

Pendennis Fund ICVC

Annual Report

for the year ended 31 January 2025

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Pendennis Fund ICVC Report of the Authorised Corporate Director ('ACD')

Evelyn Partners Fund Solutions Limited ('EPFL'), as ACD, presents herewith the Annual Report for Pendennis Fund ICVC for the year ended 31 January 2025.

Pendennis Fund ICVC ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 5 October 2001. The Company is incorporated under registration number IC000130. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

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

The Financial Stability Board ('FSB') created the Task Force on Climate-related Financial Disclosures ('TCFD') to improve and increase reporting of climate-related financial information. 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 Pendennis Fund ICVC is to maintain the long-term real value of capital through a globally diversified portfolio of bonds, equities, equity related instruments, collective investment schemes and money market instruments. There will be no emphasis placed on particular economic or industrial sectors with the object being the spreading of risk both geographically and by industrial sector.

Investment may also be made in warrants, deposits, cash and near cash, other transferable securities, derivatives and forward transactions and other investments to the extent each is permitted by the Regulations.

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 42.

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

Neil Coxhead
Director
Evelyn Partners Fund Solutions Limited
22 May 2025

Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

COLL also requires the ACD to carry out an Assessment of Value on the Company, previously published within the Annual Report, this assessment can now be found on the ACD's website at:

<https://www.evelyn.com/services/fund-solutions/other-funds-administered-by-evelyn-partners-fund-solutions-limited/>

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

Report of the Depositary to the shareholders of Pendennis Fund ICVC

Depositary's responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
22 May 2025

Independent Auditor's report to the shareholders of Pendennis Fund ICVC

Opinion

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

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Company as at 31 January 2025 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

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

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the COLL Rules

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

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

Independent Auditor's report to the shareholders of Pendennis Fund ICVC (continued)

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's responsibilities set out on page 3, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Independent Auditor's report to the shareholders of Pendennis Fund ICVC (continued)

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

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

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

- Reviewing the level of and reasoning behind the Company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Corporate Director in its calculation of accounting estimates for potential management bias;
- Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies' dividend payments;
- Assessing the Company's compliance with the key requirements of the Collective Investment Schemes sourcebook and its Prospectus;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the IA Statement of Recommended Practice for Authorised Funds; and
- Agreement of the financial statement disclosures to supporting documentation.

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

Use of Our Report

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

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Bishop's Court
29 Albyn Place
Aberdeen AB10 1YL
22 May 2025

Accounting policies of Pendennis Fund ICVC

for the year ended 31 January 2025

a Basis of accounting

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

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

b Valuation of investments

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

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

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

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

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.

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.

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.

Accounting policies of Pendennis Fund ICVC (continued)

for the year ended 31 January 2025

d Revenue (continued)

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.

Management fee rebates agreed in respect of holdings in other collective investment schemes are recognised on an accruals basis and are allocated to revenue or capital being determined by the allocation of the expense in the collective investment scheme held.

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

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

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

e Expenses

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

Bank interest paid is charged to revenue.

f Allocation of revenue and expenses to multiple share types

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

g Taxation

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

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

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

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

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

Accounting policies of Pendennis Fund ICVC (continued)

for the year ended 31 January 2025

h Efficient Portfolio Management

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

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

i Dilution levy

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

j Distribution policies

i Basis of distribution

The distribution policy is to distribute all available revenue after deduction of expenses payable from revenue. Distributions attributable to income shares are paid to shareholders. Distributions attributable to accumulation shares are re-invested in the Fund on behalf of the shareholders.

ii Unclaimed distributions

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

iii Revenue

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

iv Expenses

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

v Equalisation

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

Investment Manager's report - Sarasin & Partners LLP

At the balance sheet date Sarasin & Partners LLP managed 33.46% of funds under management in accordance with the objective and policy of the Fund.

Investment performance*

For the year to 31 January 2025, the portfolio managed by Sarasin & Partners LLP returned 15.9% compared to the Fund's comparator benchmarks, the IA Mixed Investment 40-85% Shares sector which returned 12.7% and the UK Consumer Price Index +4.5% which returned 7.2% over the year.

Investment activities**

As at 31 January 2025 net of the effect of any derivatives positions, the Sarasin & Partners LLP portfolio was positioned as follows:

- Equities: 74.0%
- Fixed Income: 8.6%
- Alternatives: 13.0%
- Implied Cash: 4.4%

The most prominent narrative to run through 2024 was that of interest rates, and although expectations for how many cuts we would see fluctuated throughout the year, the cutting cycle did begin in the second half with reductions from the majority of Central Banks as they became comfortable that inflation was now heading back towards target across the global economy. However, towards the end of the year the inflation outlook shifted with the services sector worldwide and employment statistics in the US both being stronger than expected in the run-up to the US Presidential election. Trump's sweeping victory has given fresh impetus in the United States not only to consumer confidence, economic growth and equity market sentiment, but also to inflationary pressures. Hence the US Federal Reserve's ('Fed') pre and post-Christmas testimony was noticeably more hawkish about the potential for rate cuts in 2025, indicating a slower trajectory and a higher terminal rate. The Fed held interest rates in January in line with expectations. Trump responded by criticising the Fed, vowing to combat inflation through energy production, deregulation, trade and manufacturing. Here in the UK, Gilt yields also backed up to well above 4% at the end of the year, but have decreased again during January. The Bank of England cut interest rates in their recent meeting by a quarter-point and halved their 2025 growth forecast.

Gold was the strongest asset class in sterling terms over the 12-month period as geo-political concerns continued to reverberate across the globe. After several years of conflict in the Middle East and Russia, markets are encouraged by the ceasefire deal in Gaza and the greater potential for a peace settlement in Ukraine since Trump has taken office. Global equities also had another very strong year, up over 20% and led once again by the United States in regional terms and by technology at the sector level.

On European shores the situation is less positive. In the UK, investors remain underwhelmed by the new chancellor's tax and spend programme, while in France and Germany, a combination of political and economic instability continued to push down valuations.

Over the period the allocation to equities increased to 74.0% (net of portfolio insurance) whilst we took advantage of lower market volatility to maintain a portfolio insurance programme focussed on the S&P 500 Index, with 10.0% of the portfolio's equity exposure covered to the end of March 2025. Within fixed income, we decreased exposure from 13.8% to 8.6%, principally within corporate bonds. Alternatives were maintained at circa 13% which included a core position in gold, whilst the balance of the portfolio was held in cash.

Within the portfolio's equity exposure, the top contributors were companies within our digitalisation theme. Alphabet 'A', Amazon.com, Apple, Broadcom (semi-conductor designer), Meta Platforms 'A', NVIDIA and Taiwan Semiconductor Manufacturing (semi-conductor chip manufacturer) all continue to benefit from positive investor sentiment around Artificial Intelligence. In addition, JPMorgan Chase performed well, particularly towards the end of the year, boosted by Trump's return to office and his expected deregulation agenda. AIA Group and LVMH Moët Hennessy Louis Vuitton were both detractors during the period, suffering due to concerns around the health of the Chinese consumer and a broader slowdown in the Chinese economy.

In terms of transactions, we added to core positions in Apple and Microsoft, whilst we also started positions in Blackrock and Zoetis, the leading global animal healthcare provider. Zoetis has a strong organic growth engine, driven by research, development and innovation, attractive products, a robust pipeline of new drugs and a diversified distribution strategy. Other names that we added to the portfolio included Givaudan, a leading manufacturer of flavours and fragrances, and Linde, the global industrial gases business. Major sales included DS Smith which was taken over by International Paper at a significant premium to its share price prior to the bid.

* Source: Sarasin & Partners and FE Analytics, net of fees in GBP.

** Source: Sarasin & Partners LLP and Bloomberg.

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

Investment strategy and outlook*

Looking ahead, President Trump's global tariff programme is most likely to be used as a negotiating weapon by the US administration rather than a blunt instrument simply to improve their trade balances. In recent weeks, Trump has announced tariffs on Canadian, Mexican and Chinese goods, also threatening that other major jurisdictions will be targeted shortly. In addition, Trump announced 25% tariffs on all steel and aluminium imports taking effect in March. As the world's pre-eminent consumer and also the principal controller of intellectual property in global technology, the US has the whip hand at the negotiating table. Whatever the eventual outcome for the global economy, it is likely to be good for the dollar and US corporate profits relative to the rest of the world, at least in the short-term.

In terms of asset allocation, the less rosy outlook for interest rates has encouraged us to make further reductions to both exposure and risk profile in bonds. Otherwise, we are maintaining our pro-equity stance with a strong emphasis on US stocks. We have to remain conscious of valuations at historically high levels (albeit boosted by the dominant technology and communications sectors), but equally one cannot ignore the excellent potential for further profits growth and cash flow generation.

Sarasin & Partners LLP

14 February 2025

* Source: Sarasin & Partners LLP and Bloomberg.

Investment Manager's report - Waverton Investment Management Limited

At the balance sheet date Waverton Investment Management Limited managed 66.54% of funds under management in accordance with the objective and policy of the Fund.

Investment performance*

The Fund's benchmarks, the IA Mixed Investment 40-85% Shares sector returned 12.7% and the UK Consumer Price Index +4.5% returned 7.2% over the year. The portfolio managed by Waverton Investment Management Limited rose strongly, up 22.4% net of fees.

Investors have been focused on three key issues over the last twelve months; interest rates, elections and growth of Artificial Intelligence ('AI'). Expectations of interest rate cuts have fluctuated with macroeconomic data. This has led to further volatility within the bond market, with UK Gilts under pressure. However, with the exception of a sharp sell-off in August, equity markets have continued to move higher, buoyed by corporate earnings growth and positive sentiment following the decisive victory for the former President Donald Trump in the US Presidential election.

Performance attribution*

While expectations of interest rate cuts waxed and waned, leadership of the market was unusually narrow; the top ten contributors accounted for 42% of performance and 24% of the market by value. The common theme across these names was the growth of generative AI and the associated capital expenditure boom. Goldman Sachs anticipates \$1trillion of capital expenditure on AI infrastructure over the coming years, with Microsoft alone expected to spend \$90 billion of capex in 2025.

At the regional level it has been even more extreme with North America accounting for 80% of equity market returns, bolstered by both its high exposure to AI related stocks and the 'Trump-effect'; the reindustrialisation of America and reshoring of manufacturing and supply chains in addition to a more combative trade policy with the potential implementation of trade tariffs.

Unlike the broader market, the Fund benefitted from its diversification. The best performing stocks within the Fund only included two of the Magnificent Seven, Amazon.com and Alphabet 'A'. Other significant contributors to performance included the Japanese industrial conglomerate, Hitachi; the global payments company, American Express; the aircraft engine supplier, GE Vernova; and the cement and aggregates producer, CRH. All of these stocks were supported by strong earnings growth. Our detractors included the semiconductor chip manufacturer, Advanced Micro Devices; the paper and pulp manufacturer, UPM-Kymmene; and the Japanese speciality chemicals company, Shin-Etsu Chemical. Essentially, our diversified portfolio lagged a concentrated market.

Investment activities*

We established four new positions in the year; Sumitomo Mitsui Financial Group, Ferguson Enterprises, Yum China Holdings and Synopsys.

Sumitomo Mitsui Financial Group is the second largest bank in Japan. We believe the net-interest margin has bottomed and will continue to improve in coming quarters, driven by improving loan growth at large Japanese corporates and rising interest rates. With the valuation trading in-line with the 20-year average of 9.8 times we believe there is room for a re-rating back to pre-"Kurodanomics" levels.

Ferguson Enterprises is a value-add distributor of plumbing, heating and other industrial products in North America. Leading positions in the majority of their fragmented end markets give them scale advantages over competitors, enabling them to gain share and drive more than 6% organic revenue growth through cycle. We are attracted to the high Return On Capital Employed (more than 30%) business model and long term opportunity that will drive strong free cash flow growth. Furthermore, cyclicality should be somewhat mitigated by their high exposure to the renovation market and the undersupply of housing in the US. We trimmed a number of larger holdings and sold the positions in Costco Wholesale and Prudential to fund the purchases.

We have found it difficult to identify suitable investment opportunities in China in recent years, but we think that in Yum China Holdings we have a company which has a durable franchise, is well managed and has the opportunity to grow free cash flow. Finally, the valuation makes it very appealing, as the share price has derated in recent years along with the rest of the Chinese market. Fortuitously we purchased it shortly before an announcement of a Chinese stimulus package, which provided an unexpected boost to the share price.

* Source: Waverton Investment Management Limited, RIMES and Bloomberg.

Investment Manager's report - Waverton Investment Management Limited (continued)

Investment activities* (continued)

Synopsys is the leading vendor of semiconductor design automation software globally and the second largest provider of licenced semiconductor intellectual property behind ARM. These markets are stable duopolies with high barriers to entry (switching costs, superior products) and lower cyclicality than the broader semi sector (Research and Development ('R&D') spend is the cut of last resort). The AI-driven smart everything era is pressuring the semi industry to accelerate innovation and R&D spending, irrespective of the macroeconomic backdrop, driving revenue growth for Synopsys of over 10% in the medium-term and mid-teens % free cash flow growth.

We sold the holdings of Prudential, Costco Wholesale and UPM-Kymmene to fund the purchases.

Investment strategy and outlook*

We entered 2025 with bond yields rising in the face of stubborn inflation and concerns on both sides of the Atlantic that budget deficits will ensure a high level of government debt issuance. After two years of outsized returns, equities, especially longer duration stocks are vulnerable to profit taking should this pressure in bond markets return.

Politics remains the big uncertainty. Investors have celebrated the re-election of Donald Trump to the American presidency by purchasing the US market, particularly companies which will benefit from the re-shoring of manufacturing and supply chains, tax cuts and deregulation. The hurdle for Mr Trump to exceed expectations is not insurmountable, however, it is substantial.

Notwithstanding this and the re-rating of equity markets over the last two years, we continue to find interesting investment ideas. AI is likely to revolutionise the world as we know it, however, it remains unclear which companies and products will be the winners and whether sufficient profits can be generated to deliver the expected returns on the \$1trillion investment. The rapid development of the Chinese AI company, DeepSeek, has highlighted this uncertainty. We are therefore maintaining a broader portfolio than the market, with an underweight exposure to both the highly rated Magnificent Seven and the US as a whole. We remain focused on ensuring the Fund contains companies that can outperform over the long-term and where valuations are attractive relative to fundamentals.

Waverton Investment Management Limited

13 February 2025

* Source: Waverton Investment Management Limited, RIMES and Bloomberg.

Summary of portfolio changes

for the year ended 31 January 2025

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

	Cost
	£
Purchases:	
Synopsys	1,118,390
Yum China Holdings	1,009,678
Ferguson Enterprises	1,007,438
Sumitomo Mitsui Financial Group	987,767
Microsoft	822,519
UK Treasury Gilt 4.75% 22/10/2043	547,184
Apple	504,911
UK Treasury Gilt 4.5% 07/09/2034	485,002
Givaudan	384,775
Zoetis	372,885
Linde	321,294
Blackrock	313,838
Thermo Fisher Scientific	304,995
UnitedHealth Group	304,694
HgCapital Trust	298,851
Meta Platforms 'A'	293,801
MercadoLibre	284,652
LVMH Moët Hennessy Louis Vuitton	275,380
Emerson Electric	268,755
iShares Core MSCI Japan IMI UCITS ETF	254,744

	Proceeds
	£
Sales:	
Sarasin Funds ICVC - Sarasin Responsible Corporate Bond	1,041,906
UPM-Kymmene	879,348
Costco Wholesale	842,305
Hitachi	748,016
Alphabet 'A'	504,230
Industria de Diseno Textil	428,907
Medtronic	396,413
CRH	385,045
Equinor	369,118
Prudential	346,163
CME Group	334,122
AstraZeneca	322,162
Cisco Systems	280,436
RELX	261,814
DS Smith	256,545
AIA Group	252,597
Air Liquide	252,127
Investor	248,557
iShares MSCI EM UCITS ETF	241,523
Merck	239,247

Portfolio statement
as at 31 January 2025

	Nominal value or holding	Market value £	% of total net assets
Investment			
Debt Securities* 2.05% (2.02%)			
Aa3 to A1 2.05% (1.03%)			
UK Treasury Gilt 3.25% 22/01/2044	£518,820	405,598	0.59
UK Treasury Gilt 4.5% 07/09/2034	£480,000	479,294	0.70
UK Treasury Gilt 4.75% 22/10/2043	£536,200	517,476	0.76
		<u>1,402,368</u>	<u>2.05</u>
A2 to A3 0.00% (0.43%)		-	-
Baa1 to Baa2 0.00% (0.36%)		-	-
Baa3 and below 00.00% (0.20%)		-	-
Total debt securities		<u>1,402,368</u>	<u>2.05</u>
Equities 89.40% (88.25%)			
Equities - United Kingdom 5.99% (8.73%)			
Equities - incorporated in the United Kingdom 5.65% (8.22%)			
Energy 2.05% (2.23%)			
Shell	52,100	1,395,238	2.05
Materials 1.56% (2.14%)			
Anglo American	37,000	880,415	1.29
Rio Tinto	3,798	185,760	0.27
		<u>1,066,175</u>	<u>1.56</u>
Industrials 0.00% (0.43%)		-	-
Consumer Discretionary 0.76% (0.49%)			
Compass Group	18,594	518,959	0.76
Consumer Staples 0.00% (0.27%)		-	-
Health Care 1.25% (1.97%)			
AstraZeneca	7,510	851,934	1.25
Financials 0.00% (0.64%)		-	-
Real Estate 0.03% (0.05%)			
Home REIT [^]	178,060	17,646	0.03
Total equities - incorporated in the United Kingdom		<u>3,849,952</u>	<u>5.65</u>

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

[^] Home REIT: The fair value pricing committee determined a discounted share price of £0.0991 following suspension of the asset on 3 January 2023 (2024: £0.106).

Portfolio statement (continued)
as at 31 January 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - United Kingdom (continued)			
Equities - incorporated outwith the United Kingdom 0.34% (0.51%)			
Energy 0.34% (0.51%)			
Valaris	6,000	231,395	0.34
		<u>231,395</u>	<u>0.34</u>
Total equities - incorporated outwith the United Kingdom		<u>231,395</u>	<u>0.34</u>
		<u>4,081,347</u>	<u>5.99</u>
Total equities - United Kingdom			
Equities - Europe 17.21% (20.23%)			
Equities - Finland 0.00% (1.95%)		-	-
Equities - France 1.15% (0.97%)			
EssilorLuxottica	1,785	396,633	0.58
LVMH Moët Hennessy Louis Vuitton	656	386,092	0.57
Total equities - France		<u>782,725</u>	<u>1.15</u>
Equities - Germany 2.15% (1.97%)			
Deutsche Telekom	37,000	999,523	1.47
Siemens	2,160	373,162	0.55
Siemens Healthineers	1,922	87,698	0.13
Total equities - Germany		<u>1,460,383</u>	<u>2.15</u>
Equities - Ireland 3.08% (3.49%)			
Accenture	1,369	423,960	0.62
CRH	16,800	1,352,064	1.98
Linde	914	327,916	0.48
Total equities - Ireland		<u>2,103,940</u>	<u>3.08</u>
Equities - Italy 0.27% (0.00%)			
Terna Rete Elettrica Nazionale	28,113	186,652	0.27
Equities - Netherlands 2.46% (2.31%)			
ASML Holding	527	318,501	0.47
ING Groep	24,031	322,920	0.47
Technip Energies	45,000	1,034,552	1.52
Total equities - Netherlands		<u>1,675,973</u>	<u>2.46</u>
Equities - Norway 0.00% (0.66%)		-	-
Equities - Spain 3.76% (4.14%)			
Amadeus IT Group	20,800	1,235,506	1.81
Industria de Diseno Textil	30,200	1,331,498	1.95
Total equities - Spain		<u>2,567,004</u>	<u>3.76</u>
Equities - Sweden 1.42% (2.06%)			
Sandvik	58,000	968,228	1.42

Portfolio statement (continued)

as at 31 January 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - Europe (continued)			
Equities - Switzerland 2.92% (2.68%)			
Givaudan	101	356,808	0.52
Partners Group Holding	318	392,603	0.58
TE Connectivity	10,400	1,239,747	1.82
Total equities - Switzerland		<u>1,989,158</u>	<u>2.92</u>
Total equities - Europe		<u>11,734,063</u>	<u>17.21</u>
Equities - North America 55.68% (48.37%)			
Equities - Canada 1.75% (2.51%)			
Canadian Pacific Kansas City	18,600	<u>1,193,798</u>	<u>1.75</u>
Equities - United States 53.93% (45.86%)			
Advanced Micro Devices	10,500	979,228	1.44
Alphabet 'A'	13,510	2,218,160	3.25
Amazon.com	12,858	2,458,392	3.61
American Express	6,900	1,761,053	2.58
American Tower	1,130	168,179	0.25
Amgen	1,195	274,488	0.40
Apple	3,995	758,264	1.11
Autoliv	14,600	1,152,973	1.69
Blackrock	490	424,132	0.62
Broadcom	1,215	216,217	0.32
Chipotle Mexican Grill	5,117	240,170	0.35
Cisco Systems	1,838	89,596	0.13
CME Group	6,556	1,247,199	1.83
Colgate-Palmolive	4,525	315,554	0.46
Costco Wholesale	155	122,190	0.18
Deere	610	233,833	0.34
Eli Lilly	305	199,093	0.29
Emerson Electric	2,637	275,744	0.40
Ferguson Enterprises	6,700	976,624	1.43
Fortinet	3,975	322,722	0.47
GE Vernova	2,300	689,769	1.01
General Electric	9,200	1,508,073	2.21
Home Depot	1,534	508,687	0.75
International Business Machines	6,200	1,275,727	1.87
Intuit	1,920	928,671	1.36
JPMorgan Chase	2,081	447,569	0.66
Marsh & McLennan	6,000	1,047,459	1.54
Mastercard	1,097	490,527	0.72
MercadoLibre	184	284,207	0.42
Merck	1,510	120,066	0.18
Meta Platforms 'A'	1,091	604,587	0.89

Portfolio statement (continued)
as at 31 January 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - North America (continued)			
Equities - United States (continued)			
Microsoft	7,091	2,368,156	3.47
Moody's	639	256,968	0.38
NVIDIA	6,110	590,028	0.87
Otis Worldwide	4,612	354,024	0.52
Prologis	1,829	175,459	0.26
Qualcomm	10,700	1,488,381	2.18
Synopsys	2,600	1,098,882	1.61
Tetra Tech	6,380	188,953	0.28
Thermo Fisher Scientific	3,809	1,832,385	2.69
United Rentals	2,200	1,342,415	1.97
UnitedHealth Group	3,637	1,588,273	2.33
Visa	5,450	1,499,929	2.20
Yum China Holdings	33,600	1,249,572	1.83
Zoetis	2,897	398,219	0.58
Total equities - United States		<u>36,770,797</u>	<u>53.93</u>
Total equities - North America		<u>37,964,595</u>	<u>55.68</u>
Equities - Australia 0.17% (0.40%)			
Sonic Healthcare	8,032	114,711	0.17
Equities - Japan 8.04% (7.60%)			
Asahi Group Holdings	129,900	1,136,573	1.67
Hitachi	77,000	1,578,748	2.32
Keyence	700	244,625	0.36
Shin-Etsu Chemical	33,900	859,266	1.26
Sumitomo Mitsui Financial Group	68,400	1,375,047	2.02
Takeda Pharmaceutical	12,700	277,750	0.41
Total equities - Japan		<u>5,472,009</u>	<u>8.04</u>
Equities - Far East excluding Japan 2.31% (2.92%)			
Equities - Hong Kong 0.00% (0.52%)		-	-
Equities - Taiwan 0.63% (0.59%)			
Taiwan Semiconductor Manufacturing	2,572	432,907	0.63
Equities - Singapore 1.68% (1.81%)			
United Overseas Bank	51,500	1,147,129	1.68
Total equities - Far East excluding Japan		<u>1,580,036</u>	<u>2.31</u>
Total equities		<u>60,946,761</u>	<u>89.40</u>

Portfolio statement (continued)

as at 31 January 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Closed-Ended Funds - United Kingdom 2.48% (2.49%)			
Closed-Ended Funds - incorporated in the United Kingdom 0.65% (0.10%)			
BioPharma Credit	123,242	83,315	0.12
HgCapital Trust	61,145	318,566	0.47
US Solar Fund	130,085	41,353	0.06
Total closed-ended funds - incorporated in the United Kingdom		<u>443,234</u>	<u>0.65</u>
Closed-Ended Funds - incorporated outwith the United Kingdom 1.83% (2.39%)			
3i Infrastructure	90,440	287,147	0.42
International Public Partnerships	239,009	269,602	0.39
Renewables Infrastructure Group	273,913	215,296	0.32
Schiehallion Fund	142,521	122,730	0.18
Sequoia Economic Infrastructure Income Fund	375,483	290,248	0.42
Syncona	68,933	65,486	0.10
Total closed-ended funds - incorporated outwith the United Kingdom		<u>1,250,509</u>	<u>1.83</u>
Total closed-ended funds - United Kingdom		<u>1,693,743</u>	<u>2.48</u>
Collective Investment Schemes 3.69% (4.89%)			
UK Authorised Collective Investment Schemes 0.81% (2.64%)			
Sarasin Funds ICVC - Sarasin Responsible Corporate Bond [^]	692,305	555,436	0.81
Offshore Collective Investment Schemes 2.88% (2.25%)			
Coremont Investment Fund			
- Brevan Howard Absolute Return Government Bond Fund	1,625	233,023	0.34
Fulcrum UCITS SICAV - Fulcrum Equity Dispersion Fund	1,241	175,373	0.26
iShares Core MSCI Japan IMI UCITS ETF	5,876	264,009	0.39
iShares MSCI EM UCITS ETF	7,188	231,597	0.34
iShares MSCI India UCITS ETF	29,872	216,512	0.32
Waverton Investment Funds - Waverton Asia Pacific Fund ^{^^}	25,000	837,500	1.23
Total offshore collective investment schemes		<u>1,958,014</u>	<u>2.88</u>
Total collective investment schemes		<u>2,513,450</u>	<u>3.69</u>
Exchange Traded Commodities 1.26% (1.51%)			
Invesco Physical Gold	3,938	857,546	1.26
Options 0.03% (0.01%)			
S&P500 MINI SPX Index March 2025 485 Put	(35)	(1,775)	0.00
S&P500 MINI SPX Index March 2025 590 Put	35	19,013	0.03
Options assets		19,013	0.03
Options liabilities		(1,775)	0.00
Total options		<u>17,238</u>	<u>0.03</u>

[^] Managed by the Investment Manager, Sarasin & Partners LLP.

^{^^} Managed by the Investment Manager, Waverton Investment Management Limited.

Portfolio statement (continued)

as at 31 January 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Forward currency contracts -0.13% (0.01%)			
Sell Swiss francs	(£410,000)	(365,111)	
Buy UK sterling	£363,603	363,603	
Expiry date 13 March 2025		(1,508)	0.00
Sell euro	(€1,300,000)	(1,089,868)	
Buy UK sterling	£1,068,543	1,068,543	
Expiry date 13 March 2025		(21,325)	(0.03)
Sell Japanese yen	(¥28,500,000)	(148,836)	
Buy UK sterling	£147,508	147,508	
Expiry date 13 March 2025		(1,328)	0.00
Sell US dollar	(\$4,025,896)	(3,240,438)	
Buy UK sterling	£3,171,870	3,171,870	
Expiry date 13 March 2025		(68,568)	(0.10)
Total forward currency contracts		(92,729)	(0.13)
Investment assets		67,432,881	98.91
Investment liabilities		(94,504)	(0.13)
Portfolio of investments		67,338,377	98.78
Other net assets		831,344	1.22
Total net assets		68,169,721	100.00

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

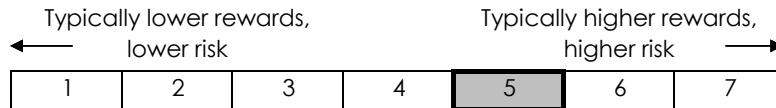
The comparative figures in brackets are as at 31 January 2024.

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

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Risk and reward profile*

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



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

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

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

* As per the KIID published on 12 February 2025.

Comparative table

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

	2025	2024	2023
	p	p	p
Income			
Change in net assets per share			
Opening net asset value per share	3,406.88	3,180.99	3,219.40
Return before operating charges	698.76	296.64	21.82
Operating charges	(26.66)	(21.70)	(24.25)
Return after operating charges *	672.10	274.94	(2.43)
Distributions [^]	(44.18)	(49.05)	(35.98)
Closing net asset value per share	4,034.80	3,406.88	3,180.99
* after direct transaction costs of:	0.88	0.91	1.77
Performance			
Return after charges	19.73%	8.64%	(0.08%)
Other information			
Closing net asset value (£)	65,193,602	54,631,894	51,136,391
Closing number of shares	1,615,782	1,603,576	1,607,563
Operating charges ^{^^}	0.72%	0.68%	0.78%
Direct transaction costs	0.02%	0.03%	0.06%
Published prices			
Highest share price	4,055	3,446	3,233
Lowest share price	3,449	3,065	2,868

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

[^] Rounded to 2 decimal places.

^{^^} The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment 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 and closed ended vehicles such as investment trusts in relation to the Fund (the synthetic 'OCF'). Following guidance issued by the Investment Association on 30 November 2023, the synthetic OCF calculation no longer includes closed ended vehicles.

Comparative table (continued)

	2025	2024	2023
	p	p	p
Accumulation			
Change in net assets per share			
Opening net asset value per share	4,269.78	3,928.34	3,930.45
Return before operating charges	878.56	368.31	27.34
Operating charges	(33.49)	(26.87)	(29.45)
Return after operating charges *	845.07	341.44	(2.11)
Distributions [^]	(55.58)	(60.85)	(44.32)
Retained distributions on accumulation shares [^]	55.58	60.85	44.32
Closing net asset value per share	5,114.85	4,269.78	3,928.34
* after direct transaction costs of:	1.11	1.13	2.14
Performance			
Return after charges	19.79%	8.69%	(0.05%)
Other information			
Closing net asset value (£)	2,976,119	2,484,413	2,285,739
Closing number of shares	58,186	58,186	58,186
Operating charges ^{^^}	0.72%	0.68%	0.78%
Direct transaction costs	0.02%	0.03%	0.06%
Published prices			
Highest share price	5,116	4,288	3,971
Lowest share price	4,323	3,786	3,523

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

[^] Rounded to 2 decimal places.

^{^^} The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment 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 and closed ended vehicles such as investment trusts in relation to the Fund (the synthetic 'OCF'). Following guidance issued by the Investment Association on 30 November 2023, the synthetic OCF calculation no longer includes closed ended vehicles.

Financial statements - Pendennis Fund ICVC

Statement of total return

for the year ended 31 January 2025

	Notes	2025		2024	
		£	£	£	£
Income:					
Net capital gains	2		10,579,296		3,778,991
Revenue	3	1,260,383		1,256,613	
Expenses	4	<u>(421,154)</u>		<u>(353,531)</u>	
Net revenue before taxation		839,229		903,082	
Taxation	5	<u>(94,757)</u>		<u>(81,194)</u>	
Net revenue after taxation			<u>744,472</u>		<u>821,888</u>
Total return before distributions			11,323,768		4,600,879
Distributions	6		(744,755)		(822,216)
Change in net assets attributable to shareholders from investment activities			<u>10,579,013</u>		<u>3,778,663</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 January 2025

		2025		2024	
		£	£	£	£
Opening net assets attributable to shareholders			57,116,307		53,422,130
Amounts receivable on issue of shares		912,765		117,867	
Amounts payable on cancellation of shares		<u>(470,705)</u>		<u>(237,757)</u>	
			442,060		(119,890)
Change in net assets attributable to shareholders from investment activities			10,579,013		3,778,663
Retained distributions on accumulation shares			32,341		35,404
Closing net assets attributable to shareholders			<u>68,169,721</u>		<u>57,116,307</u>

Balance sheet
as at 31 January 2025

	Notes	2025 £	2024 £
Assets:			
Fixed assets:			
Investments		67,432,881	56,646,628
Current assets:			
Debtors	7	117,952	252,052
Cash and bank balances	8	1,035,933	869,419
Total assets		<u>68,586,766</u>	<u>57,768,099</u>
Liabilities:			
Investment liabilities		(94,504)	(413)
Creditors:			
Bank overdrafts	8	-	(1,898)
Distribution payable		(309,794)	(400,862)
Other creditors	9	(12,747)	(248,619)
Total liabilities		<u>(417,045)</u>	<u>(651,792)</u>
Net assets attributable to shareholders		<u>68,169,721</u>	<u>57,116,307</u>

Notes to the financial statements

for the year ended 31 January 2025

1. Accounting policies

The accounting policies are disclosed on pages 8 to 10.

2. Net capital gains	2025	2024
	£	£
Non-derivative securities - realised gains	2,070,383	143,935
Non-derivative securities - movement in unrealised gains	8,690,512	3,721,273
Derivative contracts - realised losses	(102,652)	(104,265)
Derivative contracts - movement in unrealised gains / (losses)	13,928	(44,403)
Currency (losses) / gains	(39,031)	24,163
Forward currency contracts (losses) / gains	(42,080)	44,346
Rebates from collective investment schemes	1,407	1,619
Compensation	8	211
Transaction charges	(13,179)	(7,888)
Total net capital gains	<u>10,579,296</u>	<u>3,778,991</u>
3. Revenue	2025	2024
	£	£
UK revenue	129,279	227,647
Unfranked revenue	71,340	70,048
Overseas revenue	1,004,677	898,434
Interest on debt securities	48,339	43,872
Bank and deposit interest (including futures interest)	6,748	16,612
Total revenue	<u>1,260,383</u>	<u>1,256,613</u>
4. Expenses	2025	2024
	£	£
Payable to the ACD and associates		
Annual management charge*	625,297	534,560
Annual management charge rebate*	(241,067)	(213,108)
	<u>384,230</u>	<u>321,452</u>
Payable to the Depository		
Depository fees	<u>20,259</u>	<u>17,537</u>
Other expenses:		
Audit fee	9,000	7,968
Non-executive directors' fees	1,407	1,723
Safe custody fees	5,137	3,849
Bank interest	17	175
FCA fee	604	369
KIID production fee	500	458
	<u>16,665</u>	<u>14,542</u>
Total expenses	<u>421,154</u>	<u>353,531</u>

* The annual management charge is 1% 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 January 2025, the annual management charge after rebates is 0.61%.

The Investment Managers' fees exclude any holdings within the portfolio of investments that are managed by the Investment Managers, Sarasin & Partners LLP and Waverton Investment Management Limited.

Notes to the financial statements (continued)
for the year ended 31 January 2025

5. Taxation	2025	2024
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	94,757	81,194
Total taxation (note 5b)	<u>94,757</u>	<u>81,194</u>

b. Factors affecting the tax charge for the year

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

	2025	2024
	£	£
Net revenue before taxation	<u>839,229</u>	<u>903,082</u>
Corporation tax @ 20%	167,846	180,616
Effects of:		
UK revenue	(25,856)	(45,529)
Overseas revenue	(197,983)	(178,764)
Overseas tax withheld	94,757	81,194
Excess management expenses	55,993	43,353
Capital rebates from collective investment schemes	-	324
Total taxation (note 5a)	<u>94,757</u>	<u>81,194</u>

c. Provision for deferred taxation

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £440,569 (2024: £384,576).

6. Distributions

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

	2025	2024
	£	£
Interim income distribution	407,224	385,740
Interim accumulation distribution	18,246	17,295
Final income distribution	309,794	400,862
Final accumulation distribution	14,095	18,109
	<u>749,359</u>	<u>822,006</u>
Equalisation:		
Amounts deducted on cancellation of shares	1,131	1,044
Amounts added on issue of shares	(5,735)	(834)
Total net distributions	<u>744,755</u>	<u>822,216</u>
Reconciliation between net revenue and distributions:		
Net revenue after taxation per Statement of total return	744,472	821,888
Undistributed revenue brought forward	7	11
Marginal tax relief	280	324
Undistributed revenue carried forward	(4)	(7)
Distributions	<u>744,755</u>	<u>822,216</u>

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

Notes to the financial statements (continued)

for the year ended 31 January 2025

7. Debtors	2025	2024
	£	£
Sales awaiting settlement	-	106,759
Accrued revenue	67,979	65,010
Recoverable overseas withholding tax	49,753	60,054
Prepaid expenses	101	54
Accrued rebates from collective investment schemes	119	140
	<u>117,952</u>	<u>232,017</u>
Payable from the ACD and associates		
Annual management charge rebate	-	20,035
	<u>-</u>	<u>20,035</u>
Total debtors	<u>117,952</u>	<u>252,052</u>
8. Cash and bank balances	2025	2024
	£	£
Bank balances	1,034,050	858,406
Amounts held at futures clearing houses and brokers	1,883	11,013
Cash and bank balances	<u>1,035,933</u>	<u>869,419</u>
Bank overdraft	-	(1,898)
	<u>-</u>	<u>(1,898)</u>
Total cash and bank balances	<u>1,035,933</u>	<u>867,521</u>
9. Other creditors	2025	2024
	£	£
Purchases awaiting settlement	-	235,956
Currency trades outstanding	-	182
Other expenses:		
Safe custody fees	1,405	1,388
Audit fee	9,000	7,968
Non-executive directors' fees	1,653	1,624
Transaction charges	689	1,501
Total accrued expenses	<u>12,747</u>	<u>12,481</u>
Total other creditors	<u>12,747</u>	<u>248,619</u>

10. Commitments and contingent liabilities

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

11. Share types

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

	Income
Opening shares in issue	1,603,576
Total shares issued in the year	24,604
Total shares cancelled in the year	<u>(12,398)</u>
Closing shares in issue	<u>1,615,782</u>

Notes to the financial statements (continued)

for the year ended 31 January 2025

11. Share types (continued)

	Accumulation
Opening shares in issue	58,186
Closing shares in issue	<u>58,186</u>

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

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

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 paid to the ACD and its associates are disclosed in note 4. The amount due from the ACD and its associates at the balance sheet date is disclosed in note 7.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per income share has decreased from 4,035p to 3,801p and the accumulation share has decreased from 5,115p to 4,819p as at 16 May 2025. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

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

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£	
2025									
Equities	12,724,455	3,727	0.03%	2,084	0.02%	1,909	0.02%	12,732,175	
Closed-Ended Funds	634,747	252	0.04%	1,909	0.30%	-	-	636,908	
Bonds*	1,248,610	-	-	-	-	-	-	1,248,610	
Collective Investment Schemes	927,291	166	0.02%	-	-	-	-	927,457	
Total	<u>15,535,103</u>	<u>4,145</u>	<u>0.09%</u>	<u>3,993</u>	<u>0.32%</u>	<u>1,909</u>	<u>0.02%</u>	<u>15,545,150</u>	

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 January 2025

14. Transaction costs (continued)

a Direct transaction costs (continued)

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£	
2024									
Equities	15,508,499	6,900	0.04%	3,066	0.02%	20	0.00%	15,518,485	
Closed-Ended Funds	585,954	209	0.04%	11	0.00%	-	-	586,174	
Bonds*	1,032,998	-	-	-	-	-	-	1,032,998	
Exchange Traded Commodities	283,200	71	0.03%	-	-	-	-	283,271	
Total	17,410,651	7,180	0.11%	3,077	0.02%	20	0.00%	17,420,928	
	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£	
2025									
Equities	12,677,620	(4,666)	0.04%	(16)	0.00%	-	-	12,672,938	
Closed-Ended Funds	531,720	(135)	0.03%	-	-	-	-	531,585	
Bonds*	941,455	-	-	-	-	-	-	941,455	
Collective Investment Schemes	1,398,478	(60)	0.00%	-	-	-	-	1,398,418	
Total	15,549,273	(4,861)	0.07%	(16)	0.00%	-	-	15,544,396	
	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£	
2024									
Equities	13,159,241	(4,699)	0.04%	(15)	0.00%	-	-	13,154,527	
Closed-Ended Funds	372,802	(183)	0.05%	(6)	0.00%	-	-	372,613	
Bonds*	653,192	-	-	-	-	-	-	653,192	
Collective Investment Schemes	2,112,044	(63)	0.00%	-	-	-	-	2,111,981	
Exchange Traded Commodities	171,378	(43)	0.03%	-	-	-	-	171,335	
Total	16,468,657	(4,988)	0.11%	(21)	0.00%	-	-	16,463,648	

Capital events amount of £8,666 (2024: £4) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

Summary of direct transaction costs

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

	£	% of average net asset value
2025		
Commission	9,006	0.01%
Taxes	4,009	0.01%
Financial transaction tax	1,909	0.00%

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 January 2025

14. Transaction costs (continued)

a Direct transaction costs (continued)

2024	£	% of average net asset value
Commission	12,168	0.02%
Taxes	3,098	0.01%
Financial transaction tax	20	0.00%

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.07% (2024: 0.08%).

15. Risk management policies

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

a Market risk

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

(i) Other price risk

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

The main elements of the portfolio of investments exposed to this risk are equities, collective investment schemes, 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 January 2025, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £3,300,575[^] (2024: £2,774,087[^]).

(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.

[^] Does not include the approximate increase or decrease in the market value of options held by the Fund.

Notes to the financial statements (continued)

for the year ended 31 January 2025

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:

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2025	£	£	£
Australian dollar	114,711	-	114,711
Canadian dollar	1,193,798	-	1,193,798
Danish krone	-	720	720
Euro	6,664,857	39,581	6,704,438
Japanese yen	5,470,681	14,813	5,485,494
Norwegian krone	-	6,149	6,149
Singapore dollar	1,147,129	-	1,147,129
Swedish krona	2,121,201	-	2,121,201
Swiss franc	747,903	-	747,903
US dollar	39,549,281	27,481	39,576,762
Total foreign currency exposure	<u>57,009,561</u>	<u>88,744</u>	<u>57,098,305</u>

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2024	£	£	£
Australian dollar	225,619	-	225,619
Canadian dollar	1,431,986	-	1,431,986
Danish krone	-	5,119	5,119
Euro	6,490,426	40,578	6,531,004
Hong Kong dollar	296,336	-	296,336
Japanese yen	4,345,644	(24,297)	4,321,347
Norwegian krone	374,040	3,497	377,537
Singapore dollar	1,033,576	-	1,033,576
Swedish krona	2,179,868	1,448	2,181,316
Swiss franc	373,140	-	373,140
US dollar	28,641,522	(69,860)	28,571,662
Total foreign currency exposure	<u>45,392,157</u>	<u>(43,515)</u>	<u>45,348,642</u>

At 31 January 2025, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £2,617,339 (2024: £2,027,199). Forward currency contracts are used to manage the portfolio exposure to currency movements.

(iii) Interest rate risk

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

Notes to the financial statements (continued)

for the year ended 31 January 2025

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk (continued)

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

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

Derivative contracts have been utilised in the period to hedge the exposure to interest rate risk.

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2025	£	£	£	£	£	£
Australian dollar	-	-	-	114,711	-	114,711
Canadian dollar	-	-	-	1,193,798	-	1,193,798
Danish krone	-	-	-	720	-	720
Euro	13,445	-	-	6,712,318	(21,325)	6,704,438
Japanese yen	-	-	-	5,486,822	(1,328)	5,485,494
Norwegian krone	-	-	-	6,149	-	6,149
Singapore dollar	-	-	-	1,147,129	-	1,147,129
Swedish krona	-	-	-	2,121,201	-	2,121,201
Swiss franc	-	-	-	749,411	(1,508)	747,903
UK sterling	1,017,082	-	1,402,368	8,974,506	(322,541)	11,071,415
US dollar	5,406	-	-	39,641,700	(70,343)	39,576,763
	<u>1,035,933</u>	<u>-</u>	<u>1,402,368</u>	<u>66,148,465</u>	<u>(417,045)</u>	<u>68,169,721</u>

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2024	£	£	£	£	£	£
Australian dollar	-	-	-	225,619	-	225,619
Canadian dollar	-	(1,898)	-	1,433,884	-	1,431,986
Danish krone	-	-	-	5,119	-	5,119
Euro	13,701	-	-	6,517,464	(161)	6,531,004
Hong Kong dollar	-	-	-	296,336	-	296,336
Japanese yen	-	-	-	4,356,826	(35,479)	4,321,347
Norwegian krone	-	-	-	377,537	-	377,537
Singapore dollar	-	-	-	1,033,576	-	1,033,576
Swedish krona	-	-	-	2,181,316	-	2,181,316
Swiss franc	-	-	-	373,140	-	373,140
UK sterling	1,096,589	-	911,846	10,172,755	(413,525)	11,767,665
US dollar	4,895	-	-	28,767,496	(200,729)	28,571,662
	<u>1,115,185</u>	<u>(1,898)</u>	<u>911,846</u>	<u>55,741,068</u>	<u>(649,894)</u>	<u>57,116,307</u>

Notes to the financial statements (continued)

for the year ended 31 January 2025

15. Risk management policies (continued)

b Credit risk

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

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

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

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

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

c Liquidity risk

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

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

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

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. In the case of forward foreign currency contracts these are payable in less than one year.

Notes to the financial statements (continued)

for the year ended 31 January 2025

15. Risk management policies (continued)

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2025	2025
	£	£
Quoted prices	65,613,903	(1,775)
Observable market data	1,801,332	(92,729)
Unobservable data*	17,646	-
	<u>67,432,881</u>	<u>(94,504)</u>
	Investment assets	Investment liabilities
Basis of valuation	2024	2024
	£	£
Quoted prices	53,507,199	(161)
Observable market data	3,113,432	(252)
Unobservable data*	25,997	-
	<u>56,646,628</u>	<u>(413)</u>

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

Home REIT: The fair value pricing committee determined a discounted share price of £0.0991 following suspension of the asset on 3 January 2023 (2024: £0.106).

* 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:

	2025	2024
	% of the total net asset value	% of the total net asset value
Home REIT	0.03%	0.05%
Total	<u>0.03%</u>	<u>0.05%</u>

Notes to the financial statements (continued)

for the year ended 31 January 2025

15. Risk management policies (continued)

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.

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

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

(i) Counterparties

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

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

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

(ii) Leverage

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

As at the balance sheet date, the leverage was 107.11%.

Notes to the financial statements (continued)

for the year ended 31 January 2025

15. Risk management policies (continued)

f Derivatives (continued)

(iii) Global exposure

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

At the balance sheet date the global exposure is as follows:

	Gross exposure value £	% of the total net asset value
Investment		
Options		
S&P500 MINI SPX Index March 2025 590 Put	18,506	0.03%
Forward Currency Contracts		
Value of short position - euro	1,089,868	1.60%
Value of short position - Japanese yen	148,836	0.22%
Value of short position - Swiss francs	365,111	0.54%
Value of short position - US dollar	3,240,438	4.75%

There have been no collateral arrangements in the year.

Distribution table

for the year ended 31 January 2025

Interim distributions in pence per share

Group 1 - Shares purchased before 1 February 2024

Group 2 - Shares purchased 1 February 2024 to 31 July 2024

	Net revenue	Equalisation	Total distributions 30 September 2024	Total distributions 30 September 2023
Income				
Group 1	25.011	-	25.011	24.052
Group 2	1.703	23.308	25.011	24.052
Accumulation				
Group 1	31.358	-	31.358	29.724
Group 2	31.358	-	31.358	29.724

Final distributions in pence per share

Group 1 - Shares purchased before 1 August 2024

Group 2 - Shares purchased 1 August 2024 to 31 January 2025

	Net revenue	Equalisation	Total distributions 31 March 2025	Total distributions 31 March 2024
Income				
Group 1	19.173	-	19.173	24.998
Group 2	19.173	-	19.173	24.998
Accumulation				
Group 1	24.224	-	24.224	31.123
Group 2	24.224	-	24.224	31.123

Equalisation

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

Accumulation distributions

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

Remuneration

Remuneration code disclosure

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

Remuneration committee

The remuneration committee report contained in the Group Report and Financial Statements for the year ended 31 December 2024 includes details on the remuneration policy. The remuneration committee comprises three non-executive directors¹ and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met seven times during 2024.

Remuneration policy

The main principles of the remuneration policy are:

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

Remuneration systems

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

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

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

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

¹ Please note that the data provided for the independent non-executive directors is as at 31 December 2024. The data provided is for independent non-executive directors only.

Remuneration (continued)

Aggregate quantitative information

The total amount of remuneration paid by Evelyn Partners Fund Solutions Limited ('EPFL') is nil as EPFL has no employees. However, a number of employees have remuneration costs recharged to EPFL and the annualised remuneration for these 70 employees is £3.58 million of which £3.19 million is fixed remuneration. This is based on the salary and benefits for those identified as working in EPFL as at 31 December 2024. Any variable remuneration is awarded for the year ended 31 December 2024. This information excludes any senior management or other Material Risk Takers (MRTs) whose remuneration information is detailed below.

Evelyn Partners Group Limited reviews its MRTs at least annually. These individuals are employed by and provide services to other companies in the Group. It is difficult to apportion remuneration for these individuals in respect of their duties to EPFL. For this reason, the aggregate total remuneration awarded for the year ended 31 December 2024 for senior management and other MRTs detailed below has not been apportioned.

Table to show the aggregate remuneration split by Senior Management and other MRTs for EPFL	For the period 1 January 2024 to 31 December 2024				
	Fixed	Variable Cash	Variable Equity	Total	No. MRTs
	£'000	£'000	£'000	£'000	
Senior Management	3,448	2,470	-	5,918	15
Other MRTs	477	338	-	815	5
Total	3,925	2,808	-	6,733	20

Investment Managers

The ACD has appointed Sarasin & Partners LLP and Waverton Investment Management Limited to provide investment management and related advisory services to the ACD. The Investment Managers are paid a monthly fee out of the scheme property of Pendennis Fund ICVC which is 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. 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/allocated semi-annually on 31 March (final) and 30 September (interim). In the event of a distribution, shareholders will receive a tax voucher.

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

Buying and selling shares

The property of the Fund is valued at 5pm on each Friday which is a business day and the last business day of each month, with the exception of Christmas Eve and New Year's Eve or a bank holiday in England and Wales or the last business day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

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

Benchmark

Shareholders may compare the performance of the Fund against the IA Mixed Investment 40-85% Shares sector.

Comparison of the Fund's performance against this benchmark will give shareholders an indication of how the Fund is performing against other similar funds in this peer group sector. The ACD has selected this comparator benchmark as the ACD believes it best reflects the asset allocation of the Fund.

Shareholders may also compare the performance of the Fund against UK Consumer Price Index +4.5%. The ACD has selected this comparator benchmark as it reflects the absolute returns above inflation.

The benchmarks are not targets for the Fund, nor is the Fund constrained by the benchmarks.

Appointments

ACD and Registered office

Evelyn Partners Fund Solutions Limited

45 Gresham Street

London EC2V 7BG

Telephone 0207 131 4000

Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar

Evelyn Partners Fund Solutions Limited

177 Bothwell Street

Glasgow G2 7ER

Telephone 0141 222 1151 (Registration)

0141 222 1150 (Dealing)

Authorised and regulated by the Financial Conduct Authority

Directors of the ACD

Andrew Baddeley - resigned 31 March 2025

Brian McLean

Mayank Prakash - resigned 30 April 2025

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 - resigned 31 March 2025

Investment Managers

Sarasin & Partners LLP

Juxon House

100 St Paul's Churchyard

London EC4M 8BU

Authorised and regulated by the Financial Conduct Authority

Waverton Investment Management Limited

16 Babmaes Street

London SW1Y 6AH

Authorised and regulated by the Financial Conduct Authority

Depositary

NatWest Trustee and Depositary Services Limited

House A, Floor 0

Gogarburn

175 Glasgow Road

Edinburgh EH12 1HQ

Authorised and regulated by the Financial Conduct Authority

Auditor

Johnston Carmichael LLP

Bishop's Court

29 Albyn Place

Aberdeen AB10 1YL