The Aurinko Fund

Annual Report

for the year ended 30 June 2024

Contents

The Aurinko Fund

Report of the Authorised Corporate Director ('ACD')

Evelyn Partners Fund Solutions Limited ('EPFL'), as ACD, presents herewith the Annual Report for The Aurinko Fund for the year ended 30 June 2024.

The Aurinko Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 16 May 2001. The Company is incorporated under registration number IC000104. 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 the Company is to provide income and capital growth from a diversified portfolio of mainly equities spread across global markets. There will be no emphasis placed on any particular economic, industrial or geographical sector.

The Company may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, cash and near cash.

Derivatives may be employed by the Company for the purposes of Efficient Portfolio Management. The use of derivatives for Efficient Portfolio Management is not intended to increase the risk profile of the Company.

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 56.

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
27 September 2024

Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

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

Assessment of Value - The Aurinko Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Evelyn Partners Fund Solutions Limited ('EPFL') as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for The Aurinko Fund ('the Fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the Fund for the year ended 30 June 2024 using the seven criteria set by the FCA is set out below:

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

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

On balance, the Board believes the Fund has delivered value to shareholders, with no material issues noted.

On balance, the Board believes the Fund has delivered value to shareholders, but may require some action.

On balance, the Board believes the Fund has not delivered value to shareholders and significant remedial action is now planned by the Board.

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

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

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

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

The seven criteria are:

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

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

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

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

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

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

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

Assessment of Value - The Aurinko Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

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

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

External Factors

The Board assessed the delegates' skills, processes and experience. Also considered were any results from service review meetings as well as the annual due diligence performed by EPFL on the delegated Investment Managers, Goldman Sachs International, Adam & Company Investment Management Limited (now owned by Canaccord Genuity Wealth Ltd) and London & Capital Asset Management Limited where consideration was given to, amongst other things, the delegates' controls around the Fund's liquidity management.

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

What was the outcome of the assessment?

Internal Factors

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

External Factors

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

Were there any follow up actions?

There were no follow-up actions required.

2. Performance

What was assessed in this section?

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

Investment Objective

The investment objective of the Company is to provide income and capital growth from a diversified portfolio of mainly equities spread across global markets. There will be no emphasis placed on any particular economic, industrial or geographical sector.

Benchmark

As ACD, EPFL is required to explain in a fund's scheme documentation why a benchmark is being used or alternatively explain how investors should assess performance of a fund in the absence of a benchmark.

2. Performance (continued)

Benchmark (continued)

The benchmark for the Fund is the IA Mixed Investment 40-85% Shares sector, which is a comparator. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Fund had performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 31 May 2024 (%)

	Currency	1 year	3 year	5 year
IA Mixed Investment 40-85% Shares sector	GBP	10.61	7.77	27.46
The Aurinko Fund Income TR	GBX	9.22	3.52	22.96

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

What was the outcome of the assessment?

The Board assessed the performance of the Fund over its minimum recommended holding period of five years and observed that it had underperformed its comparator benchmark, the IA Mixed Investment 40-85% Shares sector and as a result an Amber rating was given.

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

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

Were there any follow up actions?

There were no follow-up actions required.

EPFL will continue to monitor performance through its normal oversight process, at least bi-annually.

3. ACD Costs

What was assessed in this section?

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

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

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

4. Economies of Scale

What was assessed in this section?

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

What was the outcome of the assessment?

The ACD's periodic charge along with all three of the Investment Managers' fees are fixed percentage charges meaning there are no opportunities for savings going forward should the Fund grow in size.

The ancillary charges of the Fund represent 9 basis points[1]. Some of these costs are fixed and as the Fund grows in size, may result in a small reduction in the basis point cost of these services.

Were there any follow up actions?

There were no follow-up actions required.

[1] One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 31 December 2023.

Assessment of Value - The Aurinko Fund (continued)

5. Comparable Market Rates

What was assessed in this section?

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

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

What was the outcome of the assessment?

The OCF of 1.07%[2] compared favourably with those of similar externally managed funds.

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

Were there any follow up actions?

There were no follow-up actions required.

6. Comparable Services

What was assessed in this section?

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

What was the outcome of the assessment?

The Investment Managers' fees were found to be more expensive than other EPFL administered funds displaying similar characteristics.

Were there any follow up actions?

There was no further action required as the Board were of the opinion that the Investment Managers' fees gave no cause for concern.

7. Classes of Shares

What was assessed in this section?

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

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

Overall Assessment of Value

The Fund underperformed its benchmark and therefore attracted an Amber rating in Section 2. Notwithstanding that, and the matter discussed in Section 6, the Board concluded that The Aurinko Fund had provided value to investors.

Dean Buckley
Chairman of the Board of Evelyn Partners Fund Solutions Limited
19 August 2024

Consumer Feedback

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online:

https://www.evelyn.com/services/fund-solutions/assessment-of-value/

Investors' views are invaluable to the development and delivery of this report.

Should you be unable to access the questionnaire online please contact us directly on 0141 222 1151 and we will provide you with a paper copy of the questionnaire.

[2] Figure calculated at interim report, 31 December 2023.

Report of the Depositary to the shareholders of The Aurinko Fund

Depositary's responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

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

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

NatWest Trustee and Depositary Services Limited
27 September 2024

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

Opinion

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

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Company as at 30 June 2024 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

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

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the COLL Rules

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

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

Responsibilities of the Authorised Corporate Director

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

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

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

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

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

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

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

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

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

Use of Our Report

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

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

Accounting policies of The Aurinko Fund

for the year ended 30 June 2024

a Basis of accounting

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

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

b Valuation of investments

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

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

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

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

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

c Foreign exchange

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

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

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

d Revenue

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

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

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

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

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

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

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

d *Revenue (continued)*

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

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

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Fund. The effective yield is a calculation that amortises any discount or premium on the purchase of an investment over its remaining life based on estimated cash flows. The amortised amounts form part of the distributable revenue and are calculated at each month end.

e *Expenses*

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

Bank interest paid is charged to revenue.

f *Allocation of revenue and expenses to multiple share types*

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

g *Taxation*

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 30 June 2024 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

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

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

h *Efficient Portfolio Management*

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

i *Dilution levy*

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

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.

Investment Manager's report - Adam & Company Investment Management Limited

For the portfolio managed by Adam & Company Investment Management Limited, who managed 45.82% of the Fund's assets at the balance sheet date in accordance with the investment objective and policy of the Fund.

Investment performance*

Portfolio Performance**: +10.55%.

Comparative benchmark** (IA Mixed Investment 40-85% Shares sector): +11.82%.

Polar Capital Technology Trust remained the portfolio’s top contributor to performance, +49% over the twelve month period to end June 2024. Technology sensitive investments such as Baillie Gifford Overseas Growth Funds - American Fund (+20%) and Microsoft (+31%) also contributed positively. US exposed industrial company Hill & Smith Holdings continued the strong run of the first half of the reporting period (+31%) due to company specific positives and increasing confidence in the US economy and infrastructure spend. Sage Group remained a positive performer due to optimism over the ability to use Artificial Intelligence (+17%) and support businesses with their accounting needs and business insights. Aberforth Smaller Companies Trust responded to improved confidence in the UK market outlook (+22%), with UK smaller companies enjoying a strong recovery during the period.

On the negative side, weakness in the Asian consumer sectors impacted share prices in Diageo (-26%) and Prudential (-35%) and Digital 9 Infrastructure, the web infrastructure company was the worst performer in the portfolio, halving over the time period due to high debt levels and poor execution. The board are in the process of winding the company up and we expect that this very small holding will be removed in due course.

Investment commentary*

Global equities continued to progress positively over the first six months of 2024, following a strong end to the second half of 2023. Interest rate cuts have been a little slower to appear than initially expected, however the economic background remains broadly positive and corporate news show margins are improving after the squeeze inflicted by a sharp jump in inflation in 2022. Pleasingly the UK headline inflation rate has now fallen back to the Bank of England’s ('BoE') 2% target, whilst the rate of inflation in the US remains slightly elevated. The cooling of inflation has certainly helped boost investor confidence, and it seems likely that the both the BoE and the Federal Reserve ('Fed') are expected to cut interest rates at least once by the end of the year.

It remains the case that a recession in developed markets has yet to materialise, with the UK and European economies muddling through whilst the US economy has remained resilient. Likewise, consumers have coped reasonably well with higher costs from mortgages and for businesses, corporate earnings have remained relatively robust.

Mirroring what we saw in 2023, markets have continued to be led by the US, and within that the very strong performance of a small cohort of very large technology companies. The “Magnificent Seven” (the seven largest technology stocks in the US market) have grown to account for over 20% of the global equity market, meaning positive equity returns have been very concentrated. We are wary of the concentration that exists in the US market and have welcomed the more recent broadening out in returns that we have seen.

We have begun to see a nascent resurgence in interest in the UK Equity market which has lagged global peers for some time. Of note has been the strength of the financial sector, in addition to the more recent recovery of UK smaller and mid cap companies. Valuations in the UK have looked attractive in an international context for some time, and we have slowed the move to globalise the portfolio in response to the long-term valuation.

Investment activities*

Within the period under review, the takeover of Activision Blizzard by Microsoft completed in July, and we also sold the position in Pennon Group, largely over fears of leverage and future interest costs. We sold our position in short dated gilts and increased the equity exposure. New positions were taken in Primary Health Properties, a UK & Irish Property vehicle, with almost all its income coming from government and a yield in excess of 7%, and both a Robotics and Cyber Security fund, small, diversified investments in attractive growth areas. In January 2024, Dechra Pharmaceuticals was taken over at a large premium in what has been a very successful long-term holding for the portfolio. The cash was used to top up US & Asian holdings, in keeping with the gradual move to increase the international equity weighting of the portfolio.

* Source: Adam & Company Investment Management Limited and FE Analytics.

** Source: FactSet.

Investment Manager's report - Adam & Company Investment Management Limited (continued)

Investment outlook

As noted, we expect interest rate cuts to be a feature of the second half of this calendar year, which we hope will be supportive for equity markets. We think valuations in the UK market look attractive and would welcome a prolonged broadening out of returns away from the mega cap technology sector. Looking forward, geopolitical and political uncertainty will be expected, and in addition to several overt and covert conflicts around the world, we are carefully monitoring the impacts of the major elections due to occur before the end of the year.

Over the longer term, we retain the view that high quality equities remain the best way to protect from rising inflation as companies can reduce costs, increase prices and improve market share. We continue to look for companies on a global basis, which are well managed and with strong market positions who will be best positioned to manage economic volatility.

Adam & Company Investment Management Limited
25 July 2024

Investment Manager's report - Goldman Sachs International

For the portfolio managed by Goldman Sachs International, who managed 43.77% of the Fund's assets at the balance sheet date in accordance with the investment objective and policy of the Fund.

Investment performance*

The portfolio managed by Goldman Sachs International net performance 9.55%.

The Aurinko Fund Global Equity Partners ('GEP') net performance 15.18%.

The Aurinko Fund Non-GEP net performance: 4.75%.

Comparative benchmark** (IA Mixed Investment 40-85% Shares sector): +11.82% total return.

The GEP portfolio's performance over the period was 15.18%. GEP is a long-only, large cap core strategy which invests in developed markets equities. The strategy seeks to invest in quality companies with the hallmarks of excellent businesses that are not fully reflected in the share price.

Per end of June 2024, the portfolio managed by Goldman Sachs International aggregated trailing twelve-month performance was 9.55%. The fixed income portion contributed with a return of 6.50% and the total equity allocation had a return of 14.57% (including the GEP's portfolio) over that same period.

The largest contributors and detractors***

Below is a summary of the performance attribution per sector and the top and bottom performers from the second half of 2023 and first half of 2024.

Swiss multinational investment bank and financial services company UBS Group was the biggest contributor to returns during the period. The shares outperformed markets on the back of strong earnings, which allayed concerns around outflows from the Wealth Management division. The company also provided details around the Credit Suisse integration while letting go of the government's guarantee, improving market sentiments and confidence around the integration. We believe the acquisition presents an attractive opportunity for UBS from a longer-term perspective, providing additional scale in Growth Markets in Wealth Management. We continue to like UBS Group as they are one of the world's largest investment groups with a large range of strong businesses.

The largest detractor during the second half of 2023 was Rentokil Initial, the UK-based provider of pest control and hygiene services. The company posted weaker than expected earnings due to weakened North American pest control activity and a poor demand environment. While the business remained resilient with management reiterating full year guidance, macro-economic headwinds continued to weigh on investment sentiments. We believe that the company will continue to grow in the future, given the expected structural growth in the market, the growth in organic business and well-structured Mergers and Acquisitions ('M&A') strategy and the consolidation opportunity in the fragmented pest industry.

Top contributor in the first half of 2024 and for the last twelve trailing months was Taiwan Semiconductor Manufacturing, the Taiwan based manufacturer of semiconductors. The stock outperformed markets driven by positive news flow on customer demand, capacity utilisation and increased pricing. Also, customer demand growth continues to remain strong, driven by resilient demand in Datacenter (Artificial Intelligence ('AI') investments in Graphics Processing Units and Application-Specific Integrated Circuits) and recovery in consumer end markets. Moreover, Taiwan Semiconductor Manufacturing also noted that they would be increasing its wafer prices for advanced nodes starting next year (calendar year 2025) to better capture the value being provided to its customers which we believe should further increase topline growth as well as gross margins. We also continue to like the company as we believe that it would retain its competitive advantages over long time period, as few of its peers can afford to build factories that would give them the ability to compete for the company's clients.

One detractor in 2024 has been Estee Lauder, the American multinational cosmetics company. The company reported good earnings with both sales and margins coming ahead of expectations. However, the downward revision in management guidance weighed on investor sentiments, leading to a weakness in the share. We believe the key is the inflection point in Asian travel retail, where shipments have restarted. Also, the European business, which includes the global travel retail business, grew by low-double digits. We look at these as positives and continue to believe in the name.

* Source: Goldman Sachs International and FE Analytics.

** Source: FactSet.

*** Source: Goldman Sachs Global Equity Partners.

The largest contributors and detractors (continued)*

Top and Bottom Contributors to performance, managed by Goldman Sachs International.

Company name	Ending weight (%)	Relative contribution (basis points) ('bps')^
Top 5		
Taiwan Semiconductor Manufacturing	2.9	+138
UBS Group	0.0	+91
Alphabet 'A'	5.8	+76
Intuit	2.3	+73
Boston Scientific	3.1	+65
Bottom 5		
Neste	0.9	-148
Rentokil Initial	2.7	-147
Estee Lauder	2.4	-116
Davide Campari-Milano	1.2	-112
Nike	1.7	-99

GEP portfolio positioning

Below is a summary of the GEP portfolio's positioning as of 30 June 2024. The three sectors with the biggest exposure in the GEP portfolio were Information Technology, Health Care and Financials. In terms of geographic exposure, approximately 68% of the total GEP portfolio was in North American equities with the second largest exposure in European equities of 22%.

Top 10 positions	Portfolio weight (%)
Microsoft	7.6
Alphabet 'A'	5.8
Amazon.com	4.8
AstraZeneca	4.0
Procter & Gamble	3.9
DSM-Firmenich	3.7
NVIDIA	3.5
Hexagon	3.2
Waste Management	3.2
Danaher	3.2

Sector breakdown	Portfolio weight (%)
Information Technology	30.4
Health Care	12.7
Financials	10.8
Consumer Staples	9.6
Communication Services	8.5
Industrials	8.1
Consumer Discretionary	6.5
Materials	5.8
Energy	3.5
Real Estate	2.5
Cash	1.6

* Source: Goldman Sachs Global Equity Partners.

The largest contributors and detractors (continued)*

GEP portfolio positioning (continued)

Region breakdown	Portfolio weight (%)
Europe	22.0
Africa/Mideast	2.9
Japan	5.3
North America	68.0
Cash	1.8

Geographical Revenue Breakdown	Portfolio weight (%)
Africa/Mideast	1.9
Asia/Pacific Ex Japan	15.8
Europe	16.8
North America	52.4
Japan	3.9
Others	7.5
Cash	1.7

Investment activities*

Review of investment activities during the during second half of 2023 and first half of 2024.

Global Equity Partners Trade Highlights	
New Positions	*Eliminated Positions*
Danaher	*Nidec*
Microsoft	*Burlington Stores*
TotalEnergies	*InterContinental Hotels Group*
Estee Lauder	*Veralto*
Morgan Stanley	*Reckitt Benckiser Group*
Marvell Technology	*UBS Group*
salesforce.com	*Ball Corporation*

Key new and eliminated positions and rationale

Danaher

We initiated a position in Danaher, a US-based science and technology innovator. The conglomerate houses leading brands in the demanding and attractive health care, environmental and applied end-markets. The company has a diversified business and benefits from multiple tailwinds including strong demand for bio-processing products, increasing efforts towards achievement of sustainability targets and rising need for new medical therapies and drugs. While Danaher stands to generate attractive organic growth given competitive positioning, we also remain bullish on the company's inorganic growth prospects which have historically helped the company boost competence and sales.

Microsoft

We initiated a position in Microsoft, the developer of software products and operating systems. The company has attractive long-term structural growth characteristics of dominant software and cloud business models. In AI and Cloud Computing, we believe the company is well positioned to benefit from the rush towards AI. Microsoft is well placed to monetise generative AI via the software business (Office Suite), cloud business (Azure) and search business (Bing). The company has already started seeing revenue contribution from AI in Azure and have launched subscription-based AI offerings in the Office business. We believe Microsoft remains ahead of competition and have strong execution. Additionally, in Growth in Average Revenue per User (ARPU), we believe that Microsoft would continue to see growth in ARPU for the Office suite of products as they tap into more front-line workers, witness migration of installed capacity and benefit from flowing through of pricing actions. We believe that current consensus expectations don't fully reflect the earnings uplift that these tailwinds could provide in the near term as well as potential longer-term improvements in the growth profile.

* Source: Goldman Sachs Global Equity Partners.

Investment activities (continued)*

Key new and eliminated positions and rationale (continued)

TotalEnergies

We initiated a position in TotalEnergies, the French energy company. We believe the business offers an attractive exposure to cash generation from traditional energy assets, in addition to growth prospects via the energy transition business. We expect the traditional energy markets to remain tightly supplied due historical underinvestment in production capacity, which could help disciplined producers benefiting from consolidation in the industry. TotalEnergies should continue to generate attractive free cashflow from its Upstream operations, which represent about half of its business. The cash generated in the traditional business is expected to continue to be reinvested, in a disciplined way, into their Integrated liquefied natural gas business (20% of the group) and their Renewable activities (7% of the group), which will offer accelerated growth via exposure to the energy transition. Management has also showcased discipline in capital allocation decisions and have committed to lowering carbon activities by 2030. Trading at attractive valuations, we believe that the stock offers compelling value long term, as well as risk mitigation for the portfolio at a time of heightened geopolitical uncertainty.

Estee Lauder

We initiated a position in Estee Lauder, the global beauty company. After a significant drop since the beginning of 2022, we believe the shares are now trading at a level similar to 5 years ago and offer an attractive entry point into a leader in structurally growing market. The company generates about 50% of its sales in skin care, 30% in makeup, 15% in fragrance and 5% in hair care. By geography, the US represents about 30% of sales, Europe, the Middle East and Africa 40% and Asia 30%, thus, giving a good diversification of income. Although Estee Lauder's global market share in the prestige beauty category has been stable over the past 10 years, it has faced some pressure in the US. This was mainly due to the over-exposure in the department stores distribution channel (particularly via its namesake and Clinique brands), which has generally faced significant disruption and floor space reduction due to consumers' preference for other formats. We believe this loss of market share has finally stabilised thanks to Estee Lauder's success in its shift towards more dynamic distribution channels (specialty retailers and online), more digital presence to reach younger consumers and a repositioning of its brands (more on-trend or more science based). We have been encouraged by the rebound in sales in the calendar third quarter to mid-single digit growth in the US, including positive growth at the Estee Lauder brand, and expect this trend to continue.

Nidec

We sold out of our position in Nidec, the Japanese manufacturer and distributor of electric motors. We remain concerned around the company's corporate governance practices and succession planning. Moreover, we have reduced optimism around Nidec's success in the Electric Vehicles business due to poor operational execution. Given the company's current profitability levels, margin of safety remains low. Due to these considerations, we are eliminating our exposure in order to allocate capital to other attractive investment opportunities.

Burlington Stores

We eliminated our position in Burlington Stores, the US-based off-price retailer. Although the broader off-price industry has exhibited attractive financial characteristics over the years (consistent growth and countercyclicality), Burlington Stores has underperformed its peers. Its historical positioning towards lower-income consumers with no-frills stores has prevented it from capturing market share among middle-income consumers downtrading over the past couple of years, while its core customer base has felt the pinch from higher inflation Additionally, disappointing execution in a challenging market for clothes retailers, including fast-changing demand dynamics post Covid-19 has hurt the management's credibility and led to further earnings downgrades. Although recent developments are going in the right direction with the acquisition of well-located sites of Bed Bath & Beyond and investments in technology, we expect the improvement in performance to take an extended period of time in a weak economic backdrop for consumer demand. As a result, we prefer to reallocate the capital to higher conviction names.

* Source: Goldman Sachs Global Equity Partners.

Investment activities (continued)*

Key new and eliminated positions and rationale (continued)

InterContinental Hotels Group

We sold out of our position in InterContinental Hotels Group ('IHG'), which operates a predominantly franchised hotel network, to book profits after strong share price performance in the year to date period. While we continue to have conviction in the investment cases, we are selling out of our position due to valuation considerations. We expect IHG to continue to benefit from consumers' move from unbranded to branded hotels, as small independent hotels struggle to compete and see the benefits of belonging on a branded hotel network, which include scaled negotiations, Information Technology infrastructure, pulled marketing etc. The company has a disciplined management team focused on returning excess cash to shareholders.

Veralto

We sold out of our position in Veralto, the Environmental and Applied Science solutions company created after a spin-off by Danaher. While the company stands to generate modest growth over the long term, we remain more bullish on the parent's diversified business model and competitive advantages. As such, we preferred to reallocate the capital.

Reckitt Benckiser Group

We sold out of our position in Reckitt Benckiser Group, the UK-based provider of consumer goods, post the company registering weak quarter four earnings. Reckitt Benckiser Group registered a decline in volume growth and margin contraction, despite a positive contribution from pricing. Management's guidance for 2024 also came in below consensus expectations. While we expect earnings to show signs of troughing, we believe that Reckitt Benckiser Group's earnings growth visibility is fading. There has also been limited evidence of the new management and their strategy yield satisfactory results. Given this fundamental uncertainty, we decided to sell out of the position and allocate capital elsewhere.

UBS Group

We sold out of UBS Group, the Switzerland based multinational bank and financial services company, after a very strong run. We're putting the money in Morgan Stanley, maintaining exposure to the attractive wealth management industry, but with more exposure to the US, and the cyclical recovery in capital markets activities.

Over the past 5 years, UBS Group has been one of our best performing stocks, returning +209% (total return in USD). This has been the result of excellent execution from the management team, who have delivered attractive top-line growth, margin expansion and capital optimisation, particularly in their unique wealth management franchise. This has led to a roughly 50% rerating of the stock, from 8 times Price Earnings Ratio ('P/E') to 12 times P/E.

The distressed acquisition of Credit Suisse at very attractive conditions amplified the outperformance. We added to our position in March 2023 following the announcement of the acquisition, having increased our level of conviction that UBS Group would create significant value via this deal. Since then, the stock has gained 59% (total return in USD), as the market has come to the same conclusion with the management team delivering flawless execution so far.

Even though we still like the wealth management industry's characteristics of superior growth, attractive margins, low capital intensity and strong cash flow generation, we consider that UBS Group's prospects are now well reflected in its valuation. We are also concerned that the Swiss authorities' announced plans to increase UBS Group's capital requirements due to its size, are likely to curtail capital returns in the near term and reduce Return On Equity expectations longer term.

Ball Corporation

We decided to sell out of our position in Ball Corporation, the global leader in innovative, sustainable metal packaging for beverage, personal care and household products, due to changed conviction. During the recently held company's Investor day, it lowered its guidance on beverage can shipment Compound Annual Growth Rate and Earnings per share ('EPS') growth to a low-single digit growth versus mid-single digits which was initially expected.

* Source: Goldman Sachs Global Equity Partners.

Investment activities (continued)*

Key new and eliminated positions and rationale (continued)

Ball Corporation (continued)

We believe this is not justified considering its current valuations and had trimmed our exposure while we continued to assess. We now believe the conviction has changed given there is lower demand expectations for global beverage cans driven by low growth range in both North American and Europe, Middle East, and Africa regions. Given the relatively slower growth expectations and the demand environment, we decided to sell out of the position and allocate capital elsewhere.

Marvell Technology

We initiated a position in Marvell Technology, the developer and producer of semiconductor and related technology.

The company offers security and networking platform, secure data processing, networking and storage solutions. The key pillars of our investment thesis are as follows:

- *AI opportunity:* With design-wins from large hyperscalers (Amazon.com, Microsoft, Google), Marvell Technology should see volume ramp in Current year 24/25 with continuing growth post current year 25 as application specific integrated circuit market continues to grow.
- *Market leading Optics franchise:* Marvell Technology is the leading player in electro-optics and should see strong volume & application service provider growth driven by continuing AI server deployments & higher bandwidth products respectively.
- *Auto Ethernet:* As cars move to electrical/electronic architecture, Marvel Technology is well positioned to drive strong growth in their Auto revenues as they have design-wins at majority of top 10 Original Equipment Manufacturers.
- *Financial profile:* Revenue growth is expected to be ~20% from current year 23-27 largely driven by Datacenter growth while margin is expected to improve from high-20s to high-30s driving high-20s EPS growth.

Morgan Stanley

We initiated a position in Morgan Stanley, the US based global provider of diversified financial services, as we still like the wealth management industry's characteristics and want exposure to capital markets recovery. Morgan Stanley is the largest wealth manager globally with $5.5 trillion in Assets Under Management ('AUM'). It acquired Solium in 2019 and E*Trade in 2020 to bolster its presence in wealth management and expand its reach in retail and workplace channel. In asset management, it has gained scale, and through acquisition of Eaton Vance in 2021, it has become one of the top US asset managers with $1.5 trillion in AUM. These acquisitions and expansion in channels have helped Morgan Stanley to improve its returns to low-mid teens.

Here are the key pillars of our investment thesis:

- *Wealth management inflows:* Morgan Stanley is the largest wealth manager globally and has been growing net flows by 6-7%. We expect Morgan Stanley to continue inflows in mid-high single digit driven by market share gains, leveraging workplace and retail channel through acquisition of Solium and E*Trade. We expect proportion of fee-based client assets to improve and help in preserving the gross margins and improve efficiency.
- *Capital light model:* As a result of acquisitions, Morgan Stanley has increased the proportion of Wealth management (50%) and Investment Management (10%) in revenues mix. Though we expect Capital markets to recover, we believe its contribution will remain less than 50% to the top-line. The capital light nature of Wealth Management and Investment Management helps in higher capital generation and thus distribution of capital to shareholders.
- *Improvement in returns:* Morgan Stanley generated ~13% Return on tangible equity ('ROTE') in 2023. Due to capital light nature of the business, increase in flows, capital markets recovery and better efficiency, we expect Morgan Stanley to generate 19-20% ROTE over the next 3 years.

* Source: Goldman Sachs Global Equity Partners.

Investment Manager's report - Goldman Sachs International (continued)

Investment activities (continued)*

Key new and eliminated positions and rationale (continued)

salesforce.com

We initiated a position in salesforce.com, the global leader in front-office applications and a platform addressing many of enterprises' top digital transformation needs. The following are the pillars of our key investment thesis:

- *Operational Discipline:* About two years ago, the company started its pivot from a focus on growth-only towards operational discipline. This should lead to a more predictable revenue and Free Cash Flow growth trajectory, that in turn forms the basis of a better valuation.
- *Macro:* The company is not immune to tougher spending conditions in software as a service and has led to delay in go to market restructuring for salesforce.com creating an interesting valuation opportunity. salesforce.com's near term high-single-digit growth profile & increasing seasonality may keep valuations range bound until the macro improves and/or it demonstrates benefit from its newer initiatives around Generative AI, pricing/packaging and go to market streamlining.
- *AI opportunity:* The company has started to see good traction with Data Cloud and its Generative AI platform Einstein-1 though its still premature. We would expect most of the AI benefit to be seen in fiscal year 2026.
- *Capital allocation:* We believe the company is maturing with a better capital allocation and disciplined M&A and we like that.

Investment strategy and outlook*

After falling at the start of the second quarter, global equities rebounded in May and June. The year to date global equity returns was a touch below the first half recorded in 2023, but still one of the strongest opening six-month performances this century.

The catalyst for the fluctuating fortunes through the quarter was the changing expectations on the size and timing of interest rate cuts from the key central banks, particularly the US Fed. Ongoing and enthusiasm about the potential for AI also boosted returns for technology companies with links to AI.

In April disappointingly high US inflation numbers, robust employment gains and stronger-than-expected US retail sales data reinforced the 'higher-for-longer' policy view, leaving equities down 2.8% on the month. However, May brought hopes of more imminent policy easing as economic data releases indicated a weakening in the US labour market and slower than expected US inflation numbers. This continued into June as the core Personal Consumption Expenditures – the Fed's favoured inflation measure – came in below expectations, falling from 2.8% to 2.6% year-on-year in May.

US business activity improved again in June, according to the 'flash' Standards and Poor's Global Purchasing Managers' Index ('PMI'). Both manufacturing and services PMIs increased in June, against consensus expectations for modest declines. Conversely, business activity declined in the euro area (from 52.2 to 50.8), with both services and manufacturing falling. In the UK too the composite reading declined (from 53.0 to 51.7), which was on the back of a deceleration in services activity.

Turning to inflation in Europe, UK headline and core Consumer price index ('CPI') numbers fell in May, with core inflation easing from 3.9% to 3.5% year-on-year. Eurozone inflation was slightly firmer than expected, based on the 'flash' readings for June, with core CPI unchanged at 2.9% year-on-year.

The start of the quarter brought falls in government bond markets on concerns over US inflation, causing investors to dial back expectations for the timing and size of the Fed's rate cuts. However, softer labour market data and signs of easing inflation saw yields decline in the latter part of quarter two. Overall, the 10-year US Treasury yield ended the quarter up 15 basis points at 4 34%.

The US dollar climbed 1.3% against a basket of major currencies in quarter two and was 4.5% stronger for the year to date.

* Source: Goldman Sachs Global Equity Partners.

Investment Manager's report - Goldman Sachs International (continued)

Investment strategy and outlook (continued)*

United States

The US economy continued to show signs of easing with a further moderation in consumer spending. However, the message from the labour market was mixed. On the one hand, nonfarm payrolls surprised to the upside, increasing by 272 thousand in May. On the other, the unemployment rate edged higher to 4.0%. Nevertheless, we believe job growth is still strong, driven by higher labour supply, which should support ongoing disinflation. The May CPI surprised significantly to the downside; at 0.16% month on month the print is now consistent with the Fed's 2% inflation target. Going forward, we expect a series of similar prints over the summer which should give the Fed greater confidence it can begin cutting interest rates. At its June meeting, the Bank kept rates on hold and acknowledged "modest" further progress on disinflation. It nevertheless surprised the market by shifting the 2024 median dot to one cut this year compared to three previously. We would not read too much in this decision. First, eight Federal Open Market Committee members, likely including Chair Powell, still expect two cuts. Second, the proximity of the dovish CPI data to the release of the new dot plot created more uncertainty than usual. We continue to expect the Fed may cut twice this year, once in September and once in December, provided we see further disinflation other the summer.

Europe

In the euro area, the latest economic activity data disappointed, largely on account of two factors. First, weakness persists in the manufacturing sector, suggesting limited recovery in the sector so far. Second, political uncertainty has risen in Europe, following French President Macron's decision to dissolve the Lower House, triggering snap legislative elections. His decision has weighed on investors and business sentiment as far-right party National Rally is set to win the biggest number of seats in the House. Given the very fragmented French political landscape, it is unclear what the next government will look like which may lead to a political stalemate, fiscal slippage, and lack of structural reforms. In turn, this may weigh on French and more broadly euro area growth. In the near-term, we continue to expect cyclical growth will improve as slower inflation helps support disposable income and consumption, but political uncertainty may weigh on the strength of the recovery.

UK

In the UK, recent data have been mixed. On the one hand, retail sales rebounded sharply in May, thanks to improved weather conditions. On the other, survey data, such as the PMIs slowed in June. However, the fall was in large part attributable to lower business expectations in the lead-up to the General Election, taking place on 4 July, as companies wait for more political clarity before making important decisions. According to the polls, the Labour party is set to win a big majority in Parliament, allowing the party to implement its political manifesto. The latter, includes higher taxes to consolidate public finances and support increased welfare spending. In the near-term, this may help boost growth as fiscal multipliers are higher on spending compared to taxation. In the longer-term, we also see risks to growth as skewed to the upside, if pro-growth, pro-investment and closer ties with the European Union are indeed pursued.

China

In China, economic data remained mixed in May. While retail sales surprised to the upside, industrial production came in weaker than expected. In our view, the May data were to a large extent driven by one-off and calendar factors and were not indicative of underlying trends. Indeed, since the beginning of the year, growth has been driven by exports and industrial production, while consumption remained muted amid depressed sentiment and weak labour conditions, which are likely to persist in our view. Finally, investment in both infrastructure and real estate remained weak, while new home sales continued to contract. Altogether, the latest macroeconomic dynamics suggest the recent step-up in property and fiscal stimulus have not led to a significant improvement in domestic private demand.

Goldman Sachs International
16 July 2024

* Source: Goldman Sachs Global Equity Partners.

Investment Manager's report - London & Capital Asset Management Limited

For the portfolio managed by London & Capital Asset Management Limited, who managed 10.41% of the Fund's assets at the balance sheet date in accordance with the investment objective and policy of the Fund.

Investment performance*

Overall, the portfolio's performance was +7.72% in the period between 1 July 2023 to 30 June 2024.

Comparative benchmark (IA Mixed Investment 40-85% Shares sector): was +11.82% for the reporting period

Investment activities**

Funds within portfolio were rebalanced throughout the reported period.

Between 1 July 2023 and 30 June 2024, the portfolio's allocation to fixed income was reduced by 6% in favour of equities. This switch was funded out of a reduction in sovereign bonds in favour of STAR equities (through our London & Capital Global Star Equity Fund). Part of this reduction was cycled into equities. Alongside this the only other main change within the fixed income allocation was a reduction in financial subordinated bonds by 3% in favour of senior financials as well as investment grade corporates. Although higher level fixed income allocations did not change a lot, there was a measured increase in the average duration which increased from approx. 4 years to 5.3 years.

London & Capital Global Star Equity Fund

The equity portion of the portfolio has been rebalanced since July 2023. Within the Global STAR fund (through our London & Capital Global Star Equity Fund), we sold out of Accenture as valuations felt very full on relative and absolute measures. The order book has been slowing which should make earnings growth harder to achieve. It is still a name we favour put perhaps one to revisit as it feels vulnerable to a correction. Alongside this we added Thermo Fisher, one of the largest life sciences companies that manufactures and supplies scientific instruments to the wider health care sector. This offers some diversification within the health care allocation. Alongside this STAR also increased it's UK exposure by adding Reckitt Benckiser Group and Smith & Nephew. Reckitt Benckiser Group is at extremely attractive relative and longer-term valuations and the new management team now onboarded should act as a catalyst for operational performance. Smith & Nephew has become extremely attractive as the recent sell-off post the concerns around the effect of anti-obesity drugs on the number of procedures done using Smith & Nephew medical equipment. However, in our opinion the use of these drugs could increase the number of procedures. Finally, the last change we made was to reduce the half weight in WK Kellogg held within the STAR fund. The shares have recovered strongly from the extremely depressed initial share price after the spin out with the current price being more reflective of the fundamentals of the business. Given the market cap and commodity input price, that drives margin volatility, the stock as a standalone entity is not in keeping with the STAR criteria.

London & Capital Global Equity Opportunities Fund

There were a few minor changes made within our London & Capital Global Equity Opportunities Fund. This strategy mainly invests in technology businesses (62%) that operate in large and growing addressable markets and have a high growth potential. In August 23 we added Repligen to the strategy. Repligen is a pure play bioprocessing company with a product portfolio targeted at improving efficiencies of biomanufacturing – the manufacturing of large molecule drugs. The company delivers innovative technologies that help set new standards and address critical steps in bioprocessing, with a focus on upstream fermentation and downstream purification. Repligen earns 75% of its revenue from consumables (i.e. recurring revenue) and 25% from equipment- it is a picks and shovels play in the life sciences/health care industry with no exposure to pipeline risk for any one drug.

In June 24 we also introduced Novo Nordisk to the strategy. Novo Nordisk has leadership in clinical data for its GLP-1 drugs with respect to related cardiometabolic diseases, validated through their Food and drug administration approval in March for the indication of reducing risks of major adverse cardiovascular events. Novo Nordisk is protected by a patent for Semiglutide in the US until 2033, Japan & Europe until 2031. There has been a paradigm shift in the ongoing treatment for cardiometabolic disease/weight management through GLP-1 (Glucagon Like Peptide) receptor agonist-based drugs. The current leaders in the field that have marketed GLP drugs are Novo Nordisk and Eli Lilly respectively, both categorically dominate the GLP-1 markets and have plans to protect this dominance with promising candidates in the pipeline.

* Source: Evelyn Partners Fund Solutions Limited.

** Source: London & Capital Asset Management Limited.

Investment Manager's report - London & Capital Asset Management Limited (continued)

Investment activities (continued)*

Throughout this period, we also removed Twilio from the strategy. Despite remaining undervalued relative to our fair value estimate we believe there are a lack of catalysts to realise this. With the founder stepping down as Chief Executive Officer and his super voting rights normalising, significant headcount reductions and an accelerated buyback plan currently effective to repurchase nearly third of the market capitalisation by year end. The market continues to question whether any player in the Communication Platform-as-a-Service ('CPaaS') market can achieve and maintain attractive margins. Having sized this position to reflect the nascent market we do not feel comfortable to increase the position and after remaining patiently invested for quite some time we believe it is appropriate to utilise the funds elsewhere where we have higher conviction. Twilio continues to be the overwhelming market leader in CPaaS and maintains organic growth rates in line with smaller peers like Sinch or Vonage, now owned by Ericsson. However, no player in the market have proven the ability to move up stack to achieve better profitability due to irrational competition.

Investment strategy and outlook *

The portfolio managed by London & Capital Asset Management Limited is invested in a balanced strategy, designed to produce steady returns from capital and income over the long term. The portfolio is invested in a combination of Equity and Fixed Income funds.

33% of the portfolio allocation is invested into London & Capital Global Star Equity Fund's - large equities, low leveraged, quality compounding companies with stable cash flows and shareholder-friendly managements. These stocks are mainly focused on the US, UK and Europe. This type of strategy has performed well throughout of the largest sell offs in living memory. London & Capital Global Star Equity Fund finished the July 2023 to June 2024 period up +4.4%.

8% of the portfolio is invested into Growth Plus equities (through our London & Capital Global Equity Opportunities Fund). These are predominately capital light businesses that can generate a sustainable, high return on invested capital protected by strong competitive advantages. London & Capital Global Equity Opportunities Fund finished the July 2023 to June 2024 period up +14.9%.

On the Fixed Income side (through our London & Capital Global Fund), the sub-asset allocation breakdown is broadly as follows: 36% to financial bonds, 15% to Investment Grade bonds, 33% to Sovereign bonds and 16% to High Yield bonds. The average yield to maturity is 6.2%, duration 5.3 years and rating BBB+. Overall, the fixed income allocation was up +8.7% for the period of July 2023 to June 2024.

The first half of 2024 saw a gradual deceleration in economic growth across the western world. In the US, concerns about overheating (which had emerged towards the end of quarter one) diminished and hopes for a soft landing revived. In Europe, momentum remained positive as the impact of the cost-of-living shock improved.

Continued economic growth came at the cost of persistent inflation. Indeed, services inflation remained above central bank targets, reinforcing concerns that the final stages of inflation control would be particularly challenging. Because of this, markets anticipate fewer rate cuts than they did at the beginning of the year. Our baseline assumption is that the Federal Reserve may be inclined to cut rates at some point this year, but even then, the approach will be exceptionally gradual.

The European Central Bank ('ECB') became the latest major central bank to cut rates (in June). Despite this, fallout from the European parliamentary elections and the announcement of snap French elections led to a rise in European sovereign yields.

Similarly, persistent services inflation dashed hopes of a June rate cut in the UK, despite signals from the Bank of England ('BoE') that it could have been an option. Helpful year-on-year comparisons meant that UK headline inflation temporarily returned to target in June, and the BoE is expected to cut rates in August.

Overall, the second quarter built on the successes of the first, with risk assets broadly delivering another set of positive returns, as investors were willing to trade fewer rate cuts for better-than-expected growth and corporate earnings news.

Despite some cracks appearing in US consumer data towards the end of June, economic momentum remained positive, and the main equity indices remained strong as valuations stayed high among the mega-cap tech names.

*Source: London & Capital Asset Management Limited.

Investment strategy and outlook (continued)*

The leadership of equity markets remained exceptionally narrow, particularly in the US, with a small number of Artificial Intelligence related stocks outperforming all other areas of the market.

Benchmark equity valuations do not appear stretched on an equally weighted basis, but many equity names are walking a tightrope: resilient economic activity in the second quarter led to resilient corporate earnings, but earning expectations are elevated and thus difficult to meet.

Fixed income investors have had to contend with a dramatic shift in rate expectations in the first half of the year, but the outlook remains attractive. Higher coupon yields subdued nominal Gross Domestic Product growth, and a gradual shift in central bank monetary policy towards moderate easing should help bonds yield above-average returns over the next 12 months and beyond.

Fixed Income Overview

Government Bonds

The first half of the year was tough for government bonds as the exuberance in interest rate expectations was replaced with pessimism, particularly in the US, as inflation readings disappointed. This re-pricing led to higher yields across the curve. The ECB and the Bank of Canada have started the loosening cycle however, but with a cautious guidance path. Looking ahead, the macro backdrop should be supportive of sovereign yields drifting lower through the remainder of 2024. The end of 2023 levels, that were between 0.3% to 0.5% below current levels, remains a downside target. The upcoming elections and fiscal policy may emerge as transient concerns.

Financial Bonds

The quarterly earnings underpin our underlying thesis that the largest banks may continue to strengthen their balance sheets, partly due to regulatory pressures to enhance their absorbable capital. Banks, therefore, remain a key strategic component of our fixed income strategy. Bank debt has outperformed corporate debt and sovereigns this year and the backdrop remains positive. We invest across the whole debt capital structure (senior and subordinated bonds) issued by the top-rated banks and insurers. However, our due diligence and macro-overview leads us to avoid smaller capitalised institutions, including US regional banks and second-tier European Union banks, which continue to be weighed upon by loan exposure to sectors such as commercial real estate.

Corporate bonds

Corporate credits, including hybrids, continue to be a core strategic investment. Quarterly earnings releases continue to point to stable metrics such as net debt to earnings and high cash balances. Refinancing risks for higher-grade companies remain low and credit upgrades have continued. This supportive environment has led to an increasing investor focus on the attractive risk-adjusted yields within the corporate hybrid market. It's been one of the strongest fixed income segments, and despite this run there is further upside. Nevertheless, some sectors are likely to underperform as consumers gradually retrench. Because of this, we continue to run with low allocation to consumer cyclicals and high yield but remain overweight in utilities and staples.

What are the risks?

Central banks are remaining wary of loosening policy because of fears that inflation may trend higher again largely due to tight labour markets. Under such a backdrop, government bond yields could move higher. The electoral cycle will also come to the fore with key European elections and the US Presidential run-off this autumn. This has led to, and will continue to inspire, periods of heightened uncertainty.

Equity Overview

Our view remains cautious on equities. The current market dynamics are not supportive for future returns thanks to narrow markets, stretched valuations and optimistic earnings expectations.

In fact, it's likely that we're getting to the stage in the equity market cycle where excess exuberance takes over from the fundamentals that create excessive valuations (asset price bubbles). This stage can last a while, often causing investors to capitulate and chase market momentum. But ultimately although it builds slowly, history suggests that when the market turns downwards it may be rapid with substantial movements.

The main investor concern should be forward earnings growth as any sizable disappointment is likely to lead to a de-rating from high valuation levels, with the lower-than-expected earnings number also weighing on the market.

*Source: London & Capital Asset Management Limited.

Investment strategy and outlook (continued)

Equity Overview (continued)

If we look forward to the rest of the year it becomes apparent that there are lofty earnings estimates for the second half of 2024.

If the moderating environment doesn't result in the market consensus of a soft landing, but the higher-for-longer-rates agenda causes a deeper adjustment to growth, then the outcome could be very challenging for market earnings.

We continue to advocate caution as headline index returns are likely to disappoint in the medium term. It's an important time to remain patient and avoid capitulating as jumping into the current market trends is likely to result in significant downside capture, which may not preserve capital but risk locking into poor medium-term returns.

However, London & Capital Asset Management Limited's equity solutions, which have participated in the upward market environment, are increasingly focused on stocks that offer visible quality and growth at more reasonable prices. That means they are less vulnerable to the valuation excesses in the current market environment. We expect these names to be much more resilient when equities face a less favourable market environment.

London & Capital Asset Management Limited

24 July 2024

Summary of portfolio changes

for the year ended 30 June 2024

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

Purchases:	Cost £
UK Treasury Gilt 0.25% 31/07/2031	882,972
Microsoft	599,134
UK Treasury Gilt 0.5% 31/01/2029	526,306
UK Treasury Gilt 0.875% 31/07/2033	488,521
Primary Health Properties	374,102
UK Treasury Gilt 0.625% 07/06/2025	368,436
Danaher	333,026
Estee Lauder	324,809
salesforce.com	295,772
TotalEnergies	276,587
UK Treasury Gilt 4.25% 07/03/2036	261,806
London & Capital Global Star Equity Fund	235,000
Marvell Technology	204,563
Morgan Stanley	204,538
Pernod Ricard	203,993
L&G ROBO Global Robotics and Automation UCITS ETF	200,188
L&G Cyber Security UCITS ETF	199,341
Zoetis	195,402
Deere	174,921
UK Treasury Gilt 0.125% 31/01/2024	146,709

Sales:	Proceeds £
International Bank for Reconstruction & Development 0.625% 15/12/2023	500,000
UK Treasury Gilt 0.75% 22/07/2023	500,000
Export Development Canada 1.375% 08/12/2023	500,000
UK Treasury Gilt 0.625% 07/06/2025	383,760
London & Capital Global Bond Fund	354,335
UBS Group	343,095
UK Treasury Gilt 0.125% 31/01/2024	297,756
UK Treasury Gilt 2% 07/09/2025	289,653
Microsoft	272,089
iShares Global Infrastructure UCITS ETF	265,336
Ball Corporation	260,693
Pennon Group	230,261
Reckitt Benckiser Group	222,916
Intuit	215,563
InterContinental Hotels Group	205,465
Activision Blizzard	174,553
Balanced Commercial Property Trust	172,749
iShares Developed Markets Property Yield UCITS ETF	170,468
American Tower	170,116
Boston Scientific	139,492

Portfolio statement
as at 30 June 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 21.23% (20.49%)			
Aaa to Aa2 9.79% (11.70%)			
Asian Development Bank 0.75% 07/12/2027	£1,400,000	1,239,980	2.64
European Investment Bank 0% 07/12/2028	£1,529,000	1,265,293	2.70
International Bank for Reconstruction & Development 0.75% 15/12/2026	£550,000	502,128	1.07
Kreditanstalt fuer Wiederaufbau 0.875% 15/09/2026	£600,000	553,500	1.18
Kreditanstalt fuer Wiederaufbau 1.375% 09/12/2024	£1,000,000	983,400	2.10
US Treasury Note 3.875% 15/08/2033	$61,000	46,431	0.10
		4,590,732	9.79
Aa3 to A1 11.44% (8.79%)			
UK Treasury Gilt 0.25% 31/07/2031	£1,200,000	923,352	1.97
UK Treasury Gilt 0.375% 22/10/2030	£735,000	588,691	1.25
UK Treasury Gilt 0.5% 31/01/2029	£610,000	520,861	1.11
UK Treasury Gilt 0.875% 22/10/2029	£1,200,000	1,024,980	2.18
UK Treasury Gilt 0.875% 31/07/2033	£650,000	490,886	1.05
UK Treasury Gilt 1.25% 22/07/2027	£1,020,000	936,788	2.00
UK Treasury Gilt 1.5% 22/07/2026	£450,000	425,700	0.91
UK Treasury Gilt 2% 07/09/2025	£200,000	193,888	0.41
UK Treasury Gilt 4.25% 07/03/2036	£264,000	263,440	0.56
		5,368,586	11.44
Total debt securities		9,959,318	21.23
Equities 47.72% (47.13%)			
Equities - United Kingdom 22.60% (25.33%)			
Equities - incorporated in the United Kingdom 22.13% (24.33%)			
Energy 2.13% (1.97%)			
BP	90,000	427,680	0.92
Shell	20,000	566,700	1.21
		994,380	2.13
Materials 2.53% (2.61%)			
Croda International	7,000	276,290	0.59
Hill & Smith Holdings	25,000	491,000	1.05
Rio Tinto	8,000	416,000	0.89
		1,183,290	2.53
Industrials 4.38% (4.20%)			
Ashtead Group	4,500	237,690	0.51
Bodycote	30,000	204,300	0.44
Bunzl	15,000	451,200	0.96
Howden Joinery Group	50,000	439,000	0.94
Rentokil Initial	61,260	282,470	0.60
Rotork	130,000	437,580	0.93
		2,052,240	4.38

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

Portfolio statement (continued)
as at 30 June 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - United Kingdom (continued)			
Equities - incorporated in the United Kingdom (continued)			
Consumer Discretionary 2.69% (3.30%)			
Compass Group	24,038	519,221	1.11
Greggs	16,000	443,520	0.95
Whitbread	10,000	297,500	0.63
		1,260,241	2.69
Consumer Staples 1.59% (2.57%)			
Diageo	11,000	273,790	0.58
Reckitt Benckiser Group	3,500	149,870	0.32
Unilever	7,500	325,800	0.69
		749,460	1.59
Health Care 2.10% (2.90%)			
AstraZeneca	3,245	400,887	0.85
GSK	24,000	367,080	0.78
Smith & Nephew	22,500	220,590	0.47
		988,557	2.10
Financials 2.63% (2.92%)			
Legal & General Group	200,000	453,800	0.97
M&G	120,000	244,800	0.52
Prudential	25,000	179,550	0.38
Standard Chartered	50,000	358,000	0.76
		1,236,150	2.63
Information Technology 1.55% (1.36%)			
Sage Group	50,000	544,000	1.16
Softcat	10,000	181,700	0.39
		725,700	1.55
Communication Services 0.00% (0.27%)		-	-
Utilities 0.97% (1.46%)			
National Grid	51,666	455,901	0.97
Real Estate 1.56% (0.77%)			
LondonMetric Property	110,000	212,630	0.45
Primary Health Properties	400,000	366,600	0.78
Safestore Holdings	20,000	153,800	0.33
		733,030	1.56
Total equities - incorporated in the United Kingdom		10,378,949	22.13

Portfolio statement (continued)

as at 30 June 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - United Kingdom (continued)			
Equities - incorporated outwith the United Kingdom 0.47% (1.00%)			
Industrials 0.47% (0.63%)			
Ferguson	1,433	218,246	0.47
Real Estate 0.00% (0.37%)		-	-
Total equities - incorporated outwith the United Kingdom		218,246	0.47
Total equities - United Kingdom		10,597,195	22.60
Equities - Europe 6.00% (6.34%)			
Equities - Finland 0.18% (0.43%)			
Neste	6,178	86,637	0.18
Equities - France 0.91% (0.00%)			
Pernod Ricard	1,500	160,944	0.34
TotalEnergies	5,102	269,624	0.57
Total equities - France		430,568	0.91
Equities - Ireland 0.90% (0.97%)			
Accenture	1,238	297,155	0.63
Kerry Group	2,000	127,856	0.27
Total equities - Ireland		425,011	0.90
Equities - Netherlands 0.28% (0.53%)			
Davide Campari-Milano	17,618	131,689	0.28
Equities - Spain 0.36% (0.40%)			
Banco Bilbao Vizcaya Argentaria	21,129	167,104	0.36
Equities - Sweden 0.72% (0.58%)			
Hexagon	37,928	339,275	0.72
Equities - Switzerland 2.65% (3.43%)			
DSM-Firmenich	4,201	375,951	0.80
Nestlé	2,517	203,186	0.43
Novartis	4,000	338,466	0.72
Roche Holding	1,500	329,460	0.70
Total equities - Switzerland		1,247,063	2.65
Total equities - Europe		2,827,347	6.00

Portfolio statement (continued)

as at 30 June 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - United States 17.32% (13.38%)			
Alphabet 'A'	4,132	595,105	1.27
Amazon.com	3,215	491,724	1.05
American Tower	1,648	253,490	0.54
Boston Scientific	5,143	313,397	0.67
Danaher	1,653	326,585	0.70
Deere	600	177,237	0.38
Estee Lauder	2,915	245,219	0.52
Intuit	475	246,886	0.53
Marsh & McLennan	1,261	210,173	0.45
Martin Marietta Materials	510	218,508	0.47
Marvell Technology	3,519	194,671	0.41
Mastercard	700	244,211	0.52
Microsoft	3,899	1,378,021	2.94
Morgan Stanley	2,654	204,031	0.43
Nike	2,852	170,023	0.36
Northern Trust	3,250	215,913	0.46
NVIDIA	3,690	360,243	0.77
Procter & Gamble	3,047	397,453	0.85
S&P Global	858	302,849	0.65
salesforce.com	1,532	311,575	0.66
Stryker	1,200	322,854	0.69
Walt Disney	5,489	430,661	0.92
Waste Management	1,951	329,344	0.70
Zoetis	1,300	178,150	0.38
Total equities - United States		8,118,323	17.32
Equities - Japan 1.17% (1.55%)			
Hoya	2,883	264,491	0.56
Keyence	830	287,602	0.61
Total equities - Japan		552,093	1.17
Equities - Taiwan 0.63% (0.53%)			
Taiwan Semiconductor Manufacturing	2141	294,415	0.63
Total equities		22,389,373	47.72
Closed-Ended Funds - United Kingdom 9.81% (8.72%)			
Closed-Ended Funds - incorporated in the United Kingdom 8.73% (7.41%)			
Aberforth Smaller Companies Trust	55,000	829,400	1.77
Henderson EuroTrust	600,000	936,000	1.99
Polar Capital Technology Trust	30,000	988,500	2.11
Scottish Oriental Smaller Companies Trust	60,000	861,000	1.83
Templeton Emerging Markets Investment Trust	300,000	485,400	1.03
Total closed-ended funds - incorporated in the United Kingdom		4,100,300	8.73

Portfolio statement (continued)

as at 30 June 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Closed-Ended Funds (continued)			
Closed-Ended Funds - United Kingdom (continued)			
Closed-Ended Funds - incorporated outwith the United Kingdom 1.08% (1.31%)			
Aberdeen Asian Income Fund	209,000	447,260	0.95
Digital 9 Infrastructure	270,000	60,345	0.13
Total closed-ended funds - incorporated outwith the United Kingdom		507,605	1.08
Total closed-ended funds - United Kingdom		4,607,905	9.81
Collective Investment Schemes 20.89% (20.74%)			
UK Authorised Collective Investment Schemes 4.72% (4.50%)			
Baillie Gifford Investment Funds II ICVC - Japanese Income Growth Fund	350,000	485,450	1.03
Baillie Gifford Overseas Growth Funds - American Fund	60,000	779,995	1.66
Fidelity Investment Funds - Asia Fund	25,000	413,250	0.88
FP WHEB Sustainability Fund	250,000	539,250	1.15
Total UK authorised collective investment schemes		2,217,945	4.72
Offshore Collective Investment Schemes 16.17% (16.24%)			
Findlay Park American Fund	8,000	1,363,632	2.91
iShares Developed Markets Property Yield UCITS ETF	2,503	43,502	0.09
Xtrackers MSCI Mexico UCITS ETF	3,668	17,642	0.04
iShares STOXX Europe 600 Utilities UCITS ETF DE	626	20,150	0.04
Lazard Global Listed Infrastructure Equity Fund	300,000	551,490	1.18
London & Capital Global Growth Fixed Income Fund #	11,739	1,077,909	2.30
London & Capital Global Star Equity Fund #	9,988	1,635,201	3.48
London & Capital Global Bond Fund #	19,184	1,708,232	3.64
iShares Core MSCI EM IMI UCITS ETF	9,979	270,612	0.58
London & Capital Global Equity Opportunities Fund #	3,372	454,894	0.97
L&G ROBO Global Robotics and Automation UCITS ETF	12,000	209,940	0.45
SPDR S&P U.S. Consumer Staples Select Sector UCITS ETF	673	20,765	0.04
L&G Cyber Security UCITS ETF	11,000	208,835	0.45
Total offshore collective investment schemes		7,582,804	16.17
Total collective investment schemes		9,800,749	20.89

Securities managed by the Investment Manager, London & Capital Asset Management Limited.

Portfolio statement (continued)
as at 30 June 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Forward currency contracts 0.21% (0.31%)			
Sell euro	(€675,000)	(572,916)	
Buy UK sterling	£582,642	582,642	
Expiry date 25 July 2024		9,726	0.02
Sell Japanese yen	(¥57,913,000)	(285,895)	
Buy UK sterling	£306,017	306,017	
Expiry date 25 July 2024		20,122	0.04
Sell US dollar	($3,951,000)	(3,125,062)	
Buy UK sterling	£3,194,898	3,194,898	
Expiry date 25 July 2024		69,836	0.15
Total forward currency contracts		99,684	0.21
Portfolio of investments		46,857,029	99.86
Other net assets		67,748	0.14
Total net assets		46,924,777	100.00

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

The comparative figures in brackets are as at 30 June 2023.

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.

← Typically lower rewards, lower risk | Typically higher rewards, higher risk →

1	2	3	4	5	6	7

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

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

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

* As per the KIID published on 26 March 2024.

Comparative table

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

	2024	2023	2022
Income	p	p	p
Change in net assets per share			
Opening net asset value per share	2,434.05	2,377.08	2,657.38
Return before operating charges	255.13	112.71	(229.19)
Operating charges	(26.75)	(27.67)	(30.33)
Return after operating charges *	228.38	85.04	(259.52)
Distributions^	(33.44)	(28.07)	(20.78)
Closing net asset value per share	2,628.99	2,434.05	2,377.08
* after direct transaction costs of:	0.25	0.34	0.33
Performance			
Return after charges	9.38%	3.58%	(9.77%)
Other information			
Closing net asset value (£)	46,288,023	43,873,569	40,864,982
Closing number of shares	1,760,674	1,802,492	1,719,124
Operating charges^^	1.06%	1.15%	1.14%
Direct transaction costs	0.01%	0.01%	0.01%
Published prices			
Highest share price	2,680	2,539	2,786
Lowest share price	2,349	2,239	2,357

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)

Accumulation	2024 p	2023 p	2022 p
Change in net assets per share			
Opening net asset value per share	2,893.23	2,793.27	3,097.25
Return before operating charges	303.64	132.90	(268.35)
Operating charges	(32.07)	(32.94)	(35.63)
Return after operating charges *	271.57	99.96	(303.98)
Distributions^	(39.58)	(32.62)	(23.93)
Retained distributions on accumulation shares^	39.58	32.62	23.93
Closing net asset value per share	3,164.80	2,893.23	2,793.27
* after direct transaction costs of:	0.31	0.44	0.38
Performance			
Return after charges	9.39%	3.58%	(9.81%)
Other information			
Closing net asset value (£)	636,754	737,433	854,768
Closing number of shares	20,120	25,488	30,601
Operating charges^^	1.06%	1.15%	1.14%
Direct transaction costs	0.01%	0.01%	0.01%
Published prices			
Highest share price	3,201	2,984	3,247
Lowest share price	2,792	2,631	2,755

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 - The Aurinko Fund

Statement of total return

for the year ended 30 June 2024

	Notes	2024		2023	
		£	£	£	£
Income:					
Net capital gains	2		3,556,748		1,043,156
Revenue	3	1,064,667		931,019	
Expenses	4	(429,514)		(403,774)	
Net revenue before taxation		635,153		527,245	
Taxation	5	(26,400)		(20,722)	
Net revenue after taxation			608,753		506,523
Total return before distributions			4,165,501		1,549,679
Distributions	6		(608,750)		(506,524)
Change in net assets attributable to shareholders from investment activities			3,556,751		1,043,155

Statement of change in net assets attributable to shareholders

for the year ended 30 June 2024

	2024		2023	
	£	£	£	£
Opening net assets attributable to shareholders		44,611,002		41,719,750
Amounts receivable on issue of shares	-		1,992,181	
Amounts payable on cancellation of shares	(1,250,939)		(152,397)	
		(1,250,939)		1,839,784
Change in net assets attributable to shareholders from investment activities		3,556,751		1,043,155
Retained distributions on accumulation shares		7,963		8,313
Closing net assets attributable to shareholders		46,924,777		44,611,002

Balance sheet

as at 30 June 2024

	Notes	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		46,857,029	43,445,068
Current assets:			
Debtors	7	232,660	426,416
Cash and bank balances	8	309,170	1,347,278
Total assets		47,398,859	45,218,762
Liabilities:			
Creditors:			
Distribution payable		(361,343)	(301,286)
Other creditors	9	(112,739)	(306,474)
Total liabilities		(474,082)	(607,760)
Net assets attributable to shareholders		46,924,777	44,611,002

Notes to the financial statements
for the year ended 30 June 2024

1. Accounting policies
   The accounting policies are disclosed on pages 12 to 14.

2. Net capital gains	2024	2023
	£	£
Non-derivative securities - realised gains	741,912	58,464
Non-derivative securities - movement in unrealised gains	2,819,301	883,206
Currency gains / (losses)	37,454	(2,055)
Forward currency contracts (losses) / gains	(29,339)	116,675
Compensation	-	(3)
Transaction charges	(12,580)	(13,131)
Total net capital gains	3,556,748	1,043,156

3. Revenue	2024	2023
	£	£
UK revenue	451,611	456,201
Unfranked revenue	37,235	29,150
Overseas revenue	398,122	338,987
Interest on debt securities	170,467	95,468
Bank and deposit interest	7,232	11,213
Total revenue	1,064,667	931,019

4. Expenses	2024	2023
	£	£
Payable to the ACD and associates		
Annual management charge*	598,044	563,650
Annual management charge rebate*	(197,052)	(186,143)
	400,992	377,507
Payable to the Depositary		
Depositary fees	15,181	14,308
Other expenses:		
Audit fee	8,700	7,632
Non-executive directors' fees	1,641	1,641
Safe custody fees	2,435	2,083
Bank interest	99	58
FCA fee	242	400
KIID production fee	224	145
	13,341	11,959
Total expenses	429,514	403,774

* The annual management charge is 1.30% 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 30 June 2024, the annual management charge after rebates is 0.87%.

5. Taxation

	2024	2023
	£	£
a. Analysis of the tax charge for the year		
Overseas tax withheld	26,400	20,722
Total taxation (note 5b)	26,400	20,722

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2023: 20%). The differences are explained below:

	2024	2023
	£	£
Net revenue before taxation	635,153	527,245
Corporation tax @ 20%	127,031	105,449
Effects of:		
UK revenue	(90,322)	(91,240)
Overseas revenue	(51,433)	(51,470)
Overseas tax withheld	26,400	20,722
Excess management expenses	14,724	37,261
Total taxation (note 5a)	26,400	20,722

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 £473,905 (2023: £459,181).

6. Distributions

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

	2024	2023
	£	£
Interim income distribution	232,282	204,583
Interim accumulation distribution	3,021	3,280
Final income distribution	361,343	301,286
Final accumulation distribution	4,942	5,033
	601,588	514,182
Equalisation:		
Amounts deducted on cancellation of shares	7,162	163
Amounts added on issue of shares	-	(7,821)
Total net distributions	608,750	506,524

Reconciliation between net revenue and distributions:

	2024	2023
Net revenue after taxation per Statement of total return	608,753	506,523
Undistributed revenue brought forward	13	14
Undistributed revenue carried forward	(16)	(13)
Distributions	608,750	506,524

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

Notes to the financial statements (continued)

for the year ended 30 June 2024

7. Debtors

	2024	2023
	£	£
Sales awaiting settlement	98,248	289,108
Accrued revenue	108,525	114,372
Recoverable overseas withholding tax	9,152	7,108
Prepaid expenses	114	-
	216,039	410,588
Payable from the ACD and associates		
Annual management charge rebate	16,621	15,828
Total debtors	232,660	426,416

8. Cash and bank balances

	2024	2023
	£	£
Total cash and bank balances	309,170	1,347,278

9. Other creditors

	2024	2023
	£	£
Purchases awaiting settlement	99,508	296,783
Currency trades outstanding	-	272
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	3,361	-
Other expenses:		
Depositary fees	85	-
Safe custody fees	228	118
Audit fee	8,700	7,632
Non-executive directors' fees	689	1,471
FCA fee	70	109
KIID production fee	-	73
Transaction charges	98	16
	9,870	9,419
Total accrued expenses	13,231	9,419
Total other creditors	112,739	306,474

10. Commitments and contingent liabilities

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

11. Share classes

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

	Income
Opening shares in issue	1,802,492
Total shares cancelled in the year	(41,818)
Closing shares in issue	1,760,674

	Accumulation
Opening shares in issue	25,488
Total shares cancelled in the year	(5,368)
Closing shares in issue	20,120

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per income share has increased from 2,629p to 2,661p and the accumulation share has increased from 3,165p to 3,204p as at 20 September 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

Notes to the financial statements (continued)

for the year ended 30 June 2024

14. Transaction costs (continued)

a Direct transaction costs (continued)

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

2024	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
Equities	3,812,646	1,703	0.04%	1,951	0.05%	610	0.02%	3,816,910
Bonds*	2,721,396	-	-	-	-	-	-	2,721,396
Collective Investment Schemes*	696,923	-	-	-	-	-	-	696,923
Total	7,230,965	1,703	0.04%	1,951	0.05%	610	0.02%	7,235,229

2023	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
Equities	3,124,421	992	0.03%	3,517	0.11%	60	0.00%	3,128,990
Closed-Ended Funds	593,538	-	-	1,476	0.25%	-	-	595,014
Bonds*	2,102,228	-	-	-	-	-	-	2,102,228
Collective Investment Schemes*	2,815,000	-	-	-	-	-	-	2,815,000
Total	8,635,187	992	0.03%	4,993	0.36%	60	0.00%	8,641,232

Capital events amount of £75,246 (2023: £nil) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

2024	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
Equities	3,673,062	(211)	0.01%	(6)	0.00%	-	-	3,672,845
Closed-Ended Funds	172,750	-	-	(1)	0.00%	-	-	172,749
Bonds*	2,471,169	-	-	-	-	-	-	2,471,169
Collective Investment Schemes*	899,929	-	-	-	-	-	-	899,929
Total	7,216,910	(211)	0.01%	(7)	0.00%	-	-	7,216,692

* No direct transaction costs were incurred in these transactions.

14. Transaction costs (continued)

a Direct transaction costs (continued)

2023	Sales before transaction costs £	Commission £	Commission %	Taxes £	Taxes %	Financial transaction tax £	Financial transaction tax %	Sales after transaction costs £
Equities	3,233,943	(37)	0.00%	(10)	0.00%	-	-	3,233,896
Closed-Ended Funds	296,802	-	-	(1)	0.00%	-	-	296,801
Bonds*	1,780,000	-	-	-	-	-	-	1,780,000
Collective Investment Schemes*	1,095,120	-	-	-	-	-	-	1,095,120
Total	6,405,865	(37)	0.00%	(11)	0.00%	-	-	6,405,817

Capital events amount of £313,113 (2023: £410,002) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

Summary of direct transaction costs

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

2024	£	% of average net asset value
Commission	1,914	0.00%
Taxes	1,958	0.01%
Financial transaction tax	610	0.00%

2023	£	% of average net asset value
Commission	1,029	0.00%
Taxes	5,004	0.01%
Financial transaction tax	60	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 0.12% (2023: 0.14%).

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.

* No direct transaction costs were incurred in these transactions.

15. Risk management policies (continued)

a Market risk (continued)

(i) Other price risk

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

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

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

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

At 30 June 2024, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £1,839,901 (2023: £1,708,939).

(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.

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

2024	Financial instruments and cash holdings £	Net debtors and creditors £	Total net foreign currency exposure £
Euro	1,339,955	12,252	1,352,207
Japanese yen	552,093	-	552,093
Swedish krona	344,148	-	344,148
Swiss franc	871,112	-	871,112
US dollar	10,432,076	11,034	10,443,110
Total foreign currency exposure	13,539,384	23,286	13,562,670

15. Risk management policies (continued)
a Market risk (continued)
(ii) Currency risk (continued)

2023	Financial instruments and cash holdings £	Net debtors and creditors £	Total net foreign currency exposure £
Danish krone	-	1,394	1,394
Euro	1,117,487	(91,659)	1,025,828
Japanese yen	692,178	-	692,178
Swedish krona	258,483	-	258,483
Swiss franc	1,166,830	-	1,166,830
US dollar	8,196,167	(11,452)	8,184,715
Total foreign currency exposure	11,431,145	(101,717)	11,329,428

At 30 June 2024, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £478,940 (2023: £342,428). 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.

During the year the Fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities. The Fund also has indirect exposure to interest rate risk as it invests in bond funds. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 30 June 2024, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £101,706 (2023: £78,423).

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

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

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk (continued)

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

2024	Variable rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
	£	£	£	£	£
Euro	-	-	1,352,207	-	1,352,207
Japanese yen	-	-	552,093	-	552,093
Swedish krona	4,873	-	339,275	-	344,148
Swiss franc	-	-	871,112	-	871,112
UK sterling	301,196	9,912,887	23,522,598	(374,574)	33,362,107
US dollar	3,101	46,431	10,493,086	(99,508)	10,443,110
	309,170	9,959,318	37,130,371	(474,082)	46,924,777

2023	Variable rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
	£	£	£	£	£
Danish krone	-	-	1,394	-	1,394
Euro	-	-	1,129,210	(103,382)	1,025,828
Japanese yen	-	-	692,178	-	692,178
Swedish krona	7	-	258,476	-	258,483
Swiss franc	-	-	1,166,830	-	1,166,830
UK sterling	1,347,224	9,128,898	23,116,429	(310,977)	33,281,574
US dollar	47	-	8,378,069	(193,401)	8,184,715
	1,347,278	9,128,898	34,742,586	(607,760)	44,611,002

b Credit risk

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

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

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

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

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

15. Risk management policies (continued)

c Liquidity risk

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

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

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

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.

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2024	2024
	£	£
Quoted prices	33,203,741	-
Observable market data	13,653,288	-
Unobservable data	-	-
	46,857,029	-

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£	£
Quoted prices	29,636,538	-
Observable market data	13,808,530	-
Unobservable data	-	-
	43,445,068	-

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

15. Risk management policies (continued)

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

In the year 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.

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

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		
Forward Currency Contracts		
Value of short position - euro	572,916	1.22%
Value of short position - Japanese yen	285,895	0.61%
Value of short position - US dollar	3,125,062	6.66%

There have been no collateral arrangements in the year.

Distribution table

for the year ended 30 June 2024

Interim distributions in pence per share

Group 1 - Shares purchased before 1 July 2023

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

	Net revenue	Equalisation	Total distributions 29 February 2024	Total distributions 28 February 2023
Income				
Group 1	12.919	-	12.919	11.350
Group 2	12.919	-	12.919	11.350
Accumulation				
Group 1	15.014	-	15.014	12.868
Group 2	15.014	-	15.014	12.868

Final distributions in pence per share

Group 1 - Shares purchased before 1 January 2024

Group 2 - Shares purchased 1 January 2024 to 30 June 2024

	Net revenue	Equalisation	Total distributions 31 August 2024	Total distributions 31 August 2023
Income				
Group 1	20.523	-	20.523	16.715
Group 2	20.523	-	20.523	16.715
Accumulation				
Group 1	24.564	-	24.564	19.747
Group 2	24.564	-	24.564	19.747

Accumulation distributions

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

Remuneration

Remuneration code disclosure

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

Remuneration committee

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

Remuneration policy

The main principles of the remuneration policy are:

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

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

Remuneration systems

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

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

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

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

Remuneration (continued)

Aggregate quantitative information

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

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

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

Investment Managers

The ACD delegates the management of the Company's portfolio of assets to Adam & Company Investment Management Limited, Goldman Sachs International and London & Capital Asset Management Limited and pays the Investment Managers, out of the annual management charge, a monthly fee calculated on the total value of the portfolio of investments at the month end. 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 August (final) and the last business day in February (interim). In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 July	final
	1 January	interim
Reporting dates:	30 June	annual
	31 December	interim

Buying and selling shares

The property of the Fund is valued at 5pm each Friday which is a business day and the last business day of each month or such other day as the ACD may determine to avoid excessive periods between valuations that would otherwise be caused by the incidence of non-business days and 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 Company against the IA Mixed Investment 40-85% Shares sector.

Comparison of the Company's performance against this benchmark will give shareholders an indication of how the Company is performing against other similar funds in this peer group sector.

The ACD has selected this comparator benchmark as the ACD believes it best reflects the asset allocation of the Company.

Appointments

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

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

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

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

Non-Executive Directors of the ACD
Paul Wyse - resigned 11 July 2023
Guy Swarbreck - appointed 21 August 2023

Investment Managers
Adam & Company Investment Management Limited
40 Princes Street
Edinburgh, EH2 2BY
Authorised and regulated by the Financial Conduct Authority

Goldman Sachs International
Plumtree Court
25 Shoe Lane
London EC4A 4AU
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

London & Capital Asset Management Limited
Two Fitzroy Place
8 Mortimer Street
London W1T 3JJ
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

Appointments (continued)

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