The Ilex Fund

Annual Report

for the year ended 31 March 2025

Contents

Report of the Manager

Evelyn Partners Fund Solutions Limited ('EPFL'), as Manager, presents herewith the Annual Report for The Ilex Fund for the year ended 31 March 2025.

The Ilex Fund ('the Trust') is an authorised unit trust scheme further to an authorisation order dated 30 June 2003 and 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 Trust has been set up as an umbrella company. Provision exists for an unlimited number of sub-funds to be included within the umbrella and additional sub-funds may be established by the ACD with the agreement of the Depositary and the approval of the FCA.

The Manager 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 Trust consist predominantly of securities which are readily realisable and, accordingly, the Trust 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 Trust has on the climate and equally how climate change could influence the performance of the Trust. 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 Trust Deed can be inspected at the offices of the Manager.

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

Sub-fund

The Trust currently has one sub-fund, Ilex Balanced Fund ('sub-fund').

Investment objective and policy - Ilex Balanced Fund

The investment objective of the sub-fund is to produce an income return in excess of 2% per annum (net of fees) together with growth of capital over the longer term (i.e. at least 5 years). This performance target, however, is not guaranteed and it may not always be possible to achieve it over the period stated, or over any period of investment. Consequently, investors' capital is at risk.

The sub-fund operates a balanced strategy, meaning that, in respect of at least 70% of its portfolio, it will maintain a balance between shares (i.e. equities) and fixed interest securities. Such investment will be direct and indirect. The fixed interest securities will be a mixture of sovereign, investment grade and non-investment grade bonds. In normal market conditions, the exposure to shares and fixed interest securities will be indirect, generally through collective investment schemes.

For the purposes of the sub-fund's investment objective, investment grade bonds are those rated by S&P, Moody's or Fitch as being BBB- or above.

The allocation between shares and fixed interest securities, in which the sub-fund invests, will be actively managed and will vary in response to short term market conditions; however, the allocation to shares, will remain within a 40% to 85% range.

Collective investment schemes will represent between 50-100% of the sub-fund's invested assets. In times of market uncertainty, the sub-fund may invest directly in government bond assets which the Investment Manager considers less risky compared to the sub-fund's normal holdings.

Investment objective and policy - Ilex Balanced Fund (continued)

The sub-fund may also invest in convertibles, loan stock and other debt securities, warrants, deposits, cash and near cash, money market instruments, exchange traded funds, exchange traded certificates, exchange traded notes, investment trusts, and other transferable securities.

The sub-fund may invest in derivatives and forward transactions for investment purposes only after the Investment Manager has given not less than 60 days' notice to the unitholders, which may make the portfolio composition of the sub-fund highly volatile in the absence of compensating investment techniques.

Changes affecting the Trust in the year

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

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

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

Neil Coxhead Brian McLean
Directors
Evelyn Partners Fund Solutions Limited
27 June 2025

Statement of the Manager's responsibilities

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

In preparing the financial statements the Manager 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 Trust'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 Trust 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 Trust's information on the Manager'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 Manager to carry out an Assessment of Value on the Company, previously published within the Annual Report this assessment can now be found on the Manager's website at :

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

The Manager is responsible for the management of the Trust in accordance with the Trust Deed, the Prospectus and COLL.

Report of the Trustee to the unitholders of The Ilex Fund

Trustee's responsibilities

The Trustee must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Trustee must ensure that:

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

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

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

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

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

NatWest Trustee and Depositary Services Limited
27 June 2025

Independent Auditor's report to the unitholders of The Ilex Fund

Opinion

We have audited the financial statements of The Ilex Fund (the 'Trust') for the year ended 31 March 2025, which comprise the Statement of total return, Statement of change in net assets attributable to unitholders, 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 Trust as at 31 March 2025 and of the net revenue and the net capital losses on the scheme property of the Trust 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 Trust Deed.

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 Trust 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 Manager'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 Trust'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 Manager 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 Manager 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 Trust 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 Manager for the year is consistent with the financial statements.

Independent Auditor's report to the unitholders of The Ilex Fund (continued)

Responsibilities of the Manager

As explained more fully in the Statement of the Manager's responsibilities set out on page 4, the Manager 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 Manager 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 Manager is responsible for assessing the Trust'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 Manager either intends to wind up the Trust 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 Trust 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 Trust's Prospectus.

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

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Manager was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Manager 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.

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

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

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

- Reviewing the level of and reasoning behind the Trust'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 Manager 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 Trust'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 Trust'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 Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the COLL Rules published by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders 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 Trust and the Trust's unitholders 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 June 2025

Accounting policies of The Ilex Fund
for the year ended 31 March 2025

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

The Manager has considered a detailed assessment of the sub-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 sub-fund continues to be open for trading and the Manager is satisfied the sub-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 sub-fund have been valued at the global closing bid-market prices excluding any accrued interest in the case of debt securities ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year.

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

c *Foreign exchange*
The base currency of the sub-fund is UK sterling which is taken to be the sub-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 sub-fund's distribution.

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

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

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

d Revenue (continued)

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

Bank interest paid is charged to revenue.

f Taxation

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

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

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

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

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

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

g Efficient Portfolio Management

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

h 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 units are paid to unitholders. Distributions attributable to accumulation units are re-invested in the sub-fund/relevant class on behalf of the unitholders.

ii Unclaimed distributions

Distributions to unitholders outstanding after 6 years are taken to the capital property of the sub-fund.

iii Revenue

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

Accounting policies of The Ilex Fund (continued)

for the year ended 31 March 2025

h *Distribution policies (continued)*

iv *Expenses*

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

v *Equalisation*

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

Investment Manager's report

Investment performance*

In the 12 months to 31 March 2025, The Ilex Balanced Fund increased by 2.2%, behind the ARC Balanced Asset PCI comparator benchmark, which rose by 2.9%.

The Ilex Balanced Fund outperformed the comparator for the 11 months to the end of February, supported by its allocation to global and US passive equity strategies. Performance was particularly strong around the US election and during the subsequent market rally, as investors rotated into large US technology companies in anticipation of looser regulation and favourable tax policy. However, this trend reversed at the start of 2025, as concerns around potential tariffs and US competitiveness triggered a sharp rotation out of US equities in favour of other regions, including UK equities. Consequently, the Fund's US overweight and UK underweight relative to the peer group contributed to the marginal underperformance in March and hence, the 12-month period.

The allocation to active equity funds detracted from relative performance over the summer, largely due to the underperformance of some of our quality managers. Notably, GuardCap UCITS Funds - GuardCap Global Equity Fund has underperformed, driven by a combination of stock-specific challenges and an underweight to the technology sector. Additionally, our allocation to iShares Edge MSCI World Value Factor UCITS ETF, which has since been exited, weighed on performance, as value lagged growth equities.

Within alternatives, Apax Global Alpha was the largest detractor to returns with a decline in Net Asset Value ('NAV') per share and widening discount-to-NAV over the year. Foresight Infrastructure also posted negative performance over the period.

In absolute terms, our investment grade credit funds and direct gilts delivered positive returns; however, the lack of exposure to high yield credit detracted from relative performance.

Investment review*

The uninterrupted rally of global equities since November 2023 was briefly disturbed in April 2024, as stronger than expected US inflation data challenged investor assumptions about future interest rates. Equity markets later continued their rallies to new all-time highs in the second quarter. Reminiscent of 2023, the market was driven higher by a narrow cohort of stocks, whilst the average market delivered meagre returns. On a bottom-up basis, corporate earnings in the second quarter were modestly ahead of expectations, suggesting that investors' myopic focus on a shortlist of mega-cap names had been unjustified from a 'fundamentals' basis. The concentration and momentum of the markets made it a difficult environment for active global managers, with exposure (or not) to a few stocks, at large weights delivering an almost binary impact on the relative performance potential of equity portfolios.

The third quarter was characterised by increased equity volatility and a challenge to the investment themes that had previously dominated. Markets were largely unmoved and remained close to all-time highs across US and European indices. This masked meaningful rotations during the quarter. Investors raised concerns on the 'return on investment' of Artificial Intelligence ('AI') spending and the spectre of regulatory focus on these hugely successful US companies. Prospective earnings for the US market remained healthy and broadly balanced between the large-cap technology led sectors and the wider market.

Summer brought the first Central Bank action with interest rate cuts from both the European Central Bank and Bank of England. Economic data cooled but remained healthy. There remained a dispersion in the US between the robust 'headline data' and the underlying data components whose trends would be troubling if they continued – unemployment, composition of job creation, wage inflation, consumer savings rate and spending. Closer to home, the UK economy showed signs of growth, albeit modest in absolute terms and UK assets performed well post-election.

Global equities ended 2024 very strongly, closing a second consecutive year of high equity returns. The equity market convergence story was disbanded in quarter four with a huge concentration of performance in the US and underperformance in all other markets. The comprehensive victory delivered by President Trump was an unexpectedly decisive outcome and spurred strategists and investors to seek to predict the companies, sectors and themes anticipated to benefit from a Trump administration policy framework. This reinforced the momentum to reward the US, sending the stock market to new all-time highs. In aggregate, the equity market remained very narrowly led by stock, sector, and geography. Gold reached new highs and ended the year as the strongest performing asset class. Gilts briefly strayed into positive territory in quarter three but ended the year with negative returns as government bond yields moved higher. Credit spreads tightened over the year, helping credit to outperform gilts and deliver positive absolute returns.

*Source: all data from Morningstar Direct, based on mid prices 31 March 2025.

Investment Manager's report (continued)

Investment review (continued)*

China delivered a surprise fiscal impulse in late September, but investors were disappointed by the lack of subsequent detailed policy announcements and raised questions over whether the scale of the packages were sufficient to address the economy's lacklustre growth outlook. Closer to home, European assets and markets severely underperformed US assets over the quarter, with fears that incoming President Trump will implement a punitive tariff regime that will compound the headwinds of low growth faced by Europe. October saw the Labour Government's inaugural budget, which delivered on its promise of tax rate increases to meet expenditure commitments. Markets were underwhelmed by the potential of the budget to spark a better growth outlook for the UK economy. The US bond markets reversed the expectation of a very aggressive easing cycle. In the UK, a similar outcome was witnessed, but with more focus on the government budget deficit and the potential requirement for increased issuance.

In the first quarter of 2025, a strong consensus emerged for the US to continue its dominance of global economic growth and financial market leadership. Expectations were for the Trump inauguration to signal a slew of market friendly tax and regulatory policy changes and an easing monetary policy background. Investors remained sceptical about European and Asian markets. President Trump's inauguration coincided with the release of the Chinese AI model, DeepSeek, which shook the prevailing belief in the US dominance of AI. This led to magnified volatility in the US technology sector as investors grappled with the implications of a competitor technology. It also sparked a recovery of Chinese technology stock prices.

Turning to US policy, expectations of market friendly tax and regulatory announcements turned out to be wrong as the incoming administration instead focussed its attention on trade tariffs announcements and a programme of government department efficiency initiatives. Geopolitically, the ceasefire in the Middle East was broken and the extraordinary public broadcast of the disintegration of the Trump–Zelensky summit called into question the US's allegiances and commitments to security and defence alliances forged in the wake of WWII. Such uncertainty has galvanised the core of the European Union to consider its prior policy decisions. The announcement of joint fiscal expenditure programmes and defence spending as well as a historic change in deficit restrictions within Germany offer the potential to release a very meaningful programme of investment on defence, energy, and infrastructure in Europe. This sparked a historic move higher in German bond yields, which has since moderated, and a very significant outperformance of European equities (notably defence and industrials sectors) against US equities. These tensions culminated in a global equity market correction of 10% from the middle of February to quarter end. Global equities fell close to 5% for the quarter, bond yields and corporate spreads were largely unchanged over the period and Gold was one of the key beneficiaries from the various sources of uncertainty. Post period end, speculation over the level of tariffs to be levied upon its trading partners by the US was clarified on 2nd April with President Trump's public policy announcement. This triggered a sharp and significant correction in global risk assets, initially concentrated on the US but subsequently spreading to other markets in the days that followed.

Investment activities

In April 2024, we reduced exposure to China through the sale of Veritas Funds - Asian Fund. This decision was in response to our Investment Committee's cautious view on China's economic outlook, particularly due to the ongoing crisis in the country's real estate sector.

In June, we took profit from Veritas Funds - Global Focus Fund. In July, we reallocated the proceeds from Veritas Funds - Asian Fund and Veritas Funds - Global Focus Fund trades to establish a new position in Edmond de Rothschild Fund - Big Data. This thematic equity fund focuses on companies that are successfully integrating AI into their business models, increasing the portfolio's exposure to the AI sector.

In October, we exited our small position in TB Evenlode Global Income to fund a cash redemption.

In November we topped up iShares S&P 500 Equal Weight UCITS ETF, TM Redwheel Global Equity Income Fund and Edmond de Rothschild Fund - Big Data. This reallocation followed an Investment Committee decision to increase exposure to the US market in anticipation of Trump's pro-growth rhetoric and focus on boosting the domestic economy. In December we exited iShares Edge MSCI World Value Factor UCITS ETF.

We took action in late March 2025 to cut the portfolio's passive US equity exposure in favour of allocations to active managers given the level of market volatility and policy uncertainty. We reduced iShares Core S&P 500 UCITS ETF USD position and rotated the proceeds, post period end, into MI Metropolis Valuefund and GuardCap UCITS Funds - GuardCap Global Equity Fund.

*Source: all data from Morningstar Direct.

Investment Manager's report (continued)

Investment strategy and outlook

Our secular view remains intact; we believe that interest rates and inflation will both be higher than in the past decade. Government deficits are here to stay and investment in energy (whether for AI, security, or climate change) will only increase. This is likely to be supplemented by de-globalisation trends, likely to be accelerated by tariffs and a greater premium attached to the resilience and independence of energy and industrial production capacity. We had been expecting the US economy to cool. We have retained the view that the 'average' US consumer is not as healthy as the headline data suggests, with lower income cohorts more significantly impacted. Continued uncertainty about the duration or magnitude of the tariff policies will drive market volatility. This will damage consumer confidence and the falls in asset prices will have a negative 'wealth effect' on the consumption capacity within the economy. The key determination is whether this leads to a US and global recession, with a resultant impact on corporate earnings. If a recession is avoided, we may be close to the bottom of the sentiment in markets, however a deterioration in economic and corporate performance could lead to a further bout of market weakness.

We do not expect Central Banks to be in a hurry to ease monetary policy given the prevailing and future inflationary risks. We therefore retain a defensive stance on equities and would look to reduce the equity underweight should we see a further 5-10% fall in markets. The spread widening in the corporate bond market has only moved markets back towards our assessment of fair value, from very expensive levels. We would want to see meaningfully wider corporate spreads to encourage us to increase risk exposure in this asset class.

Wren Investment Office Limited
16 April 2025

Portfolio changes

for the year ended 31 March 2025

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

	Cost
Purchases:	£
iShares S&P 500 Equal Weight UCITS ETF	950,006
Edmond de Rothschild Fund - Big Data	827,396
TM Redwheel Global Equity Income Fund	180,000

	Proceeds
Sales:	£
iShares Edge MSCI World Value Factor UCITS ETF	1,670,344
iShares Core S&P 500 UCITS ETF USD	602,788
Veritas Funds - Asian Fund	419,348
TB Evenlode Global Income	353,459
Veritas Funds - Global Focus Fund	330,000

Portfolio statement
as at 31 March 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 12.16% (11.82%)			
Aa3 to A1 12.16% (11.82%)			
UK Treasury Gilt 0.25% 31/07/2031	£1,935,000	1,510,964	5.14
UK Treasury Gilt 0.375% 22/10/2026	£865,400	819,049	2.78
UK Treasury Gilt 0.5% 31/01/2029	£1,080,250	944,981	3.21
UK Inflation-Linked Gilt 0.125% 22/03/2026**	£200,000	304,090	1.03
Total debt securities		3,579,084	12.16
Closed-Ended Funds - United Kingdom 1.41% (1.38%)			
Closed-Ended Funds - incorporated in the United Kingdom 1.21% (1.13%)			
M&G Credit Income Investment Trust	370,000	354,460	1.21
Closed-Ended Funds - incorporated outwith the United Kingdom 0.20% (0.25%)			
Apax Global Alpha	50,000	58,500	0.20
Total closed-ended funds - United Kingdom		412,960	1.41
Collective Investment Schemes 82.25% (86.23%)			
UK Authorised Collective Investment Schemes 45.71% (45.70%)			
Fidelity Funds - Short Dated Corporate Bond Fund	175,653	1,472,319	5.01
Fidelity Investment Funds ICVC - Index World Fund	1,786,546	4,915,860	16.71
FP Foresight UK Infrastructure Income Fund	2,226,289	1,725,152	5.86
Liontrust Monthly Income Bond Fund	1,163,082	928,175	3.16
Man GLG Income Fund	1,135,821	1,552,667	5.28
MI Metropolis Valuefund	392,680	1,349,217	4.59
TM Redwheel Global Equity Income Fund	1,229,595	1,498,877	5.10
Total UK authorised collective investment schemes		13,442,267	45.71
Offshore Collective Investment Schemes 36.54% (40.53%)			
Artisan Partners Global Funds - Artisan Global Opportunities Fund	33,269	814,741	2.77
Bluebox Funds - Bluebox Global Technology Fund	492	732,347	2.49
Edmond de Rothschild Fund - Big Data	7,091	831,253	2.83
Federated Hermes Asia Ex-Japan Equity Fund	184,923	475,418	1.62
GuardCap UCITS Funds - GuardCap Global Equity Fund	23,582	747,949	2.54
Guinness Global Equity Income Fund	37,958	835,465	2.84

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

** Variable interest security.

Portfolio statement (continued)

as at 31 March 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Collective Investment Schemes (continued)			
Offshore Collective Investment Schemes (continued)			
iShares Core S&P 500 UCITS ETF USD	27,239	1,165,693	3.96
iShares S&P 500 Equal Weight UCITS ETF	185,946	884,452	3.00
Muzinich Global Short Duration Investment Grade Fund	9,311	918,877	3.12
Muzinich Short Duration High Yield Fund	4,708	333,480	1.13
Schroder ISF Global Dividend Maximiser	428,396	1,527,061	5.19
Veritas Funds - Global Focus Fund	19,983	1,485,350	5.05
Total offshore collective investment schemes		10,752,086	36.54
Total collective investment schemes		24,194,353	82.25
Portfolio of investments		28,186,397	95.82
Other net assets		1,229,302	4.18
Total net assets		29,415,699	100.00

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

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

Risk and reward profile*

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

← Typically lower rewards, lower risk

Typically higher rewards, higher risk →

1	2	3	4	5	6	7

The sub-fund is in a medium category because the price of its investments have risen or fallen to some extent. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

For full details on risk factors for the sub-fund, please refer to the Prospectus.

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

* As per the KIID published on 11 February 2025.

Comparative table

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

Income	2025 p	2024 p	2023 p
Change in net assets per unit			
Opening net asset value per unit	148.16	135.52	146.17
Return before operating charges	4.91	18.04	(4.15)
Operating charges	(1.63)	(1.53)	(1.70)
Return after operating charges *	3.28	16.51	(5.85)
Distributions^	(4.06)	(3.87)	(4.80)
Closing net asset value per unit	147.38	148.16	135.52
* after direct transaction costs of:	0.01	0.00	0.03
Performance			
Return after charges	2.21%	12.18%	(4.00%)
Other information			
Closing net asset value (£)	29,227,083	29,401,265	26,745,336
Closing number of units	19,830,457	19,844,815	19,735,378
Operating charges^^	1.08%	1.10%	1.22%
Direct transaction costs	0.00%	0.00%	0.02%
Published prices			
Highest offer unit price	169.8	162.2	157.0
Lowest bid unit price	144.8	133.4	128.7

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 Manager's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which may occur in a year as it is calculated on historical data.

The OCF includes expenses incurred by underlying holdings of collective investment schemes and closed ended vehicles such as investment trusts in relation to the sub-fund (the synthetic 'OCF'). Following guidance issued by the Investment Association on 30 November 2023, the synthetic OCF calculation no longer includes closed ended vehicles.

Comparative table (continued)

Accumulation	2025 p	2024 p	2023 p
Change in net assets per unit			
Opening net asset value per unit	199.69	177.80	185.05
Return before operating charges	6.66	23.93	(5.07)
Operating charges	(2.23)	(2.04)	(2.18)
Return after operating charges *	4.43	21.89	(7.25)
Distributions^	(5.51)	(5.11)	(6.13)
Retained distributions on accumulation shares^	5.51	5.11	6.13
Closing net asset value per unit	204.12	199.69	177.80
* after direct transaction costs of:	0.01	0.00	0.04
Performance			
Return after charges	2.22%	12.31%	(3.92%)
Other information			
Closing net asset value (£)	188,616	261,635	210,785
Closing number of units	92,406	131,022	118,549
Operating charges^^	1.08%	1.10%	1.22%
Direct transaction costs	0.00%	0.00%	0.02%
Published prices			
Highest offer unit price	232.2	215.8	198.7
Lowest bid unit price	195.2	177.5	165.7

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 Manager's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which may occur in a year as it is calculated on historical data.

The OCF includes expenses incurred by underlying holdings of collective investment schemes and closed ended vehicles such as investment trusts in relation to the sub-fund (the synthetic 'OCF'). Following guidance issued by the Investment Association on 30 November 2023, the synthetic OCF calculation no longer includes closed ended vehicles.

Financial statements - The Ilex Fund

Statement of total return
for the year ended 31 March 2025

	Notes	2025		2024	
		£	£	£	£
Income:					
Net capital (losses) / gains	2		(12,108)		2,686,881
Revenue	3	885,889		857,964	
Expenses	4	(183,285)		(173,369)	
Net revenue before taxation		702,604		684,595	
Taxation	5	(39,925)		(43,003)	
Net revenue after taxation			662,679		641,592
Total return before distributions			650,571		3,328,473
Distributions	6		(809,298)		(780,097)
Change in net assets attributable to unitholders from investment activities			(158,727)		2,548,376

Statement of change in net assets attributable to unitholders
for the year ended 31 March 2025

	2025		2024	
	£	£	£	£
Opening net assets attributable to unitholders		29,662,900		26,956,121
Amounts receivable on issue of units	624,108		1,014,419	
Amounts payable on cancellation of units	(718,800)		(862,710)	
		(94,692)		151,709
Change in net assets attributable to unitholders from investment activities		(158,727)		2,548,376
Retained distributions on accumulation units		6,218		6,694
Closing net assets attributable to unitholders		29,415,699		29,662,900

Balance sheet
as at 31 March 2025

	Notes	2025 £	2024 £
Assets:			
Fixed assets:			
Investments		28,186,397	29,492,704
Current assets:			
Debtors	7	761,808	123,694
Cash and bank balances	8	895,156	546,965
Total assets		29,843,361	30,163,363
Liabilities:			
Creditors:			
Distribution payable		(378,167)	(394,316)
Other creditors	9	(49,495)	(106,147)
Total liabilities		(427,662)	(500,463)
Net assets attributable to unitholders		29,415,699	29,662,900

Notes to the financial statements
for the year ended 31 March 2025

1. Accounting policies
   The accounting policies are disclosed on pages 9 to 11.

2. Net capital (losses) / gains

	2025	2024
	£	£
Non-derivative securities - realised gains / (losses)	409,158	(641,814)
Non-derivative securities - movement in unrealised (losses) / gains	(418,079)	3,324,911
Currency losses	(2,997)	-
Compensation	-	4,117
Transaction charges	(190)	(333)
Total net capital (losses) / gains	(12,108)	2,686,881

3. Revenue

	2025	2024
	£	£
UK revenue	298,689	288,717
Unfranked revenue	164,561	201,041
Overseas revenue	258,621	254,863
Interest on debt securities	130,681	87,468
Bank and deposit interest	33,337	25,875
Total revenue	885,889	857,964

4. Expenses

	2025	2024
	£	£
Payable to the Manager and associates		
Annual management charge*	225,369	211,355
Annual management charge rebate*	(64,927)	(59,185)
	160,442	152,170
Payable to the Trustee		
Trustee fees	9,916	9,307
Other expenses:		
Audit fee	9,000	7,800
Non-executive directors' fees	1,531	1,612
Safe custody fees	1,554	1,411
Bank interest	-	426
FCA fee	342	185
KIID production fee	500	458
	12,927	11,892
Total expenses	183,285	173,369

* For the year ended 31 March 2025, the annual management charge is 0.75%. The annual management charge includes the Manager's periodic charge and the Investment Manager's fees.

Where the Manager's periodic charge and the Investment Manager's fee are cumulatively lower than the annual management charge a rebate may occur. For the year ended 31 March 2025, the annual management charge after rebates is 0.53%.

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

5. Taxation

	2025	2024
	£	£
a. Analysis of the tax charge for the year		
UK corporation tax	39,925	43,003
Total taxation (note 5b)	39,925	43,003

b. Factors affecting the tax charge for the year

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

	2025	2024
	£	£
Net revenue before taxation	702,604	684,595
Corporation tax @ 20%	140,521	136,919
Effects of:		
UK revenue	(59,738)	(57,743)
Overseas revenue	(40,858)	(36,173)
Total taxation (note 5a)	39,925	43,003

6. Distributions

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

	2025	2024
	£	£
Interim income distribution	426,094	376,881
Interim accumulation distribution	3,809	3,232
Final income distribution	378,167	394,316
Final accumulation distribution	2,409	3,462
	810,479	777,891
Equalisation:		
Amounts deducted on cancellation of units	3,175	8,546
Amounts added on issue of units	(4,356)	(6,340)
Total net distributions	809,298	780,097

Reconciliation between net revenue and distributions:

	2025	2024
Net revenue after taxation per Statement of total return	662,679	641,592
Undistributed revenue brought forward	13	164
Expenses paid from capital	183,286	172,943
Marginal tax relief	(36,657)	(34,589)
Undistributed revenue carried forward	(23)	(13)
Distributions	809,298	780,097

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

Notes to the financial statements (continued)

for the year ended 31 March 2025

7. Debtors	2025	2024
	£	£
Amounts receivable on issue of units	55,000	-
Sales awaiting settlement	602,788	-
Accrued revenue	104,020	118,001
	761,808	118,001
Payable from the Manager and associates		
Annual management charge rebate	-	5,693
Total debtors	761,808	123,694

8. Cash and bank balances	2025	2024
	£	£
Total cash and bank balances	895,156	546,965

9. Other creditors	2025	2024
	£	£
Amounts payable on cancellation of units	-	55,205
Accrued expenses:		
Payable to the Manager and associates		
Annual management charge	-	1,852
Other expenses:		
Trustee fees	-	81
Safe custody fees	1,626	705
Audit fee	9,000	7,800
Non-executive directors' fees	1,876	345
KIID production fee	83	83
Transaction charges	30	13
	12,615	9,027
Total accrued expenses	12,615	10,879
Corporation tax payable	36,880	40,063
Total other creditors	49,495	106,147

10. Commitments and contingent liabilities

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

11. Unit classes

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

	Income
Opening units in issue	19,844,815
Total units issued in the year	413,679
Total units cancelled in the year	(428,037)
Closing units in issue	19,830,457

Notes to the financial statements (continued)

for the year ended 31 March 2025

11. Unit classes (continued)

	Accumulation
Opening units in issue	131,022
Total units cancelled in the year	(38,616)
Closing units in issue	92,406

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

12. Related party transactions

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

The Manager acts as principal in respect of all transactions of units in the sub-fund. The aggregate monies received and paid through the creation and cancellation of units are disclosed in the Statement of change in net assets attributable to unitholders of the sub-fund.

Amounts payable to the Manager and its associates are disclosed in note 4. The amounts due from/to the Manager 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 unit has increased from 147.4p to 151.8p and the accumulation unit has increased from 204.1p to 210.2p as at 18 June 2025. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

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

	Purchases before transaction costs	Commission		Taxes		Purchases after transaction costs
2025	£	£	%	£	%	£
Collective Investment Schemes	1,957,022	380	0.02%	-	-	1,957,402

	Purchases before transaction costs	Commission		Taxes		Purchases after transaction costs
2024	£	£	%	£	%	£
Bonds*	2,052,069	-	-	-	-	2,052,069
Collective Investment Schemes*	1,010,000	-	-	-	-	1,010,000
Total	3,062,069	-	-	-	-	3,062,069

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 March 2025

14. Transaction costs (continued)

a Direct transaction costs (continued)

2025	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£
Collective Investment Schemes	3,376,849	(910)	0.03%	-	-	3,375,939

2024	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£
Closed-Ended Funds	1,109,938	(444)	0.04%	(4)	0.00%	1,109,490
Collective Investment Schemes*	2,153,821	-	-	-	-	2,153,821
Total	3,263,759	(444)	0.04%	(4)	0.00%	3,263,311

Summary of direct transaction costs

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

2025	£	% of average net asset value
Commission	1,290	0.00%

2024	£	% of average net asset value
Commission	444	0.00%
Taxes	4	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 0.02% (2024: 0.06%).

15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the Manager as being the main risks from the sub-fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the Manager'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 Manager, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

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

(i) Other price risk

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

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 March 2025

15. Risk management policies (continued)

a Market risk (continued)

(i) Other price risk (continued)

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

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

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

At 31 March 2025, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders of the sub-fund would increase or decrease by approximately £1,230,366 (2024: £1,299,254).

(ii) Currency risk

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

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

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

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2025	£	£	£
US dollar	1,645,994	-	1,645,994

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2024	£	£	£
US dollar	842,942	-	842,942

At 31 March 2025, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to unitholders of the sub-fund would increase or decrease by approximately £82,300 (2024: £42,147).

Notes to the financial statements (continued)

for the year ended 31 March 2025

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk

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

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities. The sub-fund also has indirect exposure to interest rate risk as it invests in bond funds. The amount of revenue receivable from floating rate securities and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 31 March 2025, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to unitholders of the sub-fund would increase or decrease by approximately £35,890 (2024: £43,946).

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

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

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

	Variable rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2025	£	£	£	£	£
UK sterling	1,199,246	3,274,994	23,723,127	(427,662)	27,769,705
US dollar	-	-	1,645,994	-	1,645,994
	1,199,246	3,274,994	25,369,121	(427,662)	29,415,699

	Variable rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2024	£	£	£	£	£
UK sterling	833,514	3,216,141	25,270,766	(500,463)	28,819,958
US dollar	4,934	-	838,008	-	842,942
	838,448	3,216,141	26,108,774	(500,463)	29,662,900

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

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

Notes to the financial statements (continued)

for the year ended 31 March 2025

15. Risk management policies (continued)

b Credit risk (continued)

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

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

c Liquidity risk

A significant risk is the cancellation of units 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 units 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 units in the sub-fund.

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

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

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

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

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

Basis of valuation	Investment assets 2025 £	Investment liabilities 2025 £
Quoted prices	6,042,189	-
Observable market data	22,144,208	-
Unobservable data	-	-
	28,186,397	-

Notes to the financial statements (continued)

for the year ended 31 March 2025

15. Risk management policies (continued)

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

Basis of valuation	Investment assets 2024 £	Investment liabilities 2024 £
Quoted prices	7,327,263	-
Observable market data	22,165,441	-
Unobservable data	-	-
	29,492,704	-

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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.

During the year there were no derivative transactions.

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

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

There have been no collateral arrangements in the year.

Distribution table

for the year ended 31 March 2025

Interim distributions in pence per unit

Group 1 - Units purchased before 1 April 2024

Group 2 - Units purchased 1 April 2024 to 30 September 2024

	Net revenue	Equalisation	Total distributions 30 November 2024	Total distributions 30 November 2023
Income				
Group 1	2.157	-	2.157	1.881
Group 2	1.466	0.691	2.157	1.881
Accumulation				
Group 1	2.907	-	2.907	2.467
Group 2	2.907	-	2.907	2.467

Final distributions in pence per unit

Group 1 - Units purchased before 1 October 2024

Group 2 - Units purchased 1 October 2024 to 31 March 2025

	Net revenue	Equalisation	Total distributions 31 May 2025	Total distributions 31 May 2024
Income				
Group 1	1.907	-	1.907	1.987
Group 2	0.674	1.233	1.907	1.987
Accumulation				
Group 1	2.607	-	2.607	2.642
Group 2	2.607	-	2.607	2.642

Equalisation

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

Accumulation distributions

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

Remuneration

Remuneration code disclosure

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

Remuneration committee

The remuneration committee report contained in the Group Report and Financial Statements for the year ended 31 December 2024 includes details on the remuneration policy. The remuneration committee comprises three independent non-executive directors[1] and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met seven times during 2024.

Remuneration policy

The main principles of the remuneration policy are:

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

Remuneration systems

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

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

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

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

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

Remuneration (continued)

Aggregate quantitative information

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

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

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

Investment Manager

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

Further information

Distributions and reporting dates

Where net revenue is available it will be distributed/allocated semi-annually on 31 May (final) and 30 November (interim). In the event of a distribution, unitholders will receive a tax voucher.

XD dates:	1 April	final
	1 October	interim
Reporting dates:	31 March	annual
	30 September	interim

Buying and selling units

The property of Ilex Balanced Fund is valued at 5pm on Wednesday of each week, but excluding the Wednesday falling in the last business day of the month, when the sub-fund will deal on that day, with the exception of any bank holiday in England and Wales, or the last business day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the Manager and the Trustee, and prices of units are calculated as at that time. Unit dealing is on a forward basis i.e. investors can buy and sell units at the next valuation point following receipt of the order.

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

Benchmark - Ilex Balanced Fund

Unitholders may compare the performance of the sub-fund against the ARC Balanced Asset PCI. Comparison of the sub-fund's performance against this benchmark will give unitholders an indication of how the sub-fund is performing against an index based on the real performance numbers delivered to discretionary private clients by participating investment managers.

The benchmark is not a target for the sub-fund, nor is the sub-fund constrained by the benchmark.

Appointments

Manager 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 Manager
Andrew Baddeley - resigned 31 March 2025
Brian McLean
Mayank Prakash - resigned 30 April 2025
Neil Coxhead

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

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

Investment Manager
Wren Investment Office Limited
84 Eccleston Square
London SW1V 1PX
Authorised and regulated by the Financial Conduct Authority

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

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