

Sylvan Funds

Annual Report

for the year ended 30 April 2024

## Contents

### Page

Report of the Authorised Corporate Director	2
Statement of the Authorised Corporate Director's responsibilities	4
Assessment of Value - Alder Investment Fund	5
Assessment of Value - Bromfield Investment Fund	9
Assessment of Value - Global Opportunities Fund	13
Assessment of Value - Hornbeam Fund	17
Report of the Depositary to the shareholders of Sylvan Funds	21
Independent Auditor's report to the shareholders of Sylvan Funds	22
Accounting policies of Sylvan Funds	25
Sub-funds:	
- Alder Investment Fund	28
Financial statements - Alder Investment Fund	48
Distribution table - Alder Investment Fund	63
- Bromfield Investment Fund	64
Financial statements - Bromfield Investment Fund	72
Distribution table - Bromfield Investment Fund	84
- Global Opportunities Fund	85
Financial statements - Global Opportunities Fund	93
Distribution table - Global Opportunities Fund	105
- Hornbeam Fund	106
Financial statements - Hornbeam Fund	116
Distribution table - Hornbeam Fund	127
Remuneration	128
Further information	130
Appointments	131

## Sylvan Funds

### Report of the Authorised Corporate Director ('ACD')

Evelyn Partners Fund Solutions Limited, as ACD, presents herewith the Annual Report for Sylvan Funds for the year ended 30 April 2024.

Sylvan Funds ('the Company') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 19 February 2001. The Company is incorporated under registration number IC000090. 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 Company has been set up as an umbrella company. Provision exists for an unlimited number of sub-funds to be included within the umbrella and additional sub-funds may be established by the ACD with the agreement of the Depositary and the approval of the FCA. The sub-funds represent segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, and any other sub-fund and shall not be available for any such purpose.

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.

#### Cross-holdings

In the year, no sub-fund held shares of any other sub-fund in the umbrella.

#### Sub-funds

There are four sub-funds in the Company:

Alder Investment Fund

Bromfield Investment Fund

Global Opportunities Fund

Hornbeam Fund

#### Investment objective and policy

The investment objectives and policies of each sub-fund are disclosed within the Investment Adviser's report of the individual sub-funds.

## Report of the Authorised Corporate Director (continued)

### Changes affecting the Company in the year

On 1 November 2023, Meridiem Investment Management Limited (formerly Veritas Investment Partners (UK) Limited) were appointed as an additional Investment Adviser for Alder Investment Fund.

On 22 March 2024, the benchmark for Hornbeam Fund changed from MSCI United Kingdom Investable Market Index ('IMI') and MSCI All Countries World Index ('ACWI') ex United Kingdom to a composite benchmark of 69% MSCI UK IMI, 29% MSCI ACWI ex UK and 2% Sterling Overnight Index Average ('SONIA').

Further information in relation to the Company is illustrated on page 130.

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  
16 August 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 these assessments 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 - Alder Investment 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 Alder Investment Fund ('the sub-fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund, for the year ended 30 April 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 sub-fund:

-  On balance, the Board believes the sub-fund has delivered value to shareholders, with no material issues noted.
-  On balance, the Board believes the sub-fund has delivered value to shareholders, but may require some action.
-  On balance, the Board believes the sub-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 the 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 sub-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 sub-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 sub-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 sub-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 sub-fund compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the sub-fund compare with those of other funds administered by EPFL;
- (7) Classes of shares – the appropriateness of the classes of shares in the sub-fund for investors.

## Assessment of Value - Alder Investment Fund (continued)

### 1. Quality of Service

What was assessed in this section?

#### Internal Factors

EPFL, as ACD, has overall responsibility for the sub-fund. The Board assessed, amongst other things: the day-to-day administration of the sub-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 sub-fund to four Investment Management firms.

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 sub-fund's Depositary and various EPFL delegated Investment Advisers.

#### External Factors

The Board assessed the delegates' 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 Advisers, Evelyn Partners Investment Management LLP ('EPIM'), James Hambro & Partners LLP ('James Hambro'), Meridiem Investment Management Limited ('Meridiem') (formerly Veritas Investment Partners (UK) Limited) and Sarasin & Partners LLP ('Sarasin'), where consideration was given to, amongst other things, the delegates' controls around the sub-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, custody services, 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 sub-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 sub-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 sub-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 sub-fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

#### Investment Objective

The sub-fund seeks to provide a real return from a combination of income and capital growth.

#### 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 - Alder Investment Fund (continued)

### 2. Performance (continued)

#### Benchmark (continued)

The benchmarks for the sub-fund are the UK Consumer Price Index +4% and the IA Mixed Investment 40-85% Shares sector, both of which are comparators. 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 sub-fund has performed against its comparator benchmarks over various timescales can be found below.

Cumulative Performance as at 31 March 2024 (%)

	Currency	1 year	3 year	5 year
Alder Investment Fund	GBX	12.34	11.58	35.66
IA Mixed Investment 40-85% Shares sector	GBP	10.16	10.65	28.73
UK Consumer Price Index +4%	GBP	7.29	36.74	51.24

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 sub-fund over its minimum recommended holding period of five years and observed that it has outperformed one of its comparator benchmarks, the IA Mixed Investment 40-85% Shares sector. However, over the same period, it had underperformed the UK Consumer Price Index +4%. As the IA Mixed Investment 40-85% Shares sector reflects the asset allocation and peer performance, a green rating was felt appropriate.

Consideration was given to the risk metrics associated with the sub-fund which focused on, amongst other things, volatility and risk adjusted returns where EPFL were comfortable that the outcomes were in line with the sub-fund's performance.

The Board found that the sub-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 fee. The AMC includes the ACD's periodic charge and the Investment Advisers' fees.

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 sub-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 sub-fund to examine the effect on the sub-fund to potential and existing investors should it increase or decrease in value.

#### What was the outcome of the assessment?

EPIM and James Hambro's Investment Advisers' fees are a fixed percentage charge. Sarasin and Meridiem Investment Advisers' fees and the ACD's periodic charge are tiered meaning that there are opportunities for savings should the sub-fund grow in size.

The ancillary charges of the sub-fund represent 4 basis points<sup>1</sup>. Some of these costs are fixed and as the sub-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.

<sup>1</sup> One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 31 October 2023.



## Assessment of Value - Alder Investment Fund (continued)

### 5. Comparable Market Rates

What was assessed in this section?

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

The OCF of the sub-fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of 0.73%<sup>1</sup> compared favourably with 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 sub-fund.

Were there any follow up actions?

There were no follow-up actions required.

### 6. Comparable Services

What was assessed in this section?

The Board compared the sub-fund's Investment Advisers' fees with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The Investment Advisers' fees compared favourably against 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 sub-fund's set-up to ensure that where there are multiple share classes shareholders are 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 sub-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 Alder Investment Fund had provided value to shareholders.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited

28 May 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.

<sup>1</sup> Figure calculated at interim report, 31 October 2023.




## Assessment of Value - Bromfield Investment 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 Bromfield Investment Fund ('the sub-fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund, for the year ended 30 April 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 sub-fund:

-  On balance, the Board believes the sub-fund has delivered value to shareholders, with no material issues noted.
-  On balance, the Board believes the sub-fund has delivered value to shareholders, but may require some action.
-  On balance, the Board believes the sub-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 sub-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 sub-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 sub-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 sub-fund compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the sub-fund compare with those of other funds administered by EPFL;
- (7) Classes of shares – the appropriateness of the classes of shares in the sub-fund for investors.

## Assessment of Value - Bromfield Investment Fund (continued)

### 1. Quality of Service

What was assessed in this section?

#### Internal Factors

EPFL, as ACD, has overall responsibility for the sub-fund. The Board assessed, amongst other things: the day-to-day administration of the sub-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 sub-fund to an Investment Management firm.

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

#### External Factors

The Board assessed the delegate's skills, processes and experience. Also considered were any results from service review meetings as well as the annual due diligence performed by EPFL on the delegated Investment Adviser, Evelyn Partners Investment Management LLP ('EPIM'), where consideration was given to, amongst other things, the delegate's controls around the sub-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, custody services, 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 sub-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 sub-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 sub-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 sub-fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

#### Investment Objective

The sub-fund seeks to provide capital and income growth through investing primarily in a diversified portfolio of global securities and bonds.

#### 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 - Bromfield Investment Fund (continued)

### 2. Performance (continued)

#### Benchmark (continued)

The benchmark for the sub-fund is the UK Consumer Price Index +3%, which is a comparator. A 'comparator' benchmark is an index or similar factor against which an Investment Adviser invites investors to compare a fund's performance. Details of how the sub-fund has performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 31 March 2024 (%)

	Currency	1 year	3 year	5 year
Bromfield Investment Fund	GBX	18.63	17.80	46.07
UK Consumer Price Index +3%	GBP	6.27	32.83	44.11

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 sub-fund over its minimum recommended holding period of five years and observed that it has outperformed its comparator benchmark, UK Consumer Price Index +3%. There has been positive performance since the last years amber rating. As a result, a green rating has been given.

Consideration was given to the risk metrics associated with the sub-fund which focused on, amongst other things, volatility and risk adjusted returns where EPFL were comfortable that the outcomes were in line with the sub-fund's performance.

The Board found that the sub-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 fee. The AMC includes the ACD's periodic charge and the Investment Adviser'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 sub-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 sub-fund to examine the effect on the sub-fund to potential and existing investors should it increase or decrease in value.

What was the outcome of the assessment?

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

The ancillary charges of the sub-fund represent 8 basis points<sup>1</sup>. Some of these costs are fixed and as the sub-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.

<sup>1</sup> One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 31 October 2023.

## Assessment of Value - Bromfield Investment Fund (continued)

### 5. Comparable Market Rates

What was assessed in this section?

The Board reviewed the ongoing charges figure ('OCF') of the sub-fund and how those charges affect its returns. The OCF of the sub-fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of 0.99%<sup>1</sup> was in line with 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 sub-fund.

Were there any follow up actions?

There were no follow-up actions required.

### 6. Comparable Services

What was assessed in this section?

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

What was the outcome of the assessment?

The Investment Adviser fee was slightly more expensive than 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 sub-fund's set-up to ensure that where there are multiple share classes shareholders are 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 sub-fund, therefore this part of the assessment does not apply.

Were there any follow up actions?

There were no follow-up actions required.

### Overall Assessment of Value

Notwithstanding the matter discussed in section 6, the Board concluded that Bromfield Investment Fund had provided value to shareholders.

Dean Buckley  
Chairman of the Board of Evelyn Partners Fund Solutions Limited  
28 May 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.

<sup>1</sup> Figure calculated at interim report, 31 October 2023.




## Assessment of Value - Global Opportunities 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 Global Opportunities Fund ('the sub-fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund, for the year ended 30 April 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 sub-fund:

-  On balance, the Board believes the sub-fund has delivered value to shareholders, with no material issues noted.
-  On balance, the Board believes the sub-fund has delivered value to shareholders, but may require some action.
-  On balance, the Board believes the sub-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 sub-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 sub-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 sub-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 sub-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 sub-fund compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the sub-fund compare with those of other funds administered by EPFL;
- (7) Classes of shares – the appropriateness of the classes of shares in the sub-fund for investors.

## Assessment of Value - Global Opportunities Fund (continued)

### 1. Quality of Service

What was assessed in this section?

#### Internal Factors

EPFL, as ACD, has overall responsibility for the sub-fund. The Board assessed, amongst other things: the day-to-day administration of the sub-fund; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIID's')); 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 sub-fund to an Investment Management firm.

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

#### External Factors

The Board assessed the delegate's skills, processes and experience. Also considered were any results from service review meetings as well as the annual due diligence performed by EPFL on the delegated Investment Adviser, Evelyn Partners Investment Management LLP ('EPIM'), where consideration was given to, amongst other things, the delegate's controls around the sub-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, custody services, 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 sub-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 sub-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 sub-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 sub-fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

#### Investment Objective

The sub-fund seeks to provide long term capital and income growth through investment primarily in securities anywhere in the world.

#### 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 - Global Opportunities Fund (continued)

### 2. Performance (continued)

#### Benchmark (continued)

The benchmark for the sub-fund is the UK Consumer Price Index +3%, which is a comparator. A 'comparator' benchmark is an index or similar factor against which an investment adviser invites investors to compare a fund's performance. Details of how the sub-fund has performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 31 March 2024 (%)

	Currency	1 year	3 year	5 year
Global Opportunities Fund	GBX	18.42	17.91	46.22
UK Consumer Price Index +3%	GBP	6.27	32.83	44.11

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 sub-fund over its minimum recommended holding period of five years and observed that it has outperformed its comparator benchmark, UK Consumer Price Index +3%. As a result, a green rating has been given.

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

The Board found that the sub-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 fee. The AMC includes the ACD's periodic charge and the Investment Adviser'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 sub-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 sub-fund to examine the effect on the sub-fund to potential and existing investors should it increase or decrease in value.

What was the outcome of the assessment?

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

The ancillary charges of the sub-fund represent 5 basis points<sup>1</sup>. Some of these costs are fixed and as the sub-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.

<sup>1</sup> One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 31 October 2023.



## Assessment of Value - Global Opportunities Fund (continued)

### 5. Comparable Market Rates

What was assessed in this section?

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

The OCF of the sub-fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of 0.96%<sup>1</sup> compared favourably with 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 sub-fund.

Were there any follow up actions?

There were no follow-up actions required.

### 6. Comparable Services

What was assessed in this section?

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

What was the outcome of the assessment?

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

Were there any follow up actions?

EPFL will continue to engage with the delegated Investment Adviser with a view to establishing a more uniform fee structure across the range of funds they manage.

### 7. Classes of Shares

What was assessed in this section?

The Board reviewed the sub-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 sub-fund, therefore this part of the assessment does not apply.

### Overall Assessment of Value

Notwithstanding the matter discussed in section 6, the Board concluded that Global Opportunities Fund had provided value to shareholders.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited

14 June 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.

<sup>1</sup> Figure calculated at interim report, 31 October 2023.




## Assessment of Value - Hornbeam 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 Hornbeam Fund ('the sub-fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund, for the year ended 30 April 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 sub-fund:

-  On balance, the Board believes the sub-fund has delivered value to shareholders, with no material issues noted.
-  On balance, the Board believes the sub-fund has delivered value to shareholders, but may require some action.
-  On balance, the Board believes the sub-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 sub-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 sub-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 sub-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 sub-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 sub-fund compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the sub-fund compare with those of other funds administered by EPFL;
- (7) Classes of shares – the appropriateness of the classes of shares in the sub-fund for investors.

## Assessment of Value - Hornbeam Fund (continued)

### 1. Quality of Service

What was assessed in this section?

#### Internal Factors

EPFL, as ACD, has overall responsibility for the sub-fund. The Board assessed, amongst other things: the day-to-day administration of the sub-fund; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIID's')); 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 sub-fund to an Investment Management firm.

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

#### External Factors

The Board assessed the delegate's skills, processes and experience. Also considered were any results from service review meetings as well as the annual due diligence performed by EPFL on the delegated Investment Adviser, Evelyn Partners Investment Management LLP ('EPIM'), where consideration was given to, amongst other things, the delegate's controls around the sub-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, custody services, 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 sub-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 sub-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 sub-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 sub-fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

#### Investment Objective

The sub-fund seeks to provide long term capital and income growth through investment primarily in securities anywhere in the world.

#### 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 - Hornbeam Fund (continued)

### 2. Performance (continued)

#### Benchmark (continued)

The benchmark for the sub-fund is a composite benchmark of 69% MSCI United Kingdom Investable Market Index ('IMI'), 29% MSCI All Countries World Index ('ACWI') ex United Kingdom and 2% Sterling Overnight Index Average ('SONIA') (changed from MSCI UK IMI and MSCI ACWI ex UK on 22 March 2024), which is a comparator. The benchmark change reflects the strategy and objective of the sub-fund. 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 sub-fund had performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 31 March 2024 (%)

	Currency	1 year	3 year	5 year
Hornbeam Fund	GBX	11.60	17.36	41.91
69% MSCI UK IMI, 29% MSCI ACWI ex UK and 2% SONIA	GBP	13.02	29.78	42.40

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 sub-fund over its minimum recommended holding period of five years and observed that it performed in line with its comparator benchmark, a composite. As a result, a green rating has been given.

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

The Board found that the sub-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 annual management charge ('AMC'), Depositary/Custodian fees and audit fee. The AMC includes the ACD's periodic charge and the Investment Adviser'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 sub-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 sub-fund to examine the effect on the sub-fund to potential and existing investors should it increase or decrease in value.

#### What was the outcome of the assessment?

Both the Investment Adviser's fee and the ACD's periodic charge are tiered meaning there are opportunities for savings going forward should the sub-fund grow in size.

The ancillary charges of the sub-fund represent 6 basis points<sup>1</sup>. Some of these costs are fixed and as the sub-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.

<sup>1</sup> One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 31 October 2023.

## Assessment of Value - Hornbeam Fund (continued)

### 5. Comparable Market Rates

What was assessed in this section?

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

The OCF of the sub-fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of 0.56%<sup>1</sup> compared favourably with 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 sub-fund.

Were there any follow up actions?

There were no follow-up actions required.

### 6. Comparable Services

What was assessed in this section?

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

What was the outcome of the assessment?

The Investment Adviser fee compared favourably against 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 sub-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 sub-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 Hornbeam Fund had provided value to shareholders.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited

28 May 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.

<sup>1</sup> Figure calculated at interim report, 31 October 2023.

## Report of the Depositary to the shareholders of Sylvan Funds

### 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 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  
16 August 2024

## Independent Auditor's report to the shareholders of Sylvan Funds

### Opinion

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

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Company as at 30 April 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 prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

### Basis for Opinion

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

### Conclusions Relating to Going Concern

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

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

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

### Other Information

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

We have nothing to report in this regard.

### Opinions on Other Matters Prescribed by the COLL Rules

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

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

## Independent Auditor's report to the shareholders of Sylvan Funds (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 4, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

- Management override of controls; and
- The completeness and classification of special dividends between revenue and capital.



## Independent Auditor's report to the shareholders of Sylvan Funds (continued)

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

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

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

- Reviewing the level of and reasoning behind the 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 would become aware of it.

### Use of Our Report

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

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

## Accounting policies of Sylvan Funds

for the year ended 30 April 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 sub-funds' ability to meet their liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the sub-funds continue to be open for trading and the ACD is satisfied the sub-funds have 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 sub-funds have been valued at the global closing bid-market prices excluding any accrued interest in the case of debt securities ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year.

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

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

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. The ACD has appointed the fair value pricing committee 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.

### c Foreign exchange

The base currency of the sub-funds is UK sterling which is taken to be the sub-funds' 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 of each sub-fund.

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 sub-funds' distribution.

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

## Accounting policies of Sylvan Funds (continued)

for the year ended 30 April 2024

### d Revenue (continued)

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

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

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

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

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the sub-funds. 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.

Return on options are treated as capital or revenue depending on the characteristics of the option.

If an option is entered into for the purpose of protecting capital, the premium is treated as a capital return and if the option is entered into for the intention of protecting/generating revenue, the premium is treated as revenue and forms part of the sub-funds' distributions. The premium is only permitted to be treated as revenue if there is no initial capital loss when entering an options contract. In the event of a premium being treated as revenue this may have the effect of diminishing the capital property of the sub-funds.

In the year, all premiums received on option trades have been allocated to the capital property of the sub-funds net of the expenses incurred in the transaction.

### e Expenses

In relation to Bromfield Investment Fund, Global Opportunities Fund and Hornbeam Fund: all expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis.

In relation to Alder Investment Fund: all expenses, other than those relating to the purchase and sale of investments, are charged to revenue. Expenses charged to revenue are then, with the exception of the ACD's periodic charge and the Investment Advisers' fees, reallocated to capital net of any tax effect, on an accruals basis.

Bank interest paid is charged to revenue.

### f Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 30 April 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.

## Accounting policies of Sylvan Funds (continued)

for the year ended 30 April 2024

### g *Efficient Portfolio Management*

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

The premiums paid/received on options written for the purpose of reducing the price and risk of entering a stock position, are allocated to the capital property of the sub-funds.

The premiums received on options written for the purposes of enhancing/protecting revenue, are allocated to revenue and form part of the distributions. This may have the effect of reducing the value of the capital property of the sub-funds.

### h *Dilution levy*

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

### i *Distribution policies*

#### *i Basis of distribution*

For each of the sub-funds, 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.

#### *ii Unclaimed distributions*

Distributions to shareholders outstanding after 6 years are taken to the capital property of the sub-funds.

#### *iii Revenue*

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

#### *iv Expenses*

Expenses incurred against the revenue of the sub-funds 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 of each sub-fund.

## Alder Investment Fund

### Investment objective and policy

The investment objective of the sub-fund is to aim to provide a real return from a combination of income and capital growth. It is intended that the sub-fund will invest in a broad, diversified and global portfolio of investments.

In order to achieve the investment objective and policy, the sub-fund may invest in any class of asset available for UCITS schemes under the Collective Investment Schemes sourcebook including transferable securities, units in collective investment schemes, money market instruments, warrants, government and public securities, deposits, derivatives and forward transactions. Cash and near cash may also be held by the sub-fund.

It is intended that derivatives will be used and held by the sub-fund principally as part of its capital protection measures but you should note that they may also be used in pursuit of the sub-fund's objectives. Given that the use of derivatives for investment purposes is intended to be minimal, the ACD does not anticipate that such use of derivatives will have any significant adverse effect on the risk profile of the sub-fund. Further details on the use of derivatives and/or forward transactions in the context of this sub-fund are available from the ACD on request.

The sub-fund's investment powers in relation to derivatives and warrants means that for regulatory purposes it will not be regarded as a high volatility sub-fund because the Investment Advisers' use of derivative techniques and investment in warrants will have the overall intention of reducing the volatility of returns, reflecting the investment policy for the sub-fund generally.

## Investment Adviser's report - Evelyn Partners Investment Management LLP

For the portfolio managed by Evelyn Partners Investment Management LLP, who, at the balance sheet date managed 31.19% of the net asset value of the sub-fund in accordance with the investment objective and policy of the sub-fund.

### Investment performance\*

From 1 May 2023 to 30 April 2024, the performance of the portfolio managed by Evelyn Partners Investment Management LLP returned 14.3%. This compares with the comparator benchmark, IA Mixed Investment 40-85% Shares sector, of 8.7% and UK Consumer Price Index +4% of 5.7%. The long-term track record remains ahead of the comparators.

### Investment activities

Given the extremely strong performance of NVIDIA over the period, we have trimmed the position a number of times in order to manage single stock risk, firstly at the end of May 2023. Proceeds were used to add to existing position in Thermo Fisher Scientific and S&P Global as well as initiate on Zoetis, an animal healthcare company operating within a particularly high growth segment of the industry. In August we sold Estee Lauder following concerns around their reliance on China for future growth which exposed more deep-rooted issues within their supply chain with a turnaround unlikely in the near future, proceeds were used to bring Zoetis to a full-sized position.

Later in the period we closed positions in Tencent Holdings and Vestas Wind Systems as we felt the prior was too exposed to political risk in China and we do not believe the volatility is worth the potential returns, whilst in the onshore wind in which Vestas Wind Systems operates, there is an indication that production has already peaked with issues surrounding permits and grid connections making future growth prospects largely unknown. Proceeds were used to initiate new positions in Accenture and Intuit with both companies set to see considerable benefits from the adoption of Artificial Intelligence ('AI') with the latter recently announcing the launch of a new robotic surgery system creating a replacement cycle which will be a tailwind for the stock. We initiated a position in RWE and added to existing positions in UnitedHealth Group, Veolia and Taiwan Semiconductor Manufacturing where we felt there had been undue falls in the share price which has offered attractive entry opportunities. In October we sold FANUC using proceeds to buy NIKE where weakness following a destocking cycle offered an attractive entry opportunity.

The beginning of 2024 saw a good environment for equities with NVIDIA again making considerable returns with trims in both January and February following their quarter 4 results. Proceeds were used to bring Intuitive Surgical to a full position ahead of the upgrade cycle with Beazley also bought with proceeds from Nestle given Beazley's more attractive capital generation and higher yield. Finally NVIDIA was again trimmed in March following a 70% return over the first quarter of the year. More recently, we bought a position in GE HealthCare Technologies, the leading supplier of medical imaging equipment with significant underlying growth drivers. Elsewhere we bought half-sized positions in Shopify and Roper Technologies replacing Samsung SDI where we felt performance had slipped. Roper develops and operates vertical software and technology enabled products for a wide range of end businesses giving it more defensive characteristics whilst Shopify has become the go to retail platform for small and medium sized business owners with the combination offering attractive and diversified returns within the tech sector.

### Investment strategy and outlook\*\*

The period was dominated by contrasting forces with continued concerns over higher-for-longer inflation and interest rates weakening markets, whilst enthusiasm over AI led to a rally for any stocks linked to that theme. This led to greatly divergent performance across the market, which was led almost exclusively by 7 companies, the so-called 'Magnificent Seven', with NVIDIA, up a staggering 225% over the period. The first quarter of the year has seen a broadening out of markets in a positive direction.

\* Source: Evelyn Partners Fund Solutions Limited, based on the sub-fund's mid price at 10pm as at 30 April 2024, FE fundinfo and FactSet.

\*\* Source: Refinitiv.

## Investment Adviser's report - Evelyn Partners Investment Management LLP (continued)

### Investment strategy and outlook (continued)

Despite inflation peaking in late 2022 it remains above the long term average with interest rates rising aggressively before being paused in August. Markets remained uncertain, strongly linked to interest rate expectations, as demonstrated by the rally last summer on expectations of a pause in the autumn, followed by a reversal as concerns shifted to rates remaining higher, before then rallying once more as focus turned to the timing of the first rate cut. This myopic focus has fallen away in the first quarter of 2024 with companies once again rewarded for the fundamental growth they produced. This has helped to create a stronger foundation for the market, which is good news going into a year which will undoubtedly be influenced heavily by global geopolitics.

Evelyn Partners Investment Management LLP  
20 May 2024

## Investment Adviser's report - Sarasin & Partners LLP

For the portfolio managed by Sarasin & Partners LLP, who, at the balance sheet date managed 29.32% of the net asset value of the sub-fund in accordance with the investment objective and policy of the sub-fund.

### Investment performance\*

During the period of 1 May 2023 to 30 April 2024, the portfolio managed by Sarasin & Partners LLP returned +5.9% on a total return basis gross of fees, behind the IA Mixed Investment 40 – 85% Shares Index, which was up +8.7% and outperforming UK Consumer Price Index +4% of 5.7%.

Over the year to 30 April, equity markets have performed strongly with the main catalyst being guidance from the US Federal Reserve ('Fed') at their November meeting that US interest rates had peaked. Bond yields also fell during 2023 on expectations that we would likely see the first cut in US rates in 2024. For the full year under review, global equity returns have been dominated to an extraordinary degree by a narrow group of technology stocks closely linked to the development of Artificial Intelligence ('AI'). More recently, equities have continued to perform strongly at the start of 2024 and it has been pleasing to see a broadening of the rally across sectors and regions, although returns are still being dominated by US technology.

Although greatly reduced from its peak of over 9% in 2022, US inflation is temporarily stuck in a range of 3% - 4%. The latest reading for March of 3.5% was higher than hoped for, which has pushed back expectations for the first US rate cut to autumn. Stubborn inflation numbers coupled with stronger than expected economic growth has pushed bond yields higher once again; the US labour market has also remained reasonably tight. The latest UK Consumer Price Index ('CPI') number was 3.2% for March, which is likely to come down again to below 3% at the end of April when the new energy price cap kicks in; the Bank of England is now expected to make its first interest rate reduction ahead of the Fed.

### Investment activities\*

As at 30 April 2024, equity exposure has risen to 65%, with 22% in fixed interest, 12% in alternative assets and 1% in cash.

The key drivers of performance over the 12-month period were technology and semi-conductor stocks with exposure to the AI phenomenon, led by Amazon.com, Alphabet 'A', NVIDIA, Taiwan Semiconductor Manufacturing, Meta Platforms 'A' and Microsoft. NVIDIA is the most direct beneficiary of AI, alongside Meta Platforms 'A' which is also seeing improvements from recent cost cutting measures. Amazon.com has a very profitable cloud business, Amazon Web Service, and a highly cash generative retail business. Taiwan Semiconductor Manufacturing is the world's leading semiconductor manufacturer. Detractors included AIA Group, an Asian insurance provider, Shiseido, Japanese cosmetics, and Daikin Industries, Japanese air-conditioning manufacturer, whose share prices were held back by weakness in the Chinese economy despite producing solid operating results.

The portfolio's fixed income allocation out-performed the UK bond market with a positive return of almost 2% over the period. Government gilts were slightly down for the year, but corporate bonds where we have focused the portfolio's exposure were in positive territory. The portfolio's bond allocation is now providing a yield to maturity of 5.3% from an A rated portfolio with 7.3 years duration and we believe this will generate a 'real' return going forward.

The portfolio's alternatives saw mixed returns over the 12 months. Gold, absolute return funds and private equity were positive contributors, but high-quality infrastructure and renewables were weak. The portfolio's infrastructure holdings, accessed via investment trusts, offer attractive dividend yields and exposure to inflation linked cashflows, but higher interest rates have pushed share prices to significant discounts to their underlying Net Asset Values ('NAV'). When we see a return to more accommodative interest rate policies from central banks, we expect these assets to provide strong risk adjusted returns.

In terms of portfolio insurance, we have taken advantage of relatively low volatility in global equity markets to add cost-effective put spreads on the S&P 500 index maturing in June and September 2024, covering around 20% of the portfolio's equity exposure.

\* Source: Sarasin & Partners LLP (GBP, mid to mid, gross income reinvested), FE Trustnet and FE fundinfo.



## Investment Adviser's report - Sarasin & Partners LLP (continued)

### Investment strategy and outlook\*

Headline inflation continues to fall back towards target levels in the UK and Europe, whose central banks we expect to announce their first interest rate cuts over the summer. The US economy has been stronger than forecast, with inflation proving more entrenched and the first rate cut likely to be pushed back into the second half of the year as a result. The presidential election will also have some impact on Federal Reserve policy, as they will be keen to avoid accusations of political bias with aggressive rate cuts in the run-up, but normal service should resume early in 2025 whoever is in office.

We expect relatively low growth for the global economy well into the foreseeable future, a favourable backdrop for our long-term thematic approach and which should also allow central banks to revert to more accommodative and stable monetary policy. Despite the ongoing geopolitical challenges in Ukraine and the Middle East, energy markets are back in balance, as are global supply chains. Corporate profitability and cash flow generation remain robust, fuelling dividend growth and share buy-back programmes well ahead of global inflation.

Apart from the escalation of the Middle East crisis in early April, arguably the biggest risk to the current benign mood in markets is the potential impact of Quantitative Tightening (the shrinking of central bank balance sheets), alongside the alarming growth in sovereign debt across the developed world. The cost of servicing US national debt is set to exceed \$1 trillion per annum and the "exorbitant privilege" the United States enjoys as the world's leading economy should not be taken for granted indefinitely. This is a long-term concern we must monitor carefully. However, as the Fed appears to be engineering a 'soft' landing for their economy, we expect markets to continue to respond positively and we are happy to remain overweight risk assets in the portfolio.

Sarasin & Partners LLP

14 May 2024

\* Source: Sarasin & Partners LLP, FE Trustnet and FE fundinfo.

## Investment Adviser's report - James Hambro & Partners LLP

For the portfolio managed by James Hambro & Partners LLP, who, at the balance sheet date managed 20.20% of the net asset value of the sub-fund in accordance with the investment objective and policy of the sub-fund.

### Investment performance\*

Portfolio managed by James Hambro & Partners LLP	9.3%
Consumer Price Index +4%	5.7%
IA Mixed Investment 40-85% Shares sector	8.7%

The portfolio managed by James Hambro & Partners LLP made good gains in absolute terms during the period under review, outperforming its benchmarks, the Investment Association Mixed Investment 40 – 85% Shares sector and UK Consumer Price Index +4%.

The majority of the portfolio continues to be invested in a collection of high quality global companies. In our view, investing in these companies is a sound way to protect and grow the value of the Fund after the effects of inflation over a prolonged period of time.

However, companies and markets generally have setbacks. To provide protection at those points, we balance the allocation to equities with other assets such as bonds, alternatives and cash.

### Investment activities\*

During the period, the global equity market returns were concentrated in a few US companies. All of the relative underperformance of the Fund's equity holdings was due to the lack of ownership of a small handful of companies, particularly NVIDIA which rose over two hundred percent in share price terms.

Nonetheless, we were pleased with the strong performance from the portfolio's positions across a wide range of companies such as JPMorgan Chase, Amphenol, Microsoft and Next. We had expected that equity returns would broaden over time and have pleased to see this start to occur. We think this is likely to continue which should support further performance for the portfolio.

Elsewhere, the move higher in government bond yields on both sides of the Atlantic pressured returns for the portfolio's bond holdings while gold rose around 15% in sterling terms, nearly all in March and early April.

The portfolio entered the period with 61% of its assets invested in equities and this increased to 70% over the year, helped by market movements. Where equity investments were made, these were predominantly to increase the size of existing positions with only a small number of new positions established such as in Assa Abloy and 3i Infrastructure.

We have admired Assa Abloy from afar for many years and decided to initiate a position in December 2023 after their long and protracted acquisition of Hardware Home Improvement. Assa Abloy is the global leader in manufacturing and distribution of door opening solutions which includes locks, access control and hotel key cards.

Assa Abloy is run with a similar culture and organisation we have found in other companies we own. This includes a decentralised structure that eschews the traditional central management of functions such as purchasing, research and development, and sales. Such 'command and control' models prioritise cost synergies for the benefit of margin. The decentralised approach keeps decision making at the coal face, fostering an entrepreneurial zeal that puts the customer at the centre. By maintaining a decentralised culture, Assa Abloy has found themselves a preferred bidder for small family run companies.

Assa Abloy has enjoyed many years of steady and sustained growth. Despite, being an 'industrial' company exposed to buildings expenditure, Assa Abloy has also enjoyed lower cyclicity than many peers in the sector. A large proportion of the demand is driven by renovation or maintenance, and they are not singularly focused on any one geography or market segment, providing diversification. There will always be a demand for access control and security. This is perhaps increasingly the case in public settings such as office buildings, hotels, stadiums and schools.

We believe that through a combination of organic growth and acquisitions, Assa Abloy can grow close to 10% for a sustainable period, while low capital intensity and high margins lead to superior returns on investment. We expect this combination to lead to a reliable and attractive return to shareholders over time.

Our other recent addition, 3i Infrastructure, has been one of the top performing securities since its purchase in December, up 17% to the end of April, driven by their largest holding, Action, Europe's fastest growing non-food discounter.

\* Source: Symphony (James Hambro & Partners LLP) & FE fundinfo.

## Investment Adviser's report - James Hambro & Partners LLP (continued)

### Investment activities\* (continued)

Elsewhere, we continued to rebuild the portfolio's fixed interest exposure as more attractive yields have become available. The portfolio's holdings are exclusively in UK and US government-issued bonds with the allocation finishing the period at 12.8% which compares to 11.0 % of the portfolio at the start of the period. There was little change to the Fund's alternative and gold holdings which have performed reasonably.

### Investment strategy and outlook

We have been surprised this year by the resilience of the US economy. Improving economic data has driven much more positive investor sentiment. However, with interest rates higher than for many years, interest rates could begin to bite on the economy and there are risks hiding in plain sight, whether in the Middle East, the Taiwan Straits or at the electoral ballot boxes. Whilst these may not derail economies and markets, they suggest not to abandon the diversification of portfolios that has proven valuable in troubled times.

James Hambro & Partners LLP

16 May 2024

\* Source: Symphony (James Hambro & Partners LLP) & FE fundinfo.

## Investment Adviser's report - Meridiem Investment Management Limited

For the portfolio managed by Meridiem Investment Management Limited, who, at the balance sheet date managed 19.29% of the net asset value of the sub-fund in accordance with the investment objective and policy of the sub-fund.

### Investment performance\*

The portfolio value as at 30 April 2024 was £27,216,983.

	1 November 2023 to 30 April 2024
Portfolio	+12.0%
Consumer Price Index +4%	+3.0%
IA Mixed Investment 40-85% Shares sector	+12.2%

### Investment commentary\*

We look to invest in companies that are well-placed to benefit from multi-year structural growth trends. These high-quality and innovative companies are often disruptors in their fields of expertise. However, as long-term investors a big part of our job is to scan the horizon to see who will disrupt the disruptors. To this end, two members of our investment team spent a week in China to see at first hand how the Chinese economy is evolving.

The scale and speed of development in certain industries is staggering. For example, electromobility and the energy transition are now key pillars of growth for the Chinese economy. BYD, a Chinese car company, is now the world's largest manufacturer of electric vehicles, producing 62% more cars in 2023 compared to 2022 and 12 times more cars than 2018. In addition, China is expanding its rail network by the equivalent of HS2 Phase 1 every month.

This high rate of development left us with plenty to ponder. In particular, how secure are our portfolio companies' competitive advantages and moats?

It is noteworthy that this rapid expansion is being achieved via domestic progress. When you build that much, that rapidly, you can move up the curve very quickly. These advancements are supported by a growing Chinese semiconductor market, which includes an emerging competitor for Infineon Technology that is both funded and subsidised by the Chinese state. With Infineon Technology's protective moat and right-to-win looking far less certain, we decided to sell our holding in the company.

Wherever we see disruption, there are always bad actors seeking to profit. As our lives increasingly move online and processes digitise, a new and evolving wave of cybercriminals has emerged. Last year, financial services firms saw an estimated 46 million potential cyber-attacks every day and a 64% increase in ransomware attacks compared with 2022. With the stakes rising, portfolio companies such as Experian, Marsh & McLennan and Microsoft are key solution providers and on the front line of protecting against this rising threat.

### Investment activities\*

Tractor Supply reported expanding margins against a backdrop of high inflation and slower revenue growth, reinforcing our view that the company is performing exceptionally well operationally. After a weak patch for the shares in 2023, the market reacted well to this confirmation. Further support came from the company management's positive outlook for finding opportunities for further productivity and efficiency gains.

Electronics manufacturer Amphenol reported a strong start to 2024, with sales growing 9%, and operating margins coming in at the highest ever for the first quarter of the year. Amphenol's agility and diverse end markets continue to help it outperform throughout the market cycle, in addition to benefiting from multi-decade trends as the world becomes increasingly reliant on technology.

In 2021, apparel manufacturer NIKE announced that it would shift its business towards a direct-to-consumer model. Having forecast that its operating margin would be in the high teens, a recent update from NIKE shows that the company has significantly undershot this guidance. Furthermore, they have said that they need to invest more to deliver new products to the market, further pressuring that margin forecast. Taking a step back, NIKE remains a phenomenal brand in the fast-growing sportswear category. The company has continued to take market share from rivals, and we believe the company has potential to rebuild margins and profitability and regain investors' trust.

\* Source: SEI, Meridiem and Lipper.

## Investment Adviser's report - Meridiem Investment Management Limited (continued)

### Investment activities\* (continued)

Apart from the sale of Infineon mentioned above, the majority of transactions during the period were connected to the transition of the portfolio following our appointment as Investment Manager. We steadily sold down the equity index trackers that were transferred to our management to maintain market exposure, investing the proceeds in a range of global equities in line with the portfolio's agreed strategy. As at the end of April, this process was approximately 80% complete, with sales of the remaining ETFs expected over the next few months.

### Investment strategy and outlook

This is the first update to investors in the Fund, and the first update under our new name: Meridiem Investment Management Limited. Whilst there may be a new name above the door, inside our investment approach is unchanged. We continue to hunt for high-quality companies that are likely to benefit from structural growth and achieve your real return investment objective. We look for predictable and resilient growth, and we are confident that our in-depth research and focused portfolio enables us to take advantage of opportunities when they arise.

Meridiem Investment Management Limited  
14 May 2024

\* Source: SEI, Meridiem and Lipper.

## Summary of portfolio changes

for the year ended 30 April 2024

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

	Cost £
Purchases:	
Accenture	3,048,700
UK Treasury Gilt 0.125% 31/01/2024	2,423,500
Intuitive Surgical	1,980,326
Zoetis	1,923,935
SPDR MSCI ACWI UCITS ETF	1,921,575
iShares MSCI ACWI UCITS ETF	1,920,775
Invesco MSCI World UCITS ETF	1,917,563
HSBC MSCI WORLD UCITS ETF	1,916,476
Thermo Fisher Scientific	1,819,482
NIKE	1,704,918
UnitedHealth Group	1,666,804
UK Treasury Gilt 3.25% 22/01/2044	1,277,492
Apple	1,228,810
UK Treasury Gilt 0.875% 31/07/2033	1,170,586
Scottish Mortgage Investment Trust	1,121,651
Marsh & McLennan	1,049,308
Laboratory of America Holdings	1,017,939
Amundi MSCI World SRI Climate Net Zero Ambition PAB UCITS ETF	959,412
Amundi MSCI World UCITS ETF	959,038
SPDR MSCI World UCITS ETF	958,840
	Proceeds £
Sales:	
NVIDIA	2,611,697
UK Treasury Gilt 0.125% 31/01/2024	2,469,200
iShares MSCI ACWI UCITS ETF	2,206,011
Sarasin Funds ICVC - Sarasin Global Higher Dividend Fund	1,992,810
SPDR MSCI ACWI UCITS ETF	1,969,431
London Stock Exchange Group	1,571,220
Tencent Holdings	1,407,048
BlackRock ICS Sterling Liquidity Fund	1,350,000
American Tower	1,162,061
UBS Lux Fund Solutions - MSCI World UCITS ETF	1,107,377
Amundi MSCI World UCITS ETF	1,083,500
SPDR MSCI World UCITS ETF	1,083,022
Xtrackers MSCI World UCITS ETF	1,073,164
Amundi MSCI World SRI Climate Net Zero Ambition PAB UCITS ETF	1,024,373
iShares MSCI World SRI UCITS ETF	1,017,845
FANUC	897,568
Microsoft	885,109
Sarasin Funds ICVC - Sarasin Responsible Corporate Bond	875,035
Goldman Sachs Funds - Goldman Sachs India Equity Portfolio	857,021
Vestas Wind Systems	841,978

Portfolio statement  
as at 30 April 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 5.08% (3.65%)			
Aa3 to A1 4.10% (3.65%)			
UK Treasury Gilt 0.25% 31/07/2031	£700,000	527,940	0.37
UK Treasury Gilt 0.875% 31/07/2033	£2,905,300	2,148,760	1.52
UK Treasury Gilt 1% 31/01/2032	£665,000	523,222	0.37
UK Treasury Gilt 3.25% 31/01/2033	£1,581,000	1,460,844	1.04
UK Treasury Gilt 3.25% 22/01/2044	£1,400,000	1,131,620	0.80
		<u>5,792,386</u>	<u>4.10</u>
A2 to A3 0.40% (0.00%)			
Lloyds Banking Group 2% 12/04/2028**	£318,000	285,949	0.20
NatWest Group 3.619% 29/03/2029**	£306,000	283,200	0.20
		<u>569,149</u>	<u>0.40</u>
Baa1 to Baa2 0.58% (0.00%)			
E.ON International Finance BV 5.875% 30/10/2037	£300,000	303,039	0.21
Electricite de France SA 6.125% 02/06/2034	£250,000	253,317	0.18
National Grid Electricity Distribution East Midlands 6.25% 10/12/2040	£252,000	263,453	0.19
		<u>819,809</u>	<u>0.58</u>
Total debt securities		<u>7,181,344</u>	<u>5.08</u>
Equities 72.07% (68.55%)			
Equities - United Kingdom 10.40% (14.74%)			
Equities - incorporated in the United Kingdom 9.16% (12.33%)			
Energy 1.73% (2.06%)			
Shell	85,025	2,434,266	1.73
Materials 1.15% (2.52%)			
Rio Tinto	17,058	933,073	0.66
Croda International	14,990	690,889	0.49
		<u>1,623,962</u>	<u>1.15</u>
Industrials 1.18% (0.37%)			
Bunzl	25,817	793,098	0.56
RELX	26,396	871,860	0.62
		<u>1,664,958</u>	<u>1.18</u>
Consumer Discretionary 1.72% (0.78%)			
Next	11,632	1,047,811	0.74
Compass Group	62,091	1,385,250	0.98
		<u>2,433,061</u>	<u>1.72</u>
Consumer Staples 0.52% (1.82%)			
Diageo	26,320	730,380	0.52

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

\*\* Variable interest security.

## Portfolio statement (continued)

as at 30 April 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - United Kingdom (continued)			
Equities - incorporated in the United Kingdom (continued)			
Health Care 1.10% (2.09%)			
AstraZeneca	12,840	1,548,504	1.10
Financials 1.73% (2.60%)			
London Stock Exchange Group	22,772	2,013,956	1.43
3i Group	14,770	424,785	0.30
		2,438,741	1.73
Real Estate 0.03% (0.09%)			
Home REIT <sup>^</sup>	378,196	48,220	0.03
Total equities - incorporated in the United Kingdom		12,922,092	9.16
Equities - incorporated outwith the United Kingdom 1.24% (2.41%)			
Industrials 1.24% (1.19%)			
Experian	54,112	1,755,393	1.24
Communication Services 0.00% (1.22%)		-	-
Total equities - United Kingdom		14,677,485	10.40
Equities - Europe 16.25% (17.21%)			
Equities - Denmark 0.35% (0.89%)			
Novo Nordisk	4,750	491,903	0.35
Equities - France 3.59% (5.33%)			
Air Liquide	2,937	461,152	0.33
EssilorLuxottica	1,709	292,884	0.21
LVMH Moët Hennessy Louis Vuitton	3,267	2,160,332	1.53
Schneider Electric	7,055	1,295,214	0.92
TotalEnergies	14,475	847,784	0.60
Total equities - France		5,057,366	3.59
Equities - Germany 0.87% (0.58%)			
RWE	19,315	538,168	0.38
Siemens	2,896	434,487	0.31
Siemens Healthineers	5,798	257,249	0.18
Total equities - Germany		1,229,904	0.87

<sup>^</sup> Home REIT is included in the portfolio of investments with a value of £0.1275 (2023: £0.2853), a discount was applied to £0.3805 which was the last traded price before the asset was temporarily suspended on 3 January 2023.



Portfolio statement (continued)  
as at 30 April 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - Europe (continued)			
Equities - Ireland 4.00% (2.44%)			
Accenture	9,412	2,261,239	1.60
Aon	1,840	414,377	0.29
CRH	19,440	1,212,278	0.86
Kerry Group	8,553	590,114	0.42
Linde	2,000	703,989	0.50
Medtronic	7,360	471,642	0.33
Total equities - Ireland		<u>5,653,639</u>	<u>4.00</u>
Equities - Luxembourg 0.00% (0.41%)		-	-
Equities - Netherlands 3.51% (4.79%)			
Airbus	10,095	1,333,357	0.95
ASML Holding	1,336	949,837	0.67
Ferrari	3,930	1,296,689	0.92
Heineken	12,330	961,047	0.68
ING Groep	32,490	412,208	0.29
Total equities - Netherlands		<u>4,953,138</u>	<u>3.51</u>
Equities - Norway 0.46% (0.36%)			
Equinor	29,944	<u>645,462</u>	<u>0.46</u>
Equities - Sweden 0.44% (0.33%)			
Assa Abloy	14,000	301,422	0.21
Investor	16,560	<u>327,320</u>	<u>0.23</u>
Total equities - Sweden		<u>628,742</u>	<u>0.44</u>
Equities - Switzerland 3.03% (2.08%)			
Chubb	6,975	1,385,196	0.98
DSM-Firmenich	6,890	621,871	0.44
Kuehne + Nagel International	2,083	442,030	0.31
Partners Group Holding	490	507,537	0.36
Roche Holding	1,302	250,106	0.18
SGS SA	4,533	319,963	0.23
Sika	1,500	343,913	0.24
Sonova Holding	1,817	<u>404,094</u>	<u>0.29</u>
Total equities - Switzerland		<u>4,274,710</u>	<u>3.03</u>
Total equities - Europe		<u>22,934,864</u>	<u>16.25</u>

Portfolio statement (continued)  
as at 30 April 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - North America 42.41% (30.86%)			
Equities - Canada 0.53% (0.00%)			
Hydro One	12,300	275,280	0.20
Shopify	8,220	460,711	0.33
Total equities - Canada		<u>735,991</u>	<u>0.53</u>
Equities - United States 41.88% (30.86%)			
Adobe	3,405	1,257,849	0.89
Align Technology	2,335	526,580	0.37
Alphabet 'A'	24,915	3,237,766	2.30
Alphabet 'C'	6,400	841,101	0.60
Amazon.com	22,160	3,101,320	2.20
American Tower	3,599	492,820	0.35
Amgen	2,666	583,235	0.41
Amphenol	11,445	1,103,506	0.78
Apple	6,185	839,814	0.60
Automatic Data Processing	3,635	702,266	0.50
Avery Dennison	2,420	419,912	0.30
Bank of America	29,470	870,814	0.62
Broadcom	511	530,140	0.38
Broadridge Financial Solutions	5,401	833,949	0.59
Cisco Systems	14,385	539,718	0.38
CME Group	4,648	778,001	0.55
Coca-Cola	11,000	542,467	0.38
Colgate-Palmolive	11,340	832,285	0.59
Costco Wholesale	267	154,055	0.11
Deere	1,896	592,186	0.42
Eli Lilly	528	329,332	0.23
Fiserv	7,164	873,251	0.62
Fortinet	6,865	346,389	0.25
GE HealthCare Technologies	11,075	674,238	0.48
Home Depot	2,141	571,229	0.41
Intuit	1,922	959,718	0.68
Intuitive Surgical	7,024	2,078,227	1.47
JPMorgan Chase	9,234	1,413,768	1.00
Laboratory of America Holdings	5,981	961,956	0.68
Marsh & McLennan	6,714	1,069,500	0.76
Mastercard	4,027	1,450,447	1.03
McDonald's	5,400	1,177,162	0.83
Merck	7,225	744,859	0.53
Meta Platforms 'A'	1,738	596,832	0.42
Microsoft	12,328	3,831,855	2.73

Portfolio statement (continued)  
as at 30 April 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - North America (continued)			
Equities - United States (continued)			
NIKE	17,445	1,285,370	0.91
Northrop Grumman	1,350	522,922	0.37
NVIDIA	3,852	2,655,593	1.88
Otis Worldwide	7,941	578,317	0.41
Poolcorp	1,600	463,063	0.33
Progressive	4,000	665,479	0.47
Prologis	4,192	341,580	0.24
Roper Technologies	1,060	432,643	0.31
S&P Global	3,155	1,046,518	0.74
Stryker	5,695	1,529,688	1.08
Synopsys	1,531	648,751	0.46
Tetra Tech Inc	2,207	342,978	0.24
Texas Instruments	5,269	741,905	0.53
Thermo Fisher Scientific	7,743	3,515,099	2.49
Tractor Supply	5,640	1,229,750	0.87
United Parcel Service	1,604	188,870	0.13
UnitedHealth Group	8,001	3,089,217	2.20
Visa	10,230	2,194,775	1.56
Walt Disney	3,951	350,467	0.25
Zoetis	10,709	1,361,727	0.97
Total equities - United States		<u>59,043,259</u>	<u>41.88</u>
Total equities - North America		<u>59,779,250</u>	<u>42.41</u>
Equities - Australia 0.21% (0.13%)			
Sonic Healthcare	21,273	<u>295,106</u>	<u>0.21</u>
Equities - Asia Pacific 2.80% (5.61%)			
Equities - Hong Kong 0.27% (0.99%)			
AIA Group	64,600	<u>380,939</u>	<u>0.27</u>
Equities - India 0.00% (0.57%)		-	-
Equities - Japan 1.09% (2.03%)			
Keyence	2,100	745,598	0.53
Sony	5,000	331,524	0.24
Takeda Pharmaceutical	21,800	<u>458,360</u>	<u>0.32</u>
Total equities - Japan		<u>1,535,482</u>	<u>1.09</u>

## Portfolio statement (continued)

as at 30 April 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities - Asia Pacific (continued)			
Equities - South Korea 0.00% (0.95%)		-	-
Equities - Taiwan 1.44% (1.07%)			
Taiwan Semiconductor Manufacturing	18,507	2,030,205	1.44
Total equities - Asia Pacific		3,946,626	2.80
Total equities		101,633,331	72.07
Closed-Ended Funds 2.85% (2.52%)			
Closed-Ended Funds - United Kingdom 2.85% (2.14%)			
Closed-Ended Funds - incorporated in the United Kingdom 0.92% (0.31%)			
HgCapital Trust	51,298	244,948	0.17
Scottish Mortgage Investment Trust	114,800	965,698	0.68
US Solar Fund	268,586	95,452	0.07
Total closed-ended funds - incorporated in the United Kingdom		1,306,098	0.92
Closed-Ended Funds - incorporated outwith the United Kingdom 1.93% (1.83%)			
3i Infrastructure	180,267	599,388	0.42
International Public Partnerships	497,913	630,358	0.45
Renewables Infrastructure Group	534,665	534,665	0.38
Schiehallion Fund	248,835	180,841	0.13
Sequoia Economic Infrastructure Income Fund	758,103	601,934	0.43
Syncona	136,653	170,816	0.12
Total closed-ended funds - incorporated outwith the United Kingdom		2,718,002	1.93
Overseas Closed-Ended Funds 0.00% (0.38%)		-	-
Total closed-ended funds		4,024,100	2.85
Collective Investment Schemes 14.48% (16.35%)			
UK Authorised Collective Investment Schemes 3.86% (6.64%)			
M&G Investment Funds 1 - Japan Fund	325,000	540,865	0.38
Sarasin Funds ICVC - Sarasin Responsible Corporate Bond ^	5,478,713	4,363,247	3.09
TB Amati Investment Funds - TB Amati UK Smaller Companies Fund	47,485	546,367	0.39
Total UK authorised collective investment schemes		5,450,479	3.86

^ Security managed by the Investment Adviser, Sarasin &amp; Partners LLP.

## Portfolio statement (continued)

as at 30 April 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Collective Investment Schemes (continued)			
Offshore Collective Investment Schemes 10.62% (9.71%)			
Coremont Investment Fund			
- Brevan Howard Absolute Return Government Bond Fund	1,561	202,453	0.14
Coremont Investment Fund			
- Brevan Howard Absolute Return Government Bond Fund	4,220	463,909	0.33
Federated Hermes Asia Ex-Japan Equity Fund	300,000	727,290	0.52
Fidelity Funds - Emerging Markets Focus Fund	699,970	882,662	0.64
Goldman Sachs Funds - Goldman Sachs India Equity Portfolio	56,410	1,621,222	1.15
HSBC MSCI WORLD UCITS ETF	81,946	2,184,680	1.55
Invesco MSCI World UCITS ETF	26,845	2,197,800	1.56
iShares Core MSCI Japan IMI UCITS ETF	12,034	512,047	0.36
iShares MSCI EM UCITS ETF USD	17,038	506,881	0.36
iShares USD Treasury Bond 7-10yr UCITS ETF	338,000	1,430,078	1.01
Kepler Liquid Strategies ICAV - KLS Arete Macro Fund	5,092	575,106	0.41
Lansdowne European Fund	509	604,594	0.43
Lazard Global Investment Funds - Lazard Rathmore Alternative Fund	3,930	538,179	0.38
Lumyna Marshall TOPS UCITS Fund	3,000	617,755	0.44
Polar Capital Funds - Global Technology Fund	8,550	676,904	0.48
SPDR S&P US Dividend Aristocrats UCITS ETF	11,390	640,565	0.45
T Rowe Price Health Sciences Equity Fund	54,500	575,520	0.41
Total offshore collective investment schemes		<u>14,957,645</u>	<u>10.62</u>
Total collective investment schemes		<u>20,408,124</u>	<u>14.48</u>
Exchange Traded Commodities 2.15% (2.75%)			
Invesco Physical Gold	15,010	2,655,804	1.88
WisdomTree Industrial Metals	29,634	385,291	0.27
Total exchange traded commodities		<u>3,041,095</u>	<u>2.15</u>
Options 0.06% (0.06%)			
S&P 500 Index June 24 Put 4000	(7)	(1,929)	0.00
S&P 500 Index June 24 Put 4850	7	23,032	0.02
S&P 500 Index September 24 Put 4200	(7)	(13,054)	(0.01)
S&P 500 Index September 24 Put 5000	7	72,229	0.05
Options assets		95,261	0.07
Options liabilities		<u>(14,983)</u>	<u>(0.01)</u>
Total options		<u>80,278</u>	<u>0.06</u>

## Portfolio statement (continued)

as at 30 April 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Forward currency contracts -0.16% (0.27%)			
Sell euro	(€1,470,000)	(1,257,589)	
Buy UK sterling	£1,258,977	1,258,977	
Expiry date 20 June 2024		1,388	(0.00)
Sell US dollar	(\$7,713,056)	(6,158,232)	
Buy UK sterling	£5,942,045	5,942,045	
Expiry date 20 June 2024		(216,187)	(0.16)
Forward currency contracts assets		1,388	0.00
Forward currency contracts liabilities		(216,187)	(0.16)
Total forward currency contracts		(214,799)	(0.16)
Investment assets		136,384,643	96.69
Investment liabilities		(231,170)	(0.16)
Portfolio of investments		136,153,473	96.53
Other net assets		4,888,650	3.47
Total net assets		141,042,123	100.00

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

The comparative figures in brackets are as at 30 April 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 sub-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 sub-fund. The shaded area in the table below shows the sub-fund's ranking on the risk and reward indicator.

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

The sub-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 sub-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 29 January 2024.

## Comparative table

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

	2024	2023	2022
	p	p	p
Income			
Change in net assets per share			
Opening net asset value per share	2,628.66	2,620.71	2,774.66
Return before operating charges	262.31	56.86	(108.17)
Operating charges	(20.10)	(20.22)	(24.32)
Return after operating charges *	242.21	36.64	(132.49)
Distributions <sup>^</sup>	(36.20)	(28.69)	(21.46)
Closing net asset value per share	2,834.67	2,628.66	2,620.71
 * after direct transaction costs of:	 1.86	 0.91	 1.43
Performance			
Return after charges	9.21%	1.40%	(4.77%)
Other information			
Closing net asset value (£)	141,042,123	125,945,642	122,633,731
Closing number of shares	4,975,606	4,791,256	4,679,404
Operating charges <sup>^^</sup>	0.75%	0.79%	0.87%
Direct transaction costs	0.07%	0.04%	0.05%
Published prices			
Highest share price	2,908	2,690	2,940
Lowest share price	2,545	2,419	2,601

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

<sup>^</sup> Rounded to 2 decimal places.

<sup>^^</sup> The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment Advisers' fees 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 sub-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 - Alder Investment Fund

Statement of total return  
for the year ended 30 April 2024

	Notes	2024		2023	
		£	£	£	£
Income:					
Net capital gains	2		10,192,672		481,824
Revenue	3	2,718,564		2,210,899	
Expenses	4	<u>(864,552)</u>		<u>(797,251)</u>	
Net revenue before taxation		1,854,012		1,413,648	
Taxation	5	<u>(124,580)</u>		<u>(102,619)</u>	
Net revenue after taxation			<u>1,729,432</u>		<u>1,311,029</u>
Total return before distributions			11,922,104		1,792,853
Distributions	6		(1,770,289)		(1,359,120)
Change in net assets attributable to shareholders from investment activities			<u>10,151,815</u>		<u>433,733</u>

Statement of change in net assets attributable to shareholders  
for the year ended 30 April 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to shareholders		125,945,642		122,633,731
Amounts receivable on issue of shares	4,994,997		2,878,178	
Amounts payable on cancellation of shares	<u>(50,331)</u>		<u>-</u>	
		4,944,666		2,878,178
Change in net assets attributable to shareholders from investment activities		10,151,815		433,733
Closing net assets attributable to shareholders		<u>141,042,123</u>		<u>125,945,642</u>

Balance sheet  
as at 30 April 2024

	Notes	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		136,384,643	118,597,226
Current assets:			
Debtors	7	1,244,627	297,561
Cash and bank balances	8	5,422,398	9,062,548
Total assets		<u>143,051,668</u>	<u>127,957,335</u>
Liabilities:			
Investment liabilities		(231,170)	(21,659)
Creditors:			
Distribution payable		(495,371)	(485,785)
Other creditors	9	(1,283,004)	(1,504,249)
Total liabilities		<u>(2,009,545)</u>	<u>(2,011,693)</u>
Net assets attributable to shareholders		<u><u>141,042,123</u></u>	<u><u>125,945,642</u></u>

## Notes to the financial statements

for the year ended 30 April 2024

### 1. Accounting policies

The accounting policies are disclosed on pages 25 to 27.

### 2. Net capital gains

	2024	2023
	£	£
Non-derivative securities - realised gains	5,107,836	2,128,566
Non-derivative securities - movement in unrealised gains / (losses)	5,529,661	(1,438,418)
Derivative contracts - realised losses	(214,385)	(81,045)
Derivative contracts - movement in unrealised gains	9,813	71,152
Currency gains / (losses)	47,446	(16,415)
Forward currency contracts losses	(284,865)	(178,838)
Compensation	118	284
Transaction charges	(2,952)	(3,462)
Total net capital gains	<u>10,192,672</u>	<u>481,824</u>

### 3. Revenue

	2024	2023
	£	£
UK revenue	452,759	567,857
Unfranked revenue	196,915	132,580
Overseas revenue	1,469,612	1,267,900
Interest on debt securities	296,828	100,385
Bank and deposit interest	302,450	142,177
Total revenue	<u>2,718,564</u>	<u>2,210,899</u>

### 4. Expenses

	2024	2023
	£	£
Payable to the ACD and associates		
ACD's periodic charge*	174,088	161,396
Investment Advisers' fee*	637,413	586,914
	<u>811,501</u>	<u>748,310</u>
Payable to the Depositary		
Depositary fees	<u>39,015</u>	<u>36,568</u>
Other expenses:		
Audit fee	8,400	7,200
Safe custody fees	2,700	3,091
Bank interest	1,987	840
FCA fee	707	1,097
KIID production fee	242	145
	<u>14,036</u>	<u>12,373</u>
Total expenses	<u>864,552</u>	<u>797,251</u>

\* For the year ended 30 April 2024, the annual management charge is 0.62% and includes the ACD's periodic charge and the Investment Advisers' fees.

The Investment Advisers' fees excludes any holdings within the portfolio of investments that are managed by the Investment Advisers, EPIM, Sarasin & Partners LLP, James Hambro & Partners LLP and Meridiem Investment Management Limited. During the year only Sarasin & Partners LLP had in-house holdings within the portfolio of investments.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 5. Taxation

	2024	2023
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	124,580	102,619
Total taxation (note 5b)	<u>124,580</u>	<u>102,619</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>1,854,012</u>	<u>1,413,648</u>
Corporation tax @ 20%	370,802	282,730
Effects of:		
UK revenue	(90,552)	(113,571)
Overseas revenue	(267,318)	(237,313)
Overseas tax withheld	124,580	102,619
Excess management expenses	-	68,154
Utilisation of excess management expenses	<u>(12,932)</u>	<u>-</u>
Total taxation (note 5a)	<u>124,580</u>	<u>102,619</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 £632,746 (2023: £645,678).

## 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
	£	£
Quarter 1 income distribution	377,733	259,271
Interim income distribution	453,898	345,588
Quarter 3 income distribution	455,618	272,469
Final income distribution	<u>495,371</u>	<u>485,785</u>
	1,782,620	1,363,113
Equalisation:		
Amounts deducted on cancellation of shares	43	-
Amounts added on issue of shares	<u>(12,374)</u>	<u>(3,993)</u>
Total net distributions	<u>1,770,289</u>	<u>1,359,120</u>

## Reconciliation between net revenue and distributions:

Net revenue after taxation per Statement of total return	1,729,432	1,311,029
Undistributed revenue brought forward	42	33
Expenses paid from capital	51,065	48,100
Marginal tax relief	(10,213)	-
Undistributed revenue carried forward	<u>(37)</u>	<u>(42)</u>
Distributions	<u>1,770,289</u>	<u>1,359,120</u>

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

## Notes to the financial statements (continued)

for the year ended 30 April 2024

7. Debtors	2024	2023
	£	£
Amounts receivable on issue of shares	100,000	24,816
Sales awaiting settlement	851,887	-
Currency trades outstanding	710	-
Accrued revenue	277,238	250,846
Recoverable overseas withholding tax	14,425	21,660
Recoverable income tax	367	239
Total debtors	<u>1,244,627</u>	<u>297,561</u>
8. Cash and bank balances	2024	2023
	£	£
Bank balances	5,420,458	9,060,492
Amounts held at futures clearing houses and brokers	1,940	2,056
Total cash and bank balances	<u>5,422,398</u>	<u>9,062,548</u>
9. Other creditors	2024	2023
	£	£
Purchases awaiting settlement	1,204,081	1,444,543
Currency trades outstanding	-	35
Accrued expenses:		
Payable to the ACD and associates		
ACD's periodic charge	-	921
Investment management fees	67,953	49,792
	<u>67,953</u>	<u>50,713</u>
Other expenses:		
Depository fees	-	207
Safe custody fees	1,415	1,170
Audit fee	8,400	7,200
FCA fee	62	94
KIID production fee	76	48
Transaction charges	1,017	239
	<u>10,970</u>	<u>8,958</u>
Total accrued expenses	<u>78,923</u>	<u>59,671</u>
Total other creditors	<u>1,283,004</u>	<u>1,504,249</u>

## 10. Commitments and contingent liabilities

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

## 11. Share classes

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

	Income
Opening shares in issue	4,791,256
Total shares issued in the year	186,126
Total shares cancelled in the year	(1,776)
Closing shares in issue	<u>4,975,606</u>

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

## Notes to the financial statements (continued)

for the year ended 30 April 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 sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-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 sub-fund.

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

The Investment Adviser, 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 2,835p to 2,957p as at 31 July 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	49,484,766	22,105	0.04%	24,095	0.05%	1,566	0.00%	49,532,532
Closed-Ended Funds	2,992,826	891	0.03%	8,557	0.29%	-	-	3,002,274
Bonds*	6,536,306	-	-	-	-	-	-	6,536,306
Collective Investment Schemes	18,166,070	5,744	0.03%	-	-	-	-	18,171,814
Exchange Traded Commodities	451,728	113	0.03%	-	-	-	-	451,841
Total	77,631,696	28,853	0.13%	32,652	0.34%	1,566	0.00%	77,694,767

\* No direct transaction costs were incurred in these transactions.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 14. Transaction costs (continued)

## a Direct transaction costs (continued)

	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
2023								
Equities	18,318,114	9,433	0.05%	16,599	0.09%	4,918	0.03%	18,349,064
Closed-Ended Funds	10,385	1	0.01%	1	0.01%	-	-	10,387
Bonds*	5,567,319	-	-	-	-	-	-	5,567,319
Collective Investment Schemes	10,878,782	1,674	0.02%	-	-	-	-	10,880,456
Exchange Traded Commodities	471,125	118	0.03%	-	-	-	-	471,243
Total	35,245,725	11,226	0.11%	16,600	0.10%	4,918	0.03%	35,278,469

	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
2024								
Equities	43,613,842	(20,981)	0.05%	(1,587)	0.00%	-	-	43,591,274
Closed-Ended Funds	1,250,021	(446)	0.04%	(10)	0.00%	-	-	1,249,565
Bonds*	3,888,696	-	-	-	-	-	-	3,888,696
Collective Investment Schemes	20,475,006	(4,452)	0.02%	-	-	-	-	20,470,554
Exchange Traded Commodities*	1,186,748	(403)	0.03%	-	-	-	-	1,186,345
Total	70,414,313	(26,282)	0.14%	(1,597)	0.00%	-	-	70,386,434

	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
2023								
Equities	18,417,535	(7,047)	0.04%	(706)	0.00%	-	-	18,409,782
Closed-Ended Funds	3,188,582	(1,910)	0.06%	(45)	0.00%	-	-	3,186,627
Bonds*	3,226,554	-	-	-	-	-	-	3,226,554
Collective Investment Schemes	5,429,795	(115)	0.00%	-	-	-	-	5,429,680
Exchange Traded Commodities	1,596,736	(399)	0.03%	-	-	-	-	1,596,337
Total	31,859,202	(9,471)	0.13%	(751)	0.00%	-	-	31,848,980

Capital events amount of £nil (2023: £69) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

\* No direct transaction costs were incurred in these transactions.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

### 14. Transaction costs (continued)

#### a Direct transaction costs (continued)

Summary of direct transaction costs

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

2024	£	% of average net asset value
Commission	55,135	0.04%
Taxes	34,249	0.03%
Financial transaction tax	1,566	0.00%

2023	£	% of average net asset value
Commission	20,697	0.02%
Taxes	17,351	0.02%
Financial transaction tax	4,918	0.00%

#### 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 0.09% (2023: 0.07%).

### 15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-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 sub-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 sub-fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are equities, collective investment schemes, closed-ended funds and exchange traded commodities.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the sub-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 sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 30 April 2024, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £6,455,333 (2023: £5,677,852).



## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (continued)

## a Market risk (continued)

## (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 are used to help the sub-fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

The foreign currency risk profile of the sub-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	£	£	£
Australian dollar	295,106	-	295,106
Canadian dollar	275,280	-	275,280
Danish krone	491,903	909	492,812
Euro	12,452,393	9,433	12,461,826
Hong Kong dollar	380,939	-	380,939
Japanese yen	1,535,482	13,251	1,548,733
Norwegian krone	645,462	-	645,462
South Korean won	-	702,126	702,126
Swedish krona	628,742	1,915	630,657
Swiss franc	2,267,643	-	2,267,643
US dollar	70,592,662	(864,981)	69,727,681
Total foreign currency exposure	89,565,612	(137,347)	89,428,265

## Notes to the financial statements (continued)

for the year ended 30 April 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	£	£	£
Australian dollar	160,484	-	160,484
Danish krone	1,124,037	6,532	1,130,569
Euro	13,510,395	71,073	13,581,468
Hong Kong dollar	3,302,520	-	3,302,520
Japanese yen	2,568,237	15,085	2,583,322
Norwegian krone	452,045	-	452,045
South Korean won	1,199,428	-	1,199,428
Swedish krona	417,796	-	417,796
Swiss franc	674,477	-	674,477
US dollar	48,718,447	(324,656)	48,393,791
Total foreign currency exposure	72,127,866	(231,966)	71,895,900

At 30 April 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 sub-fund would increase or decrease by approximately £4,111,432 (2023: £2,527,132). Forward currency contracts are used to manage the portfolio exposure to currency movements.

## (iii) Interest rate risk

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

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

The sub-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.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (continued)

## a Market risk (continued)

## (iii) Interest rate risk (continued)

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					
Australian dollar	-	-	295,106	-	295,106
Canadian dollar	-	-	275,280	-	275,280
Danish krone	-	-	492,812	-	492,812
Euro	-	-	12,504,558	(42,732)	12,461,826
Hong Kong dollar	-	-	380,939	-	380,939
Japanese yen	-	-	1,548,733	-	1,548,733
Norwegian krone	-	-	645,462	-	645,462
South Korean won	-	-	702,126	-	702,126
Swedish krona	-	-	630,657	-	630,657
Swiss franc	-	-	2,267,643	-	2,267,643
UK sterling	5,991,547	6,612,195	39,691,615	(681,499)	51,613,858
US dollar	-	-	71,012,995	(1,285,314)	69,727,681
	<u>5,991,547</u>	<u>6,612,195</u>	<u>130,447,926</u>	<u>(2,009,545)</u>	<u>141,042,123</u>

	Variable rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
	£	£	£	£	£
2023					
Australian dollar	-	-	160,484	-	160,484
Danish krone	-	-	1,130,569	-	1,130,569
Euro	247	-	13,591,556	(10,335)	13,581,468
Hong Kong dollar	-	-	3,302,520	-	3,302,520
Japanese yen	-	-	2,583,322	-	2,583,322
Norwegian krone	55	-	451,990	-	452,045
South Korean won	-	-	1,199,428	-	1,199,428
Swedish krona	-	-	417,796	-	417,796
Swiss franc	-	-	674,477	-	674,477
UK sterling	9,058,462	4,607,741	42,029,030	(1,645,491)	54,049,742
US dollar	3,784	-	48,745,874	(355,867)	48,393,791
	<u>9,062,548</u>	<u>4,607,741</u>	<u>114,287,046</u>	<u>(2,011,693)</u>	<u>125,945,642</u>

## Notes to the financial statements (continued)

for the year ended 30 April 2024

### 15. Risk management policies (continued)

#### 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 sub-fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the sub-fund. The sub-fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

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

The sub-fund holds cash and cash deposits with financial institutions which potentially exposes the sub-fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the sub-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 sub-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 sub-fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the sub-fund may not be able to immediately sell such securities.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria, and can make it difficult to establish accurate estimates of fundamental value. The dearth of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-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 sub-fund.

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

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

## Notes to the financial statements (continued)

for the year ended 30 April 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 sub-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	122,010,004	(14,983)
Observable market data	14,326,419	(216,187)
Unobservable data*	48,220	-
	<u>136,384,643</u>	<u>(231,170)</u>
	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£	£
Quoted prices	100,402,452	(21,659)
Observable market data	18,086,874	-
Unobservable data*	107,900	-
	<u>118,597,226</u>	<u>(21,659)</u>

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

*Home REIT*: The fair value pricing committee determined a share price of £0.1275 (2023: £0.2853), a discount was applied to £0.3805 which was the last traded price before the asset was temporarily suspended on 3 January 2023.

## 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 sub-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 30 April 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
Home REIT	0.03%	0.09%

## f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-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 sub-fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

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

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

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

## (i) Counterparties

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

The sub-fund may transact in derivative contracts which potentially exposes the sub-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.

As at the balance sheet date, the leverage was 100.07%.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (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 the global exposure is as follows:

	Gross exposure value £	% of the total net asset value
Investment		
Options		
S&P 500 Index June 24 Put 4850	23,032	0.02%
S&P 500 Index September 24 Put 5000	72,229	0.05%
Forward Currency Contracts		
Value of short position - Euro	1,257,589	0.89%
Value of short position - US dollar	6,158,232	4.37%

There have been no collateral arrangements in the year.

## Distribution table

for the year ended 30 April 2024

Quarter 1 distribution in pence per share

Group 1 - Shares purchased before 1 May 2023

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

	Net revenue	Equalisation	Total distribution 30 September 2023	Total distribution 30 September 2022
Income				
Group 1	7.777	-	7.777	5.514
Group 2	2.218	5.559	7.777	5.514

Interim distribution in pence per share

Group 1 - Shares purchased before 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 October 2023

	Net revenue	Equalisation	Total distribution 31 December 2023	Total distribution 31 December 2022
Income				
Group 1	9.277	-	9.277	7.332
Group 2	1.030	8.247	9.277	7.332

Quarter 3 distribution in pence per share

Group 1 - Shares purchased before 1 November 2023

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

	Net revenue	Equalisation	Total distribution 31 March 2024	Total distribution 31 March 2023
Income				
Group 1	9.187	-	9.187	5.705
Group 2	1.435	7.752	9.187	5.705

Final distribution in pence per share

Group 1 - Shares purchased before 1 February 2024

Group 2 - Shares purchased 1 February 2024 to 30 April 2024

	Net revenue	Equalisation	Total distribution 30 June 2024	Total distribution 30 June 2023
Income				
Group 1	9.956	-	9.956	10.139
Group 2	6.583	3.373	9.956	10.139

## 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.



## Bromfield Investment Fund

### Investment Advisor's report

#### Investment objective and policy

The investment objective of the sub-fund is to provide capital and income growth through investing primarily in a diversified portfolio of global securities and bonds. Investment may also be made in units or shares of collective investment schemes, warrants, deposits and money market instruments to the extent allowed by the rules of the Financial Conduct Authority.

#### Investment performance\*

For the year to 30 April 2024, the sub-fund returned 14.64%, in comparison to the UK Consumer Price Index +3% comparative benchmark which returned 4.79%.

#### Investment activities\*\*

Given the extremely strong performance of NVIDIA over the period, we have trimmed the position a number of times in order to manage single stock risk, firstly at the end of May 2023. Proceeds were used to add to existing position in Thermo Fisher Scientific and S&P Global as well as initiate on Zoetis, an animal healthcare company operating within a particularly high growth segment of the industry. In August we sold Estee Lauder following concerns around their reliance on China for future growth which exposed more deep-rooted issues within their supply chain with a turnaround unlikely in the near future, proceeds were used to bring Zoetis to a full-sized position.

Later in the year we closed positions in Tencent Holdings and Vestas Wind Systems as we felt the prior was too exposed to political risk in China and we do not believe the volatility is worth the potential returns, whilst in the onshore wind in which Vestas Wind Systems operates, there is an indication that production has already peaked with issues surrounding permits and grid connections making future growth prospects largely unknown. Proceeds were used to initiate new positions in Accenture and Intuitive Surgical with both companies set to see considerable benefits from the adoption of Artificial Intelligence ('AI') with the latter recently announcing the launch of a new robotic surgery system creating a replacement cycle which will be a tailwind for the stock. We initiated a position in RWE as there was an undue fall in the share price and in October we sold FANUC and used the proceeds to buy NIKE where weakness following a destocking cycle offered an attractive entry opportunity.

The beginning of 2024 saw a good environment for equities with NVIDIA again making considerable returns with trims in both January and February following their quarter 4 results. Proceeds were used to bring Intuitive Surgical to a full position also bought with proceeds from Nestle. Finally NVIDIA was again trimmed in March following a 70% return over the first quarter of the year. More recently, we bought a position in GE HealthCare Technologies, the leading supplier of medical imaging equipment with significant underlying growth drivers. Elsewhere we bought half-sized positions in Shopify and Roper Technologies replacing Samsung SDI where we felt performance had slipped. Roper Technologies develops and operates vertical software and technology enabled products for a wide range of end businesses giving it more defensive characteristics whilst Shopify has become the go to retail platform for small and medium sized business owners with the combination offering attractive and diversified returns within the technology sector.

#### Investment strategy and outlook\*\*

The year was dominated by contrasting forces with continued concerns over higher-for-longer inflation and interest rates weakening markets, whilst enthusiasm over AI led to a rally for any stocks linked to that theme. This led to greatly divergent performance across the market, which was led almost exclusively by 7 companies, the so-called 'Magnificent Seven', with NVIDIA, up a staggering 225% over the period. The first quarter of the year has seen a broadening out of markets in a positive direction.

\* Source: Evelyn Partners Fund Solutions Limited and Morningstar Direct, 2024. Cumulative return based on the sub-fund's mid price at 10pm as at 30 April 2024.

\*\* Source: FactSet and Bloomberg.

## Investment Advisor's report (continued)

### Investment strategy and outlook (continued)

Despite inflation peaking in late 2022 it remains above the long term average with interest rates rising aggressively before being paused in August. Markets remained uncertain, strongly linked to interest rate expectations, as demonstrated by the rally last summer on expectations of a pause in the autumn, followed by a reversal as concerns shifted to rates remaining higher, before then rallying once more as focus turned to the timing of the first rate cut. This myopic focus has fallen away in the first quarter of 2024 with companies once again rewarded for the fundamental growth they produced. This has helped to create a stronger foundation for the market, which is good news going into a year which will undoubtedly be influenced heavily by global geopolitics.

Evelyn Partners Investment Management LLP  
20 May 2024

## Portfolio changes

for the year ended 30 April 2024

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

	Cost
	£
Purchases:	
Zoetis	647,122
Accenture	511,962
NIKE	477,755
Intuitive Surgical	471,509
GE HealthCare Technologies	404,703
Scottish Mortgage Investment Trust	400,102
RWE	364,208
Shopify	213,105
Roper Technologies	201,584
Thermo Fisher Scientific	63,835
Adyen	60,406
S&P Global	59,965
	Proceeds
	£
Sales:	
NVIDIA	911,430
Tencent Holdings	468,989
American Tower	405,902
FANUC	378,493
Vestas Wind Systems	348,749
Samsung SDI	295,649
Adyen	295,080
Estee Lauder	267,935
CRH	189,971
TotalEnergies	120,565
Ferrari	119,816
Adobe	96,562
London Stock Exchange Group	83,340
Goldman Sachs Funds - Goldman Sachs India Equity Portfolio	60,561

## Portfolio statement

as at 30 April 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Debt Securities* 0.82% (0.81%)			
Baa3 and below 0.82% (0.81%)			
John Lewis 4.25% 18/12/2034	£260,000	193,601	0.82
Equities 88.84% (91.56%)			
Equities - United Kingdom 15.56% (20.75%)			
Equities - incorporated in the United Kingdom 13.37% (16.17%)			
Energy 4.03% (3.94%)			
Shell	33,160	949,371	4.03
Materials 1.59% (2.74%)			
Croda International	8,121	374,297	1.59
Consumer Staples 1.60% (2.38%)			
Diageo	13,600	377,400	1.60
Health Care 3.45% (3.83%)			
AstraZeneca	6,730	811,638	3.45
Financials 2.70% (3.28%)			
London Stock Exchange Group	7,195	636,326	2.70
Total equities - incorporated in the United Kingdom		3,149,032	13.37
Equities - incorporated outwith the United Kingdom 2.19% (4.58%)			
Industrials 2.19% (2.16%)			
Experian	15,900	515,796	2.19
Communication Services 0.00% (2.42%)		-	-
Total equities - incorporated outwith the United Kingdom		515,796	2.19
Total equities - United Kingdom		3,664,828	15.56
Equities - Europe 25.28% (26.61%)			
Equities - Denmark 0.00% (2.25%)		-	-
Equities - France 7.66% (8.56%)			
LVMH Moët Hennessy Louis Vuitton	930	614,971	2.61
Schneider Electric	3,920	719,665	3.06
TotalEnergies	8,000	468,551	1.99
Total equities - France		1,803,187	7.66

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

Portfolio statement (continued)  
as at 30 April 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - Europe (continued)			
Equities - Germany 1.22% (0.00%)			
RWE	10,305	287,125	1.22
Equities - Ireland 4.82% (2.63%)			
Accenture	2,000	480,501	2.04
CRH	10,500	654,780	2.78
Total equities - Ireland		1,135,281	4.82
Equities - Netherlands 8.25% (10.10%)			
Airbus	5,440	718,520	3.05
Ferrari	2,130	702,785	2.99
Heineken	6,670	519,885	2.21
Total equities - Netherlands		1,941,190	8.25
Equities - Switzerland 3.33% (3.07%)			
Chubb	3,950	784,448	3.33
Total equities - Europe		5,951,231	25.28
Equities - North America 45.03% (37.41%)			
Equities - Canada 0.87% (0.00%)			
Shopify	3,650	204,574	0.87
Equities - United States 44.16% (37.41%)			
Adobe	1,386	512,006	2.18
Alphabet 'A'	5,700	740,729	3.15
Amazon.com	5,740	803,320	3.41
Bank of America	16,750	494,949	2.10
GE HealthCare Technologies	5,875	357,666	1.52
Intuitive Surgical	1,730	511,864	2.17
McDonald's	1,950	425,086	1.81
Microsoft	3,205	996,195	4.23
NIKE	5,970	439,877	1.87
NVIDIA	1,325	913,463	3.88
Roper Technologies	480	195,914	0.83
S&P Global	1,685	558,917	2.37
Stryker	3,085	828,637	3.52
Thermo Fisher Scientific	1,325	601,512	2.56
UnitedHealth Group	1,515	584,947	2.48
Visa	4,020	862,463	3.66
Zoetis	4,475	569,029	2.42
Total equities - United States		10,396,574	44.16
Total equities - North America		10,601,148	45.03

## Portfolio statement (continued)

as at 30 April 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - Asia Pacific 2.97% (6.79%)			
Equities - Japan 0.00% (2.27%)		-	-
Equities - South Korea 0.00% (2.45%)		-	-
Equities - Taiwan 2.97% (2.07%)			
Taiwan Semiconductor Manufacturing	6,375	699,333	2.97
Total equities - Asia Pacific		699,333	2.97
Total equities		20,916,540	88.84
Closed-Ended Funds 2.09% (0.00%)			
Scottish Mortgage Investment Trust	58,500	492,102	2.09
Collective Investment Schemes 5.44% (5.19%)			
UK Authorised Collective Investment Schemes 1.36% (1.55%)			
TB Amati Investment Funds - TB Amati UK Smaller Companies Fund	27,880	320,790	1.36
Offshore Collective Investment Schemes 4.08% (3.64%)			
Goldman Sachs Funds - Goldman Sachs India Equity Portfolio	33,425	960,635	4.08
Total collective investment schemes		1,281,425	5.44
Forward currency contracts 0.00% (0.16%)		-	-
Portfolio of investments		22,883,668	97.19
Other net assets		662,057	2.81
Total net assets		23,545,725	100.00

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

The comparative figures in brackets are as at 30 April 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 sub-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 sub-fund. The shaded area in the table below shows the sub-fund's ranking on the risk and reward indicator.

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

The sub-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 sub-fund, please refer to the Prospectus.

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

\* As per the KIID published on 29 January 2024.

## Comparative table

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

	2024	2023	2022
	p	p	p
Income			
Change in net assets per share			
Opening net asset value per share	2,976.82	2,881.35	3,126.79
Return before operating charges	465.04	139.16	(206.25)
Operating charges	(30.28)	(27.41)	(31.33)
Return after operating charges *	434.76	111.75	(237.58)
Distributions <sup>^</sup>	(17.04)	(16.28)	(7.86)
Closing net asset value per share	3,394.54	2,976.82	2,881.35
* after direct transaction costs of:	1.09	0.97	1.81
Performance			
Return after charges	14.60%	3.88%	(7.60%)
Other information			
Closing net asset value (£)	23,545,725	20,654,995	20,624,172
Closing number of shares	693,636	693,861	715,781
Operating charges <sup>^^</sup>	0.97%	0.97%	0.99%
Direct transaction costs	0.03%	0.03%	0.06%
Published prices			
Highest share price	3,485	3,004	3,373
Lowest share price	2,913	2,614	2,841

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

<sup>^</sup> Rounded to 2 decimal places.

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

The OCF includes expenses incurred by underlying holdings of collective investment schemes and closed ended vehicles such as investment trusts in relation to the sub-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 - Bromfield Investment Fund

Statement of total return  
for the year ended 30 April 2024

	Notes	2024		2023	
		£	£	£	£
Income:					
Net capital gains	2		2,893,246		681,333
Revenue	3	339,224		316,123	
Expenses	4	<u>(198,869)</u>		<u>(185,665)</u>	
Net revenue before taxation		140,355		130,458	
Taxation	5	<u>(22,293)</u>		<u>(14,797)</u>	
Net revenue after taxation			<u>118,062</u>		<u>115,661</u>
Total return before distributions			3,011,308		796,994
Distributions	6		(118,064)		(115,661)
Change in net assets attributable to shareholders from investment activities			<u>2,893,244</u>		<u>681,333</u>

Statement of change in net assets attributable to shareholders  
for the year ended 30 April 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to shareholders		20,654,995		20,624,172
Amounts receivable on issue of shares	62,693		45,346	
Amounts payable on cancellation of shares	<u>(65,207)</u>		<u>(695,856)</u>	
		(2,514)		(650,510)
Change in net assets attributable to shareholders from investment activities		2,893,244		681,333
Closing net assets attributable to shareholders		<u>23,545,725</u>		<u>20,654,995</u>

Balance sheet  
as at 30 April 2024

	Notes	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		22,883,668	20,184,471
Current assets:			
Debtors	7	445,431	45,225
Cash and bank balances	8	691,351	701,502
Total assets		<u>24,020,450</u>	<u>20,931,198</u>
Liabilities:			
Creditors:			
Distribution payable		(53,750)	(66,402)
Other creditors	9	(420,975)	(209,801)
Total liabilities		<u>(474,725)</u>	<u>(276,203)</u>
Net assets attributable to shareholders		<u>23,545,725</u>	<u>20,654,995</u>

## Notes to the financial statements

for the year ended 30 April 2024

## 1. Accounting policies

The accounting policies are disclosed on pages 25 to 27.

## 2. Net capital gains

	2024	2023
	£	£
Non-derivative securities - realised gains	448,861	512,048
Non-derivative securities - movement in unrealised gains	2,443,235	201,572
Currency losses	(11,285)	(62,189)
Forward currency contracts gains	13,032	30,426
Compensation	-	8
Transaction charges	(597)	(532)
Total net capital gains	<u>2,893,246</u>	<u>681,333</u>

## 3. Revenue

	2024	2023
	£	£
UK revenue	92,507	87,825
Unfranked revenue	880	203
Overseas revenue	209,286	206,347
Interest on debt securities	11,022	11,005
Bank and deposit interest	25,529	10,743
Total revenue	<u>339,224</u>	<u>316,123</u>

## 4. Expenses

	2024	2023
	£	£
Payable to the ACD and associates		
Annual management charge*	<u>180,295</u>	<u>169,681</u>
Payable to the Depositary		
Depositary fees	<u>9,016</u>	<u>9,000</u>
Other expenses:		
Audit fee	8,940	5,700
Safe custody fees	577	583
Bank interest	-	17
FCA fee	132	232
KIID production fee	(91)	452
	<u>9,558</u>	<u>6,984</u>
Total expenses	<u>198,869</u>	<u>185,665</u>

\*For the year ended 30 April 2024, the annual management charge is 0.83%. The annual management charge includes the ACD's periodic charge and the Investment Adviser's fee.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 5. Taxation

	2024	2023
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	22,293	14,797
Total taxation (note 5b)	22,293	14,797

*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	140,355	130,458
Corporation tax @ 20%	28,071	26,092
Effects of:		
UK revenue	(18,501)	(17,565)
Overseas revenue	(39,284)	(38,732)
Overseas tax withheld	22,293	14,797
Excess management expenses	29,714	30,205
Total taxation (note 5a)	22,293	14,797

*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 £347,508 (2023: £317,794).

## 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
	£	£
Quarter 1 income distribution	10,755	10,252
Interim income distribution	34,201	26,631
Quarter 3 income distribution	19,379	11,221
Final income distribution	53,750	66,402
	118,085	114,506
Equalisation:		
Amounts deducted on cancellation of shares	38	1,200
Amounts added on issue of shares	(59)	(45)
Total net distributions	118,064	115,661

## Reconciliation between net revenue and distributions:

Net revenue after taxation per Statement of total return	118,062	115,661
Undistributed revenue brought forward	2	2
Undistributed revenue carried forward	-	(2)
Distributions	118,064	115,661

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

## Notes to the financial statements (continued)

for the year ended 30 April 2024

7. Debtors	2024	2023
	£	£
Sales awaiting settlement	415,020	-
Currency trades outstanding	-	802
Accrued revenue	29,311	41,206
Recoverable overseas withholding tax	882	3,175
Recoverable income tax	218	42
Total debtors	<u>445,431</u>	<u>45,225</u>
8. Cash and bank balances	2024	2023
	£	£
Total cash and bank balances	<u>691,351</u>	<u>701,502</u>
9. Other creditors	2024	2023
	£	£
Amounts payable on cancellation of shares	-	100,811
Purchases awaiting settlement	412,701	101,655
Currency trades outstanding	38	-
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	<u>-</u>	<u>955</u>
Other expenses:		
Depository fees	-	49
Safe custody fees	320	204
Audit fee	7,800	5,700
FCA fee	12	20
KIID production fee	49	355
Transaction charges	<u>55</u>	<u>52</u>
	<u>8,236</u>	<u>6,380</u>
Total accrued expenses	<u>8,236</u>	<u>7,335</u>
Total other creditors	<u>420,975</u>	<u>209,801</u>

## 10. Commitments and contingent liabilities

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

## 11. Share classes

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

	Income
Opening shares in issue	693,861
Total shares issued in the year	1,850
Total shares cancelled in the year	(2,075)
Closing shares in issue	<u>693,636</u>

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

## Notes to the financial statements (continued)

for the year ended 30 April 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 sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-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 sub-fund.

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

The Investment Adviser, 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 3,395p to 3,540p as at 31 July 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	3,474,417	1,737	0.05%	-	-	-	-	3,476,154
Closed-Ended Funds	398,110	-	-	1,992	0.50%	-	-	400,102
Total	3,872,527	1,737	0.05%	1,992	0.50%	-	-	3,876,256
	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
2023								
Equities	2,289,930	842	0.04%	3,388	0.15%	1,343	0.06%	2,295,503

## Notes to the financial statements (continued)

for the year ended 30 April 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	3,986,331	(3,237)	0.08%	(613)	0.02%	-	-	3,982,481
Collective Investment Schemes*	60,561	-	-	-	-	-	-	60,561
Total	4,046,892	(3,237)	0.08%	(613)	0.02%	-	-	4,043,042

	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
2023								
Equities	2,576,453	(1,074)	0.04%	(278)	0.01%	-	-	2,575,101
Collective Investment Schemes*	481,930	-	-	-	-	-	-	481,930
Total	3,058,383	(1,074)	0.04%	(278)	0.01%	-	-	3,057,031

Capital events amount of £nil (2023: £10,453) 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 sub-fund's average net asset value in the year:

2024	£	% of average net asset value
Commission	4,974	0.02%
Taxes	2,605	0.01%

2023	£	% of average net asset value
Commission	1,916	0.01%
Taxes	3,666	0.02%
Financial transaction tax	1,343	0.00%

## 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 0.10% (2023: 0.10%).

\* No direct transaction costs were incurred in these transactions.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

### 15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-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 sub-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 sub-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 which are disclosed in the Portfolio statement.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the sub-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 sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 30 April 2024, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £1,134,503 (2023: £999,198).

#### (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 sub-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	4,031,502	130,180	4,161,682
South Korean Won	-	295,204	295,204
US dollar	12,565,430	(407,723)	12,157,707
Total foreign currency exposure	16,596,932	17,661	16,614,593



## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (continued)

## a Market risk (continued)

## (ii) Currency risk (continued)

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
2023			
Danish krone	465,578	1,565	467,143
Euro	3,855,675	22,716	3,878,391
Hong Kong dollar	498,863	-	498,863
Japanese yen	469,132	5,000	474,132
South Korean Won	505,239	-	505,239
US dollar	8,787,921	(100,853)	8,687,068
Total foreign currency exposure	14,582,408	(71,572)	14,510,836

At 30 April 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 sub-fund would increase or decrease by approximately £830,730 (2023: £507,880).

## (iii) Interest rate risk

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

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

The sub-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	-	-	4,161,682	-	4,161,682
South Korean Won	-	-	295,204	-	295,204
UK sterling	691,351	193,601	6,108,166	(61,986)	6,931,132
US dollar	-	-	12,570,446	(412,739)	12,157,707
	691,351	193,601	23,135,498	(474,725)	23,545,725

## Notes to the financial statements (continued)

for the year ended 30 April 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	£	£	£	£	£
Danish krone	-	-	467,143	-	467,143
Euro	-	-	3,878,390	-	3,878,390
Hong Kong dollar	-	-	498,863	-	498,863
Japanese yen	-	-	474,132	-	474,132
South Korean Won	-	-	505,239	-	505,239
UK sterling	701,502	166,894	9,803,539	(174,548)	10,497,387
US dollar	-	-	4,435,496	(101,655)	4,333,841
	701,502	166,894	20,062,802	(276,203)	20,654,995

## 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 sub-fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the sub-fund. The sub-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 credit quality of the debt securities is disclosed in the Portfolio statement.

The sub-fund holds cash and cash deposits with financial institutions which potentially exposes the sub-fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the sub-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 sub-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 sub-fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the sub-fund may not be able to immediately sell such securities.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (continued)

## c Liquidity risk (continued)

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria, and can make it difficult to establish accurate estimates of fundamental value. The dearth of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-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 sub-fund.

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

All of the financial liabilities are payable on demand.

## d Fair value of financial assets and financial liabilities

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

To ensure this, the fair value pricing committee is a body appointed by the 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 sub-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	21,408,642	-
Observable market data	1,475,026	-
Unobservable data	-	-
	<u>22,883,668</u>	<u>-</u>

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£	£
Quoted prices	18,913,068	-
Observable market data	1,271,403	-
Unobservable data	-	-
	<u>20,184,471</u>	<u>-</u>

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

## e Assets subject to special arrangements arising from their illiquid nature

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

## Notes to the financial statements (continued)

for the year ended 30 April 2024

### 15. Risk management policies (continued)

#### f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-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 sub-fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

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

#### (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 sub-fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the sub-fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The sub-fund may transact in derivative contracts which potentially exposes the sub-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.

#### (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 30 April 2024

Quarter 1 distribution in pence per share

Group 1 - Shares purchased before 1 May 2023

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

	Net revenue	Equalisation	Total distribution 30 September 2023	Total distribution 30 September 2022
Income				
Group 1	1.550	-	1.550	1.429
Group 2	1.550	-	1.550	1.429

Interim distribution in pence per share

Group 1 - Shares purchased before 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 October 2023

	Net revenue	Equalisation	Total distribution 31 December 2023	Total distribution 31 December 2022
Income				
Group 1	4.938	-	4.938	3.712
Group 2	4.938	-	4.938	3.712

Quarter 3 distribution in pence per share

Group 1 - Shares purchased before 1 November 2023

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

	Net revenue	Equalisation	Total distribution 31 March 2024	Total distribution 31 March 2023
Income				
Group 1	2.798	-	2.798	1.567
Group 2	2.798	-	2.798	1.567

Final distribution in pence per share

Group 1 - Shares purchased before 1 February 2024

Group 2 - Shares purchased 1 February 2024 to 30 April 2024

	Net revenue	Equalisation	Total distribution 30 June 2024	Total distribution 30 June 2023
Income				
Group 1	7.749	-	7.749	9.570
Group 2	4.519	3.230	7.749	9.570

## 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.

## Global Opportunities Fund

### Investment Adviser's report

#### Investment objective and policy

The investment objective of the sub-fund is to provide long term capital and income growth through investment primarily in securities anywhere in the world. Investment may also be made in units or shares of collective investment schemes, warrants, deposits and money market instruments to the extent allowed by the rules of the Financial Conduct Authority.

#### Investment performance\*

From 1 May 2023 to 30 April 2024 the sub-fund returned 14.27% compared to the UK Consumer Price Index +3% returning 4.79%.

#### Investment activities

Given the extremely strong performance of NVIDIA over the period, we have trimmed the position a number of times in order to manage single stock risk, firstly at the end of May 2023. Proceeds were used to add to existing positions in Thermo Fisher Scientific and S&P Global as well as initiate on Zoetis, an animal healthcare company operating within a particularly high growth segment of the industry. In August 2023 we sold Estee Lauder as concerns around their reliance on China for future growth which exposed more deep-rooted issues within their supply chain with a turnaround unlikely in the near future, proceeds were used to bring Zoetis to a full-sized position.

Later in the period we closed positions in Tencent Holdings and Vestas Wind Systems as we felt the former was too exposed to political risk in China and we do not believe the volatility is worth the potential returns, whilst in the onshore wind in which Vestas Wind Systems operates, there is an indication that production has already peaked with issues surrounding permits and grid connections making future growth prospects largely unknown. Proceeds were used to initiate new positions in Accenture and Intuitive Surgical with both companies set to benefit from the adoption of Artificial Intelligence ('AI') and the latter recently announced the launch of a new robotic surgery system creating a replacement cycle, a tailwind for the stock. We also initiated a position in RWE. In October we sold FANUC using proceeds to buy NIKE where weakness following a destocking cycle offered an attractive entry opportunity.

The beginning of 2024 saw a good environment for equities with NVIDIA again making considerable returns with trims in both January and February following their fourth quarter results where proceeds were used to bring Intuitive Surgical to a full position ahead of the upgrade cycle. NVIDIA was again trimmed in March following a 70% return over the first quarter of the year. More recently, we bought a position in GE HealthCare Technologies, the leading supplier of medical imaging equipment with significant underlying growth drivers. Elsewhere we bought half-sized positions in Shopify and Roper Technologies replacing Samsung SDI where we felt performance had slipped. Roper Technologies develops and operates vertical software and technology enabled products for a wide range of end businesses giving it more defensive characteristics whilst Shopify has become the go to retail platform for small and medium sized business owners with the combination offering attractive and diversified returns within the tech sector.

#### Investment strategy and outlook\*\*

The period was dominated by contrasting forces with continued concerns over higher-for-longer inflation and interest rates weakening markets, whilst enthusiasm over AI led to a rally for any stocks linked to that theme. This led to greatly divergent performance across the market, which was led almost exclusively by 7 companies, the so-called 'Magnificent Seven', with NVIDIA, up a staggering 225% over the period. The first quarter of the year has seen a broadening out of markets in a positive direction.

\* Source: Evelyn Partners Fund Solutions Limited and Morningstar Direct, 2024. Cumulative return based on the sub-fund's mid price at 10pm as at 30 April 2024.

\*\* Source: Refinitiv.

## Investment Adviser's report (continued)

### Investment strategy and outlook (continued)

Despite inflation peaking in late 2022 it remains above the long-term average with interest rates rising aggressively before being paused in August 2023. Markets remained uncertain, strongly linked to interest rate expectations, as demonstrated by the rally last summer on expectations of a pause in the autumn, followed by a reversal as concerns shifted to rates remaining higher, before then rallying once more as focus turned to the timing of the first rate cut. This myopic focus has fallen away in the first quarter of 2024 with companies once again rewarded for the fundamental growth they produced. This has helped to create a stronger foundation for the market, which is good news going into a year which will undoubtedly be influenced heavily by global geopolitics.

Evelyn Partners Investment Management LLP

11 July 2024

## Portfolio changes

for the year ended 30 April 2024

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

	Cost £
Purchases:	
Zoetis	1,174,198
Accenture	934,330
Intuitive Surgical	890,746
NIKE	844,377
GE HealthCare Technologies	747,410
UK Treasury Gilt 0.125% 31/01/2024	727,050
RWE	718,909
Scottish Mortgage Investment Trust	564,246
Shopify	372,496
Roper Technologies	352,771
Adyen	167,795
S&P Global	126,243
Thermo Fisher Scientific	115,315
	Proceeds £
Sales:	
NVIDIA	1,739,660
Tencent Holdings	849,427
American Tower	749,251
UK Treasury Gilt 0.125% 31/01/2024	747,262
FANUC	648,845
Vestas Wind Systems	620,144
Adyen	560,648
Samsung SDI	514,382
Estee Lauder	477,938
CRH	353,558
Ferrari	212,631
TotalEnergies	212,424
Adobe	193,124
London Stock Exchange Group	155,031
Goldman Sachs Funds - Goldman Sachs India Equity Portfolio	118,193



## Portfolio statement

as at 30 April 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities 91.49% (92.16%)			
Equities - United Kingdom 16.13% (21.00%)			
Equities - incorporated in the United Kingdom 13.73% (16.28%)			
Energy 4.07% (3.89%)			
Shell	59,475	1,702,769	4.07
Materials 1.60% (2.71%)			
Croda International	14,543	670,287	1.60
Consumer Staples 1.75% (2.54%)			
Diageo	26,300	729,825	1.75
Health Care 3.59% (3.90%)			
AstraZeneca	12,450	1,501,470	3.59
Financials 2.72% (3.24%)			
London Stock Exchange Group	12,850	1,136,454	2.72
Total equities - incorporated in the United Kingdom		5,740,805	13.73
Equities - incorporated outwith the United Kingdom 2.40% (4.72%)			
Industrials 2.40% (2.31%)			
Experian	30,900	1,002,396	2.40
Communication Services 0.00% (2.41%)		-	-
Total equities - incorporated outwith the United Kingdom		1,002,396	2.40
Total equities - United Kingdom		6,743,201	16.13
Equities - Europe 25.61% (26.16%)			
Equities - Denmark 0.00% (2.21%)		-	-
Equities - France 7.70% (8.44%)			
LVMH Moët Hennessy Louis Vuitton	1,700	1,124,140	2.69
Schneider Electric	6,950	1,275,937	3.05
TotalEnergies	14,020	821,136	1.96
Total equities - France		3,221,213	7.70
Equities - Ireland 4.91% (2.63%)			
Accenture	3,650	876,915	2.10
CRH	18,850	1,175,486	2.81
Total equities - Ireland		2,052,401	4.91
Equities - Germany 1.36% (0.00%)			
RWE	20,365	567,424	1.36

## Portfolio statement (continued)

as at 30 April 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - Europe (continued)			
Equities - Netherlands 8.31% (9.89%)			
Airbus	9,995	1,320,149	3.16
Ferrari	3,815	1,258,745	3.01
Heineken	11,470	894,016	2.14
Total equities - Netherlands		<u>3,472,910</u>	<u>8.31</u>
Equities - Switzerland 3.33% (2.99%)			
Chubb	7,000	<u>1,390,161</u>	<u>3.33</u>
Total equities - Europe		<u>10,704,109</u>	<u>25.61</u>
Equities - North America 46.82% (38.52%)			
Equities - Canada 0.86% (0.00%)			
Shopify	6,380	<u>357,584</u>	<u>0.86</u>
Equities - United States 45.96% (38.52%)			
Adobe	2,449	904,691	2.17
Alphabet 'A'	10,375	1,348,257	3.23
Amazon.com	10,640	1,489,082	3.56
Bank of America	29,150	861,358	2.06
GE HealthCare Technologies	10,850	660,540	1.58
Intuitive Surgical	3,265	966,032	2.31
McDonald's	5,630	1,227,301	2.94
Microsoft	5,670	1,762,380	4.22
NIKE	10,530	775,864	1.86
NVIDIA	2,390	1,647,680	3.95
Roper Technologies	840	342,849	0.82
S&P Global	3,085	1,023,299	2.45
Stryker	5,590	1,501,484	3.59
Thermo Fisher Scientific	2,415	1,096,340	2.62
UnitedHealth Group	2,695	1,040,550	2.49
Visa	7,090	1,521,109	3.64
Zoetis	8,115	<u>1,031,881</u>	<u>2.47</u>
Total equities - United States		<u>19,200,697</u>	<u>45.96</u>
Total equities - North America		<u>19,558,281</u>	<u>46.82</u>
Equities - Asia Pacific 2.93% (6.48%)			
Equities - Japan 0.00% (2.14%)		-	-
Equities - Taiwan 2.93% (2.00%)			
Taiwan Semiconductor Manufacturing ADR	11,170	<u>1,225,341</u>	<u>2.93</u>

## Portfolio statement (continued)

as at 30 April 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - Asia Pacific (continued)			
Equities - South Korea 0.00% (2.34%)		-	-
Total equities - Asia Pacific		1,225,341	2.93
Total equities		38,230,932	91.49
Closed-Ended Funds - United Kingdom 1.66% (0.00%)			
Scottish Mortgage Investment Trust	82,500	693,990	1.66
Collective Investment Schemes 5.39% (5.04%)			
UK Authorised Collective Investment Schemes 1.35% (1.50%)			
WS Amati Investment Funds - WS Amati UK Listed Smaller Companies Fund	48,990	563,684	1.35
Offshore Collective Investment Schemes 4.04% (3.54%)			
Goldman Sachs Funds - Goldman Sachs India Equity Portfolio	58,740	1,688,188	4.04
Total collective investment schemes		2,251,872	5.39
Forward currency contracts 0.00% (0.16%)		-	-
Portfolio of investments		41,176,794	98.54
Other net assets		611,420	1.46
Total net assets		41,788,214	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 30 April 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 sub-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 sub-fund. The shaded area in the table below shows the sub-fund's ranking on the risk and reward indicator.

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

The sub-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 sub-fund, please refer to the Prospectus.

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

\* As per the KIID published on 29 January 2024.

## Comparative table

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

	2024	2023	2022
	p	p	p
Income			
Change in net assets per share			
Opening net asset value per share	477.76	461.82	500.45
Return before operating charges	73.10	22.80	(32.48)
Operating charges	(4.76)	(4.28)	(4.92)
Return after operating charges *	68.34	18.52	(37.40)
Distributions <sup>^</sup>	(2.83)	(2.58)	(1.23)
Closing net asset value per share	543.27	477.76	461.82
* after direct transaction costs of:	0.17	0.16	0.29
Performance			
Return after charges	14.30%	4.01%	(7.47%)
Other information			
Closing net asset value (£)	41,788,214	37,503,137	35,558,444
Closing number of shares	7,692,049	7,849,864	7,699,704
Operating charges <sup>^^</sup>	0.95%	0.95%	0.97%
Direct transaction costs	0.03%	0.04%	0.06%
Published prices			
Highest share price	557.8	482.1	540.3
Lowest share price	467.5	420.1	454.4

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

<sup>^</sup> Rounded to 2 decimal places.

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

The OCF includes expenses incurred by underlying holdings of collective investment schemes and closed ended vehicles such as investment trusts in relation to the sub-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 - Global Opportunities Fund

Statement of total return  
for the year ended 30 April 2024

	Notes	2024		2023	
		£	£	£	£
Income:					
Net capital gains	2		5,107,664		1,297,219
Revenue	3	607,474		549,450	
Expenses	4	<u>(352,047)</u>		<u>(317,997)</u>	
Net revenue before taxation		255,427		231,453	
Taxation	5	<u>(34,952)</u>		<u>(28,918)</u>	
Net revenue after taxation			<u>220,475</u>		<u>202,535</u>
Total return before distributions			5,328,139		1,499,754
Distributions	6		(220,457)		(202,536)
Change in net assets attributable to shareholders from investment activities			<u>5,107,682</u>		<u>1,297,218</u>

Statement of change in net assets attributable to shareholders  
for the year ended 30 April 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to shareholders		37,503,137		35,558,444
Amounts receivable on issue of shares	237,646		1,294,461	
Amounts payable on cancellation of shares	<u>(1,060,251)</u>		<u>(646,986)</u>	
		(822,605)		647,475
Change in net assets attributable to shareholders from investment activities		5,107,682		1,297,218
Closing net assets attributable to shareholders		<u>41,788,214</u>		<u>37,503,137</u>

Balance sheet  
as at 30 April 2024

	Notes	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		41,176,794	36,514,494
Current assets:			
Debtors	7	778,758	76,630
Cash and bank balances	8	756,482	1,358,816
Total assets		<u>42,712,034</u>	<u>37,949,940</u>
Liabilities:			
Creditors:			
Distribution payable		(97,997)	(125,755)
Other creditors	9	(825,823)	(321,048)
Total liabilities		<u>(923,820)</u>	<u>(446,803)</u>
Net assets attributable to shareholders		<u>41,788,214</u>	<u>37,503,137</u>

## Notes to the financial statements

for the year ended 30 April 2024

## 1. Accounting policies

The accounting policies are disclosed on pages 25 to 27.

## 2. Net capital gains

	2024	2023
	£	£
Non-derivative securities - realised gains	875,405	600,250
Non-derivative securities - movement in unrealised gains	4,230,691	757,100
Currency losses	(25,958)	(99,345)
Forward currency contracts gains	28,149	39,692
Compensation	-	17
Transaction charges	(623)	(495)
Total net capital gains	<u>5,107,664</u>	<u>1,297,219</u>

## 3. Revenue

	2024	2023
	£	£
UK revenue	169,207	158,646
Unfranked revenue	913	356
Overseas revenue	384,719	369,175
Interest on debt securities	20,936	-
Bank and deposit interest	31,699	21,273
Total revenue	<u>607,474</u>	<u>549,450</u>

## 4. Expenses

	2024	2023
	£	£
Payable to the ACD and associates		
Annual management charge*	<u>329,824</u>	<u>298,016</u>
Payable to the Depositary		
Depositary fees	<u>12,936</u>	<u>11,670</u>
Other expenses:		
Audit fee	7,800	6,840
Safe custody fees	1,045	926
Bank interest	1	32
FCA fee	221	368
KIID production fee	220	145
	<u>9,287</u>	<u>8,311</u>
Total expenses	<u>352,047</u>	<u>317,997</u>

## 5. Taxation

	2024	2023
	£	£
a. Analysis of the tax charge for the year		
Overseas tax withheld	<u>34,952</u>	<u>28,918</u>
Total taxation (note 5b)	<u>34,952</u>	<u>28,918</u>

\*For the year ended 30 April 2024, the annual management charge is 0.84% and includes the ACD's periodic charge and the Investment Adviser's fee.



## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 5. Taxation (continued)

*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>255,427</u>	<u>231,453</u>
Corporation tax @ 20%	51,085	46,291
Effects of:		
UK revenue	(33,841)	(31,729)
Overseas revenue	(72,192)	(69,268)
Overseas tax withheld	34,952	28,918
Excess management expenses	<u>54,948</u>	<u>54,706</u>
Total taxation (note 5a)	<u>34,952</u>	<u>28,918</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 £569,774 (2023: £514,826).

## 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
	£	£
Quarter 1 income distribution	18,297	18,786
Interim income distribution	70,484	49,321
Quarter 3 income distribution	33,117	9,497
Final income distribution	<u>97,997</u>	<u>125,755</u>
	219,895	203,359
Equalisation:		
Amounts deducted on cancellation of shares	701	632
Amounts added on issue of shares	<u>(139)</u>	<u>(1,455)</u>
Total net distributions	<u>220,457</u>	<u>202,536</u>

## Reconciliation between net revenue and distributions:

Net revenue after taxation per Statement of total return	220,475	202,535
Undistributed revenue brought forward	20	21
Undistributed revenue carried forward	<u>(38)</u>	<u>(20)</u>
Distributions	<u>220,457</u>	<u>202,536</u>

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

## Notes to the financial statements (continued)

for the year ended 30 April 2024

7. Debtors	2024	2023
	£	£
Sales awaiting settlement	725,442	-
Currency trades outstanding	719	1,806
Accrued revenue	46,500	70,025
Recoverable overseas withholding tax	5,840	4,725
Recoverable income tax	257	74
Total debtors	<u>778,758</u>	<u>76,630</u>
8. Cash and bank balances	2024	2023
	£	£
Total cash and bank balances	<u>756,482</u>	<u>1,358,816</u>
9. Other creditors	2024	2023
	£	£
Purchases awaiting settlement	721,792	228,723
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	<u>95,549</u>	<u>84,987</u>
Other expenses:		
Depositary fees	-	63
Safe custody fees	551	340
Audit fee	7,800	6,840
FCA fee	19	31
KIID production fee	54	48
Transaction charges	<u>58</u>	<u>16</u>
	8,482	7,338
Total accrued expenses	<u>104,031</u>	<u>92,325</u>
Total other creditors	<u>825,823</u>	<u>321,048</u>

## 10. Commitments and contingent liabilities

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

## 11. Share classes

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

	Income
Opening shares in issue	7,849,864
Total shares issued in the year	49,725
Total shares cancelled in the year	(207,540)
Closing shares in issue	<u>7,692,049</u>

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

## Notes to the financial statements (continued)

for the year ended 30 April 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 sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-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 sub-fund.

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

The Investment Adviser, 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 543.3p to 566.5p as at 31 July 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	6,441,369	3,221	0.05%	-	-	-	-	6,444,590
Closed-Ended Funds	561,438	-	-	2,808	0.50%	-	-	564,246
Bonds*	727,050	-	-	-	-	-	-	727,050
Total	7,729,857	3,221	0.05%	2,808	0.50%	-	-	7,735,886

	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
2023	£	£	%	£	%	£	%	£
Equities	4,285,621	1,757	0.04%	6,161	0.14%	2,356	0.05%	4,295,895

\* No direct transaction costs were incurred in these transactions.

## Notes to the financial statements (continued)

for the year ended 30 April 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	7,293,986	(5,814)	0.08%	(1,109)	0.02%	-	-	7,287,063
Bonds*	747,262	-	-	-	-	-	-	747,262
Collective Investment Schemes*	118,193	-	-	-	-	-	-	118,193
Total	8,159,441	(5,814)	0.08%	(1,109)	0.02%	-	-	8,152,518

	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
2023								
Equities	3,721,621	(1,484)	0.04%	(482)	0.01%	-	-	3,719,655
Collective Investment Schemes*	776,441	-	-	-	-	-	-	776,441
Total	4,498,062	(1,484)	0.04%	(482)	0.01%	-	-	4,496,096

Capital events amount of £nil (2023: £40) 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 sub-fund's average net asset value in the year:

2024	£	% of average net asset value
Commission	9,035	0.02%
Taxes	3,917	0.01%

2023	£	% of average net asset value
Commission	3,241	0.01%
Taxes	6,643	0.02%
Financial transaction tax	2,356	0.01%

## b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.08% (2023: 0.07%).

\* No direct transaction costs were incurred in these transactions.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-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 sub-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 sub-fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The 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 sub-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 sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 30 April 2024, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £2,058,840 (2023: £1,822,685).

## (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 sub-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	7,261,548	230,473	7,492,021
South Korean Won	-	513,607	513,607
Swedish krona	1,007	-	1,007
US dollar	23,050,702	(706,718)	22,343,984
Total foreign currency exposure	30,313,257	37,362	30,350,619

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (continued)

## a Market risk (continued)

## (ii) Currency risk (continued)

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2023	£	£	£
Danish krone	827,890	2,642	830,532
Euro	6,871,731	39,687	6,911,418
Hong Kong dollar	903,536	-	903,536
Japanese yen	804,227	8,571	812,798
South Korean Won	879,033	-	879,033
US dollar	16,319,115	(226,917)	16,092,198
Total foreign currency exposure	26,605,532	(176,017)	26,429,515

At 30 April 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 sub-fund would increase or decrease by approximately £1,517,531 (2023: £1,321,476).

## (iii) Interest rate risk

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

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. In the event of a change in interest rates, there would be no material impact upon the net assets of the sub-fund.

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

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

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

## b Credit risk

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

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

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

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

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (continued)

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

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria, and can make it difficult to establish accurate estimates of fundamental value. The dearth of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-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 sub-fund.

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

All of the financial liabilities are payable on demand.

## d Fair value of financial assets and financial liabilities

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

To ensure this, the fair value pricing committee is a body appointed by the 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 sub-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	38,924,922	-
Observable market data	2,251,872	-
Unobservable data	-	-
	<u>41,176,794</u>	<u>-</u>

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

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (continued)

## d Fair value of financial assets and financial liabilities (continued)

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£	£
Quoted prices	34,562,509	-
Observable market data	1,951,985	-
Unobservable data	-	-
	<u>36,514,494</u>	<u>-</u>

No securities in the portfolio of investments were valued using valuation techniques in 2023.

## e Assets subject to special arrangements arising from their illiquid nature

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

## f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-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 sub-fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

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

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

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

## (i) Counterparties

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

The sub-fund may transact in derivative contracts which potentially exposes the sub-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 30 April 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 30 April 2024

Quarter 1 distribution in pence per share

Group 1 - Shares purchased before 1 May 2023

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

	Net revenue	Equalisation	Total distribution 30 September 2023	Total distribution 30 September 2022
Income				
Group 1	0.232	-	0.232	0.244
Group 2	-	0.232	0.232	0.244

Interim distribution in pence per share

Group 1 - Shares purchased before 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 October 2023

	Net revenue	Equalisation	Total distribution 31 December 2023	Total distribution 31 December 2022
Income				
Group 1	0.899	-	0.899	0.618
Group 2	0.136	0.763	0.899	0.618

Quarter 3 distribution in pence per share

Group 1 - Shares purchased before 1 November 2023

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

	Net revenue	Equalisation	Total distribution 31 March 2024	Total distribution 31 March 2023
Income				
Group 1	0.426	-	0.426	0.120
Group 2	-	0.426	0.426	0.120

Final distribution in pence per share

Group 1 - Shares purchased before 1 February 2024

Group 2 - Shares purchased 1 February 2024 to 30 April 2024

	Net revenue	Equalisation	Total distribution 30 June 2024	Total distribution 30 June 2023
Income				
Group 1	1.274	-	1.274	1.602
Group 2	0.776	0.498	1.274	1.602

## 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.

## Hornbeam Fund

## Investment Adviser's report

## Investment objective and policy

The investment objective of the sub-fund is to provide long term capital and income growth through investment primarily in securities anywhere in the world. Investment may also be made in units or shares of collective investment schemes, warrants, deposits and money market instruments to the extent allowed by the rules of the Financial Conduct Authority.

## Investment performance\*

Over the twelve month period to 30 April 2024, the sub-fund returned +7.3% versus +10.98% for the composite benchmark made up of 69% MSCI United Kingdom Investable Market Index ('IMI'), 29% MSCI All Countries World Index ('ACWI') ex United Kingdom and 2% Sterling Overnight Index Average ('SONIA'), which is the sub-fund's comparator benchmark.

## Investment activities\*

At the start of the period, interest rate markets were wagering on the Bank of England beginning to cut interest rates at their November 2023 meeting. As we write, the base rate in the UK remains unchanged at 5.25% whilst headline Consumer Price Index ('CPI') in the UK had fallen from 8.7% to 3.2% over that same period. Furthermore, the UK economy entered and subsequently exited a technical recession in quarter 4 of 2023 and quarter 1 of 2024.

Despite this testing economic and monetary backdrop, equity markets in the UK and indeed all other major developed markets delivered strong returns for shareholders, driven by resilient earnings growth and in the US, a momentous rally in the large technology companies (ie. 'The Magnificent Seven').

During the period, we reduced our exposure to UK equities from circa 69% to circa 58%. This was in part driven by a reduction in exposure to small and mid-cap shares, which we view to be vulnerable in the face of two consecutive years of National Living Wage increases, high corporate taxes and a tight labour market.

We maintained our exposure to REITs and Property shares at circa 9-10% throughout the period, with the sector staging a recovery from the end of 2023, as the market began to price in 'peak' interest rates, thus providing a tailwind to the valuation of the REITs, but also potentially providing a much-needed ceiling to their cost of borrowing.

The twelve month period saw a recovery in corporate activity, following a quiet 2022. In the sub-fund, Wincanton was subject to a competitive bidding process, ending with the takeover by US logistics player GXO, at a c100% premium to the undisturbed share price. Dechra Pharmaceuticals was taken private by EQT. Long-term holdings in the sub-fund, DS Smith and Anglo American were both also subject to offers from strategic acquirers, whilst the Irish aggregates business CRH moved its primary listing to New York and shareholders were rewarded with a 65.6% return during the period.

One of the priorities for the sub-fund continues to be the search for high quality dividend-paying stocks, that can grow earnings, cash flows and shareholder returns above inflation through the cycle. As part of this, amongst others, we purchased new holdings in Deere, TJX and Williams in the US. We also saw one of the sub-fund's largest holdings, Alphabet 'A' the parent company of Google, announce its maiden dividend.

In Europe we added new positions in Airbus, Danone, ASML Holding and UBS Group. In the UK, we added Glencore, Man Group and Capital.

During the period, we exited positions in Newmont, Genus, Ceres Power Holding, Merck, Grafton Group, Pantheon Infrastructure, Prudential, Mobico (formerly National Express Group), NatWest Group and Cummins.

\* Source: Evelyn Partners Fund Solutions Limited and Morningstar Direct, 2024. Cumulative return based on the sub-fund's mid price at 10pm as at 30 April 2024.

## Investment Adviser's report (continued)

### Investment strategy and outlook

As ever, we seek to invest in market leading companies, across the market capitalisation range, with reliable earnings growth and healthy dividend progression. These dividends should be well covered by earnings and supported by strong balance sheets. Furthermore, these businesses tend to operate in industries with high barriers to entry and favourable market structures, often resulting in high operating margins through the cycle. Over the past three years, Hornbeam Fund has delivered annualised dividend growth of 15.8% per annum and at the time of writing, the gross dividend yield is circa 3.5%.

Whilst the rise in bond yields since the beginning of 2022 has provided the sub-fund with a healthy return on its cash and UK government securities (Gilts and T-Bills), at the time of writing we are circa 98% invested in equities. Upcoming elections in the US and the UK provide potential for uncertainty and volatility in the months ahead. However, with recession fears in the US, Europe and the UK largely alleviated and the likely direction of interest rates over the next year being lower, we remain confident in the outlook for equity markets and are already beginning to see a 'broadening out' of returns across different geographies and sectors, which should benefit a sub-fund with diversified exposures such as Hornbeam.

Evelyn Partners Investment Management LLP

9 May 2024

## Summary of portfolio changes

for the year ended 30 April 2024

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

	Cost £
Purchases:	
Williams	588,061
UK Treasury Gilt 0% 04/09/2023	498,287
UK Treasury Gilt 0% 31/07/2023	497,750
TJX	471,247
Invesco Asia Trust	432,053
Great Portland Estates	401,206
UK Treasury Gilt 2% 07/09/2025	400,081
Smurfit Kappa Group	396,909
Danone	392,427
UBS Group	384,745
ASML Holding	347,659
Experian	304,997
Greencoat UK Wind	302,132
Tesco	301,113
Chevron	285,274
Man Group	251,395
Balfour Beatty	251,080
Segro	249,354
Deere	235,537
McDonald's	226,690

	Proceeds £
Sales:	
SDCL Energy Efficiency Income Trust	563,677
UK Treasury Gilt 0% 04/09/2023	500,000
UK Treasury Gilt 0% 31/07/2023	499,591
Prudential	480,064
Barclays	403,458
Wincanton	399,804
Breedon Group	343,729
NatWest Group	343,270
Entain	329,497
Wheaton Precious Metals	327,373
Tesco	311,783
Ceres Power Holdings	263,898
BT Group	263,612
Cummins	254,002
Newmont	250,890
DS Smith	250,397
Phoenix Group Holdings	248,155
Pantheon Infrastructure	239,507
Persimmon	229,602
A.G. Barr	227,054

Portfolio statement  
as at 30 April 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Debt Securities* 0.84% (0.00%)			
Aa3 to A1 0.84% (0.00%)			
UK Treasury Gilt 2% 07/09/2025	£419,214	404,164	0.84
Equities 95.00% (94.41%)			
Equities - United Kingdom 56.13% (63.09%)			
Equities - incorporated in the United Kingdom 49.87% (57.27%)			
Energy 4.36% (4.13%)			
BP	123,973	645,156	1.34
Energiean	41,782	460,855	0.95
Shell	34,848	997,698	2.07
		2,103,709	4.36
Materials 3.70% (4.67%)			
Anglo American	25,000	658,500	1.36
DS Smith	117,433	411,485	0.85
Rio Tinto	13,124	717,883	1.49
		1,787,868	3.70
Industrials 14.88% (15.54%)			
Ashtead Group	10,138	592,262	1.23
BAE Systems	75,660	1,008,548	2.09
Balfour Beatty	65,928	239,846	0.50
Begbies Traynor Group	441,000	476,280	0.99
Chemring Group	144,742	542,783	1.12
De La Rue	101,750	95,645	0.20
Diploma	27,476	996,829	2.07
Electrocomponents	43,500	320,595	0.67
Genuit Group	130,697	570,492	1.18
Melrose Industries	82,368	520,401	1.07
RELX	25,107	829,284	1.71
Rotork	174,000	561,324	1.16
Spirax-Sarco Engineering	4,834	427,326	0.89
		7,181,615	14.88
Consumer Discretionary 2.70% (4.76%)			
Games Workshop Group	5,829	577,071	1.20
Greggs	15,233	414,947	0.86
Whitbread	9,681	306,500	0.64
		1,298,518	2.70
Consumer Staples 2.45% (2.83%)			
Diageo	23,081	640,498	1.33
Fevertree Drinks	19,000	215,270	0.44
Reckitt Benckiser Group	7,338	327,788	0.68
		1,183,556	2.45

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

Portfolio statement (continued)  
as at 30 April 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - United Kingdom (continued)			
Equities - incorporated in the United Kingdom (continued)			
Health Care 3.09% (4.58%)			
AstraZeneca	3,900	470,340	0.98
GlaxoSmithKline	43,850	733,391	1.52
Smith & Nephew	29,257	286,426	0.59
		<u>1,490,157</u>	<u>3.09</u>
Financials 3.72% (7.37%)			
Admiral Group	12,111	330,388	0.68
Legal & General Group	396,789	936,422	1.94
Polar Capital Holdings	97,702	528,568	1.10
		<u>1,795,378</u>	<u>3.72</u>
Information Technology 1.50% (1.55%)			
Computacenter	10,277	265,352	0.55
Halma	20,807	459,211	0.95
		<u>724,563</u>	<u>1.50</u>
Communication Services 0.00% (0.62%)		-	-
Utilities 5.38% (6.44%)			
National Grid	59,000	618,025	1.28
Severn Trent	26,660	657,702	1.36
SSE	55,997	933,190	1.93
United Utilities Group	37,467	391,156	0.81
		<u>2,600,073</u>	<u>5.38</u>
Real Estate 8.09% (4.78%)			
Empiric Student Property	424,041	383,757	0.80
Great Portland Estates	92,571	362,878	0.75
LondonMetric Property	380,705	748,085	1.55
Primary Health Properties	396,853	363,716	0.75
Segro	88,428	749,870	1.55
Supermarket Income REIT	341,211	246,355	0.51
Tritax Big Box REIT	302,816	458,766	0.95
Tritax EuroBox	547,673	302,863	0.63
Workspace Group	57,844	287,774	0.60
		<u>3,904,064</u>	<u>8.09</u>
Total equities - incorporated in the United Kingdom		<u>24,069,501</u>	<u>49.87</u>

## Portfolio statement (continued)

as at 30 April 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - United Kingdom (continued)			
Equities - incorporated outwith the United Kingdom 6.26% (5.82%)			
Materials 1.52% (1.71%)			
Capital	403,170	405,186	0.84
Glencore	70,270	328,618	0.68
		<u>733,804</u>	<u>1.52</u>
Industrials 1.08% (0.00%)			
Experian	12,071	391,583	0.81
Yellow Cake	20,270	130,438	0.27
		<u>522,021</u>	<u>1.08</u>
Consumer Discretionary 0.00% (1.24%)		-	-
Financials 3.46% (2.87%)			
Conduit Holdings	184,928	926,489	1.92
Hiscox	36,917	454,079	0.94
Man Group	112,966	290,774	0.60
		<u>1,671,342</u>	<u>3.46</u>
Real Estate 0.20% (0.00%)			
Regional REIT	429,000	96,096	0.20
		<u>3,023,263</u>	<u>6.26</u>
Total equities - incorporated outwith the United Kingdom			
		<u>27,092,764</u>	<u>56.13</u>
Total equities - United Kingdom			
Equities - Europe 18.52% (15.02%)			
Equities - France 2.14% (1.00%)			
Danone	7,899	395,658	0.82
TotalEnergies	10,891	637,874	1.32
Total equities - France		<u>1,033,532</u>	<u>2.14</u>
Equities - Germany 1.01% (1.33%)			
RWE	17,570	489,547	1.01
Equities - Ireland 7.05% (5.81%)			
Accenture	2,618	628,976	1.30
CRH	10,000	623,600	1.29
DCC	9,605	526,354	1.09
Linde	2,749	968,054	2.02
Smurfit Kappa Group	18,733	653,407	1.35
Total equities - Ireland		<u>3,400,391</u>	<u>7.05</u>
Equities - Italy 1.71% (1.32%)			
Prysmian	19,045	825,484	1.71



Portfolio statement (continued)  
as at 30 April 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - Europe (continued)			
Equities - Netherlands 1.12% (0.00%)			
Airbus	1,544	203,933	0.42
ASML Holding	475	337,704	0.70
Total equities - Netherlands		541,637	1.12
Equities - Spain 0.88% (0.92%)			
Iberdrola	43,040	422,829	0.88
Equities - Switzerland 4.61% (4.64%)			
Nestlé	7,340	589,297	1.22
Novartis	12,192	945,400	1.96
Roche Holding	1,450	278,535	0.58
UBS Group	19,379	409,551	0.85
Total equities - Switzerland		2,222,783	4.61
Total equities - Europe		8,936,203	18.52
Equities - North America 20.35% (16.30%)			
Equities - Canada 0.00% (0.70%)		-	-
Equities - United States 20.35% (15.60%)			
Alphabet 'A'	6,260	813,503	1.69
Caterpillar	1,950	521,033	1.08
Chevron	5,854	754,010	1.56
Citigroup	9,456	463,152	0.96
Coca-Cola	14,847	732,182	1.52
Deere	824	257,364	0.53
Honeywell International	3,878	596,868	1.24
Johnson & Johnson	6,071	701,087	1.45
JPMorgan Chase	5,085	778,537	1.61
Mastercard	2,050	738,370	1.53
McDonald's	3,327	725,263	1.50
Merck	6,432	663,105	1.37
Microsoft	2,931	911,029	1.89
TJX	6,789	509,981	1.06
Williams	21,397	655,162	1.36
Total equities - United States		9,820,646	20.35
Total equities - North America		9,820,646	20.35
Total equities		45,849,613	95.00

## Portfolio statement (continued)

as at 30 April 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Closed-Ended Funds 2.74% (5.55%)			
Closed-Ended Funds - incorporated in the United Kingdom 2.32% (5.55%)			
Greencoat UK Wind	209,497	293,086	0.60
Invesco Asia Trust	133,097	413,932	0.86
TR Property Investment Trust	132,872	414,561	0.86
Total closed-ended funds - incorporated in the United Kingdom		<u>1,121,579</u>	<u>2.32</u>
Closed-Ended Funds - Overseas 0.42% (0.00%)			
BBGI SICAV	151,000	<u>201,434</u>	<u>0.42</u>
Total closed-ended funds		<u>1,323,013</u>	<u>2.74</u>
Portfolio of investments		47,576,790	98.58
Other net assets		683,380	1.42
Total net assets		<u>48,260,170</u>	<u>100.00</u>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.

The comparative figures in brackets are as at 30 April 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 sub-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 sub-fund. The shaded area in the table below shows the sub-fund's ranking on the risk and reward indicator.

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

The sub-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 sub-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 29 January 2024.

## Comparative table

The following disclosures give a shareholder an indication of the performance of a share in the sub-fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the sub-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	3,815.35	3,940.85	3,838.89
Return before operating charges	293.06	2.31	215.21
Operating charges	(21.14)	(23.79)	(27.64)
Return after operating charges *	271.92	(21.48)	187.57
Distributions <sup>^</sup>	(107.63)	(104.02)	(85.61)
Closing net asset value per share	3,979.64	3,815.35	3,940.85
 * after direct transaction costs of:	 1.98	 1.82	 2.32
Performance			
Return after charges	7.13%	(0.55%)	4.89%
Other information			
Closing net asset value (£)	48,260,170	46,375,101	47,900,478
Closing number of shares	1,212,677	1,215,486	1,215,486
Operating charges <sup>^^</sup>	0.56%	0.64%	0.69%
Direct transaction costs	0.05%	0.05%	0.06%
Published prices			
Highest share price	4,053	3,921	4,205
Lowest share price	3,552	3,451	3,813

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

<sup>^</sup> Rounded to 2 decimal places.

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

The OCF includes expenses incurred by underlying holdings of collective investment schemes and closed ended vehicles such as investment trusts in relation to the sub-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 - Hornbeam Fund

Statement of total return  
for the year ended 30 April 2024

	Notes	2024		2023	
		£	£	£	£
Income:					
Net capital gains / (losses)	2		1,984,037		(1,525,376)
Revenue	3	1,618,687		1,558,622	
Expenses	4	<u>(254,380)</u>		<u>(251,228)</u>	
Net revenue before taxation		1,364,307		1,307,394	
Taxation	5	<u>(57,571)</u>		<u>(43,107)</u>	
Net revenue after taxation			<u>1,306,736</u>		<u>1,264,287</u>
Total return before distributions			3,290,773		(261,089)
Distributions	6		(1,306,736)		(1,264,288)
Change in net assets attributable to shareholders from investment activities			<u>1,984,037</u>		<u>(1,525,377)</u>

Statement of change in net assets attributable to shareholders  
for the year ended 30 April 2024

	2024	2023
	£	£
Opening net assets attributable to shareholders	46,375,101	47,900,478
Amounts payable on cancellation of shares	(98,968)	-
Change in net assets attributable to shareholders from investment activities	1,984,037	(1,525,377)
Closing net assets attributable to shareholders	<u>48,260,170</u>	<u>46,375,101</u>

Balance sheet  
as at 30 April 2024

	Notes	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		47,576,790	46,360,529
Current assets:			
Debtors	7	576,485	262,196
Cash and bank balances	8	539,541	232,492
Total assets		<u>48,692,816</u>	<u>46,855,217</u>
Liabilities:			
Creditors:			
Distribution payable		(423,952)	(471,414)
Other creditors	9	(8,694)	(8,702)
Total liabilities		<u>(432,646)</u>	<u>(480,116)</u>
Net assets attributable to shareholders		<u>48,260,170</u>	<u>46,375,101</u>

## Notes to the financial statements

for the year ended 30 April 2024

### 1. Accounting policies

The accounting policies are disclosed on pages 25 to 27.

2. Net capital gains / (losses)	2024	2023
	£	£
Non-derivative securities - realised gains	1,091,822	793,851
Non-derivative securities - movement in unrealised gains / (losses)	903,908	(2,297,107)
Currency losses	(8,255)	(35,272)
Forward currency contracts (losses) / gains	(1,774)	3,902
Capital special dividend	-	11,021
Compensation	60	4
Transaction charges	(1,724)	(1,775)
Total net capital gains / (losses)	<u>1,984,037</u>	<u>(1,525,376)</u>
3. Revenue	2024	2023
	£	£
UK revenue	902,252	1,054,123
Unfranked revenue	179,015	91,480
Overseas revenue	470,811	370,791
Interest on debt securities	12,630	2,496
Bank and deposit interest	36,887	24,124
Stock dividends	17,092	15,608
Total revenue	<u>1,618,687</u>	<u>1,558,622</u>
4. Expenses	2024	2023
	£	£
Payable to the ACD and associates		
Annual management charge*	<u>229,736</u>	<u>227,794</u>
Payable to the Depositary		
Depositary fees	<u>15,163</u>	<u>15,034</u>
Other expenses:		
Audit fee	7,800	6,840
Safe custody fees	970	976
Bank interest	185	1
FCA fee	284	438
KIID production fee	242	145
	<u>9,481</u>	<u>8,400</u>
Total expenses	<u>254,380</u>	<u>251,228</u>
5. Taxation	2024	2023
	£	£
a. Analysis of the tax charge for the year		
Overseas tax withheld	<u>57,571</u>	<u>43,107</u>
Total taxation (note 5b)	<u>57,571</u>	<u>43,107</u>

\* For the year ended 30 April 2024, the annual management charge is 0.50% and includes the ACD's periodic charge and the Investment Adviser's fee.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 5. Taxation (continued)

*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>1,364,307</u>	<u>1,307,394</u>
Corporation tax @ 20%	272,861	261,479
Effects of:		
UK revenue	(183,869)	(210,825)
Overseas revenue	(94,162)	(77,280)
Overseas tax withheld	57,571	43,107
Excess management expenses	5,170	26,626
Total taxation (note 5a)	<u>57,571</u>	<u>43,107</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 £278,299 (2023: £276,129).

## 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
	£	£
Quarter 1 income distribution	302,802	260,102
Interim income distribution	348,911	323,745
Quarter 3 income distribution	230,263	209,027
Final income distribution	<u>423,952</u>	<u>471,414</u>
	1,305,928	1,264,288
Equalisation:		
Amounts deducted on cancellation of shares	808	-
Total net distributions	<u>1,306,736</u>	<u>1,264,288</u>

## Reconciliation between net revenue and distributions:

Net revenue after taxation per Statement of total return	1,306,736	1,264,287
Undistributed revenue brought forward	7	8
Undistributed revenue carried forward	<u>(7)</u>	<u>(7)</u>
Distributions	<u>1,306,736</u>	<u>1,264,288</u>

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

## 7. Debtors

	2024	2023
	£	£
Sales awaiting settlement	346,387	-
Accrued revenue	220,693	244,703
Recoverable overseas withholding tax	<u>9,405</u>	<u>17,493</u>
Total debtors	<u>576,485</u>	<u>262,196</u>



## Notes to the financial statements (continued)

for the year ended 30 April 2024

8. Cash and bank balances	2024	2023
	£	£
Total cash and bank balances	<u>539,541</u>	<u>232,492</u>
9. Other creditors	2024	2023
	£	£
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	<u>-</u>	<u>1,284</u>
Other expenses:		
Depository fees	-	85
Safe custody fees	561	342
Audit fee	7,800	6,840
FCA fee	24	31
KIID production fee	76	48
Transaction charges	<u>233</u>	<u>72</u>
	<u>8,694</u>	<u>7,418</u>
Total other creditors	<u>8,694</u>	<u>8,702</u>

## 10. Commitments and contingent liabilities

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

## 11. Share classes

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

	Income
Opening shares in issue	1,215,486
Total shares cancelled in the year	<u>(2,809)</u>
Closing shares in issue	<u>1,212,677</u>

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

## 12. Related party transactions

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

The ACD acts as principal in respect of all transactions of shares in the sub-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 sub-fund.

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

The Investment Adviser, 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 3,980p to 4,137p as at 31 July 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.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 14. Transaction costs (continued)

## a Direct transaction costs (continued)

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	7,912,500	2,310	0.03%	15,883	0.20%	1,140	0.01%	7,931,833
Closed-Ended Funds	1,131,760	-	-	3,659	0.32%	-	-	1,135,419
Bonds*	1,396,118	-	-	-	-	-	-	1,396,118
Total	10,440,378	2,310	0.03%	19,542	0.52%	1,140	0.01%	10,463,370
	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
2023								
Equities	6,333,313	1,460	0.02%	16,652	0.26%	425	0.01%	6,351,850
Closed-Ended Funds	678,456	-	-	2,653	0.39%	-	-	681,109
Bonds*	497,383	-	-	-	-	-	-	497,383
Total	7,509,152	1,460	0.02%	19,305	0.65%	425	0.01%	7,530,342

Capital events amount of £17,092 (2023: £52,162) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
2024								
Equities	8,466,522	(1,043)	0.01%	(40)	0.00%	-	-	8,465,439
Closed-Ended Funds	993,843	-	-	(10)	0.00%	-	-	993,833
Bonds*	999,591	-	-	-	-	-	-	999,591
Total	10,459,956	(1,043)	0.01%	(50)	0.00%	-	-	10,458,863
	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
2023								
Equities	5,371,914	(913)	0.02%	(16)	0.00%	-	-	5,370,985
Closed-Ended Funds	786,029	-	-	(1)	0.00%	-	-	786,028
Bonds*	499,878	-	-	-	-	-	-	499,878
Total	6,657,821	(913)	0.02%	(17)	0.00%	-	-	6,656,891

Capital events amount of £809,565 (2023: £689,990) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

\* No direct transaction costs were incurred in these transactions.

## Notes to the financial statements (continued)

for the year ended 30 April 2024

### 14. Transaction costs (continued)

#### a Direct transaction costs (continued)

Summary of direct transaction costs

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

2024	£	% of average net asset value
Commission	3,353	0.01%
Taxes	19,592	0.04%
Financial transaction tax	1,140	0.00%
2023	£	% of average net asset value
Commission	2,373	0.01%
Taxes	19,322	0.04%
Financial transaction tax	425	0.00%

#### 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 0.15% (2023: 0.14%).

### 15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-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 sub-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 sub-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 which are exposed to this risk are equities and closed-ended funds which are disclosed in the Portfolio statement.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the sub-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 sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 30 April 2024, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £2,358,631 (2023: £2,318,026).

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (continued)

## a Market risk (continued)

## (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 sub-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	4,281,083	20,357	4,301,440
Swiss franc	2,222,783	-	2,222,783
US dollar	10,449,622	51,222	10,500,844
Total foreign currency exposure	16,953,488	71,579	17,025,067
	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2023	£	£	£
Canadian dollar	325,851	-	325,851
Euro	3,067,895	19,614	3,087,509
Swedish krona	-	376	376
Swiss franc	2,152,439	-	2,152,439
US dollar	7,817,595	15,693	7,833,288
Total foreign currency exposure	13,363,780	35,683	13,399,463

At 30 April 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 sub-fund would increase or decrease by approximately £851,253 (2023: £669,973).

## (iii) Interest rate risk

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

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

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

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

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

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (continued)

## 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 sub-fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the sub-fund. The sub-fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

The sub-fund holds cash and cash deposits with financial institutions which potentially exposes the sub-fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the sub-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 sub-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 sub-fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the sub-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 sub-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 sub-fund.

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

All of the financial liabilities are payable on demand.

## d Fair value of financial assets and financial liabilities

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

To ensure this, the fair value pricing committee is a body appointed by the 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 sub-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	47,576,790	-
Observable market data	-	-
Unobservable data	-	-
	<u>47,576,790</u>	<u>-</u>

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

## Notes to the financial statements (continued)

for the year ended 30 April 2024

## 15. Risk management policies (continued)

## d Fair value of financial assets and financial liabilities (continued)

	Investment assets	Investment liabilities
	2023	2023
	£	£
Basis of valuation		
Quoted prices	46,360,529	-
Observable market data	-	-
Unobservable data	-	-
	<u>46,360,529</u>	<u>-</u>

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

## e Assets subject to special arrangements arising from their illiquid nature

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

## f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-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 sub-fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

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

## (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 sub-fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the sub-fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The sub-fund may transact in derivative contracts which potentially exposes the sub-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.

## Notes to the financial statements (continued)

*for the year ended 30 April 2024*

### 15. Risk management policies (continued)

#### f Derivatives (continued)

##### (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.

##### (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 30 April 2024

Quarter 1 distribution in pence per share

Group 1 - Shares purchased before 1 May 2023

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

	Net revenue	Equalisation	Total distribution 30 September 2023	Total distribution 30 September 2022
Income				
Group 1	24.912	-	24.912	21.399
Group 2	24.912	-	24.912	21.399

Interim distribution in pence per share

Group 1 - Shares purchased before 1 August 2023

Group 2 - Shares purchased 1 August 2023 to 31 October 2023

	Net revenue	Equalisation	Total distribution 31 December 2023	Total distribution 31 December 2022
Income				
Group 1	28.772	-	28.772	26.635
Group 2	28.772	-	28.772	26.635

Quarter 3 distribution in pence per share

Group 1 - Shares purchased before 1 November 2023

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

	Net revenue	Equalisation	Total distribution 31 March 2024	Total distribution 31 March 2023
Income				
Group 1	18.988	-	18.988	17.197
Group 2	18.988	-	18.988	17.197

Final distribution in pence per share

Group 1 - Shares purchased before 1 February 2024

Group 2 - Shares purchased 1 February 2024 to 30 April 2024

	Net revenue	Equalisation	Total distribution 30 June 2024	Total distribution 30 June 2023
Income				
Group 1	34.960	-	34.960	38.784
Group 2	34.960	-	34.960	38.784



## Remuneration

### Remuneration code disclosure

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

### Remuneration committee

The remuneration committee report contained in the Group Report and Financial Statements for the year ended 31 December 2023 includes details on the remuneration policy. The remuneration committee comprises five non-executive directors<sup>1</sup> 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.

<sup>1</sup> 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 Advisers

#### In respect of Alder Investment Fund

The ACD has appointed Evelyn Partners Investment Management LLP, Sarasin & Partners LLP and James Hambro & Partners LLP to provide investment management and related advisory services to the ACD. The Investment Advisers are paid a monthly fee out of the scheme property of the sub-fund which is calculated on the total value of the portfolio of investments at the month end, excluding any holdings within the portfolio managed by the Investment Advisers. During the year only Sarasin & Partners LLP had in-house holdings within the portfolio of investments. The Investment Advisers are compliant with the Capital Requirements Directive regarding remuneration and their staff are covered by remuneration regulatory requirements.

#### In respect of Alder Investment Fund from 1 November 2023

In addition to the above, the ACD has appointed Meridiem Investment Management Limited (formerly Veritas Investment Partners (UK) Limited) to provide investment management and related advisory services to the ACD. The Investment Adviser is paid a monthly fee out of the scheme property of the sub-fund which is calculated on the total value of the portfolio of investments at the month end. The Investment Adviser is compliant with the Capital Requirements Directive regarding remuneration and their staff are covered by remuneration regulatory requirements.

#### In respect of Bromfield Investment Fund, Global Opportunities Fund and Hornbeam Fund

The ACD delegates the management of the Company's portfolio of assets to Evelyn Partners Investment Management LLP and pays to Evelyn Partners Investment Management LLP, out of the annual management charge, a monthly fee calculated on the total value of the portfolio of investments at the month end. The Investment Adviser is 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 quarterly on 30 June (final), 30 September (quarter 1), 31 December (interim) and 31 March (quarter 3) for all sub-funds. In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 May	final
	1 August	quarter 1
	1 November	interim
	1 February	quarter 3
Reporting dates:	30 April	annual
	31 October	interim

### Buying and selling shares

The property of the sub-funds will be valued twice a month, on the 15th day and the last business day of each month except where the 15th day is not a business day when it shall be the next business day thereafter, at 10pm, and prices of shares are calculated as at that time and 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. 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 sub-funds are published on the following website: [www.trustnet.com](http://www.trustnet.com) or may be obtained by calling 0141 222 1151.

### Benchmark

#### *Alder Investment Fund*

Shareholders may compare the performance of the sub-fund against UK Consumer Price Index +4%. The ACD has selected this comparator benchmark as it reflects the absolute returns above inflation.

Shareholders may also compare the performance of the sub-fund against the IA Mixed Investment 40-85% Shares sector. Comparison of the sub-fund's performance against this benchmark will give shareholders an indication of how the Company is performing against other similar funds in this peer group sector. The ACD has selected this comparator benchmark as the ACD believes it best reflects the asset allocation of the sub-fund.

#### *Bromfield Investment Fund*

Shareholders may compare the performance of the sub-fund against UK Consumer Price Index +3%. The ACD has selected this comparator benchmark as it reflects the absolute returns above inflation.

#### *Global Opportunities Fund*

Shareholders may compare the performance of the sub-fund against UK Consumer Price Index +3%. The ACD has selected this comparator benchmark as it reflects the absolute returns above inflation.

#### *Hornbeam Fund to 21 March 2024*

Shareholders may compare the performance of the sub-fund against MSCI United Kingdom Investable Market Index ('IMI') and MSCI All Countries World Index ('ACWI') ex United Kingdom. The ACD has selected these comparator benchmarks as it believes these benchmarks best reflect the sub-fund asset allocation.

#### *Hornbeam Fund from 22 March 2024*

Shareholders may compare the performance of the sub-fund against the composite benchmark made up of 69% MSCI UK IMI, 29% MSCI ACWI ex UK and 2% Sterling Overnight Index Average ('SONIA'). The ACD has selected these comparator benchmarks as it believes these benchmarks best reflect the sub-fund asset allocation.

The benchmarks are not targets for the sub-funds, nor are the sub-funds constrained by the benchmarks.

## Appointments

### ACD and Registered office

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

### Administrator and Registrar

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

### Directors of the ACD

Andrew Baddeley  
Brian McLean  
Mayank Prakash  
Neil Coxhead

### Independent Non-Executive Directors of the ACD

Dean Buckley  
Linda Robinson  
Victoria Muir  
Sally Macdonald

### Non-Executive Directors of the ACD

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

### Investment Advisers

*In respect of all sub-funds*  
Evelyn Partners Investment Management LLP  
45 Gresham Street  
London EC2V 7BG  
Authorised and regulated by the Financial Conduct Authority

### *In respect of Alder Investment Fund*

Sarasin & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London EC4M 8BU  
Authorised and regulated by the Financial Conduct Authority

### James Hambro & Partners LLP

45 Pall Mall  
London SW1Y 5JG  
Authorised and regulated by the Financial Conduct Authority

From 1 November 2023

Meridiem Investment Management Limited (formerly Veritas Investment Partners (UK) Limited)  
Riverside House  
2a Southwark Bridge Road  
London SE1 9HA  
Authorised and regulated by the Financial Conduct Authority

## Appointments (continued)

### 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