

The Millennium Fund

Annual Report

for the year ended 31 March 2024

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The Millennium Fund

Report of the Manager

Evelyn Partners Fund Solutions Limited, as Manager, presents herewith the Annual Report for The Millennium Fund for the year ended 31 March 2024.

The Millennium Fund ('the Trust' or 'the Fund') is an authorised unit trust scheme further to an authorisation order dated 5 December 2002 and 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 Fund is a NURS, the Manager also acts as Alternative Investment Fund Manager ('AIFM') in order to comply with the Alternative Investment Fund Manager's Directive ('AIFMD').

The Manager 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 Fund consist predominantly of securities which are readily realisable and, accordingly, the Fund 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 Trust Deed can be inspected at the offices of the Manager.

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

Investment objective and policy

The objective of the Fund is to enhance total return and provide long-term growth. Whilst income is of secondary importance, there will be annual distributions. The Investment Adviser's policy is to achieve this objective through a portfolio of UK and international equities, bonds and cash as appropriate.

The Fund will also have the power to invest in other collective investment schemes and money market instruments. Additionally it may invest in derivative and forward transactions, but only for the purposes of Efficient Portfolio Management. The Investment Adviser does not envisage entering into hedging transactions to a major extent. The Investment Adviser may also invest in immovables (real property).

The assets of the Fund will be invested with the aim of achieving the investment objective set out above and must be invested so as to comply with the investment and borrowing powers and restrictions set out in the COLL sourcebook, the Trust Deed and the Prospectus.

Changes affecting the Fund in the year

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

Further information in relation to the Fund is illustrated on page 39.

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 Manager, Evelyn Partners Fund Solutions Limited.

Neil Coxhead
Directors
Evelyn Partners Fund Solutions Limited
28 June 2024

Brian McLean

Statement of the Manager's responsibilities

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

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- taking reasonable steps for the prevention and detection of fraud and irregularities; and
- the maintenance and integrity of the Trust's information on the Manager'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 Manager to carry out an Assessment of Value on the Trust and publish this assessment within the Annual Report.

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




Assessment of Value - The Millennium Fund

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

A high-level summary of the outcome of EPFL's rigorous review of the Trust, for the year ending 31 March 2024, using the seven criteria set by the FCA is set out below:

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

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

-  On balance, the Board believes the Trust has delivered value to unitholders, with no material issues noted.
-  On balance, the Board believes the Trust has delivered value to unitholders, but may require some action.
-  On balance, the Board believes the Trust has not delivered value to unitholders 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 Trust 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 Trust 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 Trust performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;
- (3) AFM costs – the fairness and value of the Trust'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 Trust compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the Trust compare with those of other funds administered by EPFL;
- (7) Classes of units – the appropriateness of the classes of units in the Trust for investors.

Assessment of Value - The Millennium Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

EPFL, as AFM, has overall responsibility for the Trust. The Board assessed, amongst other things: the day-to-day administration of the Trust; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIIDs')); the pricing and valuation of units; 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 quality of marketing material sent to unitholders and the dealing and settlement arrangements. EPFL delegates the Investment Management of the Trust to a delegated 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 Trustee and various EPFL delegated Investment Managers.

External Factors

What was the outcome of the assessment?

Internal Factors

External Factors

Were there any follow up actions?

There were no follow-up actions.

2. Performance

What was assessed in this section?

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

Investment Objective

Assessment of Value - The Millennium Fund (continued)

2. Performance (continued)

Benchmark

As AFM, 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.

Cumulative Performance as at 30.06.2022 (%)

	Currency	3 month	6 month	1 Year	3 Year	5 Year	29.06.2012 to 30.06.22
	GBX						
	GBP						

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 FE Fundinfo 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?

Were there any follow up actions?

3. AFM 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 included Manager's period charge, Investment Adviser's fee, Trustee/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?

Were there any follow up actions?

4. Economies of Scale

What was assessed in this section?

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

Assessment of Value - The Millennium Fund (continued)

4. Economies of Scale (continued)

What was the outcome of the assessment?

Were there any follow up actions?

There were no follow-up actions required.

5. Comparable Market Rates

What was assessed in this section?

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

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

What was the outcome of the assessment?

The OCF was X.XX%² and was found to be

Note that EPFL has not charged an entry fee, exit fee or any other event-based fees on this Trust.

Were there any follow up actions?

6. Comparable Services

What was assessed in this section?

The Board compared the AMC with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

Were there any follow up actions?

7. Classes of Units

What was assessed in this section?

The Board reviewed the Trust's set-up to ensure that where there are multiple unit classes, unitholders are in the correct unit class given the size of their holding.

What was the outcome of the assessment?

Were there any follow up actions?

There were no follow-up actions required.

¹ One basis point is equal to 1/100th of 1% or 0.01%. Figure calculated at interim report, 30 September 2023.

² At the interim reporting period 30 September 2023.

Assessment of Value - The Millennium Fund (continued)

Overall Assessment of Value

Dean Buckley
Chairman of the Board of Evelyn Partners Fund Solutions Limited
(previously Smith & Williamson Fund Administration Limited)

Date

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.

Report of the Trustee to the unitholders of The Millennium Fund

Trustee's responsibilities

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

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

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

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund'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 Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Fund.

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

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

NatWest Trustee and Depositary Services Limited
28 June 2024

Independent Auditor's report to the unitholders of The Millennium Fund

Opinion

We have audited the financial statements of The Millennium Fund (the 'Trust') for the year ended 31 March 2024 which comprise the Statement of total return, Statement of change in net assets attributable to unitholders, 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 Trust as at 31 March 2024 and of the net revenue and the net capital gains on the scheme property of the Trust for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly 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 Trust Deed.

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 Manager'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 Trust'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 Manager 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 Manager 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 Trust 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 Manager's report for the year is consistent with the financial statements.

Independent Auditor's report to the unitholders of The Millennium Fund ('continued')

Responsibilities of the Manager

As explained more fully in the Statement of the Manager's responsibilities set out on page 3, the Manager 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 Manager 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 Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 Trust 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 Trust's Prospectus.

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

We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Manager was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Manager 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; and
- The completeness and classification of special dividends between revenue and capital.

Independent Auditor's report to the unitholders of The Millennium Fund (continued)

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

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

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 Trust'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 Manager in its calculation of accounting estimates for potential management bias;
- Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies' dividend payments;
- Assessing the Trust'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 Trust'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 are to become aware of it.

Use of Our Report

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the COLL Rules published by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Bishop's Court
29 Albyn Place
Aberdeen AB10 1YL
28 June 2024

Accounting policies of The Millennium Fund

for the year ended 31 March 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').

The Manager 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 Manager 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 31 March 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.

Overseas dividends are recognised as revenue gross of any withholding tax and the tax consequences are recognised within the tax expense.

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.

Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case.

Accounting policies of The Millennium Fund (continued)

for the year ended 31 March 2024

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 effective yield basis. 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 amortised amounts are accounted for as revenue or as an expense and form part of the distributable revenue of the Fund. Amortisation is calculated at each month end.

e Expenses

All expenses, other than those relating to the purchase and sale of investments, are charged to revenue then 50% of these expenses on an accrual basis are reallocated to capital, net of any tax effect.

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 31 March 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.

When a disposal of a holding in a non-reporting offshore fund is made, any gain is an offshore income gain and tax will be charged to capital. There may be instances where tax relief is due to revenue for the utilisation of excess management expenses.

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 adjustment

A dilution adjustment is an adjustment to the unit price which is determined by the Manager in accordance with the COLL Sourcebook. The Manager may make a dilution adjustment to the price of a unit (which means that the price of a unit is above or below that which would have resulted from mid-market valuation) for the purposes of reducing dilution in the Fund (or to recover an amount which it has already paid or is reasonably expected to pay in the future) in relation to the issue or cancellation of units. 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 units are paid to unitholders.

Accounting policies of The Millennium Fund (continued)

for the year ended 31 March 2024

i Distribution policies (continued)

ii Unclaimed distributions

Distributions to unitholders 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*

In the year under review the unit price of The Millennium Fund rose by +14.48% to 1,755p (based on mid prices at 12pm). The ARC Balanced Asset PCI index rose +7.31% over the same period.

Investment activities*

Equity markets recovered from a cycle of rising inflation and interest rates to post positive returns over the year with US equities leading the way with a rise of over 30% in local currency terms. UK Equities rose 8.29% and Europe ex UK gained 12.45%. UK government Securities were up marginally on a total return basis. A feature of the US returns were incredibly narrow leadership from the "magnificent seven" stocks. The Millennium Fund participated in this rally and owns holdings in five of these companies namely NVIDIA, Alphabet 'C', Amazon.com, Apple and Microsoft.

NVIDIA was the biggest contributor to positive performance with the share price rising a staggering 230% in sterling terms over the period driven by demand for the company's Artificial Intelligence ('AI') focused chips. Adobe (+30%) Amazon.com (+73%) Alphabet 'C' (+47%) and Microsoft (+45%) also benefitted from investor demand for exposure to AI related companies. Despite high valuations we are retaining our technology exposure within the Fund although we have reduced the NVIDIA holding by 25% however due to rising share price it remains the largest position in the Fund.

Within the US Visa and Valero energy also performed well although McDonald's and Coca-Cola were flat over the year. Since the last report we have added a holding of Eli Lilly, the pharmaceutical company in order to gain exposure to their strong drugs pipeline in particular the weight loss area where demand has driven the share price up nearly 30% since our acquisition in November. Following strong results from Palo Alto Networks (cyber security) we realised some profit but still like their long term growth prospects in an area that is becoming very prevalent in the current environment.

We have lightened our holding in JPMorgan Chase and have very limited exposure to the financial sector having also sold HSBC Holdings and AIB Group.

In the UK we have added new holdings in Whitbread (hospitality/hotels) and Ashtead Group (industrial equipment rental) to gain some cyclical exposure as we enter a cycle of monetary easing and London Stock Exchange that is essentially a data provider for the financial sector. We have sold RS Group and AEW UK Reit whilst trimming our holdings of Diageo, Imperial Brands and the large position in BAE Systems that has benefitted from higher government defence spending. Performance of the UK stocks has been mixed with Admiral, Experian Group and Melrose Industries in particular contributing positively to performance but Prudential, Diageo, Unilever and Croda have been disappointing.

Within Europe we have sold our holding of Nestlé where sales are slowing down and we are monitoring Roche Holding that has been a poor performer however our recent purchase of ASML Holding has been successful due to strong demand from the semiconductor industry.

We have not added to fixed interest since our UK Treasury Gilt 0.25% 31/01/2025 purchase in May but when rates start to fall there may be some opportunities in this area.

WisdomTree Physical Gold appreciated 9% over the year but other alternative investments have been disappointing with BH Macro down 21% and Gresham House Energy Storage Fund falling over 70% as their revenues have dropped with external delays leading to the National Grid under-utilising battery storage.

Investment strategy and outlook

A feature of 2024 has been the escalation in geopolitical uncertainty. Russia continues its war in Ukraine and Israel's conflict with Hamas has spread wider in the Middle East with Iran's recent drone attack unnerving markets. Whilst leading to opportunities in specific sectors such as military defence, oil and gas the escalation of these concerning global events have added to risk for investors.

On a more fundamental outlook we entered 2024 with cautious optimism as the cycle of rising inflation and interest rate hikes appeared to be over and at the end of 2023 more than six rate cuts were expected this year. This coincided with the US 10 year bond yield dipping below 4%, a rally in global equities and a softening dollar. Confidence in the probability of cuts has already been tested this year, by US Federal Reserve minutes, comments from Federal Open Market Committee members and by the data itself. US data has been stronger than expected so far this year, making the case for a delay to rate cuts. These factors have led market expectations of rate cuts to be scaled back, with fewer than four rate cuts now expected this year.

* Source: Morningstar.

Investment Adviser's report (continued)

Investment strategy and outlook (continued)

The case for earlier interest rate cuts in Europe and the UK is stronger due to pedestrian growth prospects in both regions but valuations in certain sectors are starting to look attractive and we continue to adopt a bottom-up approach that focuses on specific companies and fundamentals.

China's post pandemic recovery continues to disappoint. Consumption has been constrained by weak consumer confidence, exacerbated by an ailing real estate market, which is a sizable share of household wealth for many families. The property sector itself is a large share of Gross Domestic Product, and so soft demand here has directly weighted on growth. While policy makers pledged to support the economic recovery, they seem less willing to bolster growth by turning on the spending taps than in previous cycles. We prefer the near term prospects for Japan in that region where we have seen corporate governance reforms encouraging both domestic and international investment in the stock market.

When considering which assets are likely to perform in 2024, the prospect of interest rate cuts should offer relief to asset prices across equities and bonds. However, soft economic growth and falling inflation are not a supportive combination for nominal corporate earnings, and this may weigh on equities. For this reason, we remain selective in our equity investments, favouring stocks with a strong earnings driver in the current environment.

As ever The Millennium Fund is invested in liquid assets to take advantage of opportunities in volatile markets.

Close Asset Management Limited

Portfolio changes

for the year ended 31 March 2024

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

	Cost
	£
Purchases:	
UK Treasury Gilt 0.25% 31/01/2025	187,130
JPMorgan Japanese Investment Trust	135,995
Whitbread	99,389
Glencore	98,100
Greggs	97,697
Palo Alto Networks	94,835
Unilever	89,445
ASML Holding	87,095
Booking Holdings	84,772
London Stock Exchange Group	71,080
AIB Group	70,542
Eli Lilly	66,938
Ashtead Group	63,469
	Proceeds
	£
Sales:	
Lloyds Banking Group	132,707
BB Biotech	116,034
Dechra Pharmaceuticals	111,605
AEW UK REIT	95,567
HSBC Holdings	85,726
Nestlé	83,207
AIB Group	78,429
BAE Systems	71,506
Diageo	71,134
NVIDIA	67,185
RS Group	62,130
JPMorgan Chase	61,229
Imperial Brands	33,730
Palo Alto Networks	14,226

Portfolio statement
as at 31 March 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Debt Securities* 2.81% (0.00%)			
Aa3 to A1 2.81% (0.00%)			
UK Treasury Gilt 0.25% 31/01/2025	£200,000	192,820	2.81
Equities 80.28% (74.60%)			
Equities - United Kingdom 36.23% (40.96%)			
Equities - incorporated in the United Kingdom 33.10% (39.09%)			
Energy 3.72% (3.98%)			
BP	25,000	123,925	1.81
Shell	5,000	131,250	1.91
		255,175	3.72
Materials 2.03% (2.67%)			
Croda International	1,000	49,020	0.71
Rio Tinto	1,800	90,306	1.32
		139,326	2.03
Industrials 9.35% (9.67%)			
Ashtead Group	1,200	67,656	0.99
BAE Systems	25,000	337,375	4.92
James Latham	5,600	61,600	0.90
Johnson Service Group	30,000	39,360	0.57
Melrose Industries	20,065	135,037	1.97
		641,028	9.35
Consumer Discretionary 3.36% (0.00%)			
Dowlais Group	20,065	15,647	0.23
Greggs	4,000	114,960	1.68
Whitbread	3,000	99,420	1.45
		230,027	3.36
Consumer Staples 3.68% (5.37%)			
Diageo	3,500	102,392	1.49
Imperial Brands	4,000	70,800	1.03
Unilever	2,000	79,500	1.16
		252,692	3.68
Health Care 3.11% (4.98%)			
AstraZeneca	2,000	213,560	3.11

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

Portfolio statement
as at 31 March 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - United Kingdom (continued)			
Equities - incorporated in the United Kingdom (continued)			
Financials 5.59% (8.48%)			
Admiral Group	3,000	85,110	1.24
H&T Group	16,000	59,520	0.87
London Stock Exchange Group	800	75,920	1.11
M&G	55,500	122,378	1.78
Prudential	5,500	40,865	0.59
		<u>383,793</u>	<u>5.59</u>
Communication Services 1.02% (1.01%)			
Auto Trader Group	10,000	<u>70,020</u>	<u>1.02</u>
Utilities 1.24% (1.43%)			
National Grid	8,000	<u>85,240</u>	<u>1.24</u>
Real Estate 0.00% (1.50%)		-	-
Total equities - incorporated in the United Kingdom		<u>2,270,861</u>	<u>33.10</u>
Equities - incorporated outwith the United Kingdom 3.13% (1.87%)			
Materials 1.27% (0.00%)			
Glencore	20,000	<u>87,050</u>	<u>1.27</u>
Industrials 1.51% (1.30%)			
Experian	3,000	<u>103,620</u>	<u>1.51</u>
Information Technology 0.35% (0.57%)			
Strix Group	35,000	<u>23,835</u>	<u>0.35</u>
Total equities - incorporated outwith the United Kingdom		<u>214,505</u>	<u>3.13</u>
Total equities - United Kingdom		<u>2,485,366</u>	<u>36.23</u>
Equities - Europe 2.87% (3.16%)			
Equities - Netherlands 1.67% (0.00%)			
ASML Holding	150	<u>114,419</u>	<u>1.67</u>
Equities - Sweden 0.02% (0.04%)			
Lundin Petroleum	2,500	<u>1,321</u>	<u>0.02</u>
Equities - Switzerland 1.18% (3.12%)			
Roche Holding	400	<u>80,735</u>	<u>1.18</u>
Total equities - Europe		<u>196,475</u>	<u>2.87</u>

Portfolio statement
as at 31 March 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - United States 41.18% (30.48%)			
Adobe	300	119,758	1.75
Alphabet 'C'	2,400	289,121	4.21
Amazon.com	1,300	185,483	2.70
Apple	1,500	203,618	2.97
Booking Holdings	40	114,744	1.67
Coca-Cola	2,560	123,922	1.81
Eli Lilly	140	86,050	1.25
JPMorgan Chase	500	79,272	1.15
McDonald's	700	156,153	2.28
Microsoft	1,100	365,740	5.33
NVIDIA	750	535,856	7.81
Palo Alto Networks	500	112,361	1.64
Valero Energy	700	94,578	1.38
Visa	1,200	264,774	3.86
Zoetis	700	93,725	1.37
Total equities - United States		<u>2,825,155</u>	<u>41.18</u>
Total equities		<u>5,506,996</u>	<u>80.28</u>
Closed-Ended Funds 6.98% (10.32%)			
Closed-Ended Funds - United Kingdom 6.98% (8.23%)			
Closed-Ended Funds - incorporated in the United Kingdom 5.04% (5.49%)			
Asia Dragon Trust	19,474	67,769	0.99
Augmentum Fintech	121,052	120,326	1.75
Gresham House Energy Storage Fund	53,448	22,181	0.32
JPMorgan Japanese Investment Trust	25,000	135,500	1.98
Total closed-ended funds - incorporated in the United Kingdom		<u>345,776</u>	<u>5.04</u>
Closed-Ended Funds - incorporated outwith the United Kingdom 1.94% (2.74%)			
BH Macro	40,000	<u>133,200</u>	<u>1.94</u>
Total closed-ended funds - United Kingdom		<u>478,976</u>	<u>6.98</u>
Overseas Closed-Ended Funds - 0.00% (2.09%)		-	-
Total closed-ended funds		<u>478,976</u>	<u>6.98</u>

Portfolio statement
as at 31 March 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Collective Investment Schemes 4.47% (4.69%)			
UK Authorised Collective Investment Schemes 0.78% (0.73%)			
JPMorgan Fund II ICVC - US Small Cap Growth Fund	5,000	53,550	0.78
Offshore Collective Investment Schemes 3.69% (3.96%)			
Latitude Horizon Fund	85,000	116,646	1.70
Schroder ISF Asian Total Return	320	136,561	1.99
Total offshore collective investment schemes		253,207	3.69
Total collective investment schemes		306,757	4.47
Exchange Traded Commodities 3.59% (3.68%)			
WisdomTree Physical Gold	1,500	245,955	3.59
Portfolio of investments		6,731,504	98.13
Other net assets		128,500	1.87
Total net assets		6,860,004	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.

The comparative figures in brackets are as at 31 March 2023.

United Kingdom equities are grouped in accordance with Global Industry Classification Standard ('GICS').

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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 14 February 2024.

Comparative table

The following disclosures give a unitholder an indication of the performance of a unit in the Fund. It also discloses the operating charges and direct transaction costs applied to each unit. 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.

	2024	2023	2022
Income	p	p	p
Change in net assets per unit			
Opening net asset value per unit	1,524.56	1,608.67	1,444.05
Return before operating charges	266.10	(35.25)	211.56
Operating charges	(22.83)	(24.59)	(25.79)
Return after operating charges *	243.27	(59.84)	185.77
Distributions [^]	(26.12)	(24.27)	(21.15)
Closing net asset value per unit	1,741.71	1,524.56	1,608.67
* after direct transaction costs of:	1.07	0.35	0.32
Performance			
Return after charges	15.96%	(3.72%)	12.86%
Other information			
Closing net asset value (£)	6,860,004	6,116,871	6,475,653
Closing number of units	393,865	401,221	402,546
Operating charges ^{^^}	1.43%	1.61%	1.62%
Direct transaction costs	0.07%	0.02%	0.02%
Published prices			
Highest offer unit price	1,755	1,608	1,680
Lowest bid unit price	1,539	1,436	1,495

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 Manager'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 and closed ended vehicles such as investment trusts in relation to the Fund (the synthetic 'OCF'). Following guidance issued by the Investment Association on 30 November 2023, the synthetic OCF calculation no longer includes closed ended vehicles. The operating charges for 31 March 2024 reflect this change.

Financial statements - The Millennium Fund

Statement of total return for the year ended 31 March 2024

	Notes	2024		2023	
		£	£	£	£
Income:					
Net capital gains / (losses)	2		905,779		(297,465)
Revenue	3	152,225		145,687	
Expenses	4	<u>(85,764)</u>		<u>(82,856)</u>	
Net revenue before taxation		66,461		62,831	
Taxation	5	<u>(5,070)</u>		<u>(6,708)</u>	
Net revenue after taxation			<u>61,391</u>		<u>56,123</u>
Total return before distributions			967,170		(241,342)
Distributions	6		(104,271)		(97,552)
Change in net assets attributable to unitholders from investment activities			<u>862,899</u>		<u>(338,894)</u>

Statement of change in net assets attributable to unitholders for the year ended 31 March 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to unitholders		6,116,871		6,475,653
Amounts payable on cancellation of units	<u>(119,766)</u>		<u>(19,888)</u>	
		(119,766)		(19,888)
Change in net assets attributable to unitholders from investment activities		862,899		(338,894)
Closing net assets attributable to unitholders		<u>6,860,004</u>		<u>6,116,871</u>

Balance sheet
as at 31 March 2024

	Notes	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		6,731,504	5,706,597
Current assets:			
Debtors	7	15,393	18,955
Cash and cash equivalents	8	164,362	460,890
Total assets		<u>6,911,259</u>	<u>6,186,442</u>
Liabilities:			
Creditors:			
Distribution payable		(41,202)	(53,025)
Other creditors	9	(10,053)	(16,546)
Total liabilities		<u>(51,255)</u>	<u>(69,571)</u>
Net assets attributable to unitholders		<u>6,860,004</u>	<u>6,116,871</u>

Notes to the financial statements
for the year ended 31 March 2024

1. Accounting policies

The accounting policies are disclosed on pages 13 to 15.

2. Net capital gains / (losses)	2024	2023
	£	£
Non-derivative securities - realised gains / (losses)	153,334	(257,524)
Non-derivative securities - movement in unrealised gains / (losses)	756,151	(40,383)
Currency losses	(1,526)	(195)
Forward currency contracts losses	(13)	-
Capital special dividend	-	2,730
Transaction charges	(2,167)	(2,093)
Total net capital gains / (losses)	<u>905,779</u>	<u>(297,465)</u>
3. Revenue	2024	2023
	£	£
UK revenue	90,576	93,445
Unfranked revenue	7,405	7,807
Overseas revenue	45,839	43,515
Interest on debt securities	6,919	-
Bank and deposit interest	1,486	920
Total revenue	<u>152,225</u>	<u>145,687</u>
4. Expenses	2024	2023
	£	£
Payable to the Manager and associates		
Manager's periodic charge*	33,568	33,500
Investment Adviser's fees*	<u>31,915</u>	<u>30,702</u>
	<u>65,483</u>	<u>64,202</u>
Payable to the Trustee		
Trustee fees	<u>9,018</u>	<u>9,000</u>
Other expenses:		
Audit fee	8,700	7,224
Non-executive directors' fees	1,758	1,560
Safe custody fees	290	286
FCA fee	57	102
KIID production fee	458	482
	<u>11,263</u>	<u>9,654</u>
Total expenses	<u>85,764</u>	<u>82,856</u>

For the year ended 31 March 2024, the annual management charge is 1.03% and includes the Manager's periodic charge and the Investment Adviser's fees.

Notes to the financial statements (continued)
for the year ended 31 March 2024

5. Taxation

	2024	2023
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	5,070	6,708
Total taxation (note 5b)	<u>5,070</u>	<u>6,708</u>

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2023: lower) 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 revenue before taxation	<u>66,461</u>	<u>62,831</u>
Corporation tax @ 20%	13,292	12,566
Effects of:		
UK revenue	(18,115)	(18,689)
Overseas revenue	(8,797)	(8,702)
Overseas tax withheld	5,070	6,708
Excess management expenses	13,620	14,825
Total taxation (note 5a)	<u>5,070</u>	<u>6,708</u>

c. Provision for deferred taxation

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 asset not recognised is £192,362 (2023: £178,742).

6. Distributions

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

	2024	2023
	£	£
Interim income distribution	62,728	44,416
Final income distribution	<u>41,202</u>	<u>53,025</u>
	103,930	97,441
Equalisation:		
Amounts deducted on cancellation of units	<u>341</u>	<u>111</u>
Total net distributions	<u>104,271</u>	<u>97,552</u>

Reconciliation between net revenue and distributions:

Net revenue after taxation per Statement of total return	61,391	56,123
Undistributed revenue brought forward	1	2
Expenses paid from capital	42,882	41,428
Undistributed revenue carried forward	<u>(3)</u>	<u>(1)</u>
Distributions	<u>104,271</u>	<u>97,552</u>

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

Notes to the financial statements (continued)
for the year ended 31 March 2024

7. Debtors	2024	2023
	£	£
Accrued revenue	15,306	17,896
Recoverable overseas withholding tax	88	1,059
Recoverable income tax	(1)	-
Total debtors	<u>15,393</u>	<u>18,955</u>
8. Cash and cash equivalents	2024	2023
	£	£
Total cash and cash equivalents	<u>164,362</u>	<u>460,890</u>
9. Other creditors	2024	2023
	£	£
Amounts payable on cancellation of units	-	5,000
Accrued expenses:		
Payable to the Manager and associates		
Manager's periodic charge	275	-
Investment Adviser's fees	<u>283</u>	<u>2,607</u>
	558	2,607
Other expenses:		
Trustee fees	74	-
Safe custody fees	77	50
Audit fee	8,700	7,560
Non-executive directors' fees	491	1,156
KIID production fee	83	125
Transaction charges	<u>70</u>	<u>48</u>
	9,495	8,939
Total accrued expenses	<u>10,053</u>	<u>11,546</u>
Total other creditors	<u>10,053</u>	<u>16,546</u>

10. Commitments and contingent liabilities

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

11. Unit classes

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

	Income
Opening units in issue	401,221
Total units cancelled in the year	<u>(7,356)</u>
Closing units in issue	<u>393,865</u>

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

12. Related party transactions

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

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

Amounts payable to the Manager and its associates are disclosed in note 4. The amount due to the Manager 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 income unit has increased / decreased from 1,742p to xxxp as at {DATE}. 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		Taxes		Purchases after transaction costs
	£	£	%	£	%	£
2024						
Equities	920,171	391	0.04%	2,800	0.30%	923,362
Closed-Ended Funds	135,249	68	0.05%	678	0.50%	135,995
Bonds	187,130	-	-	-	-	187,130
Total	1,242,550	459	0.09%	3,478	0.80%	1,246,487

	Commission	Taxes		Financial transaction tax	Purchases after transaction costs
	£	£	%	£	£
2023					
Equities	323,774	162	0.05%	873	324,809
Closed-Ended Funds	77,500	-	-	-	77,500
Total	401,274	162	0.05%	873	402,309

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)
for the year ended 31 March 2024

	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£
2024						
Equities	989,145	(290)	0.03%	(6)	0.00%	988,849
Closed-Ended Funds	95,617	(48)	0.05%	(2)	0.00%	95,567
Total	1,084,762	(338)	0.08%	(8)	0.00%	1,084,416

	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£
2023						
Equities	603,025	(341)	0.06%	(5)	0.00%	602,679
Collective Investment Schemes	166,451	(33)	0.02%	-	-	166,418
Total	769,476	(374)	0.08%	(5)	0.00%	769,097

Capital events amount of £56,518 (2023: £16,793) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

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:

	£	% of average net asset value
2024		
Commission	797	0.01%
Taxes	3,486	0.06%
2023		
Commission	536	0.01%
Taxes	878	0.01%

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 0.17% (2023: 0.20%).

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 March 2024

15. Risk management policies

In pursuing the Fund's investment objective, as set out in the Prospectus, the following are accepted by the Manager 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 Manager'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 Manager, 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.

(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 equities, collective investment schemes, closed-ended funds and exchange traded commodities, which are disclosed in the Portfolio Statement.

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 Manager 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 31 March 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 unitholders of the Fund would increase or decrease by approximately £326,934 (2023: £285,330).

(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	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
2024			
Euro	114,419	-	114,419
Swedish krona	16,310	-	16,310
Swiss franc	80,735	-	80,735
US dollar	2,825,158	1,443	2,826,601
Total foreign currency exposure	3,036,622	1,443	3,038,065

Notes to the financial statements (continued)

for the year ended 31 March 2024

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2023	£	£	£
Danish krone	-	106	106
Norwegian krone	-	865	865
Swedish krona	18,442	-	18,442
Swiss franc	319,163	-	319,163
US dollar	1,863,461	3,995	1,867,456
Total foreign currency exposure	2,201,066	4,966	2,206,032

At 31 March 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 unitholders of the Fund would increase or decrease by approximately £151,903 (2023: £110,302).

(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 and bank balances. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. 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 Trustee 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 securities held within the portfolio are investment grade bonds. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities 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.

Notes to the financial statements (continued)

for the year ended 31 March 2024

15. Risk management policies (continued)

c Liquidity risk

A significant risk is the cancellation of units 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 units 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 units 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.

The Fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the Fund may not be able to immediately sell such securities.

To reduce liquidity risk the Manager 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.

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.

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 Manager 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.

	Investment assets	Investment liabilities
Basis of valuation	2024	2024
	£	£
Quoted prices	6,424,747	-
Observable market data	306,757	-
Unobservable data	-	-
	<u>6,731,504</u>	<u>-</u>

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£	£
Quoted prices	5,420,002	-
Observable market data	286,595	-
Unobservable data	-	-
	<u>5,706,597</u>	<u>-</u>

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

Notes to the financial statements (continued)

for the year ended 31 March 2024

15. Risk management policies (continued)

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 Manager 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.

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.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(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 Trustee.

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 there is no global exposure to derivatives.

There have been no collateral arrangements in the year.

Distribution table

for the year ended 31 March 2024

Interim distribution in pence per unit

Group 1 - Units purchased before 1 April 2023

Group 2 - Units purchased 1 April 2023 to 30 September 2023

	Net revenue	Equalisation	Total distribution 30 November 2023	Total distribution 30 November 2022
Income				
Group 1	15.659	-	15.659	11.052
Group 2	15.659	-	15.659	11.052

Final distribution in pence per unit

Group 1 - Units purchased before 1 October 2023

Group 2 - Units purchased 1 October 2023 to 31 March 2024

	Net revenue	Equalisation	Total distribution 31 May 2024	Total distribution 31 May 2023
Income				
Group 1	10.461	-	10.461	13.216
Group 2	10.461	-	10.461	13.216

Remuneration

Remuneration code disclosure

The remuneration committee is responsible for setting the remuneration policy for all partners, directors and employees within the Evelyn Partners Group Limited ('the Group'), including individuals designated as Material Risk Takers 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 and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met eight times during 2023¹.

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 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 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 financial year 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			
		Variable			
	Fixed £'000	Cash £'000	Equity £'000	Total £'000	No. MRTs
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 Manager

The Manager has appointed Close Asset Management Limited ('CAML') to provide investment management and related advisory services to the Manager. CAML is paid a monthly fee out of the scheme property of The Millennium Fund which is calculated on the total value of the portfolio of investments at the month end. CAML 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 May (final) and 30 November (interim). In the event of a distribution, unitholders will receive a tax voucher.

XD dates:	1 April	final
	1 October	interim
Reporting dates:	31 March	annual
	30 September	interim

Buying and selling units

The property of the Fund is valued at 12 noon on the 14th day of each month, or, if such day is not a business day, on the next business day and on the last business day of the 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 Manager and the Trustee, and prices of units are calculated as at that time. The Manager reserves the right to revalue the Fund at any time, at its discretion. Unit dealing is on a forward basis meaning investors can buy and sell units at the next valuation point following receipt of the order.

Prices of units 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

Unitholders may compare the performance of the Fund against the ARC Balanced Asset PCI. Comparison of the Fund's performance against this benchmark will give unitholders an indication of how the Fund is performing against an index based on the real performance numbers delivered to discretionary private clients by participating Investment Advisers.

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

Appointments

Manager 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 Manager

Andrew Baddeley

Brian McLean

Mayank Prakash

Neil Coxhead

Independent Non-Executive Directors of the Manager

Dean Buckley

Linda Robinson

Victoria Muir

Sally Macdonald

Non-Executive Directors of the Manager

Paul Wyse - resigned 11 July 2023

Guy Swarbreck - appointed 21 August 2023

Investment Adviser

Close Asset Management Limited

10 Crown Place

London EC2A 4FT

Authorised and regulated by the Financial Conduct Authority

Trustee

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