Solutions Limited ('EPFL') as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for The Loch Moy Fund ('the Fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the Fund for the year ended 30 November 2024 using the seven criteria set by the FCA is set out below:

1. Quality of Service	
2. Performance	
3. ACD Costs	
4. Economies of Scale	
5. Comparable Market Rates	
6. Comparable Services	
7. Classes of Shares	
Overall Rating	

EPFL has adopted a traffic light system to show how it rated the Fund:

On balance, the Board believes the Fund has delivered value to shareholders, with no material issues noted.

On balance, the Board believes the Fund has delivered value to shareholders, but may require some action.

On balance, the Board believes the Fund has not delivered value to shareholders and significant remedial action is now planned by the Board.

How EPFL assessed each of the seven criteria and the rating arrived at are discussed in greater detail on the following pages.

EPFL has created an Assessment of Value Committee ('AVC'), for the review, challenge and approval of all funds' Assessments of Value. Ultimately the assessments will be subject to scrutiny by the Board (which includes independent directors) to ensure the outcomes of the assessments are clear and fair, before final sign-off by the chair of the Board prior to communicating to investors if the Fund has delivered value, and if not, where improvements need to be made.

In carrying out the assessment, the EPFL AVC has separately considered, the following seven criteria stipulated by the FCA. The Committee may also have considered other issues where it was deemed appropriate.

EPFL believes the Assessment of Value can make it easier for investors to both evaluate whether the Fund is providing them with value for money and make more informed decisions when choosing investments.

The seven criteria are:

(1) Quality of service – the quality of every aspect of the service provided, including, for example, accounting, administration, customer services and communications;

(2) Performance – how the Fund performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;

(3) ACD costs – the fairness and value of the Fund's costs, including entry and exit fees, early redemption fees, administration charges;

(4) Economies of scale – how costs have been or can be reduced as a result of increased assets-under-management ('AUM'), and whether or not those savings have been passed on to investors;

(5) Comparable market rates – how the costs of the Fund compare with others in the marketplace;

(6) Comparable services – how the charges applied to the Fund compare with those of other funds administered by EPFL;

(7) Classes of shares – the appropriateness of the classes of shares in the Fund for investors.

1. Quality of Service

What was assessed in this section?

Internal Factors

EPFL, as ACD, has overall responsibility for the Fund. The Board assessed, amongst other things: the day-to-day administration of the Fund; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIIDs')); the pricing and valuation of shares; the calculation of income and distribution payments; the maintenance of accounting and other records; the preparation of annual audited and half-yearly Report & Accounts; the review of tax provisions and submission of tax computations to HMRC; the maintenance of the register of shareholders; the dealing and settlement arrangements and the quality of marketing material sent to shareholders. EPFL delegates the Investment Management of the Fund to an Investment Management firm.

The Board reviewed information provided by EPFL's control functions on the adequacy of its internal services, including governance, operations and monitoring. Elements important to the investor experience such as the timely payment of settlement and distribution monies were also reviewed. Over the past year, EPFL has been audited by internal and external auditors, the Fund's Depositary and various EPFL delegated Investment Advisers.

External Factors

The Board assessed the delegate's skills, processes and experience. Also considered were any results from service review meetings as well as the annual due diligence performed by EPFL on the delegated Investment Adviser, Stanhope Capital LLP, where consideration was given to, amongst other things, the delegate's controls around the Fund's liquidity management.

The Board also considered the nature, extent and quality of administrative and shareholder services performed under separate agreements covering depositary services, custodians, as well as services provided with regard to both audit and legal functions.

What was the outcome of the assessment?

Internal Factors

The Board recognised that all distribution and settlement monies were paid in a timely manner and that there were no significant findings as a result of the various audits performed on EPFL during the year. In addition, EPFL has performed its own independent analysis, using automated systems, of the Fund's liquidity. The Board concluded that EPFL had carried out its duties diligently.

External Factors

The Board concluded that the nature, extent and quality of the services provided by the external parties have benefitted and should continue to benefit the Fund and its shareholders.

Were there any follow up actions?

There were no follow-up actions required.

2. Performance

What was assessed in this section?

The Board reviewed the performance of the Fund, after the deduction of all payments out of the scheme property as set out in the Prospectus. Performance, against its benchmark, was considered over appropriate timescales having regard to the Fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

Investment Objective

The Fund seeks to provide capital growth and to a lesser extent income through investing globally in transferable securities, money market instruments, units in collective investment schemes (regulated and unregulated), deposits, warrants, derivatives and forward transactions (for Efficient Portfolio Management), that can best take advantage of economic opportunities worldwide.

Benchmark

As ACD, EPFL is required to explain in a fund's scheme documentation why a benchmark is being used or alternatively explain how investors should assess performance of a fund in the absence of a benchmark.

Assessment of Value - The Loch Moy Fund (continued)

2. Performance (continued)

Benchmark (continued)

The benchmark for the Fund is the ARC Sterling Steady Growth PCI, which is a comparator. A 'comparator' benchmark is an index or similar factor against which an Investment Adviser invites investors to compare a fund's performance. Details of how the Fund had performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 31 October 2024 (%)

Instrument	Currency	1 year	3 years	5 years
ARC Sterling Steady Growth PCI TR in GB	GBP	15.11	4.54	22.86
The Loch Moy Fund Net Income TR in GB	GBX	22.06	5.76	24.54

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but FE fundinfo neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.
Performance is calculated net of fees. Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board assessed the performance of the Fund over its minimum recommended holding period of five years and observed that it had outperformed its comparator benchmark, the ARC Sterling Steady Growth PCI. There had been three sequential Amber performance ratings prior to this year's assessment, and it was noted by the Board that performance had significantly improved in the last year.

EPFL assessed the investment risk within the Fund, focusing amongst other things on volatility and risk adjusted returns. The Board concluded that the level of investment risk is appropriate, within its mandated parameters, without taking excessive risk for an actively managed Fund of this type.

The Board found that the Fund is investing in the asset classes permitted by the investment policy and that there have been no breaches of the policy in the last 12 months.

Were there any follow up actions?

There were no follow-up actions required.

3. ACD Costs

What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflected the services provided. This includes the ACD's periodic charge, the Investment Adviser fee, Depositary/Custodian fees and audit fee.

The charges should be transparent and understandable to the investor, with no hidden costs.

What was the outcome of the assessment?

The Board received and considered information about each of the Fund's costs, and concluded that they were fair, reasonable and were provided on a competitive basis.

Were there any follow up actions?

There were no follow-up actions required.

4. Economies of Scale

What was assessed in this section?

The Board reviewed each separate fee structure and the AUM of the Fund to examine the effect on the Fund to potential and existing investors should it increase or decrease in value.

What was the outcome of the assessment?

Both the Investment Adviser's fee and the ACD periodic charge are a fixed percentage charge meaning there are no opportunities for savings going forward should the Fund grow in size.

The ancillary charges[1] of the Fund represent 41 basis points[2] . Some of these costs are fixed and as the Fund grows in size, may result in a small reduction in the basis point cost of these services.

Were there any follow up actions?

There were no follow-up actions required.

[1] Ancillary charge is any charge paid directly out of the sub-fund in addition to the AMC, e.g., Auditor, Custodian or Depositary fees.

[2] One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 31 May 2024.

Assessment of Value - The Loch Moy Fund (continued)

5. Comparable Market Rates

What was assessed in this section?

The Board reviewed the ongoing charges figure ('OCF') of the Fund and how those charges affect its returns.

The OCF of the Fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of 2.66%[3] was more expensive than those of similar externally managed funds.

Note that there is not a performance fee and that EPFL has not charged an entry fee, exit fee or any other event-based fees on this Fund.

Were there any follow up actions?

There was no further action as EPFL were of the opinion that investing in collective investment vehicles together with the size of the Fund was adversely impacting the Fund's OCF.

6. Comparable Services

What was assessed in this section?

The Board compared the Fund's Investment Adviser fee with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The Investment Adviser fee was more expensive than other EPFL administered funds displaying similar characteristics.

Were there any follow up actions?

There was no further action required as the Board were of the opinion that the Investment Adviser's fee gave no cause for concern.

7. Classes of Shares

What was assessed in this section?

The Board reviewed the Fund's set-up to ensure that where there are multiple share classes shareholders were in the correct share class given the size of their holding.

What was the outcome of the assessment?

There is only one share class in the Fund, therefore this part of the assessment does not apply.

Were there any follow up actions?

There were no follow-up actions required.

Overall Assessment of Value

Notwithstanding the matters referenced in Sections 5 and 6, the Board concluded that The Loch Moy Fund had provided value to investors.

Dean Buckley
Chairman of the Board of Evelyn Partners Fund Solutions Limited
7 February 2025

Consumer Feedback

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online:

https://www.evelyn.com/services/fund-solutions/assessment-of-value/

Investors' views are invaluable to the development and delivery of this report.

Should you be unable to access the questionnaire online please contact us directly on 0141 222 1151 and we will provide you with a paper copy of the questionnaire.

[3] Figure calculated at interim report, 31 May 2024.

Report of the Depositary to the shareholders of The Loch Moy Fund

Depositary's responsibilities

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

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

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's revenue is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ('AIFM') are carried out (unless they conflict with the Regulations).

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the Regulations and the Scheme documents of the Company; and

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

NatWest Trustee and Depositary Services Limited
28 February 2025

Independent Auditor's report to the shareholders of The Loch Moy Fund

Opinion

We have audited the financial statements of The Loch Moy Fund (the 'Company') for the year ended 30 November 2024, which comprise the Statement of total return, Statement of change in net assets attributable to shareholders, Balance sheet, the related Notes to the financial statements, including significant accounting policies and the Distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Company as at 30 November 2024 and of the net expense and the net capital gains on the scheme property of the Company for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other Information

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

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the COLL Rules

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

- Proper accounting records for the Company have been kept and the accounts are in agreement with those records;
- We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- The information given in the Report of the Authorised Corporate Director for the year is consistent with the financial statements.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's responsibilities set out on page 3, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up the Company or to cease operations, or has no realistic alternative but to do so.

Auditor Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

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

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

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

- UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;
- The Financial Conduct Authority's COLL Rules;
- The Financial Conduct Authority's Investment Funds sourcebook; and
- The Company's Prospectus.

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

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

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

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

- Management override of controls.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing the level of and reasoning behind the Company’s procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Corporate Director in its calculation of accounting estimates for potential management bias;
- Assessing the Company’s compliance with the key requirements of the Collective Investment Schemes sourcebook, Investment Funds sourcebook and its Prospectus;
- Completion of appropriate checklists and use of our experience to assess the Company’s compliance with the IA Statement of Recommended Practice for Authorised Funds; and
- Agreement of the financial statement disclosures to supporting documentation.

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

Use of Our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the COLL Rules issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Bishop's Court
29 Albyn Place
Aberdeen AB10 1YL
28 February 2025

Accounting policies of The Loch Moy Fund

for the year ended 30 November 2024

a *Basis of accounting*

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. They have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (‘FRS 102’) and in accordance with the Statement of Recommended Practice for UK Authorised Funds (‘the SORP’) published by The Investment Association in May 2014 and amended in June 2017, and the requirements of the Collective Investment Schemes sourcebook ('COLL') and the Investment Funds sourcebook ('FUND').

The ACD has considered a detailed assessment of the Fund’s ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Fund continues to be open for trading and the ACD is satisfied the Fund has adequate financial resources to continue in operation for at least the next 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

b *Valuation of investments*

The purchases and sales of investments are included up to close of business on the last business day of the accounting year.

Purchases and sales of investments are recognised when a legally binding and unconditional right to obtain, or an obligation to deliver an asset arises.

The quoted investments of the Fund have been valued at the global closing bid-market prices excluding any accrued interest in the case of debt securities ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year.

Collective investment schemes are valued at the bid price for dual priced funds and at the single price for single priced funds and are valued at their most recent published price prior to the close of business valuation on 30 November 2024.

Derivatives are valued at the price which would be required to close out the contract at the balance sheet date.

c *Foreign exchange*

The base currency of the Fund is UK sterling which is taken to be the Fund's functional currency.

All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the dates of such transactions. The resulting exchange differences are disclosed in note 2 of the Notes to the financial statements.

Any foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate prevailing at the balance sheet date.

d *Revenue*

Revenue is recognised in the Statement of total return on the following basis:

Dividends from quoted equity instruments and non equity shares are recognised as revenue, net of attributable tax credits on the date when the securities are quoted ex-dividend.

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

Distributions from collective investment schemes which are re-invested on behalf of the Fund are recognised as revenue on the date the securities are quoted ex-dividend and form part of the Fund's distribution.

Excess reportable income from reporting offshore funds is recognised as revenue when the reported distribution rate is available and forms part of the Fund's distribution.

Compensation is treated as either revenue or capital in nature depending on the facts of each particular case.

d Revenue (continued)

Interest on bank deposits and short term deposits is recognised on an accruals basis.

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Fund. The effective yield is a calculation that amortises any discount or premium on the purchase of an investment over its remaining life based on estimated cash flows. The amortised amounts form part of the distributable revenue and are calculated at each month end.

Management fee rebates agreed in respect of holdings in other collective investment schemes are recognised on an accruals basis and are allocated to revenue or capital being determined by the allocation of the expense in the collective investment scheme held.

e *Expenses*

The ACD's periodic charge and the Investment Adviser's fee are allocated 80% to capital and 20% to revenue. All other expenses, with the exception of those expenses directly related to the purchase and sale of securities, which are charged to the capital property of the Fund, are charged to revenue.

Bank interest paid is charged to revenue.

f *Taxation*

Tax payable on profits is recognised as an expense in the period in which profits arise. The tax effects of tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

UK corporation tax is provided as amounts to be paid/recovered using the tax rates and laws that have been enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at 30 November 2024 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Provision for deferred tax assets are only made to the extent the timing differences are expected to be of future benefit.

All foreign dividend revenue is recognised as a gross amount which includes any withholding tax deducted at source. Where foreign tax is withheld in excess of the applicable treaty rate a tax debtor is recognised to the extent that the overpayment is considered recoverable.

g *Efficient Portfolio Management*

Where appropriate, certain permitted instruments such as derivatives or forward currency contracts may be used for Efficient Portfolio Management purposes. Where such instruments are used to protect or enhance revenue, the revenue or expenses derived therefrom are included in the Statement of total return as revenue related items and form part of the distribution. Where such instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in the Statement of total return as capital related items.

h *Dilution levy*

The need to charge a dilution levy will depend on the volume of sales or redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all shareholders and potential shareholders. Please refer to the Prospectus for further information.

i *Distribution policies*

i *Basis of distribution*

The distribution policy is to distribute all available revenue after deduction of expenses payable from revenue. Distributions attributable to income shares are paid to shareholders.

i Basis of distribution (continued)

ii *Unclaimed distributions*
Distributions to shareholders outstanding after 6 years are taken to the capital property of the Fund.

iii *Revenue*
All revenue is included in the final distribution with reference to policy d.

iv *Expenses*
Expenses incurred against the revenue of the Fund are included in the final distribution, subject to any expense which may be transferred to capital for the purpose of calculating the distribution, with reference to policy e.

Investment Adviser's report

Investment performance*

	The Loch Moy Fund (GBP)*	ARC Sterling Steady Growth PCI**
Capital Return	19.70%	13.20%

All the above performance figures are in GBP terms. The value of the assets of the Fund was £4,539,658 as at 30 November 2024.

Investment activities

For the year under review, the portfolio turnover was moderate. In the first quarter of the reporting period, sales of Gold Bullion Securities, iShares UK Gilts 0-5yr UCITS ETF, iShares MSCI USA Quality Dividend UCITS ETF and Velox Fund, represent both trimming of overweight positions and profit taking in order to raise cash for shareholder redemptions.

In August, we fully divested from iShares MSCI World UCITS ETF and reallocated the proceeds into SPDR MSCI World UCITS ETF. Further to this, we fully divested from Gold Bullion Securities and reallocated proceeds into iShares Physical Gold. These trades were undertaken as part of a fee reduction exercise, where we identified more cost-efficient passive managers. During this time, we also added to the iShares Core S&P 500 UCITS ETF to increase the US exposure in the portfolio.

In the lead up to the UK Government Autumn budget and into the last quarter of the year, we have trimmed certain positions that were overweight and took profits from these holdings.

Investment strategy and outlook**

The fourth quarter of 2023 continued a strong market run in December as investors began to anticipate interest rate cuts in 2024 following central bank comments that further rate hikes were unnecessary. Furthermore, all regions saw inflation improving which led to central banks keeping interest rates unchanged over the quarter. As a result of the year-end rally, 2023 was a good year for investors, with global bond markets up 6% and global equity markets up 22% in local currency terms.

The first quarter of 2024 was generally a good period for equity investors with most markets making healthy gains on hopes of rate cuts and a growing belief that the US economy would avoid recession this year. On average, markets were up over 9% in local currency terms over the quarter. Japan was the best performer among the major markets, rising 18% in local currency terms. Emerging Markets ('EM') rose 5% on average as China fell again by 2%.

Although the Federal Reserve ('Fed'), European Central Bank ('ECB') and Bank of England kept interest rates on hold over the quarter, the Bank of Japan ('BoJ') went against the trend by increasing official rates in Japan from negative 0.1% to positive 0.1%. This was the first change in its policy since 2016. The Swiss National Bank also reduced interest rates from 1.75% to 1.25%.

Markets enjoyed two strong quarters in a row and were up 24% in local currency terms over the past twelve months as a result. This was mainly spurred on by the growing belief that the US economy could avoid recession this year, partly on hopes of interest rate cuts given the steady improvement in inflation and partly on the hype surrounding Artificial Intelligence ('AI') and those mega-cap technology stocks in the US were considered to be its main beneficiaries. The technology sector was the main driver behind the move in markets over the past year.

In contrast, bond markets moved sideways to down as investors worried about the timing of interest rates cuts given more cautious comments from central banks on the speed at which inflation was improving. Commodity prices rose 5.4% in US dollar terms over the quarter and on average, energy prices increased 8.7% over the quarter, with the Brent crude price rising 12.1%.

In April, equity markets experienced a slight correction as a change in interest rate expectations filtered through into the markets. Among the major markets, the UK was the best performer, rising 2.5% while the US market was the worst performer returning negative 4.1%. At the sector level, utilities and energy were the only sectors that averaged positive performance. The worst performing sector was real estate, followed by technology and consumer cyclicals.

* Source: Evelyn Partners Fund Solutions Limited (mid prices at 12pm at 30 November 2023 & 30 November 2024).

**Sources: Bloomberg, ARC, Stanhope Capital LLP.

Investment Adviser's report (continued)

Investment strategy and outlook (continued)*

Government bond markets were generally challenged over the month. As a result, the average yield on ten-year UK gilts rose from 3.93% to 4.35%, while the average yield on ten-year US Treasury bonds pushed up to 4.68% from 4.20%. In general, corporate bonds marginally outperformed government bonds.

In May, both equity and bond markets bounced back following the subdued April. The US economy looked like it may be cooling and the UK inflation figure stood below both Europe and the US however, the market was still anticipating rate cuts to start this Summer. Over the month, developed equity markets rose 4.1% in local currency terms. The headline EM index rose 0.5% in local currency terms over the month. Among the major markets, China rose 2.4% and India was up 0.8% but Brazil fell 3.7%.

In June, bond markets generally edged higher over the month, but the performance of equity markets was mixed, with Europe falling back as a result of the uncertainty created by the snap general election called in France. Economic data published over the month was, however, encouraging and the continuation of the run in AI related stocks led by NVIDIA ensured another positive month for Wall Street despite some profit taking towards the end of the year.

July saw volatility return to markets following an Israeli airstrike in Beirut and the killing of a senior Hamas political leader Ismail Haniyeh in Tehran which further escalated tensions in the Middle East, raising concerns that the violence could spread and increase the risk of a full-blown war in the region. These concerns led to a rise in the price of gold to an all-time high and a rebound in crude oil futures, which had recently hit a seven-week low. Additionally, the AI theme that has been dominating markets for the past year, showed its first signs of weakness as investors rotated out of Magnificent 7 stocks and into areas of the market that stood to benefit from the lowering of interest rates.

August was a month of two halves for equity markets, with investors trying to balance the prospect of future interest rate cuts, with the probability of a recession in the US. Investors pushed markets downwards in the first two weeks of the month, but more or less retracted all of these losses following a strong pullback in the second fortnight.

Also during this year, Japan’s stock market experienced the most severe one-day sell-off since 1987, as well as its worst three-day stretch ever, following the BoJ's surprise rate hike, coupled with plans to taper its bond purchases as well as their sudden willingness to incorporate the yen as a factor in setting policies.

Equity markets initially fell back in September on concerns about US growth but rallied as the month progressed and the Fed and the ECB both cut official interest rates and indicated that further rate cuts were likely over the next few quarters. The Fed cut the range for the federal Funds rate by 50 basis points from 5.25-5.50% to 4.75-5.00%, while the ECB cut its deposit rate by 25 basis points from 3.75% to 3.50%. Geopolitical tensions increased in the Middle East over the month, with the Israeli’s launching a second front against Hezbollah in Lebanon, but oil prices fell back over the year on reports that the Saudis were considering increasing production.

Despite inflation continuing its trend downwards, equity and bond markets both fell back over the month of October as markets weighed up the implications of a tight US presidential race and the corresponding divergence on policies between the two parties. Bond markets sold off as participants reconsidered their expectations regarding rate cuts in light of new economic data and the prospect of further borrowing under both potential US governments, whereas equity markets questioned growth potential despite a resilient economy.

Markets reacted positively to the Trump Victory declared at the start of November, and both equity and bond markets were positive over the month. Developed equity markets rose 4.9% in local currency terms with the US as the top performer and Japan and Europe the worst performers, returning negative 0.5% and 0.1%. North America particularly benefitted from the prospect of tax cuts, expansionary fiscal policy and a more nationalistic trade policy which fuelled the American stock market and economy. Central banks continued to cut interest rates however, the fear of returning inflation under a Trump government has dampened the number of future cuts expected.

*Source: Bloomberg, ARC, Stanhope Capital LLP.

Investment strategy and outlook (continued)

Looking forward, the economic background to markets remains reasonably favourable. With inflation effectively back under control, the Fed and other central banks are still likely to cut interest rates over the next few quarters. There are, however, strong reasons for caution given the uncertainty created by Mr Trump's election victory and the potential negative impact of some of his proposed policies on growth and inflation.

Stanhope Capital LLP
19 December 2024

Portfolio changes

for the year ended 30 November 2024

The following represents the total purchases and sales in the year to reflect a clearer picture of the investment activities.

Purchases:	Cost £
iShares Physical Gold	387,325
SPDR MSCI World UCITS ETF	283,476
iShares Core S&P 500 UCITS ETF	275,038
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	200,000
UK Treasury Gilt 0.25% 31/07/2031	99,934

Sales:	Proceeds £
Gold Bullion Securities	505,488
Morgan Stanley Investment Funds - Global Opportunity Fund	315,854
iShares MSCI World UCITS ETF	284,522
iShares Edge MSCI World Value Factor UCITS ETF	268,299
Egerton Capital Equity Fund	227,567
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	225,206
GQG Partners Emerging Markets Equity Fund	205,543
Trojan Investment Funds - Trojan Fund	181,673
AXA Fixed Interest ICVC - US Short Duration High Yield Fund	180,134
Comgest Growth Europe	176,100
iShares Physical Gold	162,216
Polen Capital Investment Funds - Focus US Growth	154,506
iShares MSCI USA Quality Dividend UCITS ETF	114,747
iShares UK Gilts 0-5yr UCITS ETF	99,780
Velox Fund	55,667
SPDR MSCI World UCITS ETF	55,311
First Sentier Investors ICVC	54,360

Portfolio statement
as at 30 November 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 2.21% (0.00%)			
Aa3 to A1 2.21% (0.00%)			
UK Treasury Gilt 0.25% 31/07/2031	£128,192	100,297	2.21
Collective Investment Schemes 84.53% (92.50%)			
UK Authorised Collective Investment Schemes 25.30% (26.67%)			
Artemis Global Income Fund	364,064	526,364	11.60
BlackRock Continental European Income Fund	111,125	206,813	4.56
First Sentier Investors ICVC	50,477	164,545	3.62
- Stewart Investors Asia Pacific Leaders Sustainability			
Trojan Investment Funds - Trojan Fund	75,370	250,726	5.52
Total UK authorised collective investment schemes		1,148,448	25.30
Offshore Collective Investment Schemes 59.23% (65.83%)			
Edgewood L Select - US Select Growth	1,534	343,082	7.56
Egerton Capital Equity Fund	972	515,184	11.35
Invesco GBP Corporate Bond UCITS ETF	4,543	110,917	2.44
iShares Core S&P 500 UCITS ETF	6,409	303,530	6.69
iShares MSCI USA Quality Dividend UCITS ETF	12,322	520,604	11.47
iShares UK Gilts 0-5yr UCITS ETF	542	69,127	1.52
Polar Capital Funds - Healthcare Opportunities Fund	3,974	248,945	5.49
Polen Capital Investment Funds - Focus US Growth	10,308	160,397	3.53
SPDR MSCI World UCITS ETF	19,618	249,423	5.49
Velox Fund	1,636	167,498	3.69
Total offshore collective investment schemes		2,688,707	59.23
Total collective investment schemes		3,837,155	84.53
Exchange Traded Commodities 5.56% (8.57%)			
iShares Physical Gold	6,208	252,604	5.56

* Grouped by credit rating - source: Interactive Data and Bloomberg.

Portfolio statement (continued)

as at 30 November 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Forward currency contracts -0.06% (0.49%)			
Sell euro	(€580,908)	(482,983)	
Buy UK sterling	£492,116	492,116	
Expiry date 12 December 2024		9,133	0.20
Sell US dollar	($431,954)	(339,843)	
Buy UK sterling	£328,077	328,077	
Expiry date 12 December 2024		(11,766)	(0.26)
Forward currency contracts assets		9,133	0.20
Forward currency contracts liabilities		(11,766)	(0.26)
Total forward currency contracts		(2,633)	(0.06)
Investment assets		4,199,189	92.50
Investment liabilities		(11,766)	(0.26)
Portfolio of investments		4,187,423	92.24
Other net assets		352,235	7.76
Total net assets		4,539,658	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Forward contracts are not listed on stock exchanges and are considered over-the-counter instruments.

The comparative figures in brackets are as at 30 November 2023.

Risk and reward profile*

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

← Typically lower rewards, lower risk					Typically higher rewards, higher risk →	
1	2	3	4	**5**	6	7

The Fund is in a higher category because the price of its investments have risen or fallen frequently and more dramatically than some other types of investment. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

For full details on risk factors for the Fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

* As per the KIID published on 29 January 2024.

Comparative table

The following disclosures give a shareholder an indication of the performance of a share in the Fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

Net Income Shares	2024 p	2023 p	2022 p
Change in net assets per share			
Opening net asset value per share	138.76	133.65	156.09
Return before operating charges	31.04	9.90	(17.37)
Operating charges	(4.01)	(3.58)	(3.27)
Return after operating charges *	27.03	6.32	(20.64)
Distributions^	(1.53)	(1.21)	(1.80)
Closing net asset value per share	164.26	138.76	133.65
* after direct transaction costs of:	0.11	0.03	0.03
Performance			
Return after charges	19.48%	4.73%	(13.22%)
Other information			
Closing net asset value (£)	4,539,658	5,202,510	6,328,188
Closing number of shares	2,763,768	3,749,412	4,734,736
Operating charges^^	2.59%	2.62%	2.30%
Direct transaction costs	0.07%	0.02%	0.02%
Published prices			
Highest share price	165.4	139.4	157.1
Lowest share price	142.5	131.0	130.0

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

^ Rounded to 2 decimal places.

^^ The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment Adviser's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which may occur in a year as it is calculated on historical data.

The OCF includes expenses incurred by underlying holdings of collective investment schemes in relation to the Fund (the synthetic 'OCF').

Financial statements - The Loch Moy Fund

Statement of total return

for the year ended 30 November 2024

	Notes	2024		2023	
		£	£	£	£
Income:					
Net capital gains	2		962,969		278,475
Revenue	3	90,966		86,189	
Expenses	4	(103,587)		(103,281)	
Net expense before taxation		(12,621)		(17,092)	
Taxation	5	-		-	
Net expense after taxation			(12,621)		(17,092)
Total return before distributions			950,348		261,383
Distributions	6		(52,167)		(49,287)
Change in net assets attributable to shareholders from investment activities			898,181		212,096

Statement of change in net assets attributable to shareholders

for the year ended 30 November 2024

	2024	2023
	£	£
Opening net assets attributable to shareholders	5,202,510	6,328,188
Amounts payable on cancellation of shares	(1,561,033)	(1,337,774)
Change in net assets attributable to shareholders from investment activities	898,181	212,096
Closing net assets attributable to shareholders	4,539,658	5,202,510

Balance sheet
as at 30 November 2024

	Notes	2024	2023
		£	£
Assets:			
Fixed assets:			
Investments		4,199,189	5,283,576
Current assets:			
Debtors	7	207,574	598
Cash and cash equivalents	8	190,707	45,648
Total assets		4,597,470	5,329,822
Liabilities:			
Investment liabilities		(11,766)	-
Creditors:			
Distribution payable		(31,977)	(32,170)
Other creditors	9	(14,069)	(95,142)
Total liabilities		(57,812)	(127,312)
Net assets attributable to shareholders		4,539,658	5,202,510

Notes to the financial statements
for the year ended 30 November 2024

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital gains

	2024	2023
	£	£
Non-derivative securities - realised gains	745,682	79,645
Non-derivative securities - movement in unrealised gains	191,052	109,257
Currency losses	(7,049)	(1,415)
Forward currency contracts gains	33,734	90,813
Compensation	28	368
Transaction charges	(478)	(193)
Total net capital gains	962,969	278,475

3. Revenue

	2024	2023
	£	£
UK revenue	28,990	24,817
Unfranked revenue	10,294	8,061
Overseas revenue	43,868	44,280
Interest on debt securities	358	-
Bank and deposit interest	6,487	8,070
Rebates from collective investment schemes	969	961
Total revenue	90,966	86,189

4. Expenses

	2024	2023
	£	£
Payable to the ACD and associates		
ACD's periodic charge*	35,007	35,000
Investment Adviser's fee*	45,988	47,971
	80,995	82,971
Payable to the Depositary		
Depositary fees	9,002	9,000
Other expenses:		
Audit fee	8,700	7,632
Non-executive directors' fees	1,427	1,680
Safe custody fees	237	258
Bank interest	2,658	1,208
FCA fee	68	74
KIID production fee	500	458
	13,590	11,310
Total expenses	103,587	103,281

* The annual management charge is 1.50% and includes the ACD's periodic charge and the Investment Adviser's fees.

Notes to the financial statements (continued)

for the year ended 30 November 2024

5. Taxation

	2024	2023
	£	£
a. Analysis of the tax charge for the year		
Total taxation (note 5b)	-	-

b. Factors affecting the tax charge for the year

The tax assessed for the year is higher (2023: higher) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2023: 20%). The differences are explained below:

	2024	2023
	£	£
Net expense before taxation	(12,621)	(17,092)
Corporation tax @ 20%	(2,524)	(3,418)
Effects of:		
UK revenue	(5,798)	(4,963)
Overseas revenue	(5,956)	(7,139)
Excess management expenses	14,278	15,520
Total taxation (note 5a)	-	-

c. Provision for deferred taxation	2024	2023

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £198,569 (2023: £184,291).

6. Distributions

The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2024	2023
	£	£
Interim income distribution	13,224	14,098
Final income distribution	31,977	32,170
	45,201	46,268
Equalisation:		
Amounts deducted on cancellation of shares	6,966	3,019
Total net distributions	52,167	49,287

Reconciliation between net expense and distributions:

	2024	2023
Net expense after taxation per Statement of total return	(12,621)	(17,092)
Undistributed revenue brought forward	19	21
Expenses paid from capital	64,796	66,377
Undistributed revenue carried forward	(27)	(19)
Distributions	52,167	49,287

Details of the distribution per share are disclosed in the Distribution table.

Notes to the financial statements (continued)

for the year ended 30 November 2024

7. Debtors	2024	2023
	£	£
Sales awaiting settlement	205,543	-
Accrued revenue	777	115
Prepaid expenses	108	102
Recoverable income tax	265	-
Accrued rebates from collective investment schemes	881	381
Total debtors	207,574	598

8. Cash and cash equivalents	2024	2023
	£	£
Total cash and cash equivalents	190,707	45,648

9. Other creditors	2024	2023
	£	£
Amounts payable on cancellation of shares	-	82,457
Accrued expenses:		
Payable to the ACD and associates		
ACD's periodic charge	96	-
Investment Adviser's fee	3,447	3,552
	3,543	3,552
Other expenses:		
Depositary fees	25	-
Safe custody fees	285	111
Audit fee	8,700	7,632
Non-executive directors' fees	1,419	1,371
Transaction charges	97	19
	10,526	9,133
Total accrued expenses	14,069	12,685
Total other creditors	14,069	95,142

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities.

11. Share classes

The following reflects the change in shares in issue in the year:

	Net Income Shares
Opening shares in issue	3,749,412
Total shares cancelled in the year	(985,644)
Closing shares in issue	2,763,768

Further information in respect of the return per share is disclosed in the Comparative table.

12. Related party transactions

Evelyn Partners Fund Solutions Limited, as ACD is a related party due to its ability to act in respect of the operations of the Fund.

The ACD acts as principal in respect of all transactions of shares in the Fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the Fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per net income share has increased from 164.3p to 168.3p as at 17 February 2025. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to agents, advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

	Purchases before transaction costs	Commission		Purchases after transaction costs
2024	£	£	%	£
Bonds	99,784	150	0.15%	99,934
Collective Investment Schemes	757,677	837	0.11%	758,514
Exchange Traded Commodities	386,745	580	0.15%	387,325
Total	1,244,206	1,567	0.41%	1,245,773

	Purchases before transaction costs	Commission		Purchases after transaction costs
2023	£	£	%	£
Collective Investment Schemes	738,420	156	0.02%	738,576
Exchange Traded Commodities	134,111	201	0.15%	134,312
Total	872,531	357	0.17%	872,888

Notes to the financial statements (continued)

for the year ended 30 November 2024

14. Transaction costs (continued)

a. Direct transaction costs (continued)

2024	Sales before transaction costs	Commission		Sales after transaction costs
	£	£	%	£
Collective Investment Schemes	2,600,703	(1,433)	0.06%	2,599,270
Exchange Traded Commodities	668,706	(1,003)	0.15%	667,703
Total	3,269,409	(2,436)	0.21%	3,266,973

2023	Sales before transaction costs	Commission		Sales after transaction costs
	£	£	%	£
Collective Investment Schemes	2,041,176	(769)	0.04%	2,040,407

Summary of direct transaction costs

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

2024	£	% of average net asset value
Commission	4,003	0.07%

2023	£	% of average net asset value
Commission	1,126	0.02%

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.05% (2023: 0.04%).

15. Risk management policies

In pursuing the Fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the Fund’s financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

15. Risk management policies (continued)

a Market risk (continued)

(i) Other price risk

The Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are collective investment schemes and exchange traded commodities.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 30 November 2024, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £204,488 (2023: £262,921).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts may be used to manage the portfolio exposure to currency movements.

The foreign currency risk profile of the Fund's financial instruments and cash holdings at the balance sheet date is as follows:

	Financial instruments and cash holdings	Total net foreign currency exposure
2024	£	£
Euro	175,667	175,667
US dollar	331,316	331,316
Total foreign currency exposure	506,983	506,983

	Financial instruments and cash holdings	Total net foreign currency exposure
2023	£	£
Euro	169,994	169,994
US dollar	956,708	956,708
Total foreign currency exposure	1,126,702	1,126,702

At 30 November 2024, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £15,204 (2023: £21,348). Forward currency contracts are used to manage the portfolio exposure to currency movements.

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes.

During the year the Fund's direct exposure to interest rates consisted of cash, bank balances and interest bearing securities. The Fund also has indirect exposure to interest rate risk as it invests in bond funds. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally. In the event of a change in interest rates, there would be no material impact upon the net assets of the Fund.

The Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

There is no significant exposure to interest bearing securities at the balance sheet date.

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Fund. The Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The debt security held within the portfolio is an investment grade bond. The credit quality of the debt security is disclosed in the Portfolio statement.

The Fund holds cash and cash deposits with financial institutions which potentially exposes the Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Fund of default.

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the Fund.

15. Risk management policies (continued)

c Liquidity risk (continued)

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Fund to meet large redemptions, while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

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

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

Basis of valuation	Investment assets 2024	Investment liabilities 2024
	£	£
Quoted prices	1,606,502	-
Observable market data	2,592,687	(11,766)
Unobservable data	-	-
	4,199,189	(11,766)

Basis of valuation	Investment assets 2023	Investment liabilities 2023
	£	£
Quoted prices	1,731,114	-
Observable market data	3,552,462	-
Unobservable data	-	-
	5,283,576	-

No securities in the portfolio of investments are valued using valuation techniques.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The Fund may employ derivatives with the aim of reducing the Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the commitment approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Fund at any given time and may not exceed 100% of the net asset value of the property of the Fund.

15. Risk management policies (continued)

f Derivatives (continued)

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Fund may transact in derivative contracts which potentially exposes the Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the exposure generated through the use of derivatives (calculated in accordance with the commitment approach) divided by the net asset value.

There have been no leveraging arrangements in the year.

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £	% of the total net asset value
Investment		
Forward Currency Contracts		
Value of short position - euro	482,983	10.64%
Value of short position - US dollar	339,843	7.49%

There have been no collateral arrangements in the year.

Distribution table

for the year ended 30 November 2024

Interim distribution in pence per share

Group 1 - Shares purchased before 1 December 2023

Group 2 - Shares purchased 1 December 2023 to 31 May 2024

	Net revenue	Equalisation	Total distribution 31 July 2024	Total distribution 31 July 2023
Net Income Shares				
Group 1	0.374	-	0.374	0.347
Group 2	0.374	-	0.374	0.347

Final distribution in pence per share

Group 1 - Shares purchased before 1 June 2024

Group 2 - Shares purchased 1 June 2024 to 30 November 2024

	Net revenue	Equalisation	Total distribution 31 January 2025	Total distribution 31 January 2024
Net Income Shares				
Group 1	1.157	-	1.157	0.858
Group 2	1.157	-	1.157	0.858

Remuneration

Remuneration code disclosure

The remuneration committee is responsible for setting the remuneration policy for all partners, directors and employees within Evelyn Partners Group Limited ('the Group'), including individuals designated as Material Risk Takers (MRTs) under the Remuneration Code. The remuneration policy is designed to be compliant with the Code and provides a framework to attract, retain, motivate and reward partners, directors and employees. The overall policy is designed to promote the long-term success of the group and to support prudent risk management, with particular attention to conduct risk.

Remuneration committee

The remuneration committee report contained in the Group Report and Financial Statements for the year ended 31 December 2023 includes details on the remuneration policy. The remuneration committee comprises five non-executive directors[1] and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met eight times during 2023.

Remuneration policy

The main principles of the remuneration policy are:

- to align remuneration with the strategy and performance of the business;
- to ensure that remuneration is set at an appropriate and competitive level taking into account market rates and practices;
- to foster and support conduct and behaviours which are in line with our culture and values;
- to maintain a sound risk management framework;
- to ensure that the ratio between fixed and variable remuneration is appropriate and does not encourage excessive risk taking;
- to comply with all relevant regulatory requirements; and
- to align incentive plans with the business strategy and shareholder interests.

The policy is designed to reward partners, directors and employees for delivery of both financial and non-financial objectives which are set in line with company strategy. As part of a "balanced scorecard" approach to variable remuneration non-financial criteria including, but not limited to, compliance and risk issues, client management, supervision, leadership and teamwork are considered alongside financial performance.

Remuneration systems

The committee reviews all partners' and directors' fixed and variable remuneration. In addition, it approves hurdles and awards in respect of equity incentive plans, namely a Deferred Option Plan, Equity Matching Plan, Matching Share Plan, Executive Long Term Incentive Plan and an Investment Management Long Term Incentive Plan.

The remuneration of partners is made up of a fixed profit share, discretionary bonus profit share and non-discretionary bonus profit share. The remuneration of employees typically comprises of a salary with benefits including pension contribution, life assurance, permanent health insurance, private medical insurance, SAYE scheme and a discretionary bonus scheme. Partners, directors and associate directors are also eligible to participate, at the invitation of the committee, in the equity incentive plans described above.

When setting variable remuneration for the executive directors, the committee considers overall business profit for the group and divisions, achievement of both financial and non-financial objectives (including adherence to the principles of treating customers fairly, conduct risk, compliance and regulatory rules), personal performance and any other relevant policy of the board in respect of the year ended 31 December 2023. The committee agrees the individual allocation of variable remuneration and the proportion of that variable remuneration to be awarded as restricted shares.

[1] Please note that the data provided for the independent non-executive directors is as at 31 December 2023. The data provided is for independent non-executive directors only.

Remuneration (continued)

Aggregate quantitative information

The total amount of remuneration paid by Evelyn Partners Fund Solutions Limited ('EPFL') is nil as EPFL has no employees. However, a number of employees have remuneration costs recharged to EPFL and the annualised remuneration for these 72 employees is £3.51 million of which £3.23 million is fixed remuneration. This is based on the salary and benefits for those identified as working in EPFL as at 31 December 2023. Any variable remuneration is awarded for the year ended 31 December 2023. This information excludes any senior management or other Material Risk Takers (MRTs) whose remuneration information is detailed below.

Evelyn Partners Group Limited reviews its MRTs at least annually. These individuals are employed by and provide services to other companies in the Group. It is difficult to apportion remuneration for these individuals in respect of their duties to EPFL. For this reason, the aggregate total remuneration awarded for the year 31 December 2023 for senior management and other MRTs detailed below has not been apportioned.

Table to show the aggregate remuneration split by Senior Management and other MRTs for EPFL	For the period 1 January 2023 to 31 December 2023				
	Fixed	Variable Cash	Variable Equity	Total	No. MRTs
	£'000	£'000	£'000	£'000	
Senior Management	3,518	1,662	-	5,180	18
Other MRTs	919	848	-	1,767	5
Total	4,437	2,510	-	6,947	23

Investment Adviser

The ACD has appointed Stanhope Capital LLP to provide investment management and related advisory services to the ACD. Stanhope Capital LLP is paid a monthly fee out of the scheme property of The Loch Moy Fund which is calculated on the total value of the portfolio of investments at the month end. Stanhope Capital LLP are compliant with the Capital Requirements Directive regarding remuneration and therefore their staff are covered by remuneration regulatory requirements.

Further information

Distributions and reporting dates

Where net revenue is available it will be distributed semi-annually on 31 January (final) and 31 July (interim). In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 December	final
	1 June	interim
Reporting dates:	30 November	annual
	31 May	interim

Buying and selling shares

The property of the Fund is valued at 12pm on the 15th of every month (or if this is not a business day, the next business day) and the last business day of every month, with the exception of any bank holiday in England and Wales or the last business day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary; and prices of shares are calculated as at that time. Share dealing is on a forward basis meaning investors can buy and sell shares at the next valuation point following receipt of the order.

Prices of shares and the estimated yield of the Fund are published on the following website: www.trustnet.com or may be obtained by calling 0141 222 1151.

Benchmark

Shareholders may compare the performance of the Company against the ARC Sterling Steady Growth PCI. Comparison of the Company's performance against this benchmark will give shareholders an indication of how the Company is performing against an index based on the real performance numbers delivered to discretionary private clients by participating Investment Managers.

The benchmark is not a target for the Company, nor is the Company constrained by the benchmark.

Appointments

ACD and Registered office

Evelyn Partners Fund Solutions Limited
45 Gresham Street
London EC2V 7BG
Telephone 0207 131 4000
Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar

Evelyn Partners Fund Solutions Limited
177 Bothwell Street
Glasgow G2 7ER
Telephone 0141 222 1151 (Registration)
0141 222 1150 (Dealing)
Authorised and regulated by the Financial Conduct Authority

Directors of the ACD

Andrew Baddeley
Brian McLean
Mayank Prakash
Neil Coxhead

Independent Non-Executive Directors of the ACD

Dean Buckley
Linda Robinson
Victoria Muir
Sally Macdonald

Non-Executive Directors of the ACD

Guy Swarbreck

Investment Adviser

Stanhope Capital LLP
35 Portman Square
London W1H 6LR
Authorised and regulated by the Financial Conduct Authority

Depositary

NatWest Trustee and Depositary Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh EH12 1HQ
Authorised and regulated by the Financial Conduct Authority

Auditor

Johnston Carmichael LLP
Bishop’s Court
29 Albyn Place
Aberdeen AB10 1YL