

The MF Fund

Annual Report

for the year ended 31 January 2024

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The MF Fund

Report of the Authorised Corporate Director ('ACD')

Evelyn Partners Fund Solutions Limited, as ACD, presents herewith the Annual Report for The MF Fund for the year ended 31 January 2024.

The MF Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 21 December 2006. The Company is incorporated under registration number IC000505. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

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 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 maximize the overall return through investment in some or all sectors, including money market, in some or all world markets, including the UK.

The investment policy will be to invest in transferable securities, including but not limited to warrants and bonds, as well as collective investment schemes, money market instruments, cash, deposits and other permitted investments that can best take advantage of economic opportunities worldwide. There is no limit to which the Company can be invested in each sector.

It is the Investment Manager's intention that derivatives be used for hedging purposes using Efficient Portfolio Management style techniques. The ACD does not intend to have an interest in any immovable property or tangible movable property.

The Company will be managed in a manner that maintains eligibility for the stocks and shares component of an Individual Savings Account ('ISA').

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 41.

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes 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

17 May 2024

Statement of the Authorised Corporate Director's responsibilities

The Collective Investment Schemes sourcebook ('COLL') published by the FCA, requires 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 revenue 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 and COLL.




Assessment of Value - The MF 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 MF 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 31 January 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.

Assessment of Value - The MF Fund (continued)

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 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 Fund's Depositary and various EPFL delegated Investment Managers.

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 Manager, Evelyn Partners Investment Management 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 objective of the Company is to maximize the overall return through investment in some or all sectors, including money market, in some or all world markets, including the UK.

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 MF Fund (continued)

2. Performance (continued)

Benchmark (continued)

The benchmark for the Fund is the MSCI PIMFA Balanced Index which is a comparator. A 'comparator' benchmark is an index or similar factor against which an investment manager 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 December 2023 (%)

| | Currency | 1 year | 3 year | 5 year |
|----------------------------------|----------|--------|--------|--------|
| MSCI PIMFA Balanced Index in GBP | GBP | 10.11 | 13.89 | 34.92 |
| The MF Fund Accumulation in GBP | GBX | 11.24 | 13.31 | 35.05 |

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 has performed in line with its comparator benchmark, the MSCI PIMFA Balanced Index. As a result, a green rating was given.

Consideration was given to the risk metrics associated with the Fund which focused on, amongst other things, volatility and risk adjusted returns where EPFL were comfortable that the outcomes were in line with expectations.

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 included the annual management charge ('AMC'), Depositary/Custodian fees and audit fees. The AMC includes the ACD's periodic charge and the Investment Manager's 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 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?

The Fund has a fixed AMC meaning there are no savings for investors should it grow in size in the future.

The ancillary charges of the Fund represent 12 basis points¹. 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 One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 31 July 2023.

Assessment of Value - The MF 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 1.29%² was found to compare favourably than those of similar externally managed funds.

Note 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 required.

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?

The AMC compared favourably with other EPFL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

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

The Board concluded that the Fund had provided value to shareholders.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited

15 March 2024

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.

² Figure calculated at annual report, 31 January 2024. This OCF is calculated using recent IA guidance released in November 2023, concerning the removal of the underlying costs associated with holding closed ended funds.

Report of the Depositary to the shareholders of The MF 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 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 Company's 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 Authorised Corporate Director ('ACD') 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 ACD:

- (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

17 May 2024

Independent Auditor's report to the shareholders of The MF Fund

Opinion

We have audited the financial statements of The MF Fund (the 'Company') for the year ended 31 January 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 at 31 January 2024 and of the net revenue 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 properly prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook 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 Authorised Corporate Director's report for the year is consistent with the financial statements.

Independent Auditor's report to the shareholders of The MF Fund (continued)

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'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 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; 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.

Independent Auditor's report to the shareholders of The MF Fund (continued)

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

We assessed the susceptibility of the Company'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 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; and
- The completeness and classification of special dividends between revenue and capital.

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;
- 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 Company's compliance with the key requirements of the Collective Investment Schemes 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 are to 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
17 May 2024

Accounting policies of The MF Fund

for the year ended 31 January 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 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 31 January 2024.

Where an observable market price is unreliable or does not exist, investments are valued at the ACD's best estimate of the amount that would be received from an immediate transfer at arm's length.

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.

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

Accounting policies of The MF Fund (continued)

for the year ended 31 January 2024

d Revenue (continued)

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.

e Expenses

All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accrual basis.

Bank interest paid is charged to revenue.

f Allocation of revenue and expenses to multiple share types

All revenue and expenses which are directly attributable to a particular share type are allocated to that type. All revenue and expenses which are attributable to the Fund are allocated to the Fund and are normally allocated across the share types pro rata to the net asset value of each type on a daily basis.

g 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 January 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.

h 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.

i 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.

Accounting policies of The MF Fund (continued)

for the year ended 31 January 2024

j 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. Distributions attributable to accumulation shares are re-invested in the relevant class on behalf of the shareholders.

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.

v Equalisation

Group 2 shares are shares purchased on or after the previous XD date and before the current XD date. Equalisation applies only to group 2 shares. Equalisation is the average amount of revenue included in the purchase price of group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholders but must be deducted from the cost of shares for capital gains tax purposes. Equalisation per share is disclosed in the Distribution table.

Investment Manager's report

Investment performance*

Performance to 31 January 2024 is summarised below:

| | 1 month | 3 month | 6 month | 1 year | 3 year | 5 year | Since Inception |
|-----------------------------|---------|---------|---------|--------|--------|--------|-----------------|
| The MF Fund (Income shares) | -1.23% | 8.73% | 3.11% | 5.23% | 11.79% | 27.70% | 164.47% |
| MSCI PIMFA Balanced Index | -0.23% | 7.33% | 4.34% | 5.81% | 14.50% | 29.95% | 162.65% |

Investment activities**

The past 12 months have been a relatively active period within the portfolio.

The portfolio's fixed income weighting was increased with the addition of several shorter-dated UK gilts as well as BG Energy Capital 5.125% 01/12/2025. PGIM Funds - PGIM US Corporate Bond UCITS Fund and iShares USD Treasury Bond 1-3yr UCITS ETF were sold to fund these purchases in part.

There were a number of changes within Alternatives. Long-standing holding in Third Point Offshore Investors was sold following a long period of disappointing performance as was the small holding in Syncona. The proceeds were reinvested in Cordiant Digital Infrastructure and SDCL Energy Efficiency Income Trust, both of which continued to trade on very wide discounts. Separately, a position in music royalties fund Hipgnosis Songs Fund was re-initiated whilst two defensive autocall structured products redeemed during the period.

Within equities, existing positions in IP Group, Anglo American, RWE, London Stock Exchange Group and Augmentum Fintech were added to whilst profits were taken from a number of US names following a period of strong performance. Holdings in Smiths Group and Prudential were sold outright and new positions were initiated in Beazley and Schneider Electric.

Investment strategy and outlook**

In 2024, voters will go to the polls in a record 77 countries, accounting for around half the world's population. Most of these elections will likely be inconsequential for global financial markets. However, sometimes elections can have a material long-term impact on economies and stock markets. For instance, supply-side driven policies from governments led by Margaret Thatcher and Ronald Reagan in the 1980s helped to bring the UK and US out of the economic slumber seen in the troubled 1970s. Several elections this year may be important to investors.

In the UK, Prime Minister Sunak recently hinted that the general election could be held in the second half of the year. Since the Tories are materially behind Labour in the opinion polls, they may cut taxes in the March budget to try and win back public support. This would come on top of the national insurance reduction seen in last year's autumn statement.

The government also wants to boost public sector pay and avert labour stoppages. Such a "go for growth" strategy could keep Bank of England interest rates higher for longer, especially relative to other major central banks, and provide some support for sterling. A Labour victory may lead to closer ties with the European Union ('EU') which could further help sterling.

European Parliament elections take place on the 6-9 June. After the success of Green parties in the 2019 election, there are signs of a rightward shift on the political spectrum, as some voters may put their purse ahead of climate issues. Current polls show right-leaning parties, which are generally less focused on environmental policies, are set to win 25% of seats, up from 20% in 2019. Should they win more than a third of seats as a unified block, with mainstream parties becoming divided, there is a risk for investors that they could influence new legislation. However, opinion polls show that the centrist grand coalition is expected to retain power when the electorate goes to the polls.

*Source: Morningstar Direct 2024, based on 12pm mid-prices, on a total return basis.

**Source: Refinitiv, Evelyn Partners, Bloomberg, Bank of England data and the Federal Reserve. All data as at 31 January 2024 or before.

Investment Manager's report (continued)

Investment strategy and outlook** (continued)

Nevertheless, centre-right parties are still expected to make gains in domestic parliamentary elections in Portugal (March), Austria (in the third quarter) and in three German state elections (September). With right-wing parties already in power in Italy and Hungary, and possibly in the Netherlands if the anti-immigration People's Party for Freedom and Democracy (VVD) can form a coalition government following its win in last year's election, the coordination of EU policy is under threat. Some national governments could veto decisions made in the European Council (e.g. Hungary is currently blocking aid to Ukraine). Such uncertainty is a risk to the euro against major currencies. Moreover, analysis of data going back to the 1970s by Citi, a bank, shows that EU equity performance tends to be more volatile than other major regions after national elections.

Undoubtedly the most important election for investors in 2024 takes place in the US this November. Given America is increasingly split along ideological lines this election is likely to be highly contentious. This opens the possibility of stock market uncertainty, both in the run-up to, and after, the election. Although he has not yet been convicted, Colorado has taken Donald Trump off the Republican primary ballot due to his role in the Capitol riots on 6 January 2021. The Supreme Court has agreed to review a petition by the former president against this state. Should the Supreme Court reject Donald Trump's petition, it could lead to other states to do the same and a tit-for-tat response from Republican states to remove Biden from ballots, disrupting campaigns ahead of the election. As such, the Supreme Court is not likely to uphold the Colorado ruling. Unless there is a landslide win for either party, a tight election could well be disputed, as seen in 2000, 2016 and 2020. It is worth noting that President Biden beat Donald Trump in the Electoral College system by just 44,000 votes across three states in 2020.

In Asia last month, William Lai of the pro-independence Democratic Progressive Party won the Taiwan presidency. Given his party's stance on independence from China, this will serve to maintain ongoing tensions between US and China. Considering around half the world's container fleet passes through the Taiwan Straits, any conflict or blockade of the island would disrupt global trade. We view this as a tail risk (low probability, high impact event). Taiwan has an outsized influence on the global economy, being home to around 65% of the total semiconductor foundry market and producing 90% of the world's most advanced chips.

Aside from the political risk driven by elections, investors will also be wary about geopolitical events in the Middle East. In January, UK and US military forces bombed Iran financed Houthi rebels in Yemen. This followed Houthi drone, boat, and missile attacks on shipping in the Red Sea in retaliation for Israel's invasion of Gaza and effectively opens a second front in the Israel-Hamas war. However, it is still too early to estimate the full impact on supply chains and inflation. Shipping costs have ticked up, but nothing like the price jump caused by the pandemic. So far, the Houthis have not targeted oil and gas tankers and energy prices have been contained.

The world faces plenty of political and geopolitical risks in 2024, which are likely to create moments of market volatility. However, if the world avoids a recession and inflation continues to come down, then this will enable central banks to cut interest rates and for companies to meet analysts' earnings expectations. The backdrop remains positive for both stock and bond markets whilst gold should provide a useful hedge in portfolios against tail risks.

Evelyn Partners Investment Management LLP

31 January 2024

**Source: Refinitiv, Evelyn Partners, Bloomberg, Bank of England data and the Federal Reserve. All data as at 31 January 2024 or before.

Portfolio changes

for the year ended 31 January 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 3.5% 22/10/2025 | 460,739 |
| UK Treasury Gilt 4.25% 07/12/2040 | 397,748 |
| Hipgnosis Songs Fund | 395,573 |
| First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability | 378,744 |
| UK Treasury Gilt 4.125% 29/01/2027 | 378,594 |
| UK Treasury Gilt 4.5% 07/06/2028 | 374,213 |
| BG Energy Capital 5.125% 01/12/2025 | 370,247 |
| London Stock Exchange Group | 199,859 |
| Beazley | 198,149 |
| Diageo | 197,800 |
| Microsoft | 187,763 |
| Schneider Electric | 168,740 |
| SDCL Energy Efficiency Income Trust | 151,373 |
| Augmentum Fintech | 138,008 |
| RWE | 125,714 |
| Anglo American | 83,217 |
| Cordiant Digital Infrastructure | 79,061 |
| IP Group | 48,670 |

| | Proceeds £ |
|---|---------------|
| Sales: | |
| Xtrackers IE Physical Gold GBP Hedged ETC Securities | 877,187 |
| HSBC Bank Eukairos Investments Preference Shares Series 1364 11/05/2026 | 528,819 |
| PGIM Funds - PGIM US Corporate Bond UCITS Fund | 522,840 |
| iShares USD Treasury Bond 1-3yr UCITS ETF | 459,010 |
| JP Morgan 10.3% FTSE ESTX Defensive Autocall | 410,081 |
| Third Point Offshore Investors | 270,310 |
| Smiths Group | 247,419 |
| SVS BambuBlack Asia ex-Japan All-Cap Fund | 203,870 |
| Aberdeen Standard OEIC II - ASI Global Smaller Companies Fund | 199,851 |
| Utilico Emerging Markets Trust | 193,433 |
| CRH | 169,713 |
| Prudential | 137,066 |
| NB Private Equity Partners | 126,159 |
| Blackstone Group | 93,841 |
| Alphabet 'A' | 93,660 |
| Syncona | 70,486 |
| Sandoz Group | 13,425 |
| Brasilagro ADR | 7,566 |

Portfolio statement
as at 31 January 2024

| | Nominal value or holding | Market value £ | % of total net assets |
|---|--------------------------------|----------------------|--------------------------|
| Investment | | | |
| Debt Securities* 10.26% (0.00%) | | | |
| Aaa to Aa2 1.91% (0.00%) | | | |
| BG Energy Capital 5.125% 01/12/2025 | £373,000 | 375,358 | 1.91 |
| Aa3 to A1 8.35% (0.00%) | | | |
| UK Treasury Gilt 3.5% 22/10/2025 | £473,500 | 467,629 | 2.38 |
| UK Treasury Gilt 4.125% 29/01/2027 | £385,000 | 387,810 | 1.98 |
| UK Treasury Gilt 4.25% 07/12/2040 | £400,000 | 397,320 | 2.02 |
| UK Treasury Gilt 4.5% 07/06/2028 | £375,000 | 386,550 | 1.97 |
| | | 1,639,309 | 8.35 |
| Total debt securities | | 2,014,667 | 10.26 |
| Equities 43.83% (41.57%) | | | |
| Equities - United Kingdom 23.10% (22.94%) | | | |
| Equities - incorporated in the United Kingdom 16.76% (18.16%) | | | |
| Energy 2.76% (2.75%) | | | |
| Shell | 22,148 | 541,962 | 2.76 |
| Materials 0.83% (0.87%) | | | |
| Anglo American | 8,570 | 162,521 | 0.83 |
| Industrials 2.76% (4.07%) | | | |
| Ashtead Group | 4,100 | 213,282 | 1.09 |
| Bunzl | 10,175 | 327,126 | 1.67 |
| | | 540,408 | 2.76 |
| Consumer Staples 2.06% (1.17%) | | | |
| Diageo | 6,350 | 181,610 | 0.93 |
| Reckitt Benckiser Group | 3,895 | 222,249 | 1.13 |
| | | 403,859 | 2.06 |
| Health Care 2.45% (2.54%) | | | |
| AstraZeneca | 4,580 | 480,900 | 2.45 |
| Financials 4.41% (4.78%) | | | |
| Beazley | 35,200 | 191,488 | 0.98 |
| IP Group | 436,325 | 228,198 | 1.16 |
| London Stock Exchange Group | 2,400 | 214,608 | 1.09 |
| Phoenix Group Holdings | 45,905 | 232,004 | 1.18 |
| | | 866,298 | 4.41 |
| Real Estate 1.49% (1.98%) | | | |
| Tritax EuroBox | 562,850 | 291,556 | 1.49 |
| Total equities - incorporated in the United Kingdom | | 3,287,504 | 16.76 |

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

Portfolio statement (continued)
as at 31 January 2024

| | Nominal value or holding | Market value £ | % of total net assets |
|--|--------------------------------|----------------------|--------------------------|
| Investment | | | |
| Equities (continued) | | | |
| Equities - United Kingdom (continued) | | | |
| Equities - incorporated outwith the United Kingdom 6.34% (4.78%) | | | |
| Financials 6.34% (4.78%) | | | |
| Burford Capital | 67,687 | 814,275 | 4.15 |
| Conduit Holdings | 90,275 | 429,258 | 2.19 |
| Total equities - incorporated outwith the United Kingdom | | <u>1,243,533</u> | <u>6.34</u> |
| Total equities - United Kingdom | | <u>4,531,037</u> | <u>23.10</u> |
| Equities - Europe 6.37% (5.43%) | | | |
| Equities - France 1.00% (0.00%) | | | |
| Schneider Electric | 1,255 | <u>195,717</u> | <u>1.00</u> |
| Equities - Germany 1.35% (0.95%) | | | |
| RWE | 9,100 | <u>265,090</u> | <u>1.35</u> |
| Equities - Ireland 2.91% (3.47%) | | | |
| CRH | 5,060 | 284,574 | 1.45 |
| Smurfit Kappa Group | 9,750 | <u>287,235</u> | <u>1.46</u> |
| Total equities - Ireland | | <u>571,809</u> | <u>2.91</u> |
| Equities - Switzerland 1.11% (1.01%) | | | |
| Novartis | 2,660 | <u>217,689</u> | <u>1.11</u> |
| Total equities - Europe | | <u>1,250,305</u> | <u>6.37</u> |
| Equities - United States 12.33% (10.78%) | | | |
| Alphabet 'A' | 2,715 | 298,523 | 1.52 |
| Amazon.com | 1,200 | 146,154 | 0.75 |
| Apple | 3,300 | 477,800 | 2.44 |
| Blackstone Group | 5,300 | 517,743 | 2.64 |
| Microsoft | 730 | 227,773 | 1.16 |
| Nike | 2,950 | 235,152 | 1.20 |
| PayPal Holdings | 1,370 | 65,969 | 0.34 |
| Stryker | 1,270 | 334,282 | 1.70 |
| Walt Disney | 1,500 | <u>113,137</u> | <u>0.58</u> |
| Total equities - United States | | <u>2,416,533</u> | <u>12.33</u> |
| Equities - Australia 2.03% (2.42%) | | | |
| BHP Group | 16,400 | <u>398,520</u> | <u>2.03</u> |

Portfolio statement (continued)

as at 31 January 2024

| | Nominal value or holding | Market value £ | % of total net assets |
|--|--------------------------------|----------------------|--------------------------|
| Investment | | | |
| Equities (continued) | | | |
| Equities - South America 0.00% (0.00%) | | | |
| Genagro [^] | 240,000 | - | - |
| Total equities | | <u>8,596,395</u> | <u>43.83</u> |
| Closed-Ended Funds - United Kingdom 18.86% (19.69%) | | | |
| Closed-Ended Funds - incorporated in the United Kingdom 5.54% (6.28%) | | | |
| Augmentum Fintech | 291,700 | 287,033 | 1.46 |
| Fidelity China Special Situations | 111,385 | 209,849 | 1.07 |
| Rockwood Strategic | 79,910 | 158,222 | 0.81 |
| SDCL Energy Efficiency Income Trust | 426,150 | 232,252 | 1.18 |
| Utilico Emerging Markets Trust | 88,125 | 200,044 | 1.02 |
| Total closed-ended funds - incorporated in the United Kingdom | | <u>1,087,400</u> | <u>5.54</u> |
| Closed-Ended Funds - incorporated outwith the United Kingdom 13.32% (13.41%) | | | |
| Cordiant Digital Infrastructure | 381,085 | 269,046 | 1.37 |
| HarbourVest Global Private Equity | 15,100 | 348,810 | 1.78 |
| Hipgnosis Songs Fund | 484,570 | 334,353 | 1.70 |
| NB Private Equity Partners | 16,900 | 272,428 | 1.39 |
| Pershing Square Holdings | 25,500 | 959,166 | 4.89 |
| Real Estate Credit Investments | 207,385 | 254,047 | 1.29 |
| Sequoia Economic Infrastructure Income Fund | 214,315 | 177,453 | 0.90 |
| Total closed-ended funds - incorporated outwith the United Kingdom | | <u>2,615,303</u> | <u>13.32</u> |
| Total closed-ended funds - United Kingdom | | <u>3,702,703</u> | <u>18.86</u> |
| Collective Investment Schemes 23.06% (28.26%) | | | |
| UK Authorised Collective Investment Schemes 8.73% (9.07%) | | | |
| Fidelity Investment Funds - Asia Fund | 24,545 | 347,066 | 1.77 |
| First Sentier Investors ICVC | | | |
| - Stewart Investors Asia Pacific Leaders Sustainability | 40,000 | 391,096 | 1.99 |
| JPMorgan Fund ICVC - Japan Fund | 159,000 | 531,060 | 2.71 |
| Jupiter European Fund | 13,492 | 443,368 | 2.26 |
| Total UK authorised collective investment schemes | | <u>1,712,590</u> | <u>8.73</u> |
| Offshore Collective Investment Schemes 14.33% (19.19%) | | | |
| CG Portfolio Fund - Dollar Fund | 5,200 | 479,596 | 2.44 |
| CG Portfolio Fund - Real Return Fund | 1,200 | 226,584 | 1.15 |
| Edgewood L Select - US Select Growth | 1,615 | 542,318 | 2.76 |
| Lazard Global Listed Infrastructure Equity Fund | 166,000 | 314,437 | 1.60 |

[^] Genagro: The fair value pricing committee determined that it is appropriate to include the security in the portfolio of investments with no value as the security is in liquidation, with little prospect of a distribution to shareholders (2023 £nil).

Portfolio statement (continued)

as at 31 January 2024

| Investment | Nominal value or holding | Market value £ | % of total net assets |
|--|--------------------------------|----------------------|--------------------------|
| Collective Investment Schemes (continued) | | | |
| Offshore Collective Investment Schemes (continued) | | | |
| Montanaro UK Income Fund | 184,600 | 355,540 | 1.81 |
| Neuberger Berman Uncorrelated Strategies Fund | 42,000 | 420,000 | 2.14 |
| Sanlam Global Artificial Intelligence Fund | 150,085 | 476,115 | 2.43 |
| Total offshore collective investment schemes | | 2,814,590 | 14.33 |
| Total collective investment schemes | | 4,527,180 | 23.06 |
| Structured Products 0.00% (4.70%) | | - | - |
| Exchange Traded Commodities 0.00% (4.56%) | | - | - |
| Portfolio of investments | | 18,840,945 | 96.01 |
| Other net assets | | 782,763 | 3.99 |
| Total net assets | | 19,623,708 | 100.00 |

All investments are listed on recognised stock exchanges or are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

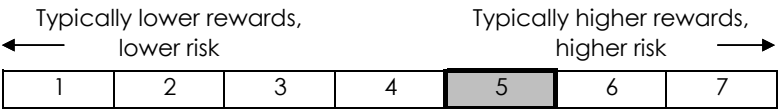
The comparative figures in brackets are as at 31 January 2023.

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

GICS was developed by and is the exclusive property and a service mark of MSCI Inc. ('MSCI') and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ('S&P') and is licensed for use by Evelyn Partners Services Limited. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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.



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 26 March 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.

| | 2024 | 2023 | 2022 |
|--|------------|------------|------------|
| Income | p | p | p |
| Change in net assets per share | | | |
| Opening net asset value per share | 216.39 | 225.38 | 205.03 |
| Return before operating charges | 11.85 | (3.42) | 25.43 |
| Operating charges | (2.79) | (3.40) | (3.65) |
| Return after operating charges * | 9.06 | (6.82) | 21.78 |
| Distributions [^] | (3.12) | (2.17) | (1.43) |
| Closing net asset value per share | 222.33 | 216.39 | 225.38 |
| * after direct transaction costs of: | 0.07 | 0.08 | 0.07 |
| Performance | | | |
| Return after charges | 4.19% | (3.03%) | 10.62% |
| Other information | | | |
| Closing net asset value (£) | 18,439,322 | 17,948,663 | 18,908,361 |
| Closing number of shares | 8,293,740 | 8,294,649 | 8,389,499 |
| Operating charges ^{^^} | 1.29% | 1.59% | 1.63% |
| Direct transaction costs | 0.03% | 0.04% | 0.03% |
| Published prices | | | |
| Highest share price | 228.2 | 227.4 | 239.6 |
| Lowest share price | 207.3 | 197.3 | 206.1 |

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 Manager'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.

Comparative table (continued)

| | 2024 | 2023 | 2022 |
|--|-----------|-----------|-----------|
| Accumulation | p | p | p |
| Change in net assets per | | | |
| Opening net asset value per share | 121.18 | 124.95 | 112.94 |
| Return before operating charges | 6.67 | (1.91) | 14.02 |
| Operating charges | (1.58) | (1.86) | (2.01) |
| Return after operating charges * | 5.09 | (3.77) | 12.01 |
| Distributions [^] | (1.75) | (1.22) | (0.79) |
| Retained distributions on accumulation shares [^] | 1.75 | 1.22 | 0.79 |
| Closing net asset value per share | 126.27 | 121.18 | 124.95 |
| * after direct transaction costs of: | 0.03 | 0.04 | 0.04 |
| Performance | | | |
| Return after charges | 4.20% | (3.02%) | 10.63% |
| Other information | | | |
| Closing net asset value (£) | 1,184,386 | 1,171,823 | 1,049,313 |
| Closing number of shares | 938,000 | 967,000 | 839,800 |
| Operating charges ^{^^} | 1.29% | 1.59% | 1.63% |
| Direct transaction costs | 0.03% | 0.04% | 0.03% |
| Published prices | | | |
| Highest share price | 128.7 | 126.1 | 132.4 |
| Lowest share price | 116.3 | 109.9 | 113.6 |

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 Manager'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.

Financial statements - The MF Fund

Statement of total return for the year ended 31 January 2024

| | Notes | 2024 | | 2023 | |
|---|-------|------------------|----------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Income: | | | | | |
| Net capital gains / (losses) | 2 | | 533,550 | | (784,293) |
| Revenue | 3 | 486,306 | | 408,920 | |
| Expenses | 4 | <u>(214,571)</u> | | <u>(209,775)</u> | |
| Net revenue before taxation | | 271,735 | | 199,145 | |
| Taxation | 5 | <u>(4,393)</u> | | <u>(7,220)</u> | |
| Net revenue after taxation | | | <u>267,342</u> | | <u>191,925</u> |
| Total return before distributions | | | 800,892 | | (592,368) |
| Distributions | 6 | | (275,270) | | (191,978) |
| Change in net assets attributable to shareholders from investment activities | | | <u>525,622</u> | | <u>(784,346)</u> |

Statement of change in net assets attributable to shareholders for the year ended 31 January 2024

| | 2024 | | 2023 | |
|---|------------------|-------------------|------------------|-------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to shareholders | | 19,120,486 | | 19,957,674 |
| Amounts receivable on issue of shares | 76,521 | | 251,809 | |
| Amounts payable on cancellation of shares | <u>(115,351)</u> | | <u>(316,383)</u> | |
| | | (38,830) | | (64,574) |
| Change in net assets attributable to shareholders from investment activities | | 525,622 | | (784,346) |
| Retained distributions on accumulation shares | | 16,430 | | 11,732 |
| Closing net assets attributable to shareholders | | <u>19,623,708</u> | | <u>19,120,486</u> |

Balance sheet
as at 31 January 2024

| | Notes | 2024 £ | 2023 £ |
|---|-------|-------------------|-------------------|
| Assets: | | | |
| Fixed assets: | | | |
| Investments | | 18,840,945 | 18,887,454 |
| Current assets: | | | |
| Debtors | 7 | 30,931 | 24,617 |
| Cash and bank balances | 8 | 895,135 | 464,553 |
| Total assets | | <u>19,767,011</u> | <u>19,376,624</u> |
| Liabilities: | | | |
| Creditors: | | | |
| Distribution payable | | (132,368) | (95,637) |
| Other creditors | 9 | (10,935) | (160,501) |
| Total liabilities | | <u>(143,303)</u> | <u>(256,138)</u> |
| Net assets attributable to shareholders | | <u>19,623,708</u> | <u>19,120,486</u> |

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

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital gains / (losses)

| | 2024 | 2023 |
|---|----------------|------------------|
| | £ | £ |
| Non-derivative securities - realised gains / (losses) | 673,216 | (119,658) |
| Non-derivative securities - movement in unrealised losses | (179,145) | (759,007) |
| Derivative contracts - realised gains | 204,250 | 181,826 |
| Derivative contracts - movement in unrealised losses | (162,505) | (85,775) |
| Currency losses | (1,632) | (1,500) |
| Forward currency contracts | - | 217 |
| Compensation | - | 751 |
| Transaction charges | (634) | (1,147) |
| Total net capital gains / (losses) | <u>533,550</u> | <u>(784,293)</u> |

3. Revenue

| | 2024 | 2023 |
|-----------------------------|----------------|----------------|
| | £ | £ |
| UK revenue | 152,488 | 146,421 |
| Unfranked revenue | 9,072 | 3,120 |
| Overseas revenue | 259,097 | 246,772 |
| Interest on debt securities | 23,206 | - |
| Bank and deposit interest | 42,443 | 12,607 |
| Total revenue | <u>486,306</u> | <u>408,920</u> |

4. Expenses

| | 2024 | 2023 |
|-----------------------------------|----------------|----------------|
| | £ | £ |
| Payable to the ACD and associates | | |
| Annual management charge* | <u>190,727</u> | <u>189,415</u> |
| Payable to the Depositary | | |
| Depositary fees | <u>9,000</u> | <u>9,000</u> |
| Other expenses: | | |
| Audit fee | 7,968 | 7,592 |
| Non-executive directors' fees | 2,669 | 560 |
| Safe custody fees | 332 | 348 |
| Bank interest | 767 | 235 |
| FCA fee | 146 | 225 |
| KIID production fee | 500 | 452 |
| Listing fee | 2,462 | 1,948 |
| | <u>14,844</u> | <u>11,360</u> |
| Total expenses | <u>214,571</u> | <u>209,775</u> |

* The annual management charge is 1% and includes the ACD's periodic charge and the Investment Manager's fees.

Notes to the financial statements (continued)

for the year ended 31 January 2024

5. Taxation

| | 2024 £ | 2023 £ |
|---|--------------|--------------|
| <i>a. Analysis of the tax charge for the year</i> | | |
| Overseas tax withheld | 4,393 | 7,220 |
| Total taxation (note 5b) | <u>4,393</u> | <u>7,220</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>271,735</u> | <u>199,145</u> |
| Corporation tax @ 20% | 54,347 | 39,829 |
| Effects of: | | |
| UK revenue | (30,498) | (29,284) |
| Overseas revenue | (43,475) | (43,455) |
| Overseas tax withheld | 4,393 | 7,220 |
| Excess management expenses | 18,434 | 26,124 |
| Offshore income gains | 7,978 | - |
| Unrealised gains /(losses) on non reporting offshore funds | <u>(6,786)</u> | <u>6,786</u> |
| Total taxation (note 5a) | <u>4,393</u> | <u>7,220</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 £309,540 (2023: £291,106).

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 | 126,244 | 84,331 |
| Interim accumulation distribution | 7,988 | 5,505 |
| Final income distribution | 132,368 | 95,637 |
| Final accumulation distribution | <u>8,442</u> | <u>6,227</u> |
| | 275,042 | 191,700 |
| Equalisation: | | |
| Amounts deducted on cancellation of shares | 526 | 1,249 |
| Amounts added on issue of shares | <u>(298)</u> | <u>(971)</u> |
| Total net distributions | <u>275,270</u> | <u>191,978</u> |

Reconciliation between net revenue and distributions:

| | | |
|--|----------------|----------------|
| Net revenue after taxation per Statement of total return | 267,342 | 191,925 |
| Undistributed revenue brought forward | 19 | 72 |
| Marginal tax relief | 7,978 | - |
| Undistributed revenue carried forward | <u>(69)</u> | <u>(19)</u> |
| Distributions | <u>275,270</u> | <u>191,978</u> |

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

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

| 7. Debtors | 2024 | 2023 |
|--------------------------------------|---------------|---------------|
| | £ | £ |
| Accrued revenue | 23,366 | 16,751 |
| Recoverable overseas withholding tax | 6,390 | 7,830 |
| Recoverable overseas tax | 1,153 | - |
| Prepaid expenses | 22 | 36 |
| Total debtors | <u>30,931</u> | <u>24,617</u> |

| 8. Cash and bank balances | 2024 | 2023 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Total cash and bank balances | <u>895,135</u> | <u>464,553</u> |

| 9. Other creditors | 2024 | 2023 |
|---|---------------|----------------|
| | £ | £ |
| Amounts payable on cancellation of shares | - | 149,913 |
| Other expenses: | | |
| Safe custody fees | 173 | 89 |
| Audit fee | 7,968 | 7,591 |
| Non-executive directors' fees | 1,624 | - |
| Listing fee | 1,080 | 2,883 |
| Transaction charges | 90 | 25 |
| Total accrued expenses | <u>10,935</u> | <u>10,588</u> |
| Total other creditors | <u>10,935</u> | <u>160,501</u> |

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

11. Share types
The following reflects the change in shares in issue in the year:

| | |
|------------------------------------|------------------|
| | Income |
| Opening shares in issue | 8,294,649 |
| Total shares issued in the year | 36,925 |
| Total shares cancelled in the year | (37,834) |
| Closing shares in issue | <u>8,293,740</u> |
| | Accumulation |
| Opening shares in issue | 967,000 |
| Total shares cancelled in the year | (29,000) |
| Closing shares in issue | <u>938,000</u> |

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

On the winding up of a Fund all the assets of the Fund will be realised and apportioned to the share types in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share type has the same rights on winding up.

Notes to the financial statements (continued)

for the year ended 31 January 2024

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 Investment Manager, Evelyn Partners Investment Management LLP is a related party to the ACD as they are within the same corporate body.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per income share has increased from 222.5p to 237.0p and the accumulation share has increased from 126.3p to 134.6p as at 13 May 2024. 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 | | Financial transaction tax | | Purchases after transaction costs |
|--------------------------------|---|------------|-------|-------|-------|------------------------------|-------|--|
| | £ | £ | % | £ | % | £ | % | £ |
| 2024 | | | | | | | | |
| Equities | 1,205,543 | 1,640 | 0.14% | 2,226 | 0.18% | 504 | 0.04% | 1,209,913 |
| Closed-Ended Funds | 762,566 | 138 | 0.02% | 1,310 | 0.17% | - | - | 764,014 |
| Bonds* | 1,981,541 | - | - | - | - | - | - | 1,981,541 |
| Collective Investment Schemes* | 378,744 | - | - | - | - | - | - | 378,744 |
| Total | 4,328,394 | 1,778 | 0.16% | 3,536 | 0.35% | 504 | 0.04% | 4,334,212 |

| | Purchases before transaction costs | Commission | | Taxes | | Financial transaction tax | | Purchases after transaction costs |
|--------------------------------|---|------------|-------|-------|-------|------------------------------|---|--|
| | £ | £ | % | £ | % | £ | % | £ |
| 2023 | | | | | | | | |
| Equities | 1,067,088 | 402 | 0.04% | 4,920 | 0.46% | - | - | 1,072,410 |
| Closed-Ended Funds | 361,508 | - | - | 870 | 0.24% | - | - | 362,378 |
| Collective Investment Schemes* | 973,304 | - | - | - | - | - | - | 973,304 |
| Structured Products* | 371,450 | - | - | - | - | - | - | 371,450 |
| Total | 2,773,350 | 402 | 0.04% | 5,790 | 0.70% | - | - | 2,779,542 |

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 January 2024

14. Transaction costs (continued)

a Direct transaction costs (continued)

| | Sales before transaction costs | Commission | | Taxes | | Financial transaction tax | | Sales after transaction costs |
|--------------------------------|---|------------|-------|-------|-------|------------------------------|---|--|
| | £ | £ | % | £ | % | £ | % | £ |
| 2024 | | | | | | | | |
| Equities | 762,800 | (106) | 0.01% | (4) | 0.00% | - | - | 762,690 |
| Closed-Ended Funds | 660,398 | - | - | (10) | 0.00% | - | - | 660,388 |
| Collective Investment Schemes* | 2,058,888 | - | - | - | - | - | - | 2,058,888 |
| Exchange Traded Commodities* | 203,870 | - | - | - | - | - | - | 203,870 |
| Structured Products* | 938,900 | - | - | - | - | - | - | 938,900 |
| Total | 4,624,856 | (106) | 0.01% | (14) | 0.00% | - | - | 4,624,736 |

| | Sales before transaction costs | Commission | | Taxes | | Financial transaction tax | | Sales after transaction costs |
|--------------------------------|---|------------|-------|-------|-------|------------------------------|---|--|
| | £ | £ | % | £ | % | £ | % | £ |
| 2023 | | | | | | | | |
| Equities | 1,042,343 | (301) | 0.03% | (234) | 0.02% | - | - | 1,041,808 |
| Collective Investment Schemes* | 610,500 | - | - | - | - | - | - | 610,500 |
| Structured Products* | 515,313 | - | - | - | - | - | - | 515,313 |
| Total | 2,168,156 | (301) | 0.03% | (234) | 0.02% | - | - | 2,167,621 |

* No direct transaction costs were incurred in these transactions.

Capital events amount of £312,092 (2023: £3,280) 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:

| 2024 | £ | % of average net asset value |
|---------------------------|-------|---------------------------------|
| Commission | 1,884 | 0.01% |
| Taxes | 3,550 | 0.02% |
| Financial transaction tax | 504 | 0.00% |
| 2023 | £ | % of average net asset value |
| Commission | 703 | 0.01% |
| Taxes | 6,024 | 0.03% |

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 0.20% (2023: 0.20%).

Notes to the financial statements (continued)

for the year ended 31 January 2024

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.

(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 and closed-ended funds.

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 31 January 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 £841,314 (2023: £944,373).

(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 | 460,924 | 6,390 | 467,314 |
| Swiss franc | 217,689 | - | 217,689 |
| US dollar | 3,938,018 | 7,428 | 3,945,446 |
| Total foreign currency exposure | 4,616,631 | 13,818 | 4,630,449 |

Notes to the financial statements (continued)

for the year ended 31 January 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 | £ | £ | £ |
| Euro | 181,971 | 7,474 | 189,445 |
| Swiss franc | 193,929 | - | 193,929 |
| US dollar | 3,515,500 | 9,800 | 3,525,300 |
| Total foreign currency exposure | 3,891,400 | 17,274 | 3,908,674 |

At 31 January 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 £231,522 (2023: £195,434).

(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 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.

At 31 January 2024, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £21,783 (2023: £nil).

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.

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

| | Variable rate financial assets | Fixed rate financial assets | Non-interest bearing financial assets | Non-interest bearing financial liabilities | Total |
|-------------|--------------------------------------|--------------------------------|---|---|------------|
| 2024 | £ | £ | £ | £ | £ |
| Euro | 117 | - | 467,197 | - | 467,314 |
| Swiss franc | - | - | 217,689 | - | 217,689 |
| UK sterling | 875,017 | 2,014,667 | 12,246,878 | (143,303) | 14,993,259 |
| US dollar | 20,001 | - | 3,925,445 | - | 3,945,446 |
| | 895,135 | 2,014,667 | 16,857,209 | (143,303) | 19,623,708 |

Notes to the financial statements (continued)

for the year ended 31 January 2024

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk (continued)

| | Variable rate financial assets | Fixed rate financial assets | Non-interest bearing financial assets | Non-interest bearing financial liabilities | Total |
|-------------|--------------------------------------|--------------------------------|---|---|-------------------|
| 2023 | £ | £ | £ | £ | £ |
| Euro | 121 | - | 189,324 | - | 189,445 |
| Swiss franc | - | - | 193,929 | - | 193,929 |
| UK sterling | 445,969 | - | 15,021,981 | (256,138) | 15,211,812 |
| US dollar | 18,463 | - | 3,506,837 | - | 3,525,300 |
| | <u>464,553</u> | <u>-</u> | <u>18,912,071</u> | <u>(256,138)</u> | <u>19,120,486</u> |

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 securities held within the portfolio are investment grade bonds. These are made across a variety of industry sectors, and geographical markets, so as to avoid concentrations of credit risk. 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.

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.

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 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.

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.

Notes to the financial statements (continued)

for the year ended 31 January 2024

15. Risk management policies (continued)

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.

| | Investment assets | Investment liabilities |
|------------------------|----------------------|---------------------------|
| Basis of valuation | 2024 | 2024 |
| | £ | £ |
| Quoted prices | 13,938,407 | - |
| Observable market data | 4,902,538 | - |
| Unobservable data* | - | - |
| | <u>18,840,945</u> | <u>-</u> |
| | | |
| | Investment assets | Investment liabilities |
| Basis of valuation | 2023 | 2023 |
| | £ | £ |
| Quoted prices | 13,057,186 | - |
| Observable market data | 4,933,112 | - |
| Unobservable data* | 897,156 | - |
| | <u>18,887,454</u> | <u>-</u> |

* The following security is valued in the portfolio of investments using a valuation technique:

Genagro: The fair value pricing committee determined that it is appropriate to include the security in the portfolio of investments with no value as the security is in liquidation, with little prospect of a distribution to shareholders (2023 £nil).

In the prior year portfolio of investments structured product holdings in the portfolio statement are valued using valuation models where the inputs are unobservable. The ACD engages a third party to provide valuations for these investments.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the ACD has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The ACD of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other the assumptions used are under continuous review by the ACD with particular attention paid to the carrying value of the investments.

Notes to the financial statements (continued)

for the year ended 31 January 2024

15. Risk management policies (continued)

e Assets subject to special arrangements arising from their illiquid nature

The following assets held in the portfolio of investments are subject to special arrangements arising from their illiquid nature:

| | 2024 | 2023 |
|---------|--------------------------------------|--------------------------------------|
| | % of the total net asset value | % of the total net asset value |
| Genagro | 0.00% | 0.00% |

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 the Fund had exposure to derivatives embedded in structured products. 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 a 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.

In the year, the Fund held structured products with embedded derivatives. Exposure created by underlying derivatives is monitored by the ACD as well as the rating of the issuer of the structured product. A third party is used to verify the prices of the structured products.

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 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 sum of the net asset value and the incremental 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.

Notes to the financial statements (continued)

for the year ended 31 January 2024

15. Risk management policies (continued)

f Derivatives (continued)

(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 January 2024

Interim distributions in pence per share

Group 1 - Shares purchased before 1 February 2023

Group 2 - Shares purchased 1 February 2023 to 31 July 2023

| | Net revenue | Equalisation | Total distributions 30 September 2023 | Total distributions 30 September 2022 |
|--------------|----------------|--------------|--|--|
| Income | | | | |
| Group 1 | 1.525 | - | 1.525 | 1.014 |
| Group 2 | 0.675 | 0.850 | 1.525 | 1.014 |
| Accumulation | | | | |
| Group 1 | 0.848 | - | 0.848 | 0.576 |
| Group 2 | 0.293 | 0.555 | 0.848 | 0.576 |

Final distributions in pence per share

Group 1 - Shares purchased before 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 January 2024

| | Net revenue | Equalisation | Total distributions 31 May 2024 | Total distributions 31 May 2023 |
|--------------|----------------|--------------|------------------------------------|------------------------------------|
| Income | | | | |
| Group 1 | 1.596 | - | 1.596 | 1.153 |
| Group 2 | 0.789 | 0.807 | 1.596 | 1.153 |
| Accumulation | | | | |
| Group 1 | 0.900 | - | 0.900 | 0.644 |
| Group 2 | 0.900 | - | 0.900 | 0.644 |

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

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 directors¹ 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 Manager

The ACD delegates the management of the Company's portfolio of assets to Evelyn Partners Investment Management LLP ('EPIM') and pays to EPIM, out of the annual management charge, a monthly fee calculated on the total value of the portfolio of investments at the month end. EPIM 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/allocated semi-annually on or before 31 May (final) and 30 September (interim). In the event of a distribution, shareholders will receive a tax voucher.

| | | |
|------------------|------------|---------|
| XD dates: | 1 February | final |
| | 1 August | interim |
| Reporting dates: | 31 January | annual |
| | 31 July | interim |

Buying and selling shares

The property of the Fund is valued at 12pm each Monday, 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 in the last week of the month the ACD will not value on that Monday but on the last business day of the month; prices of shares are calculated as at that time. Share dealing is on a forward basis i.e. 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 share types 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 MSCI PIMFA Balanced Index. The ACD has selected this comparator benchmark as it believes this benchmark best reflects the Company's asset allocation.

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

Brian McLean
Andrew Baddeley
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

Paul Wyse - resigned 11 July 2023
Guy Swarbreck - appointed 21 August 2023

Investment Manager

Evelyn Partners Investment Management LLP
45 Gresham Street
London EC2V 7BG
Authorised and regulated by the Financial Conduct Authority

Depository

NatWest Trustee and Depository 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