

Bute Fund

Annual Report

for the year ended 31 August 2025

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Bute Fund

Report of the Authorised Corporate Director ('ACD')

Tutman Fund Solutions Limited ('TFSL') (previously Evelyn Partners Fund Solutions Limited), as ACD, presents herewith the Annual Report for Bute Fund for the year ended 31 August 2025.

Bute Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 28 June 2019. The Company is incorporated under registration number IC013601. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

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

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

On account of a cybercrime issue with our third party vendor Linedata, TFSL lost connectivity to the core accounting platform ICON (used for the production of daily net asset values) on 11 August 2025. A period of investor dealing suspension was agreed at this point to facilitate the robust testing of a contingency NAV production model which was subsequently implemented on 21 August 2025. This was used to support daily pricing and associated investor dealing until full connectivity to ICON was restored on 25 September 2025.

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

The Company has no Directors other than the ACD.

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

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

Investment objective and policy

The objective of the Company is to achieve capital growth over the long term (5 years plus).

The Company will seek to achieve the investment objective through investment in a portfolio of assets, both in the UK and in some or all world markets, with a bias on investing in equities (which may be directly or indirectly held via collective investment schemes). Investment may also be made in other asset classes including other types of transferable securities, units of collective investment schemes with multi asset (which may include derivatives) exposure, warrants, deposits, cash and near cash and money market instruments. The Company may also gain exposure to asset types such as private equity, property and commodities indirectly through exchange-traded funds, closed-ended funds and collective investment schemes.

The proportion of the property of the Company which may be held in the different permitted asset classes, including cash and near cash, may vary from time-to-time at the Investment Manager's discretion subject to the limitations on investment set out in the FCA Regulations, however, there will always be a bias towards equities.

The collective investment schemes in which the Company is invested may include other collective investment schemes operated by the ACD.

It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management. However, if the Company were to consider using derivatives and forward transactions for investment purposes then a 60 day notice would have to be issued to shareholders. The use of derivatives for investment purposes may alter the risk profile of the Company.

Report of the Authorised Corporate Director (continued)

Changes affecting the Company in the year

On 30 June 2025, Thesis Holdings Limited bought Evelyn Partners Fund Solutions Limited. Following the completion of the acquisition of Evelyn Partners Fund Solutions Limited, the company has been renamed to Tutman Fund Solutions Limited.

Further information in relation to the Company is illustrated on page 35.

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, Tutman Fund Solutions Limited.

Jenny Shanley
Director
Tutman Fund Solutions Limited
9 December 2025

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 previously published within the Annual Report, this assessment can now be found on the ACD's website at:

<https://www.tutman.co.uk/literature/>

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

Report of the Depositary to the shareholders of Bute Fund

Depositary's responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the 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
9 December 2025

Independent Auditor's report to the shareholders of Bute Fund

Opinion

We have audited the financial statements of Bute Fund (the 'Company') for the year ended 31 August 2025, which comprise the Statement of total return, Statement of change in net assets attributable to shareholders, Balance sheet, the related Notes to the financial statements, including significant accounting policies and the Distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Company as at 31 August 2025 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 Bute Fund (continued)

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's responsibilities set out on page 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.

Independent Auditor's report to the shareholders of Bute Fund (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)

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.

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
9 December 2025

Accounting policies of Bute Fund

for the year ended 31 August 2025

a Basis of accounting

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

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

b Valuation of investments

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

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

The quoted investments of the Fund have been valued at the global closing bid-market prices ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year.

Collective investment schemes are valued at the bid price for dual priced funds and at the single price for single priced funds and are valued at their most recent published price prior to the close of business valuation on 31 August 2025.

Structured products are valued at fair value and calculated by an independent source. Structured product holdings in the portfolio statement are valued using valuation models where the inputs are unobservable. The ACD engages a third party to provide valuations for these investments.

c Foreign exchange

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

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

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

d Revenue

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

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

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

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

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

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

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

Accounting policies of Bute Fund (continued)

for the year ended 31 August 2025

d Revenue (continued)

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.

e Expenses

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

Bank interest paid is charged to revenue on a cash basis.

f Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 31 August 2025 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

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

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

g Efficient Portfolio Management

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

h Dilution levy

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

i Distribution policies

i Basis of distribution

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

ii Unclaimed distributions

Distributions to shareholders outstanding after 6 years are taken to the capital property of the Fund.

iii Revenue

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

Accounting policies of Bute Fund (continued)

for the year ended 31 August 2025

i Distribution policies (continued)

iv Expenses

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

v Equalisation

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

Investment Manager's report

Investment performance

During the 12-month period to 31 August 2025, Bute Fund delivered an absolute return of +8.95%*, broadly in line with its comparative benchmark, the Flexible Investment IA Sector, which returned +9.05%**.

Strategic asset allocation continued to add value, with the Fund's positioning holding up well year-to-date. Performance was supported by three key regional exposures that directly aligned with our selected investment products.

Europe, accessed through iShares Europe ex-UK Index Fund, was a notable contributor. This allocation benefited from domestically focused rallies, improved sentiment following fiscal support measures, and resilient corporate earnings across the region.

The UK exposure, implemented via iShares Core FTSE 100 UCITS ETF, also added value. Performance was supported by strength in large-cap, internationally diversified companies and improving confidence in the domestic economic outlook.

Emerging Markets, held through Goldman Sachs Emerging Markets Enhanced Index Sustainable Equity and iShares MSCI EM ESG Enhanced UCITS ETF, provided further support. These positions outperformed developed markets, driven by a weaker US dollar, solid underlying growth fundamentals, and renewed momentum in China.

Collectively, these exposures helped to offset weaker contributions from the portfolio's US-focused holdings. Tactical asset allocation has now stabilised following a more challenging start to the year.

Instrument selection, however, detracted from returns, with negative year to date contribution from the Fund's direct equity line module. Beginning of the year proved highly volatile for developed markets, as the S&P 500 Index recorded its sharpest quarterly decline since 2022 amid rising US recession risks following the announcement of new import tariffs by Trump.

The direct equity line module, with a 71% weighting to the US at quarter-end, was particularly affected. Losses were concentrated in overweight positions in growth sectors such as technology and weaker stock selection within consumer discretionary and healthcare.

Investment activities

In the first quarter of the reporting period, we increased our exposure to US equities, supported by stronger growth prospects and expected rate cuts. Historically, US equities have delivered positive returns 12 months after the first US Federal Reserve ('Fed') cut. To diversify and reduce technology concentration, we added a US equally-weighted passive instrument, which provides greater exposure to cyclical sectors such as Financials and Industrials, both likely beneficiaries of US policy.

To fund this allocation, we reduced European equities to neutral, given rising tariff risks and increased uncertainty. We also took profits on European investment grade bonds, which had benefitted from tighter spreads and shorter duration versus US equivalents, against a less supportive Eurozone outlook.

Within our global direct equity module, we made several sector reallocations. We realised partial profits in Tesla and NVIDIA and added Allianz after a price pullback, thereby reducing our Technology overweight, closing the underweight in Insurance, and positioning the portfolio more defensively. In December, we reduced Agilent Technologies and UnitedHealth Group while initiating a new position in Eli Lilly, modestly increasing our overweight in Healthcare and reducing exposure to Managed Care and Life Sciences Tools.

We also adjusted our Energy positioning. Following sector underperformance due to weak oil prices, we reduced our underweight by trimming TotalEnergies Group and adding Chevron, shifting oil exposure toward the US, where companies should benefit from regulatory easing and increased drilling.

Earlier in the year, we took profits on JPMorgan Chase after exceptional outperformance and we view current levels as fully-priced. Proceeds were reallocated to Synopsys, reaffirming conviction in the long-term Technology case despite short-term underperformance.

* Source: Brown Shipley & Co Limited.

** Source: Lipper.

Investment Manager's report (continued)

Investment activities (continued)

At the beginning of the third quarter, we made tactical adjustments as European and UK equities began to outperform the US, supported by improving earnings, more attractive valuations, and increased government spending. While US tariffs remain a risk, a potential "peace dividend" from the end of the Russia-Ukraine war is an upside. We therefore moved to a tactical overweight in Europe and the UK by adding to iShares Core FTSE 100 UCITS ETF and QMM Actively Managed Continental European Equity Fund, funded by trimming US equities. Despite this, we retained a slight overweight in the US via the equally-weighted index, maintaining exposure to attractively valued sectors benefiting from stimulus and protectionist policies.

In mid-March, we sold Estee Lauder and PayPal Holdings, whose performance and outlook remain weak. Proceeds were reinvested into MTU Aero Engines - a new position enabled by updated Environmental, Social, Governance guidelines - and an opportunistic increase in Microsoft. MTU Aero Engines corrected circa 10% after a strong 2024 run, presenting an attractive entry point to build a position.

In April, we slightly adjusted the European allocation. The Fund's allocation to QMM Actively Managed Continental European Equity Fund has lagged due to its style bias. While our conviction in the strategy remains intact, its expected tracking error has risen to the higher end of our preferred range. To mitigate active risk and balance style concentration, we lowered exposure to QMM Actively Managed Continental European Equity Fund and added a passive European index fund.

Towards the end of quarter 3, we increased Japanese equities, supported by robust earnings, governance reforms, and potential progress in US trade talks. A stronger Japanese yen could further boost UK sterling returns, while providing diversification away from the overvalued US dollar. Concurrently, we reduced broad US equities and added to UK equities, which we see as defensive, attractively valued, and supported by strong dividends. UK equities have de-rated since the Brexit referendum and now trade near 30-year lows versus US and global peers. Recently announced UK/US trade deals are an additional structural positive for UK equities.

In the final quarter, we maintained a slight equity overweight, underpinned by expectations of tariff dilution and ongoing stimulus. Diversification was increased by adding to Emerging Markets and through a new allocation to Global Low-Volatility equities, while European and Japanese overweights were maintained. To manage stock-specific risk, we reduced direct equity exposure by 6% (retaining a core 20% allocation) and reallocated to a broader mix of regional ETFs, improving flexibility and global balance. This strategic shift reflects our forward-looking approach, prioritising adaptability over concentrated risk, and better positioned the Fund for both current volatility and long-term structural changes.

Lastly, we switched part of our US equity allocation from unhedged to hedged, as widening US fiscal deficits are likely to weigh on the dollar. YTD (to end-August 2025), US equities returned circa 10% in USD terms, but GBP-based investors saw only +2% unhedged due to dollar depreciation. With hedging, returns improved to +8%, underscoring the benefits of active currency management.

Investment strategy and outlook*

Global growth is slowing below trend as our 2025 baseline scenario continues to unfold. The US remains the central driver of a moderate stagflationary impulse, with slowing activity but still-elevated inflation. We expect the Fed to begin cutting rates in September and again in December, with further accommodation likely in 2026 as new leadership potentially takes a more dovish stance. In contrast, the European Central Bank appears to have concluded its rate-cutting cycle, with inflation broadly stable and rates in neutral territory. The Bank of England also looks set to hold steady through 2025, given sticky domestic inflation. This divergence in monetary policy underscores our conviction in a weaker US dollar, a view reinforced by growing reluctance among foreign investors to hold US sovereign assets.

Outside the US, the outlook for emerging economies is improving. China, in particular, is showing encouraging signs that policy support is gaining traction. Auto sales, freight activity, consumer sentiment, and rising equity markets all point to a rebound in domestic demand. Alongside this, trade agreements being struck globally provide additional support for cross-border flows and business confidence. These developments suggest that Emerging Markets are positioned to benefit from both cyclical improvement and structural diversification.

We continue to favour equities over bonds, supported by resilient corporate earnings, moderating rates, and a long-term investment cycle driven by technology, Artificial Intelligence adoption, and capital expenditure. While growth is decelerating, it remains positive, and the earnings environment continues to underpin equity valuations. In fixed income, developed market sovereign bonds remain less attractive given stretched fiscal positions and relatively low yields, though select opportunities in credit markets persist.

* Source: Brown Shipley & Co Limited and Quintet.

Investment Manager's report (continued)

Investment strategy and outlook (continued)

Reflecting our currency and regional views, we are reducing US dollar exposure by rotating more US equity holdings into hedged positions, maintaining market participation while insulating portfolios from further dollar weakness. We are increasing our overweight in Emerging Market equities, which benefit from favourable valuations, improving earnings expectations, and a stronger outlook for China. To fund this allocation, we are reducing our overweight in Japanese equities. While Japanese markets have delivered strong returns on the back of reforms, shareholder-friendly policies, and robust buybacks, valuations have now risen, warranting a more neutral stance. European and UK equities remain a balanced position given limited policy upside and moderate growth prospects.

Uncertainty remains elevated, particularly around geopolitics, US policy direction, and the risk of diminished Federal Reserve independence. Should monetary policy become more politically influenced, US inflation could surprise to the upside, challenging valuations further. Nevertheless, in this environment of slowing but positive growth, diverging policy paths, and ongoing technological transformation, we maintain a constructive stance on equities, particularly in emerging markets, while emphasising diversification, disciplined risk management, and active currency positioning as the keys to portfolio resilience.

Brown Shipley & Co Limited

22 September 2025

Summary of portfolio changes

for the year ended 31 August 2025

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

	Cost £
Purchases:	
iShares MSCI USA ESG Enhanced CTB UCITS ETF GBP	1,576,255
iShares MSCI USA ESG Enhanced CTB UCITS ETF USD	981,080
iShares Europe ex-UK Index Fund	831,729
Xtrackers S&P 500 Equal Weight Scored & Screened UCITS ETF	609,002
iShares Core FTSE 100 UCITS ETF	562,582
BNP Paribas Easy MSCI Japan ESG Filtered ETF	532,402
QMM Actively Managed Continental European Equity Fund Hedged	286,550
iShares Edge MSCI World Minimum Volatility Advanced UCITS ETF	277,320
iShares MSCI EM ESG Enhanced UCITS ETF	110,031
BNP Paribas Issuance BV S&P 500 Index 19/09/2025 USD	99,482
Allianz	86,521
Chevron	80,068
Eli Lilly	78,981
MTU Aero Engines	75,669
BNP Paribas Issuance BV S&P 500 Index 01/10/2025 USD 4650	70,517
Eaton	69,553
RELX	61,839
Veolia Environnement	59,976
BNP Paribas Easy MSCI Pacific ex Japan ESG Filtered	39,866
Edwards Lifesciences	33,311
	Proceeds £
Sales:	
Amundi MSCI USA ESG Climate Net Zero Ambition CTB UCITS ETF	1,877,494
iShares MSCI USA ESG Enhanced CTB UCITS ETF GBP	1,181,967
QMM Actively Managed Continental European Equity Fund Hedged	492,699
QMM Actively Managed Continental European Equity Fund	364,082
Blackrock Solutions Funds ICAV - QMM Actively Managed US Equities Fund Hedged	355,113
BNP Paribas Issuance BV S&P 500 Index 19/09/2025 USD	245,310
iShares EUR Corporate Bond ESG UCITS ETF	196,647
iShares MSCI Japan ESG Enhanced UCITS ETF	182,078
NVIDIA	127,307
Apple	100,083
JPMorgan Chase	86,413
Microsoft	79,981
TotalEnergies	74,603
iShares MSCI EM ESG Enhanced UCITS ETF	72,831
Linde USD	70,052
Fortive	69,185
Berkshire Hathaway	64,966
PayPal Holdings	60,894
Alphabet 'A'	58,417
Thermo Fisher Scientific	54,420

Portfolio statement
as at 31 August 2025

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities 20.21% (26.44%)			
Equities - incorporated in the United Kingdom 1.71% (2.35%)			
Industrials 0.29% (0.00%)			
RELX	1,755	60,460	0.29
Consumer Staples 0.57% (0.86%)			
Unilever	2,563	119,231	0.57
Health Care 0.31% (0.71%)			
AstraZeneca	564	66,496	0.31
Financials 0.37% (0.60%)			
London Stock Exchange Group	851	78,020	0.37
Utilities 0.17% (0.18%)			
National Grid	3,477	36,196	0.17
Total equities - incorporated in the United Kingdom		360,403	1.71
Equities - Europe 4.99% (5.72%)			
Equities - France 1.26% (1.91%)			
LVMH Moët Hennessy Louis Vuitton	147	64,200	0.31
Schneider Electric	510	92,788	0.45
TotalEnergies	1,018	47,176	0.23
Veolia Environnement	2,324	56,779	0.27
Total equities - France		260,943	1.26
Equities - Germany 1.42% (0.65%)			
Allianz	299	93,644	0.45
MTU Aero Engines	208	68,676	0.33
Siemens	646	132,866	0.64
Total equities - Germany		295,186	1.42
Equities - Ireland 0.61% (0.76%)			
Eaton	262	67,706	0.33
Linde	164	58,055	0.28
Total equities - Ireland		125,761	0.61
Equities - Netherlands 0.85% (1.20%)			
ASML Holding	203	111,960	0.54
Universal Music Group	3,122	65,294	0.31
Total equities - Netherlands		177,254	0.85
Equities - Spain 0.33% (0.32%)			
Banco Santander	9,645	68,186	0.33

Portfolio statement (continued)
as at 31 August 2025

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - Europe (continued)			
Equities - Switzerland 0.52% (0.88%)			
DSM-Firmenich	441	31,903	0.15
Roche Holding	202	48,704	0.23
Sika	165	28,343	0.14
Total equities - Switzerland		<u>108,950</u>	<u>0.52</u>
Total equities - Europe		<u>1,036,280</u>	<u>4.99</u>
Equities - United States 13.51% (18.37%)			
Agilent Technologies	365	33,978	0.16
Alphabet 'A'	1,781	280,771	1.35
Amazon.com	1,385	234,765	1.13
American Tower	385	58,064	0.28
Apple	1,263	217,077	1.04
Berkshire Hathaway	409	152,296	0.73
Chevron	511	60,762	0.29
Edwards Lifesciences	1,109	66,776	0.32
Eli Lilly	97	52,553	0.25
JPMorgan Chase	640	142,808	0.69
Merck	961	59,834	0.29
Microsoft	936	350,935	1.69
NVIDIA	2,631	339,155	1.63
Otis Worldwide	577	36,891	0.18
Procter & Gamble	1,046	121,621	0.58
ServiceNow	109	74,061	0.36
Synopsys	211	94,214	0.45
Tesla	185	45,731	0.21
Thermo Fisher Scientific	173	63,122	0.30
UnitedHealth Group	219	50,217	0.24
Visa	424	110,462	0.53
Walt Disney	1,228	107,626	0.51
Waste Management	369	61,851	0.30
Total equities - United States		<u>2,815,570</u>	<u>13.51</u>
Total equities		<u>4,212,253</u>	<u>20.21</u>
Offshore Collective Investment Schemes 78.87% (71.91%)			
Amundi MSCI USA ESG Climate Net Zero Ambition CTB UCITS ETF	2,760	1,230,131	5.91
Blackrock Solutions Funds ICAV			
- QMM Actively Managed US Equities Fund Hedged	222,716	2,743,260	13.18
BNP Paribas Easy MSCI Japan ESG Filtered ETF	102,570	1,414,616	6.80
BNP Paribas Easy MSCI Pacific ex Japan ESG Filtered	1,901	465,858	2.24
Goldman Sachs Emerging Markets Enhanced Index Sustainable Equity	218	859,444	4.13
iShares Core FTSE 100 UCITS ETF	213,780	1,927,012	9.26

Portfolio statement (continued)

as at 31 August 2025

	Nominal value or holding	Market value £	% of total net assets
Investment			
Offshore Collective Investment Schemes (continued)			
iShares Edge MSCI World Minimum Volatility Advanced UCITS ETF	47,650	280,182	1.35
iShares Europe ex-UK Index Fund	79,715	899,105	4.32
iShares MSCI EM ESG Enhanced UCITS ETF	268,325	1,383,484	6.65
iShares MSCI USA ESG Enhanced CTB UCITS ETF GBP	243,850	1,617,457	7.77
iShares MSCI USA ESG Enhanced CTB UCITS ETF USD	126,767	1,058,631	5.09
QMM Actively Managed Continental European Equity Fund Hedged	74,165	741,991	3.56
Robeco Capital Growth Funds - Robeco QI US Climate Beta Equities	4,761	759,665	3.65
UBS IRL Fund Solutions - CMCI Composite SF UCITS ETF	4,917	400,145	1.92
Xtrackers S&P 500 Equal Weight Scored & Screened UCITS ETF	79,315	632,616	3.04
Total offshore collective investment schemes		<u>16,413,597</u>	<u>78.87</u>
Structured Products 0.01% (0.38%)			
BNP Paribas Issuance BV S&P 500 Index 19/09/2025 USD	921	<u>2,039</u>	<u>0.01</u>
Portfolio of investments		<u>20,627,889</u>	<u>99.09</u>
Other net assets		189,047	0.91
Total net assets		<u>20,816,936</u>	<u>100.00</u>

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

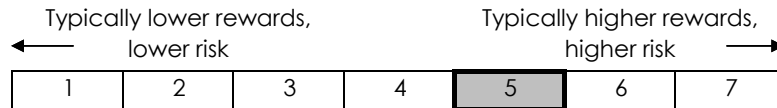
The comparative figures in brackets are as at 31 August 2024.

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

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Risk and reward profile*

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



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

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

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

* As per the KIID published on 2 July 2025.

Comparative table

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

	2025	2024	2023
	p	p	p
Income			
Change in net assets per share			
Opening net asset value per share	154.13	135.56	134.82
Return before operating charges	16.32	21.17	3.03
Operating charges	(1.45)	(1.39)	(1.50)
Return after operating charges *	14.87	19.78	1.53
Distributions [^]	(1.11)	(1.21)	(0.79)
Closing net asset value per share	167.89	154.13	135.56
* after direct transaction costs of:	0.02	0.04	0.01
Performance			
Return after charges	9.65%	14.59%	1.13%
Other information			
Closing net asset value (£)	20,816,936	19,111,485	16,717,345
Closing number of shares	12,399,199	12,399,199	12,332,025
Operating charges ^{^^}	0.91%	0.96%	1.14%
Direct transaction costs	0.01%	0.03%	0.01%
Published prices			
Highest share price	167.6	156.7	138.8
Lowest share price	146.7	128.8	123.9

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

[^] Rounded to 2 decimal places.

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

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

Financial statements - Bute Fund

Statement of total return for the year ended 31 August 2025

	Notes	2025		2024	
		£	£	£	£
Income:					
Net capital gains	2		1,705,366		2,291,706
Revenue	3	293,870		298,070	
Expenses	4	<u>(147,135)</u>		<u>(141,436)</u>	
Net revenue before taxation		146,735		156,634	
Taxation	5	<u>(9,391)</u>		<u>(7,258)</u>	
Net revenue after taxation			<u>137,344</u>		<u>149,376</u>
Total return before distributions			1,842,710		2,441,082
Distributions	6		(137,259)		(149,371)
Change in net assets attributable to shareholders from investment activities			<u>1,705,451</u>		<u>2,291,711</u>

Statement of change in net assets attributable to shareholders for the year ended 31 August 2025

	2025	2024
	£	£
Opening net assets attributable to shareholders	19,111,485	16,717,345
Amounts receivable on issue of shares	-	102,429
Change in net assets attributable to shareholders from investment activities	1,705,451	2,291,711
Closing net assets attributable to shareholders	<u>20,816,936</u>	<u>19,111,485</u>

Balance sheet
as at 31 August 2025

	Notes	2025 £	2024 £
Assets:			
Fixed assets:			
Investments		20,627,889	18,868,145
Current assets:			
Debtors	7	46,303	152,947
Cash and bank balances	8	285,701	177,905
Total assets		<u>20,959,893</u>	<u>19,198,997</u>
Liabilities:			
Creditors:			
Distribution payable		(69,683)	(75,883)
Other creditors	9	(73,274)	(11,629)
Total liabilities		<u>(142,957)</u>	<u>(87,512)</u>
Net assets attributable to shareholders		<u><u>20,816,936</u></u>	<u><u>19,111,485</u></u>

Notes to the financial statements

for the year ended 31 August 2025

1. Accounting policies

The accounting policies are disclosed on pages 9 to 11.

2. Net capital gains

	2025	2024
	£	£
Non-derivative securities - realised gains	519,824	985,565
Non-derivative securities - movement in unrealised gains	1,176,525	1,309,235
Derivative contracts - realised gains	13,992	-
Derivative contracts - movement in unrealised losses	(4,492)	-
Currency gains / (losses)	292	(2,014)
Forward currency contracts losses	-	(682)
Compensation	(5)	210
Transaction charges	(770)	(608)
Total net capital gains	<u>1,705,366</u>	<u>2,291,706</u>

3. Revenue

	2025	2024
	£	£
UK revenue	10,136	9,715
Unfranked revenue	-	1,709
Overseas revenue	272,343	265,640
Bank and deposit interest	11,391	21,006
Total revenue	<u>293,870</u>	<u>298,070</u>

4. Expenses

	2025	2024
	£	£
Payable to the ACD and associates		
Annual management charge*	216,888	196,383
Annual management charge rebate*	(90,942)	(76,260)
	<u>125,946</u>	<u>120,123</u>
Payable to the Depositary		
Depositary fees	<u>8,992</u>	<u>9,008</u>
Other expenses:		
Audit fee	8,700	8,700
Non-executive directors' fees	1,359	1,456
Safe custody fees	1,018	698
Bank interest	130	738
FCA fee	160	209
KIID production fee	708	458
Administration fee	122	46
	<u>12,197</u>	<u>12,305</u>
Total expenses	<u>147,135</u>	<u>141,436</u>

* The annual management charge is 1.10% and includes the ACD's periodic charge and the Investment Manager's fee. Where the ACD's periodic charge and the Investment Manager's fee are cumulatively lower than the annual management charge a rebate may occur. For the year ended 31 August 2025, the annual management charge after rebates is 0.64% (2024: 0.67%)

Notes to the financial statements (continued)

for the year ended 31 August 2025

5. Taxation

	2025	2024
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	9,391	7,258
Total taxation (note 5b)	<u>9,391</u>	<u>7,258</u>

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2024: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2024: 20%). The differences are explained below:

	2025	2024
	£	£
Net revenue before taxation	<u>146,735</u>	<u>156,634</u>
Corporation tax @ 20%	29,347	31,327
Effects of:		
UK revenue	(2,027)	(1,943)
Overseas revenue	(53,436)	(46,389)
Overseas tax withheld	9,391	7,258
Excess management expenses	21,393	18,461
Adjustment in respect of prior years		
- unrealised gain on offshore funds	4,723	(1,456)
Total taxation (note 5a)	<u>9,391</u>	<u>7,258</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 the asset not recognised is £117,562 (2024: £96,169).

6. Distributions

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

	2025	2024
	£	£
Interim income distribution	67,576	73,499
Final income distribution	69,683	75,883
	<u>137,259</u>	<u>149,382</u>
Equalisation:		
Amounts added on issue of shares	-	(11)
Total net distributions	<u>137,259</u>	<u>149,371</u>

Reconciliation between net revenue and distributions:

Net revenue after taxation per Statement of total return	137,344	149,376
Undistributed revenue brought forward	21	16
Undistributed revenue carried forward	(106)	(21)
Distributions	<u>137,259</u>	<u>149,371</u>

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

Notes to the financial statements (continued)

for the year ended 31 August 2025

7. Debtors	2025	2024
	£	£
Sales awaiting settlement	40,138	140,243
Currency trades outstanding	39	-
Accrued revenue	4,921	5,139
Recoverable overseas withholding tax	1,019	-
Prepaid expenses	-	208
	<u>46,117</u>	<u>145,590</u>
Payable from the ACD and associates		
Annual management charge rebate	186	7,357
	<u>46,303</u>	<u>152,947</u>
Total debtors		
	<u>46,303</u>	<u>152,947</u>
8. Cash and bank balances	2025	2024
	£	£
Total cash and bank balances	<u>285,701</u>	<u>177,905</u>
9. Other creditors	2025	2024
	£	£
Purchases awaiting settlement	61,839	-
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	1,253	577
Other expenses:		
Depositary fees	49	25
Safe custody fees	995	667
Audit fee	8,700	8,700
Non-executive directors' fees	-	1,077
FCA fee	92	142
Transaction charges	346	441
	<u>10,182</u>	<u>11,052</u>
Total accrued expenses	<u>11,435</u>	<u>11,629</u>
Total other creditors	<u>73,274</u>	<u>11,629</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:

Opening shares in issue	Income
	<u>12,399,199</u>
Closing shares in issue	<u>12,399,199</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 31 August 2025

12. Related party transactions

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

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

Amounts payable to the ACD and its associates are disclosed in note 4. The amounts due from/to the ACD and its associates at the balance sheet date are disclosed in notes 7 and 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per income share has increased from 167.9p to 177.6p as at 28 November 2025. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

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

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£		£	%	£	%	£	%	£
2025									
Equities	687,125		171	0.02%	308	0.04%	179	0.03%	687,783
Collective Investment Schemes	5,837,979		760	0.01%	-	-	-	-	5,838,739
Structured Products	264,150		206	0.08%	-	-	-	-	264,356
Total	6,789,254		1,137	0.11%	308	0.04%	179	0.03%	6,790,878
	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£		£	%	£	%	£	%	£
2024									
Equities	1,914,368		797	0.04%	784	0.04%	177	0.01%	1,916,126
Collective Investment Schemes	13,412,915		1,509	0.01%	-	-	-	-	13,414,424
Structured Products*	170,419		-	-	-	-	-	-	170,419
Total	15,497,702		2,306	0.05%	784	0.04%	177	0.01%	15,500,969

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 August 2025

14. Transaction costs (continued)

a Direct transaction costs (continued)

	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£		£	%	£	%	£	%	£
2025									
Equities	1,764,379		(288)	0.02%	(12)	0.00%	-	-	1,764,079
Collective Investment Schemes	4,723,474		(562)	0.01%	-	-	-	-	4,722,912
Structured Products	330,494		(218)	0.07%	-	-	-	-	330,276
Total	6,818,347		(1,068)	0.10%	(12)	0.00%	-	-	6,817,267

	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£		£	%	£	%	£	%	£
2024									
Equities	628,558		(101)	0.02%	(6)	0.00%	-	-	628,451
Closed-Ended Funds	1,083,220		(177)	0.02%	-	-	-	-	1,083,043
Collective Investment Schemes	13,666,168		(1,375)	0.01%	-	-	-	-	13,664,793
Structured Products*	28,550		-	-	-	-	-	-	28,550
Total	15,406,496		(1,653)	0.05%	(6)	0.00%	-	-	15,404,837

Capital events amount of £nil (2024: £30,727) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

Summary of direct transaction costs

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

2025	£	% of average net asset value
Commission	2,205	0.01%
Taxes	320	0.00%
Financial transaction tax	179	0.00%

2024	£	% of average net asset value
Commission	3,959	0.02%
Taxes	790	0.01%
Financial transaction tax	177	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 0.20% (2024: 0.16%).

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 August 2025

15. Risk management policies

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

a Market risk

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

(i) Other price risk

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

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

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

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

At 31 August 2025, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £1,031,293 (2024: £939,764).

(ii) Currency risk

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

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

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

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2025	£	£	£
Euro	2,306,143	1,019	2,307,162
Swiss franc	77,047	-	77,047
US dollar	5,083,572	3,058	5,086,630
Total foreign currency exposure	<u>7,466,762</u>	<u>4,077</u>	<u>7,470,839</u>

Notes to the financial statements (continued)

for the year ended 31 August 2025

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
2024	£	£	£
Euro	1,754,297	-	1,754,297
Swiss franc	112,650	-	112,650
US dollar	4,336,475	2,727	4,339,202
Total foreign currency exposure	<u>6,203,422</u>	<u>2,727</u>	<u>6,206,149</u>

At 31 August 2025, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £373,542 (2024: £310,307).

(iii) Interest rate risk

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

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

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

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

There is no direct 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 Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Fund. The Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

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

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

c Liquidity risk

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

Notes to the financial statements (continued)

for the year ended 31 August 2025

15. Risk management policies (continued)

c Liquidity risk (continued)

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

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

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

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

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2025	2025
	£	£
Quoted prices	14,156,527	-
Observable market data	6,469,323	-
Unobservable data	2,039	-
	<u>20,627,889</u>	<u>-</u>
	Investment assets	Investment liabilities
Basis of valuation	2024	2024
	£	£
Quoted prices	12,959,297	-
Observable market data	5,835,992	-
Unobservable data	72,856	-
	<u>18,868,145</u>	<u>-</u>

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

Unobservable data

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

Notes to the financial statements (continued)

for the year ended 31 August 2025

15. Risk management policies (continued)

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

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

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

(i) Counterparties

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

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

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

(ii) Leverage

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

As at the balance sheet date, the leverage was 100.12%.

(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		
Structured Products		
BNP Paribas Issuance BV S&P 500 Index 19/09/2025 USD	24,783	0.12%

There have been no collateral arrangements in the year.

Distribution table

for the year ended 31 August 2025

Interim distribution in pence per share

Group 1 - Shares purchased before 1 September 2024

Group 2 - Shares purchased 1 September 2024 to 28 February 2025

	Net revenue	Equalisation	Total distribution 30 April 2025	Total distribution 30 April 2024
Income				
Group 1	0.545	-	0.545	0.596
Group 2	0.545	-	0.545	0.596

Final distribution in pence per share

Group 1 - Shares purchased before 1 March 2025

Group 2 - Shares purchased 1 March 2025 to 31 August 2025

	Net revenue	Equalisation	Total distribution 31 December 2025	Total distribution 31 December 2024
Income				
Group 1	0.562	-	0.562	0.612
Group 2	0.562	-	0.562	0.612

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 2024 includes details on the remuneration policy. The remuneration committee comprises three independent non-executive directors¹ and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met seven times during 2024.

Remuneration policy

The main principles of the remuneration policy are:

- aligns the interests of employees with those of our clients/customers and investors;
- is compliant with relevant regulation and considers market best practice;
- is pragmatic, flexible, economic, and considers the commercial objectives of the business;
- is competitive and helps the Group attract and retain talented people;
- encourages behaviours consistent with the Group's values, ambitions, strategy, and risk appetite (including environmental, social and governance risk factors);
- supports the delivery of fair outcomes for our clients; and
- is clear, fair, free from bias and based on objective criteria that avoids discrimination (including gender).

Remuneration systems

Fixed pay is determined by considering an employee's role and responsibilities, external market information, and internal budgets/affordability. The remuneration committee considers all of these factors when determining appropriate salary/fixed profit share budgets as part of the annual pay review, and by exception any increases outside of the annual pay review.

Evelyn Partners operates Discretionary Incentive Plans (DIP) – these are discretionary bonus schemes that enable employees to be recognised for their hard work and commitment, through linking reward to the performance and outcomes, including client outcomes, of both the business and the individual employee.

Bonus awards under a DIP are made in cash and/or equity awards and are driven by the following factors:

- The financial performance (primarily EBITDA performance) of the business;
- An employee's individual performance in relation to the Group's key performance indicators and financial outcomes;
- An employee's individual performance in relation to behaviours which are in line with the Group's values, which includes client outcomes and regulatory compliance; and
- A risk and control review, which includes client outcomes.

¹ Please note that the data provided for the independent non-executive directors is as at 31 December 2024. 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 70 employees is £3.58 million of which £3.19 million is fixed remuneration. This is based on the salary and benefits for those identified as working in EPFL as at 31 December 2024. Any variable remuneration is awarded for the year ended 31 December 2024. 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 2024 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 2024 to 31 December 2024				No. MRTs
		Fixed	Variable Cash	Variable Equity	Total	
		£'000	£'000	£'000	£'000	
Senior Management		3,448	2,470	-	5,918	15
Other MRTs		477	338	-	815	5
Total		3,925	2,808	-	6,733	20

Investment Manager

The ACD delegates the management of the Company's portfolio of assets to Brown Shipley & Co Limited and pays to Brown Shipley & Co Limited, out of the annual management charge, a monthly fee calculated on the total value of the portfolio of investments at the month end. Brown Shipley & Co Limited are compliant with the Capital Requirements Directive regarding remuneration and therefore their staff are covered by remuneration regulatory requirements.

Further information

Distributions and reporting dates

Where net revenue is available it will be distributed semi-annually on 31 December (final) and 30 April (interim). In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 September	final
	1 March	interim
Reporting dates:	31 August	annual
	Last day of February	interim

Buying and selling shares

The property of the Company is valued at 10pm on the 14th day of each month (or, if such day is not a business day, on the next business day) and on the last business day of the month, with the exception of any bank holiday in England and Wales or the last business day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary, and prices of shares are calculated as at that time. Share dealing is on a forward basis meaning investors can buy and sell shares at the next valuation point following receipt of the order.

Prices of shares and the estimated yield of the Fund are published on the following website: www.trustnet.com or may be obtained by calling 0141 483 9701.

Benchmark

Shareholders may compare the performance of the Company against the Flexible Investment IA Sector. Comparison of the Company'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 Company.

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

Appointments

ACD and Registered office

Tutman Fund Solutions Limited (previously Evelyn Partners Fund Solutions Limited)
Exchange Building
St John's Street
Chichester
West Sussex PO19 1UP
Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar

Tutman Fund Solutions Limited (previously Evelyn Partners Fund Solutions Limited)
177 Bothwell Street
Glasgow G2 7ER
Telephone 0141 483 9700 (Dealing)
0141 483 9701 (Enquiries)
Authorised and regulated by the Financial Conduct Authority

Directors of the ACD

Neil Coxhead
Stephen Mugford - appointed 1 July 2025
Nicola Palios - appointed 1 July 2025
Jenny Shanley - appointed 13 October 2025
Andrew Baddeley - resigned 31 March 2025
Mayank Prakash - resigned 30 April 2025
Brian McLean - resigned 30 June 2025

Independent Non-Executive Directors of the ACD

Linda Robinson
Sally Macdonald
Carol Lawson - appointed 30 June 2025
Caroline Willson - appointed 30 June 2025
Dean Buckley - resigned 30 June 2025
Victoria Muir - resigned 30 June 2025

Non-Executive Directors of the ACD
Guy Swarbreck - resigned 31 March 2025

Investment Manager

Brown Shipley & Co Limited
2 Moorgate
London EC2R 6AG
Authorised and regulated by the Financial Conduct Authority

Depositary

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

Auditor

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