Kanthaka Fund

Annual Report

for the year ended 31 August 2024

Contents

Report of the Authorised Corporate Director ('ACD')

Evelyn Partners Fund Solutions Limited ('EPFL'), as ACD, presents herewith the Annual Report for Kanthaka Fund for the year ended 31 August 2024.

Kanthaka Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 21 June 2021. The Company is incorporated under registration number IC043971. It is a non-UCITS retail scheme ('NURS') complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL') and the Investment Funds sourcebook ('FUND'), as published by the Financial Conduct Authority ('FCA'). As the Company is a NURS, the ACD also acts as Alternative Investment Fund Manager ('AIFM') in order to comply with the Alternative Investment Fund Manager's Directive ('AIFMD').

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

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

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

The Company has no Directors other than the ACD.

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

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

Investment objective and policy

The investment objective of the Company is to preserve capital and provide a mix of capital appreciation and income over the long term (5 years plus).

The Company is actively managed and will gain exposure to a range of asset classes, in some or all world markets. Typically, in normal market conditions, the Fund will invest between 30% and 70% of the value of the portfolio directly or indirectly in equities.

At any one time, the Fund may be invested in any one or more of the following asset classes: equities and other transferable securities, government bonds, fixed income securities, cash and near cash and money market instruments.

Exposure to these asset classes may be direct or indirect through collective investment schemes (including collective investment schemes managed by the ACD or its associates). The Company may also gain exposure to asset types such as private equity, hedge funds, property, gold and other commodities indirectly through exchange-traded funds, closed-ended funds and collective investment schemes.

Derivatives may be used in a limited manner for the purposes of efficient portfolio management.

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 Managers' discretion subject to the limitations on investment set out in the FCA Regulations.

Report of the Authorised Corporate Director (continued)

Changes affecting the Company in the year

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

Further information in relation to the Company is illustrated on page 45.

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

Neil Coxhead
Director
Evelyn Partners Fund Solutions Limited
29 November 2024

Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

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

Assessment of Value - Kanthaka 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 Kanthaka Fund ('the Fund'). Furthermore, the rules require that EPFL publishes these assessments.

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

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

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

🟢	On balance, the Board believes the Fund has delivered value to shareholders, with no material issues noted.
🟡	On balance, the Board believes the Fund has delivered value to shareholders, but may require some action.
🔴	On balance, the Board believes the Fund has not delivered value to shareholders and significant remedial action is now planned by the Board.

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

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

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

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

The seven criteria are:

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

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

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

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

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

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

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

Assessment of Value - Kanthaka Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

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

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 Manager, Evelyn Partners Investment Management LLP ('EPIM') and Ruffer LLP, where consideration was given to, amongst other things, the delegates' controls around the Fund's liquidity management.

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

What was the outcome of the assessment?

Internal Factors

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

External Factors

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

Were there any follow up actions?

There were no follow-up actions required.

2. Performance

What was assessed in this section?

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

Investment Objective

The investment objective of the Company is to preserve capital and provide a mix of capital appreciation and income over the long term (5 years plus).

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.

2. Performance (continued)

Benchmark (continued)

The benchmark for the Fund is the IA Mixed Investment 20-60% Shares Sector, which is a comparator. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Fund had performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 31 July 2024 (%)

	Currency	1 year	16.06.2022 to 31.07.2024
IA Mixed Investment 20-60% Shares Sector	GBP	8.93	11.72
Kanthaka Fund	GBX	5.40	5.68

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

What was the outcome of the assessment?

The Board assessed the performance of the Fund in the period since launch, 16 June 2022, and whilst observing that it had underperformed the benchmark concluded that it was too early to reach a meaningful conclusion.

EPFL assessed the investment risk within the Fund, focusing amongst other things on volatility and risk adjusted returns. The Board concluded that the level of investment risk is within parameters.

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

Were there any follow up actions?

There were no follow-up actions required.

3. ACD Costs

What was assessed in this section?

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

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

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

4. Economies of Scale

What was assessed in this section?

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

What was the outcome of the assessment?

The EPIM Investment Management fee is a fixed percentage charge and the Ruffer LLP Investment Management fee is tiered, meaning there are potential opportunities for savings going forward should the Ruffer LLP portion grow in size.

The ancillary charges[1] of the Fund represent 14 basis points[2]. Some of these costs are fixed and as the Fund grows in size may result in a small reduction in the basis point cost of these services.

Were there any follow up actions?

There were no follow-up actions required.

[1] Ancillary charge is any charge paid directly out of the Fund in addition to the Investment Management fees and ACD's periodic charge, e.g., Auditor, Custodian or Depositary fees.

[2] One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 29 February 2024.

Assessment of Value - Kanthaka Fund (continued)

5. Comparable Market Rates

What was assessed in this section?

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

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

What was the outcome of the assessment?

The OCF of 1.32%[3] was found to be more expensive than those of similar externally managed funds.

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

Were there any follow up actions?

There was no further action as the Board were of the opinion that the size of the Fund was impacting the overall OCF.

6. Comparable Services

What was assessed in this section?

The Board compared the Investment Management 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 Management fees were found to have compared favourably with other EPFL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

7. Classes of Shares

What was assessed in this section?

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

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

Overall Assessment of Value

Notwithstanding the matter referenced in Section 5, the Board concluded that Kanthaka Fund had provided value to investors.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited

30 October 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.

[3] Figure calculated at interim report, 29 February 2024.

Report of the Depositary to the shareholders of Kanthaka Fund

Depositary's responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

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

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

NatWest Trustee and Depositary Services Limited
29 November 2024

Independent Auditor's report to the shareholders of Kanthaka Fund

Opinion

We have audited the financial statements of Kanthaka Fund (the 'Company') for the year ended 31 August 2024, which comprise the Statement of total return, Statement of change in net assets attributable to shareholders, Balance sheet, the related Notes to the financial statements, including significant accounting policies and the Distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Company as at 31 August 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.

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;
- The Financial Conduct Authority's Investment Funds sourcebook; and
- The Company's Prospectus.

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

Independent Auditor's report to the shareholders of Kanthaka 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, Investment Funds sourcebook and its Prospectus;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the IA Statement of Recommended Practice for Authorised Funds; and
- Agreement of the financial statement disclosures to supporting documentation.

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

Use of Our Report

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

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

Accounting policies of Kanthaka Fund

for the year ended 31 August 2024

a Basis of accounting

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

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

b Valuation of investments

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

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

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

Collective investment schemes are valued at the bid price for dual priced funds and at the single price for single priced funds and are valued at their most recent published price prior to the close of business valuation on 31 August 2024.

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.

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 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.

Accounting policies of Kanthaka Fund (continued)
for the year ended 31 August 2024

d *Revenue (continued)*

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.

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 Fund. The effective yield is a calculation that amortises any discount or premium on the purchase of an investment over its remaining life based on estimated cash flows. The amortised amounts form part of the distributable revenue and are calculated at each month end.

e *Expenses*

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

Bank interest paid is charged to revenue.

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

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

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

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

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

h *Dilution 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*

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.

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

Investment Manager's report - Ruffer LLP

For the portfolio managed by Ruffer LLP, who managed 45.85% of the Fund's assets at the balance sheet date in accordance with the investment objective and policy of the Fund.

Investment performance*

At the reporting date, 31 August 2024, the portfolio managed by Ruffer LLP showed a total of cash and investments of £7,377,394. The total return performance for the period, 1 September 2023 to 31 August 2024, was 3.40%. Over the same period the IA Mixed Investment 20-60% Shares sector returned 10.54%.

We entered the period under review with a portfolio that was defensively positioned but seeking balance to capture upside whilst markets remained robust. The third and fourth quarter were more encouraging from a portfolio balance perspective. Equity and bond markets began to stutter into September and October as stubborn inflation, a more robust than expected US economy, and large issuance from the US Treasury pushed long-dated bond yields higher. This gave us an opportunity to put the portfolio's large cash position to work, adding to long-dated US conventional and inflation-protected bonds at positive real yields. November saw a sharp turnaround with both equity and bond markets rallying sharply on softer inflation prints and hopes that the Federal Reserve would be able to begin cutting interest rates early in 2024. We benefitted from this before trimming the large exposure that we had built up in long-dated bonds in November and December, mindful of how far and fast interest rate expectations had moved.

At the start of 2024, stickier inflation data, less dovish central bank comments and robust US economic data drove the market to question whether interest rates would be cut as quickly as had been expected. This pushed interest rate expectations higher once again, driving weakness in our remaining long-dated UK inflation-protected bonds and our Japanese yen position. Pleasingly, the portfolio balance meant our equity and commodity exposure helped offset some of this weakness. Commodities have done particularly well in the reflation at the beginning of 2024, with gold, silver, copper, and platinum all contributing to the portfolio's performance. We have actively traded the commodity positions to take profits as they rallied.

The end of July brought a Bank of Japan ('BoJ') rate hike of 15 basis points. In the build-up to this well signalled decision the Japanese yen had been strengthening and we had been taking profits in our Japanese yen call options against the US dollar, rolling some of the proceeds into downside protection against the US equity market. This proved timely as markets panicked at the start of August following weaker than expected jobs data in the US, twinned with the surging Japanese yen. As markets fell the Ruffer LLP's portfolio performed strongly. Whilst the rebound was quicker than anticipated, the wobble in August proved that markets are fragile and the portfolio is well set to weather any turbulence.

Furthermore, recent events chime with our longer-term thesis that de-globalisation, heightened geo-political tensions, expansionary fiscal policy and changes to the workforce are likely to result in a more unstable regime of volatile inflation, growth, and interest rates. Combined with high valuations in many bond and equity markets, this regime is likely to be a significant headwind to the returns generated by many widely held assets. As a result, the Ruffer portfolio remains defensive, ready to pick up attractive assets at more reasonable prices.

Investment activities

- *Buy & sell* : US 10-year Treasury Inflation Protected Securitas and 30-year nominal treasuries – we built up a significant position in US duration as yields rose through October, which we then sold down as the assets rallied in November. We built up the position again in April and sold out of it in August as they appreciated in the market wobble.
- *Buy & sell:* Gold bullion exposure – as the gold price rallied through the period, we reduced the exposure in favour of gold miners, selling all the bullion exposure in December after the spot price hit all-time highs. The gold price has continued to rise in 2024, and the miners have also performed well. We also added a silver position in March 2024 as it lagged gold's rally, which performed well before being reduced and then sold in full by early August. Platinum was also added at the end of April.
- *Buy & sell:* Oil & copper exposure – our oil position was actively traded before being sold in full in July. We retain a modest exposure to oil through energy company equities. Our copper weighting performed well in the first half of 2024 with copper's strong rise. We took profits to reduce the position significantly before the pullback in the copper price since the end of June.
- *Buy:* UK & US short-dated government bonds – we built up a significant position in these low-risk, liquid assets that provide a decent yield while we wait for more attractive risk asset opportunities.
- *Sell:* Japanese yen calls US dollar puts – we sold our Japanese yen call options against the US dollar as the Japanese yen strengthened in the run up to the BoJ rate hike in late July.

*Source: Ruffer LLP

Investment Manager's report - Ruffer LLP (continued)

Investment strategy and outlook

Taking a step back to consider our 30-year history, Ruffer LLP has delivered not just equity-like returns with bond-like volatility, but also positive returns in each of the four major market setbacks since the firm began.

Across our 30 year history, we have been good at diagnosing the fault lines and fragilities in markets, but as Jonathan Ruffer said in his latest quarterly investment review – "in each and every one, we were too early – in 2000, it was 14 months, in 2008, it was a full two years, in 2020, it was at least two years, and this time it is 18 months at a minimum. In each case, we had correctly identified the nature of the crisis" and profited handsomely when the market mood changed.

We believe investors are complacent and we have arguably never seen an equity market as crowded, narrow, and myopic as the one we see today. We think the prospective rewards for having a portfolio unlike both peers and benchmarks have never been higher. However, the price that we ask our clients to endure is feeling uncomfortable in the interim and lagging the herd, whilst waiting for the market to turn. In August, we got a glimpse of what a turning market could look like, and the portfolio is well set to weather a more extended turn.

The portfolio has more than a hint of the 'ugly duckling' about it, as we have deliberately stepped away from those parts of the market where we see excess. Taking each part of the portfolio by turn:

- *Equity exposure:* Our modest overall equity position is concentrated in the most unloved parts of the market, including Western European companies with stable and defensive earnings, energy companies and Chinese equities (iShares MSCI China A UCITS ETF). We also have very little exposure to US tech companies, where we fear that valuations may be far too optimistic. Ahead of previous market corrections, it has been just as important what we don't own in the portfolio as what we do; ahead of the dotcom bubble bursting in 2000, we owned no internet-related companies and therefore didn't feel the pain of their precipitous fall when the equity market bubble burst.
- *Commodities:* We think commodities will play an important role in a world of higher and more volatile inflation and we will play this theme through both commodity-linked equities and direct exposure.
- *Gold & precious metals:* Gold has continued to rally very sharply on the back of non-Western central bank buying. We have increased our exposure to a continuation of this rally by adding to gold equities. Non-Western central bank buying has recently slowed but the prospect of rate cuts is keeping the gold price near all-time highs. We believe our gold equities should catch up if the price remains elevated.
- *Inflation-linked bonds:* We continue to believe that the market is under-appreciating the potential for inflation to be both more volatile and structurally higher in the coming years. If the market comes to this realisation, we expect our inflation-linked bonds to perform strongly (WS Ruffer Diversified Return Fund & WS Ruffer Total Return Fund). On a more short-medium term horizon, the bonds should be helpful in a negative economic shock in which central banks are forced to slash interest rates.
- *Cash & short-dated bonds:* Around half of the portfolio is now in cash and short-dated government bonds, giving us a positive yield of 4-5% and, crucially, paying us to wait until better opportunities emerge in markets.
- *Protective investments:* Given that domestic inflation in Japan is running hot and with the potential for interest rate cuts elsewhere, this gap in interest rates could narrow sharply between Japan and the West, sending the Japanese yen markedly higher. We saw significant appreciation in the Japanese yen as the BoJ made a small hike at the end of July and the market wobble that followed meant some of the carry trade (borrowing Japanese yen to invest abroad) unwound. We have used the Japanese yen to good effect in previous market crises as a protective position. Credit and equity downside protection also remain attractive at current levels.

We are confident in the current positioning of the portfolio, given the modest returns generated whilst maintaining a significant level of protection. As ever, our principal preoccupation is protecting against losing money – if we can achieve this, then our experience has been that positive returns naturally follow.

Ruffer LLP
9 September 2024

Investment Manager's report - Evelyn Partner Investment Management LLP

For the portfolio managed by Evelyn Partners Investment Management LLP ('EPIM'), who managed 54.15% of the Fund's assets at the balance sheet date in accordance with the investment objective and policy of the Fund.

Investment performance*

The portfolio managed by EPIM has risen by 12.50% over the year compared with the comparator benchmark IA Mixed Investment 20-60% Shares sector of 10.54%.

Investment activities

The first half of the reporting year has been quite busy, with both trades and capital events taking place. With regard to the latter, Severn Trent Utilities Finance 6.125% 26/02/2024 corporate bond matured and a structured product issued by JPMorgan Chase, JPMorgan Chase Finance 0% 06/10/2018, redeemed, with the underlying indices sitting above their strike levels on the annual observation date.

We added to more defensive bond positions, namely US Treasuries and UK Conventional Gilts, in order to enhance yield and get exposure to assets that we anticipate will be less volatile than other parts of the portfolio.

In equities, we took profits in Experian by trimming the position and also sold out of DCC in entirety, with the shares having rerated significantly since we initiated the investment. We also trimmed Shell, Rio Tinto, Smurfit WestRock and London Stock Exchange Group after a good run in their share prices, reallocating capital to relative laggards – Diageo, BP, Ashtead Group and Phoenix Group Holdings.

Within alternatives, we took some profits in the gold position and also reduced exposure to private equity, by selling out of Harbour Vest Global Private Equity and trimming the position in NB Private Equity Partners. Discounts in the listed private equity space continue to look attractive but we felt it prudent to lock in some profits in the portfolio.

In the second half of the year, we have been relatively busy both trading existing positions, initiating new ones and exiting others. We have also had to trim positions in order to meet redemption requests.

Within alternatives, we exited the holding in Neuberger Berman Uncorrelated Strategies Fund in its entirety as we believed we could get perfectly attractive rates of return from lower risk assets such as US Treasuries, where we added at the beginning of the period under review.

Positions trimmed after stronger share price runs included Ashtead Group, Alphabet 'A', British American Tobacco, Conduit Holdings (which we then repurchased after the share price fell back), Microsoft, Experian, Pershing Square Holdings and Bunzl.

We have kept adding to higher yielding positions in the investment trust space, namely NB Private Equity Partners, Sequoia Economic Infrastructure Income Fund and SDCL Energy Efficiency Income Trust. The yields on offer look attractive alongside wide discounts to net-asset-value, so we think that capital appreciation is a significant part of the investment story here.

Finally, the BASF 1.75% 11/03/2025 bond matured in April, with the proceeds reinvested into Cordiant Digital Infrastructure and BH Macro.

Investment strategy and outlook**

Global markets have been affected recently by growing fears about several risks materialising at the same time. These include: i) the Artificial Intelligence ('AI') theme not living up to lofty expectations as investors were underwhelmed by the latest financials from mega cap companies; ii) the risk of a US recession after July's employment data surprised on the downside; iii) market volatility as Japan normalises its monetary policy; and iv) escalating geopolitical tensions in the Middle East following the recent assassination of top Hezbollah and Hamas leaders.

These risks have been compounded by thin trading as market participants take breaks over the summer period. While investors are understandably concerned by these developments, it's important for long-term investors to focus on the fundamentals, specifically the economy and the ability of companies to generate earnings.

* Source: FE Analytics and Evelyn Partners.

** Source: LSEG DataStream and Evelyn Partners.

Investment strategy and outlook* (continued)

As has been noted in previous updates, US market breadth remains narrow, with roughly two-thirds of returns in the first half of the year produced by mega cap stocks connected to AI. This has left the market highly exposed the performance of these companies. That being said, much of their performance has been driven by profit growth. The consensus currently expects net income for these companies to grow by 49% over the next 12 months.

For the rest of the market, investors will be looking for evidence that businesses are using generative AI technologies to raise productivity, rather than just growing computing power. One bellwether to monitor in relation to AI mass adoption is the proliferation of Microsoft's Copilot. Strong growth in this product would indicate that firms are integrating AI into their processes, and this could help boost profits.

Encouragingly, annual net income for the rest of the US stock market is starting to pick up. Excluding the mega caps, net income is forecasted to increase by 7% over the next year, the fastest rate in nearly two years.

There remain pockets of the stock market, including stocks connected to the AI theme - where valuations look stretched. However, there is room for the valuations of companies in the broader market to expand, as global output growth holds up and inflation and interest rates come down. The one-year forward Price Earning ratio for global equities is currently 18 times earnings, lower than its last peak of 20 times in August 2020 and a record high of 25 times in February 2000.

Turning to recession risks, after July's employment data surprised on the downside, market participants became increasingly worried about the health of the US economy. But despite these concerns, US employment is still increasing, while other barometers of activity, such as the Federal Reserve ('Fed') Bank of Atlanta's real-time Gross Domestic Product estimate, remain resilient.

Meanwhile, lower inflation and a decelerating labour market increases the likelihood that the US Fed will follow the European Central Bank and cut interest rates over the coming months. In the US, June annual core (excluding food and energy) Consumer Price Index inflation was 3.3%, half the post-pandemic peak reached in September 2022. Inflation could slow further over the coming months as disruption caused by the pandemic continues to unwind.

Given concerns about growth, the Fed could cut interest rates by 25 or 50 basis points at its 18 September Federal Open Market Committee meeting, as indicated by the Fed Futures market. Irrespective of the timing, the Fed is about to embark on an interest rate cutting cycle that will lower financing costs and should give a liquidity boost to the stock market.

Finally, the upcoming election in the USA creates further market uncertainty and warrants some caution in the run up to the vote. However, investors were probably relieved that Marine Le Pen's National Rally party did not get a majority in July's French parliamentary election. Bond investors had been worried that this scenario would lead to higher public spending and debt levels, although these fears have lessened since the election. In the UK general election, the Labour Party secured its biggest majority in parliament since Tony Blair's landslide victory in 1997. Despite the win, Labour will be mindful of the voting data as the new government moves forward with its policy agenda. Labour won just 34% of the vote, the lowest for a single-party majority post-war government, and below the 40% share won by its then leader Jeremy Corbyn in 2017.

On balance, there are four reasons to be positive on UK stocks following the election. First, political stability derived from Labour's large majority adds a layer of support that has not been there in recent years. Second, Labour has placed market-friendly economic growth and wealth creation at the heart of its priorities as it embarks on a "decade of renewal". Third, British multinationals, which dominate UK benchmark indices, should benefit from a benign global macro environment. Fourth, UK stocks look historically cheap.

* Source: LSEG DataStream and Evelyn Partners.

Investment Manager's report - Evelyn Partner Investment Management LLP (continued)

Investment strategy and outlook (continued)

To deliver on their policies and with limited fiscal space, the government must rely on cutting red tape and persuading companies to invest to boost the economy. There are some positive signs. In her first speech as Chancellor, Rachel Reeves said she would overhaul planning rules to build more homes. And luckily for Labour, after three years of review, the Financial Conduct Authority made its biggest changes of listing rules for three decades in July. The regulator's streamlined rules will make it easier for firms to list on the London Stock Exchange and could attract much needed investment into the UK. While it is too early to know if Labour will succeed in convincing firms to raise capital investment, it is possible that the UK economy and stock market can shrug off the current Summertime Blues.

In summary, investors are currently nervous about the potential for a number of risks to materialise at the same time. Nevertheless, robust company earnings, interest rate cut expectations and investor-friendly election results offer some support to stabilise global markets in the months ahead. Meanwhile, there are reasons to believe that UK stocks could benefit from policies coming from the new Labour government.

Evelyn Partners Investment Management LLP
31 August 2024

Summary of portfolio changes

for the year ended 31 August 2024

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

Purchases:	Cost £
WS Ruffer Total Return Fund - J Income	3,370,000
WS Ruffer Diversified Return Fund	3,370,000
UK Treasury Gilt 0.25% 31/01/2025	1,477,710
UK Treasury Gilt 0.625% 07/06/2025	824,701
Ruffer SICAV - Ruffer Fixed Income	477,712
UK Treasury Gilt 4.25% 07/12/2040	425,682
US Treasury Bond 4.125% 15/08/2053	395,715
US Treasury Bond 3.625% 15/05/2053	392,461
US Treasury Inflation Linked Bond 1.75% 15/01/2034	373,451
iShares Physical Silver	338,243
iShares MSCI China A UCITS ETF	293,208
UK Treasury Gilt 4.75% 07/12/2038	267,849
US Treasury Inflation Linked Bond 1.125% 15/01/2033	250,595
US Treasury Inflation Linked Bond 1.375% 15/07/2033	189,370
BP	163,127
UK Treasury Gilt 0.125% 31/01/2024	158,031
iShares Physical Platinum	146,095
WisdomTree Physical Silver	144,170
WisdomTree Copper	140,009
Williams	112,987

Sales:	Proceeds £
Ruffer SICAV - Ruffer Fixed Income	2,677,976
UK Treasury Gilt 0.25% 31/01/2025	2,165,241
UK Treasury Gilt 0.625% 07/06/2025	829,067
UK Treasury Gilt 0.125% 31/01/2024	705,472
WisdomTree Brent Crude Oil	605,709
Ruffer Illiquid Multi Strategies Fund	491,183
Ruffer Protection Strategies	422,656
US Treasury Bond 4.125% 15/08/2053	404,544
US Treasury Bond 3.625% 15/05/2053	399,429
iShares Physical Silver	390,030
US Treasury Inflation Linked Bond 1.75% 15/01/2034	378,837
UK Treasury Gilt 5% 07/03/2025	375,583
WS Ruffer Equity & General Fund	352,920
WisdomTree Copper	326,210
iShares MSCI China A UCITS ETF	272,882
iShares Physical Gold	261,796
WS Ruffer Gold Fund	259,446
US Treasury Inflation Linked Bond 1.125% 15/01/2033	252,897
UK Treasury Index-Linked Gilt 0.125% 22/03/2068	250,952
Neuberger Berman Uncorrelated Strategies Fund	226,938

Portfolio statement
as at 31 August 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 9.92% (19.91%)			
Aaa to Aa2 1.24% (1.19%)			
BG Energy Capital 5.125% 01/12/2025	£100,000	100,067	0.62
Johnson & Johnson 5.5% 06/11/2024	£100,000	99,890	0.62
		199,957	1.24
Aa3 to A1 5.62% (14.43%)			
UK Treasury Gilt 4.25% 07/12/2040	£433,000	428,800	2.67
UK Treasury Gilt 4.75% 07/12/2038	£260,000	274,219	1.70
UK Treasury Gilt 5% 07/03/2025	£200,000	200,402	1.25
		903,421	5.62
A2 to A3 0.61% (0.84%)			
United Utilities Water Finance 2% 14/02/2025	£100,000	98,510	0.61
Baa1 to Baa2 2.45% (3.45%)			
Anheuser-Busch InBev 4% 24/09/2025	£100,000	99,077	0.62
AT&T 2.9% 04/12/2026	£100,000	95,933	0.60
Glencore Finance Europe 3.125% 26/03/2026	£100,000	97,396	0.61
Orange 5.25% 05/12/2025	£100,000	100,326	0.62
		392,732	2.45
Total debt securities		1,594,620	9.92
Equities 19.91% (23.58%)			
Equities - United Kingdom 10.63% (13.90%)			
Equities - incorporated in the United Kingdom 9.03% (11.02%)			
Energy 1.57% (1.81%)			
BP	27,000	115,938	0.72
Shell	5,100	136,731	0.85
		252,669	1.57
Materials 0.65% (1.31%)			
Rio Tinto	2,200	104,929	0.65
Industrials 1.15% (1.15%)			
Ashtead Group	1,700	91,732	0.57
Bunzl	2,650	93,757	0.58
		185,489	1.15
Consumer Staples 1.01% (1.95%)			
British American Tobacco	2,500	70,900	0.44
Diageo	3,700	91,482	0.57
		162,382	1.01
Health Care 0.83% (0.77%)			
AstraZeneca	1,000	132,720	0.83

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

Portfolio statement (continued)
as at 31 August 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)			
Financials 2.20% (1.53%)			
Beazley	13,000	97,435	0.61
London Stock Exchange Group	1,150	117,760	0.73
Phoenix Group Holdings	24,500	138,547	0.86
		353,742	2.20
Utilities 0.80% (1.23%)			
National Grid	12,916	128,927	0.80
Real Estate 0.82% (1.27%)			
Tritax EuroBox	200,000	131,600	0.82
Total equities - incorporated in the United Kingdom		1,452,458	9.03
Equities - incorporated outwith the United Kingdom 1.60% (2.88%)			
Materials 0.00% (0.24%)		-	-
Industrials 0.00% (0.69%)		-	-
Consumer Discretionary 0.00% (0.45%)		-	-
Financials 1.60% (1.50%)			
Burford Capital	14,000	142,100	0.88
Conduit Holdings	22,300	116,629	0.72
Total equities - incorporated outwith the United Kingdom		258,729	1.60
Total equities - United Kingdom		1,711,187	10.63
Equities - Europe 2.44% (3.34%)			
Equities - Germany 0.72% (0.75%)			
RWE	4,200	115,033	0.72
Equities - Ireland 0.67% (1.50%)			
Smurfit WestRock	3,000	107,730	0.67
Equities - Luxembourg 0.00% (0.21%)		-	-
Equities - Switzerland 1.05% (0.88%)			
Novartis	1,850	169,422	1.05
Total equities - Europe		392,185	2.44

Portfolio statement (continued)

as at 31 August 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - United States 6.84% (5.74%)			
Alphabet 'A'	700	86,972	0.54
American Tower	550	93,725	0.58
Blackstone Group	1,460	158,092	0.98
Johnson & Johnson	860	108,487	0.67
Microsoft	290	91,979	0.57
Philip Morris International	1,200	112,563	0.70
Stryker	410	112,410	0.70
UnitedHealth Group	280	125,646	0.78
Visa	425	89,314	0.56
Williams	3,500	121,891	0.76
Total equities - United States		1,101,079	6.84
Equities - Brazil 0.00% (0.19%)		-	-
Equities - Hong Kong 0.00% (0.27%)		-	-
Equities - Taiwan 0.00% (0.14%)		-	-
Total equities		3,204,451	19.91
Closed-Ended Funds - United Kingdom 8.22% (7.22%)			
Closed-Ended Funds - incorporated in the United Kingdom 2.21% (1.82%)			
Fidelity China Special Situations	50,000	90,300	0.56
SDCL Energy Efficiency Income Trust	266,000	164,122	1.02
Utilico Emerging Markets Trust	45,400	100,788	0.63
Total closed-ended funds - incorporated in the United Kingdom		355,210	2.21
Closed-Ended Funds - incorporated outwith the United Kingdom 6.01% (5.40%)			
BH Macro	51,000	186,405	1.16
Cordiant Digital Infrastructure	229,000	180,452	1.12
NB Private Equity Partners	10,600	168,752	1.05
Pershing Square Holdings	6,700	250,312	1.56
Real Estate Credit Investments	65,000	82,875	0.52
Sequoia Economic Infrastructure Income Fund	120,000	95,880	0.60
Total closed-ended funds - incorporated outwith the United Kingdom		964,676	6.01
Total closed-ended funds - United Kingdom		1,319,886	8.22

Portfolio statement (continued)
as at 31 August 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Collective Investment Schemes 58.82% (39.43%)			
UK Authorised Collective Investment Schemes 52.57% (15.59%)			
Artemis Corporate Bond Fund	250,000	232,350	1.44
BlackRock Continental European Income Fund	105,000	201,404	1.25
Jupiter Japan Income Fund	179,000	216,626	1.35
LF Ruffer Investment Funds - LF Ruffer European Fund^#	15,400	390	0.00
Premier Miton US Opportunities Fund	50,000	213,950	1.33
Schroder Asian Income Fund	400,000	310,440	1.93
WS Ruffer Diversified Return Fund^	3,454,955	3,428,697	21.31
WS Ruffer Total Return Fund - C Income^	126,381	416,462	2.59
WS Ruffer Total Return Fund - J Income^	972,910	3,438,361	21.37
Total UK authorised collective investment schemes		8,458,680	52.57
Offshore Collective Investment Schemes 6.25% (23.84%)			
First Trust US Equity Income UCITS ETF - GBP	8,000	210,240	1.31
First Trust US Equity Income UCITS ETF - USD	1,300	34,200	0.21
Lyxor Core US TIPS ETF	1,835	195,831	1.22
Vanguard Investment Series - US Government Bond Index Fund	6,350	565,208	3.51
Total offshore collective investment schemes		1,005,479	6.25
Total collective investment schemes		9,464,159	58.82
Exchange Traded Commodities 2.15% (6.37%)			
Invesco Physical Gold	1,880	345,388	2.15
Structured Products 0.00% (0.98%)		-	-
Portfolio of investments		15,928,504	99.02
Other net assets		157,568	0.98
Total net assets		16,086,072	100.00

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

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

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

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^ Managed by the Investment Manager, Ruffer LLP.

The fund is priced using a static price of £0.0253 from 17 July 2023 pending final liquidation payment.

Risk and reward profile*

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

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

The Fund is in a medium category because the price of its investments have risen or fallen to some extent. 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 4 October 2024.

Comparative table

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

Income shares launched on 16 June 2022 at 100.0p per share.

Income	2024 p	2023** p
Change in net assets per share		
Opening net asset value per share	97.46	100.00
Return before operating charges	8.40	0.83
Operating charges	(1.61)	(1.98)
Return after operating charges *	6.79	(1.15)
Distributions^	(1.50)	(1.39)
Closing net asset value per share	102.75	97.46
* after direct transaction costs of:	0.04	0.12
Performance		
Return after charges	6.97%	(1.15%)
Other information		
Closing net asset value (£)	16,086,072	16,761,379
Closing number of shares	15,655,017	17,198,964
Operating charges^^	1.61%	1.61%^^^
Direct transaction costs	0.04%	0.12%
Published prices		
Highest share price	103.2	105.0
Lowest share price	95.85	97.68

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

** For the period 16 June 2022 to 31 August 2023.

^ 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 Managers' 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 in relation to the Fund (the synthetic 'OCF').

^^^ Annualised based on the expenses 16 June 2022 to 31 August 2023.

Financial statements - Kanthaka Fund

Statement of total return

for the year ended 31 August 2024

	Notes	1 September 2023 to 31 August 2024 £	£	16 June 2022 to 31 August 2023 £	£
Income:					
Net capital gains / (losses)	2		871,004		(433,112)
Revenue	3	439,980		501,223	
Expenses	4	(181,830)		(237,834)	
Net revenue before taxation		258,150		263,389	
Taxation	5	(10,866)		(20,234)	
Net revenue after taxation			247,284		243,155
Total return before distributions			1,118,288		(189,957)
Distributions	6		(247,354)		(243,006)
Change in net assets attributable to shareholders from investment activities			870,934		(432,963)

Statement of change in net assets attributable to shareholders

for the year ended 31 August 2024

	1 September 2023 to 31 August 2024 £	£	16 June 2022 to 31 August 2023 £	£
Opening net assets attributable to shareholders		16,761,379		-
Share exchange issues on in specie transfers	-		2,522,271	
Amounts receivable on issue of shares	-		15,019,999	
Amounts payable on cancellation of shares	(1,546,241)		(347,928)	
		(1,546,241)		17,194,342
Change in net assets attributable to shareholders from investment activities		870,934		(432,963)
Closing net assets attributable to shareholders		16,086,072		16,761,379

Balance sheet
as at 31 August 2024

	Notes	2024	2023
		£	£
Assets:			
Fixed assets:			
Investments		15,928,504	16,341,399
Current assets:			
Debtors	7	73,390	87,299
Cash and cash equivalents	8	170,372	426,923
Total assets		16,172,266	16,855,621
Liabilities:			
Creditors:			
Distribution payable		(68,882)	(71,892)
Other creditors	9	(17,312)	(22,350)
Total liabilities		(86,194)	(94,242)
Net assets attributable to shareholders		16,086,072	16,761,379

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

1. Accounting policies

   The accounting policies are disclosed on pages 13 to 15.

2. Net capital gains / (losses)	1 September 2023 to 31 August 2024	16 June 2022 to 31 August 2023
	£	£
Non-derivative securities - realised (losses) / gains	(572,084)	171,318
Non-derivative securities - movement in unrealised gains / (losses)	1,434,596	(713,718)
Derivative contracts - realised gains	15,600	-
Derivative contracts - movement in unrealised (losses) / gains	(13,511)	13,511
Currency (losses) / gains	(14,813)	10,917
Forward currency contracts gains	17,549	90,576
Capital special dividend	5,796	-
Compensation	20	38
Transaction charges	(2,149)	(5,754)
Total net capital gains / (losses)	871,004	(433,112)

3. Revenue	1 September 2023 to 31 August 2024	16 June 2022 to 31 August 2023
	£	£
UK revenue	139,092	124,066
Unfranked revenue	19,297	13,087
Overseas revenue	129,350	146,153
Interest on debt securities	121,982	183,101
Bank and deposit interest	30,259	34,816
Total revenue	439,980	501,223

4. Expenses	1 September 2023 to 31 August 2024	16 June 2022 to 31 August 2023
	£	£
Payable to the ACD and associates		
Annual management charge*	248,105	293,769
Annual management charge rebate*	(87,322)	(94,935)
	160,783	198,834
Payable to the Depositary		
Depositary fees	9,008	10,899

* The annual management charge is 1.50% and includes the ACD's periodic charge and the Investment Managers' fees. Where the ACD's periodic charge and the Investment Managers' fees are cumulatively lower than the annual management charge a rebate may occur.

For the year ended 31 August 2024, the annual management charge after rebates is 0.97%. The Investment Managers' fees excludes any holdings within the portfolio of investments that are managed by the Investment Managers. During the year only Ruffer LLP had in-house holdings within the portfolio of investments.

4. Expenses (continued)	1 September 2023 to 31 August 2024 £	16 June 2022 to 31 August 2023 £
Other expenses:		
Audit fee	9,000	7,920
Non-executive directors' fees	1,299	1,775
Safe custody fees	820	1,022
Bank interest	212	386
FCA fee	178	1,565
KIID production fee	458	333
Set up fee	-	6,000
Administration fee	72	100
Legal fee	-	9,000
	12,039	28,101
Total expenses	181,830	237,834

5. Taxation	1 September 2023 to 31 August 2024 £	16 June 2022 to 31 August 2023 £
a. Analysis of the tax charge for the year		
UK corporation tax	4,646	12,406
Overseas tax withheld	6,220	7,828
Total taxation (note 5b)	10,866	20,234

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:

	1 September 2023 to 31 August 2024 £	16 June 2022 to 31 August 2023 £
Net revenue before taxation	258,150	263,389
Corporation tax @ 20%	51,630	52,678
Effects of:		
UK revenue	(27,818)	(24,813)
Overseas revenue	(19,166)	(18,459)
Overseas tax withheld	6,220	7,828
Expenses not deductible for tax purposes	-	3,000
Total taxation (note 5a)	10,866	20,234

6. Distributions

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

	1 September 2023 to 31 August 2024	16 June 2022 to 31 August 2023
	£	£
Quarter 1 income distribution	57,778	14,393
Interim income distribution	49,404	52,831
Quarter 3 income distribution	67,530	101,818
Final income distribution	68,882	71,892
	243,594	240,934
Equalisation:		
Amounts deducted on cancellation of shares	3,760	2,072
Total net distributions	247,354	243,006

Reconciliation between net revenue and distributions:

Net revenue after taxation per Statement of total return	247,284	243,155
Undistributed revenue brought forward	149	-
Undistributed revenue carried forward	(79)	(149)
Distributions	247,354	243,006

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

7. Debtors

	2024	2023
	£	£
Accrued revenue	60,229	79,985
Recoverable overseas withholding tax	1,011	-
Prepaid expenses	208	258
	61,448	80,243
Payable from the ACD and associates		
Annual management charge rebate	11,942	7,056
Total debtors	73,390	87,299

8. Cash and cash equivalents

	2024	2023
	£	£
Total cash and cash equivalents	170,372	426,923

9. Other creditors

	2024	2023
	£	£
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	662	-
Other expenses:		
Depositary fees	25	-
Safe custody fees	783	167
Audit fee	9,000	7,920
Non-executive directors' fees	919	1,775
FCA fee	65	-
Transaction charges	1,212	82
	12,004	9,944
Total accrued expenses	12,666	9,944
Corporation tax payable	4,646	12,406
Total other creditors	17,312	22,350

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	17,198,964
Total shares cancelled in the year	(1,543,947)
Closing shares in issue	15,655,017

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

12. Related party transactions

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

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per income share has deceased from 102.8p to 102.4p as at 14 November 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
1 September 2023 to 31 August 2024	£	£	%	£	%	£	%	£
Equities	1,710,438	3,605	0.21%	934	0.05%	-	-	1,714,977
Closed-Ended Funds	333,459	-	-	441	0.13%	-	-	333,900
Bonds*	4,921,198	-	-	-	-	-	-	4,921,198
Collective Investment Schemes	7,731,688	88	0.00%	-	-	-	-	7,731,776
Exchange Traded Commodities	995,140	88	0.01%	-	-	-	-	995,228
Total	15,691,923	3,781	0.22%	1,375	0.18%	-	-	15,697,079

	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
16 June 2022 to 31 August 2023	£	£	%	£	%	£	%	£
Equities	5,085,475	3,855	0.08%	10,886	0.21%	81	0.00%	5,100,297
Closed-Ended Funds	2,725,592	-	-	4,175	0.15%	-	-	2,729,767
Bonds*	7,517,550	-	-	-	-	-	-	7,517,550
Collective Investment Schemes	7,145,500	69	0.00%	-	-	-	-	7,145,569
Exchange Traded Commodities	1,644,210	172	0.01%	-	-	-	-	1,644,382
Structured Products*	150,000	-	-	-	-	-	-	150,000
Total	24,268,327	4,096	0.09%	15,061	0.36%	81	0.00%	24,287,565

Capital events amount of £18,808 (2023: £nil) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

	In specie purchases before transaction costs	Commission		Taxes		Financial transaction tax		In specie purchases after transaction costs
16 June 2022 to 31 August 2023	£	£	%	£	%	£	%	£
Collective Investment Schemes*	2,522,271	-	-	-	-	-	-	2,522,271

* No direct transaction costs were incurred in these transactions.

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

14. Transaction costs (continued)

a Direct transaction costs (continued)

1 September 2023 to 31 August 2024	Sales before transaction costs £	Commission £	Commission %	Taxes £	Taxes %	Financial transaction tax £	Financial transaction tax %	Sales after transaction costs £
Equities	2,770,270	(568)	0.02%	(17)	0.00%	-	-	2,769,685
Closed-Ended Funds	950,545	-	-	(6)	0.00%	-	-	950,539
Bonds*	6,692,982	-	-	-	-	-	-	6,692,982
Collective Investment Schemes	4,563,248	(69)	0.00%	-	-	-	-	4,563,179
Exchange Traded Commodities	1,916,242	(185)	0.01%	-	-	-	-	1,916,057
Structured Products*	165,600	-	-	-	-	-	-	165,600
Total	17,058,887	(822)	0.03%	(23)	0.00%	-	-	17,058,042

16 June 2022 to 31 August 2023	Sales before transaction costs £	Commission £	Commission %	Taxes £	Taxes %	Financial transaction tax £	Financial transaction tax %	Sales after transaction costs £
Equities	1,449,542	(534)	0.04%	(5)	0.00%	-	-	1,449,003
Closed-Ended Funds	341,453	-	-	(2)	0.00%	-	-	341,451
Bonds*	4,170,644	-	-	-	-	-	-	4,170,644
Collective Investment Schemes	3,312,735	(24)	0.00%	-	-	-	-	3,312,711
Exchange Traded Commodities	580,482	(64)	0.01%	-	-	-	-	580,418
Total	9,854,856	(622)	0.05%	(7)	0.00%	-	-	9,854,227

Capital events amount of £4,478 (2023: £237,550) 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/period:

2024	£	% of average net asset value
Commission	4,603	0.03%
Taxes	1,398	0.01%

2023	£	% of average net asset value
Commission	4,718	0.03%
Taxes	15,068	0.09%
Financial transaction tax	81	0.00%

* No direct transaction costs were incurred in these transactions.

14. Transaction costs (continued)

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: 0.11%).

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 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 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 2024, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £716,694 (2023: £642,017).

(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.

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

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

2024	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
Euro	115,033	748	115,781
Swiss franc	169,422	-	169,422
US dollar	1,480,667	13,508	1,494,175
Total foreign currency exposure	1,765,122	14,256	1,779,378

2023	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
Euro	160,667	-	160,667
Hong Kong dollar	120,921	-	120,921
Swiss franc	147,610	-	147,610
US dollar	2,205,272	12,672	2,217,944
Total foreign currency exposure	2,634,470	12,672	2,647,142

At 31 August 2024, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £88,969 (2023: £80,279). In the prior year forward currency contracts were used to manage the portfolio exposure to currency movements.

(iii) Interest rate risk

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

During the year the Fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities. The Fund also has indirect exposure to interest rate risk as it invests in bond funds. The amount of revenue receivable from 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.

At 31 August 2024, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £21,419 (2023: £66,629).

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

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:

2024	Variable rate financial assets £	Fixed rate financial assets £	Non-interest bearing financial assets £	Non-interest bearing financial liabilities £	Total £
Euro	-	-	115,781	-	115,781
Swiss franc	-	-	169,422	-	169,422
UK sterling	170,372	1,594,620	12,627,896	(86,194)	14,306,694
US dollar	-	-	1,494,175	-	1,494,175
	170,372	1,594,620	14,407,274	(86,194)	16,086,072

2023	Variable rate financial assets £	Fixed rate financial assets £	Non-interest bearing financial assets £	Non-interest bearing financial liabilities £	Total £
Euro	38	-	160,629	-	160,667
Hong Kong dollar	-	-	120,921	-	120,921
Swiss franc	-	-	147,610	-	147,610
UK sterling	961,455	2,802,267	10,444,757	(94,242)	14,114,237
US dollar	-	-	2,217,944	-	2,217,944
	961,493	2,802,267	13,091,861	(94,242)	16,761,379

b Credit risk

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

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

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

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

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

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 Fund.

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

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

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 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.

Basis of valuation	Investment assets 2024 £	Investment liabilities 2024 £
Quoted prices	6,213,417	-
Observable market data	9,714,697	-
Unobservable data*	390	-
	15,928,504	-

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

LF Ruffer Investment Funds - LF Ruffer European Fund: The fund is priced using a static price of £0.0253 from 17 July 2023 pending final liquidation payment.

15. Risk management policies (continued)

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

Basis of valuation	Investment assets 2023	Investment liabilities 2023
	£	£
Quoted prices	9,046,010	-
Observable market data	7,131,079	-
Unobservable data*	164,310	-
	16,341,399	-

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.

*The following securities are valued in the portfolio of investments using valuation techniques:

LF Ruffer Investment Funds - LF Ruffer European Fund and LF Ruffer Investment Funds - LF Ruffer Japanese Fund: The funds were priced using static prices from 17 July 2023 £0.0507 and £0.000495, respectively while awaiting final liquidation payments.

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.

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
LF Ruffer Investment Funds - LF Ruffer European Fund	0.00%	0.00%
LF Ruffer Investment Funds - LF Ruffer Japanese Fund	n/a	0.00%
Total	0.00%	0.00%

f Derivatives

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

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

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

15. Risk management policies (continued)

f Derivatives (continued)

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

At the balance sheet date there is no global exposure to derivatives.

There have been no collateral arrangements in the year.

Distribution table

for the year ended 31 August 2024

Quarter 1 distribution in pence per share

Group 1 - Shares purchased before 1 September 2023

Group 2 - Shares purchased 1 September 2023 to 30 November 2023

	Net revenue	Equalisation	Total distribution 31 January 2024	Total distribution 31 January 2023
Income				
Group 1	0.341	-	0.341	0.082
Group 2	0.341	-	0.341	0.082

Interim distribution in pence per share

Group 1 - Shares purchased before 1 December 2023

Group 2 - Shares purchased 1 December 2023 to 29 February 2024

	Net revenue	Equalisation	Total distribution 30 April 2024	Total distribution 30 April 2023
Income				
Group 1	0.296	-	0.296	0.301
Group 2	0.296	-	0.296	0.301

Quarter 3 distribution in pence per share

Group 1 - Shares purchased before 1 March 2024

Group 2 - Shares purchased 1 March 2024 to 31 May 2024

	Net revenue	Equalisation	Total distribution 31 July 2024	Total distribution 31 July 2023
Income				
Group 1	0.426	-	0.426	0.592
Group 2	0.426	-	0.426	0.592

Final distribution in pence per share

Group 1 - Shares purchased before 1 June 2024

Group 2 - Shares purchased 1 June 2024 to 31 August 2024

	Net revenue	Equalisation	Total distribution 31 October 2024	Total distribution 31 October 2023
Income				
Group 1	0.440	-	0.440	0.418
Group 2	0.440	-	0.440	0.418

Remuneration

Remuneration code disclosure

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

Remuneration committee

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

Remuneration policy

The main principles of the remuneration policy are:

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

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

Remuneration systems

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

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

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

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

Remuneration (continued)

Aggregate quantitative information

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

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

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

Investment Managers

The ACD delegates the management of the Company's portfolio of assets to Evelyn Partners Investment Management LLP and Ruffer LLP and pays the Investment Managers, out of the annual management charge, a monthly fee calculated on the total value of the portfolio of investments at the month end, excluding any holdings within the portfolio that are managed by the Investment Managers. During the year only Ruffer LLP had in-house holdings within the portfolio of investments. The Investment Managers 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 quarterly on 31 October (final), 31 January (quarter 1), 30 April (interim) and 31 July (quarter 3). In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 September	final
	1 December	quarter 1
	1 March	interim
	1 June	quarter 3
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 the last business day prior to any bank holiday in England and Wales where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary, and prices of shares are calculated as at that time. Share dealing is on a forward basis meaning investors can buy and sell shares at the next valuation point following receipt of the order.

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

Benchmark

Shareholders may compare the performance of the Company against the IA Mixed Investment 20-60% Shares 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
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
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Glasgow G2 7ER
Telephone 0141 222 1151 (Registration)
0141 222 1150 (Dealing)
Authorised and regulated by the Financial Conduct Authority

Directors of the ACD
Andrew Baddeley
Brian McLean
Mayank Prakash
Neil Coxhead

Independent Non-Executive Directors of the ACD
Dean Buckley
Linda Robinson
Victoria Muir
Sally Macdonald

Non-Executive Directors of the ACD
Guy Swarbreck

Investment Managers
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