

The Magpie Fund

Annual Report

for the year ended 31 October 2024

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The Magpie Fund

Report of the Authorised Corporate Director ('ACD')

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

The Magpie Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 29 August 2013. The Company is incorporated under registration number IC000981. It is a non-UCITS retail scheme ('NURS') complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL') and the Investment Funds sourcebook ('FUND'), as published by the Financial Conduct Authority ('FCA'). As the Company is a NURS, the ACD also acts as Alternative Investment Fund Manager ('AIFM') in order to comply with the Alternative Investment Fund Manager's Directive ('AIFMD').

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

The Financial Stability Board ('FSB') created the Task Force on Climate-related Financial Disclosures ('TCFD') to improve and increase reporting of climate-related financial information. EPFL have produced TCFD reports in compliance with the FCA's rules on climate-related financial disclosures. The TCFD Product report is designed to help you understand the impact the Company has on the climate and equally how climate change could influence the performance of the Company. The report will also give you the ability to compare a range of climate metrics with other funds. To understand the governance, strategy, and risk management that EPFL has in place to manage the risks and opportunities related to climate change, please refer to the TCFD Entity report. These reports are available on our website <https://www.evelyn.com/services/fund-solutions/tcf-d-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 to 13 October 2024

The investment objective of the Company is to seek to achieve long term capital growth.

The Company will seek to achieve its investment objective by investing principally through collective investment schemes. The collective investment schemes will mainly be funds operated by the Investment Manager (or its subsidiaries) but may include third party funds.

The underlying schemes may invest in a range of asset classes such as equities, fixed interest securities, exchange traded securities, cash and ancillary liquid assets. There are no geographic or predetermined weights and the Company might not be invested in all of the asset classes at all times. The Company may also invest directly in the asset classes specified in Appendix 2.

Please be aware that there is no guarantee that capital will be preserved.

It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management. The Company may use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to Shareholders. The use of derivatives for investment purposes may alter the risk profile of the Company.

Investment objective and policy from 14 October 2024

The investment objective of the Company is to seek to achieve capital growth over the long term, meaning over a rolling five year period.

The Company will seek to achieve its investment objective by investing at least 90% through collective investment schemes (including through Exchange Traded Funds ("ETFs")). The collective investment schemes may include funds operated by the Investment Adviser (or its subsidiaries).

Report of the Authorised Corporate Director (continued)

Investment objective and policy from 14 October 2024 (continued)

The underlying schemes may invest in a range of asset classes such as shares in companies, exchange traded securities, cash, near cash, and deposits. There are no geographic or predetermined weights and the Company might not be invested in all of the asset classes at all times.

To the extent not invested as set out above, the Company may hold cash, near cash, or deposits.

Please be aware that there is no guarantee that capital will be preserved.

It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management. The Company may use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to Shareholders. The use of derivatives for investment purposes may alter the risk profile of the Company.

Changes affecting the Company in the year

On 14 October 2024, the investment objective and policy of the Company changed.

Further information in relation to the Company is illustrated on page 37.

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

Neil Coxhead
Director
Evelyn Partners Fund Solutions Limited
19 February 2025

Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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









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

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




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

A high-level summary of the outcome of EPFL's rigorous review of the Fund for the year ended 31 October 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 Magpie 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 an Investment Management firm.

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 delegate's 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 Adviser, GAM London Limited, where consideration was given to, amongst other things, the delegate's 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 Fund seeks to achieve capital growth over the long term, meaning over a rolling five year period by investing principally through collective investment schemes.

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.

Assessment of Value - The Magpie Fund (continued)

2. Performance (continued)

Benchmark (continued)

The benchmark for the Fund is the ARC Sterling Equity Risk PCI, which is a comparator. A 'comparator' benchmark is an index or similar factor against which an Investment Adviser 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 30 September 2024 (%)

Instrument	Currency	1 year	3 years	5 years
ARC Sterling Equity Risk PCI TR in GB	GBP	14.63	7.19	27.68
The Magpie A Inc TR in GB	GBX	18.66	22.06	65.53

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 has outperformed its comparator benchmark, the ARC Sterling Equity Risk PCI.

EPFL assessed the investment risk within the Fund, focusing amongst other things on volatility and risk adjusted returns. The Board concluded that the level of investment risk is appropriate, within its mandated parameters, without taking excessive risk for an actively managed Fund of this type.

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

Were there any follow up actions?

There were no follow-up actions required.

3. ACD Costs

What was assessed in this section?

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

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

What was the outcome of the assessment?

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

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

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?

Although the Investment Adviser fee is a fixed percentage charge, the ACD periodic charge is tiered meaning that there are opportunities for savings going forward should the Fund grow in size.

The ancillary charges of the Fund represent 6 basis points. Some of these costs are fixed and as the Fund grows in size, may result in a small reduction in the basis point cost of these services.

Were there any follow up actions?

There were no follow-up actions required.

¹ Ancillary charge is any charge paid directly out of the sub-fund in addition to the AMC, e.g., Auditor, Custodian or Depositary fees.

² One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 30 April 2024

Assessment of Value - The Magpie 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 0.57%³ compared favourably with those of similar externally managed funds.

Note that there is not a performance fee and 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 Fund's Investment Adviser's fee 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 Adviser fee compared favourably with other EPFL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

7. Classes of Shares

What was assessed in this section?

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

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

Overall Assessment of Value

The Board concluded that The Magpie Fund had provided value to investors.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited

11 February 2025

Consumer Feedback

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

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

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

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

³ Figure calculated at interim report, 30 April 2024.

Report of the Depositary to the shareholders of The Magpie Fund

Depositary's responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
19 February 2025

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

Opinion

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

In our opinion the financial statements:

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

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

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's responsibilities set out on page 4, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Independent Auditor's report to the shareholders of The Magpie 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.

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;
- Assessing the Company's compliance with the key requirements of the Collective Investment Schemes sourcebook, Investment Funds sourcebook and its Prospectus;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the IA Statement of Recommended Practice for Authorised Funds; and
- Agreement of the financial statement disclosures to supporting documentation.

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

Use of Our Report

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

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

Accounting policies of The Magpie Fund

for the year ended 31 October 2024

a *Basis of accounting*

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

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

b *Valuation of investments*

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

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

The quoted investments of the Fund have been valued at the global closing bid-market prices excluding any accrued interest 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 October 2024.

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:

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.

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

Accounting policies of The Magpie Fund (continued)

for the year ended 31 October 2024

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 31 October 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.

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.

Accounting policies of The Magpie Fund (continued)

for the year ended 31 October 2024

j Distribution policies (continued)

iv Expenses

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

v Equalisation

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

Investment Adviser's report

Investment performance[^]

The performance from 1 November 2023 to 31 October 2024 amounted to 24.67% (Accumulation shares). The comparative benchmark, ARC Sterling Equity Risk PCI, returned 17.45%.

Investment activities^{^^}

The single largest contributor to performance was the allocation to US equities. The US outperformed most major equity markets with the exception of the UK and Emerging Markets ('EM'). While most of the US allocation was made up of core S&P 500 exposure, the Fund also had exposure to the SPDR S&P 400 U.S. Mid Cap UCITS ETF as well as iShares Edge MSCI USA Quality Factor UCITS ETF. The exposure to technology stocks from the S&P 500 holdings and the Invesco EQQQ Nasdaq-100 UCITS ETF (where we took profits) contributed to strong performance, but the SPDR S&P 400 U.S. Mid Cap UCITS ETF also fared well. This was because the US economy proved more resilient as expected, driving cyclical stocks higher over the review period which the SPDR S&P 400 U.S. Mid Cap UCITS ETF was able to capitalise on.

The Fund's underweight to Europe worked well during the review period as the region underperformed the world equity index amid a slowing economy, Chinese Electric Vehicle competition threatening its carmakers and the threat of US tariffs following the election. The UK performed particularly poorly despite the decisive recent election, but the Fund has no line-item exposure to that market on account of its sector distortions – resources and banks are significantly over-represented.

The Fund maintained an overweight to EM and this benefitted late in the review period from the Chinese stimulus announcement on 25 September. However, the EM and China allocation are in the process of being dialled back amid scepticism that the stimulus will be sufficiently impactful over the long term. Furthermore, tariffs and a strong dollar look set to remain a headwind regardless of the US election result.

Investment strategy and outlook^{^^}

Global equities gained 5.0% in local currency terms during the third quarter of the year. On the surface this was a strong result and not far off the long-term annualised rate of return investors have come to expect from equities over the decades. But it did mask an episode of heightened volatility in late July to early August whose roots lay in three places. First of these was a sudden unwinding of technical positioning around the Japan carry trade in which traders borrowed in low-yielding Japanese yen to finance positions in higher-yielding currencies. The Bank of Japan ('BoJ') arguably over-emphasised its desire to normalise interest rate policy and this led to a rapid reversal in positioning as market participants feared a sudden yen strengthening. Second was fears over the viability of the artificial intelligence ('AI') revolution. While near-term profitability at the so-called AI 'superscalers' (supplying the enabling software and hardware) was probably not in doubt, some concerns were starting to be expressed about the slow take-up of AI across corporate America as well as potential bottlenecks in the huge energy supply required for data servers. Thirdly, there was the spectre of a potential slowdown in the US economy given that consumers were beginning to express caution in their spending habits. Together, this was enough to see the S&P 500 Index crater -8.8% from 16 July to 5 August, close to outright correction territory. Stock markets recovered however, perhaps reassured by the BoJ's extraordinary declaration that it would not raise interest rates at the risk of upsetting markets. NVIDIA's stellar results announcement helped too, as did better economic data and cooling inflation in the US, along with the increasing expectation of a 50 basis point cut in interest rates which was duly announced by the Federal Reserve following the mid-September policy meeting.

Elsewhere, late in the quarter China announced a significant stimulus package which boosted its beleaguered stock markets - in the hope that the economy might finally be turned around. In Europe, the very real prospect of stagnation resulted in the release of a seminal report by the eurozone's top technocrat Mario Draghi proposing a raft of measures to stabilise and grow the economy in an increasingly uncertain world. In the meantime, the steady drumbeat of political and geopolitical uncertainty continued. No fewer than two assassination attempts on former President Donald Trump underscored the drama and division characterising this most fraught US election campaign, while the war in Ukraine saw a significant incursion into Russian territory even as Ukraine slowly but surely lost territory elsewhere. In the Middle East, outright war between Israel and Hezbollah in Lebanon looked all but inevitable. Amid all this, US equities dominated most other regions – yet again.

[^] Source: Evelyn Partners Fund Solutions Limited and FE fundinfo, based on 5pm mid-prices.

^{^^} Source of all data: GAM London Limited.

Investment Adviser's report (continued)

Investment strategy and outlook (continued)[^]

For many commentators, the only question that seems to matter today is whether the US can pull off the vaunted soft landing, i.e. in which inflation eases to normal levels without the economy falling into recession. Our sense is that this is very possible. Even if US headline inflation stabilises around its current 2.5% rate, the evidence is that the economy should continue to thrive. Usually the epicentre of any recession claims due to its close link with consumer behaviour, the employment picture today is attractive. Unemployment at 4.2% remains relatively low by historic standards, labour market participation is rising and job openings are still in good shape, all of which speaks of a growing job market. Consumers may be a little more cautious but retail sales are stable and sentiment has been rising for more than two years now according to the respected Michigan survey. All of which leads to the question of what effect will lower interest rates have, if any, on the US economy? Intriguingly, many US mortgage borrowers are enjoying long-term fixed rates locked in before rate rises began in earnest in 2022. And the economy itself seems less structurally exposed to the vagaries of interest rate policy than before – manufacturing and housebuilding are smaller sectors than they were twenty years ago, for example. Furthermore, cash-generative technology firms that make up an increasing share of the corporate landscape are less capital-intensive than their predecessors. If anything, interest rates being cut into an already-fair economy risks an unwanted inflationary surge as demand potentially lifts even higher. And lower rates will eventually mean lower yields for the holders of the whopping USD 6.3 trillion the Investment Company Institute estimates are currently parked in US money market accounts. But these risks seem unlikely to threaten the fundamentally sound US economy.

Away from the US, it is generally harder to be universally confident of benign outcomes. We will watch the progress of China's stimulus package with interest but note that unless state-directed enterprise and economic management is moderated, unintended excesses will continue to haunt the Chinese economy. As for Europe and the UK, the challenges have been identified but addressing them requires a degree of unity and long-term planning that have eluded both respectively. Japan meanwhile looks set to continue struggling with balancing the need for monetary policy normalisation, i.e. higher interest rates, with its mighty export sector and the stock market's addiction to a weak currency. Predictions around political and geopolitical volatility are by nature challenging. The wars in Ukraine and the Middle East appear likely to drag on, particularly if proxies become more enmeshed on both sides. But investors can at least take some comfort from the fact that the US election will soon be over and that alone will remove an element of uncertainty from the scene. A deep irony underpins the election campaign, in that for all its savagery the two sides' economic policies are not vastly different when it comes to the budget deficit and protectionism. Either way, with one last quarter to go, 2024 is shaping up to be another American year.

GAM London Limited

30 November 2024

[^] Source of all data: GAM London Limited.

Portfolio changes

for the year ended 31 October 2024

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

	Cost
Purchases:	£
HSBC MSCI Emerging Markets UCITS ETF	7,733,836
iShares Core S&P 500 UCITS ETF	3,531,940
SPDR S&P 400 U.S. Mid Cap UCITS ETF	2,944,320
Vanguard FTSE Developed Europe UCITS ETF	1,923,325
Amundi MSCI China A UCITS ETF	894,812
	<u>17,028,233</u>
	Proceeds
Sales:	£
iShares MSCI EM ESG Enhanced UCITS ETF	7,338,778
Invesco EQQQ Nasdaq-100 UCITS ETF	4,345,818
SPDR S&P 500 UCITS ETF	2,465,162
Amundi MSCI China A UCITS ETF	1,954,272
UBS Irl ETF - S&P 500 ESG UCITS ETF	1,403,453
	<u>17,507,483</u>

Portfolio statement
as at 31 October 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Offshore Collective Investment Schemes 99.71% (99.26%)			
Amundi MSCI China A UCITS ETF	14,790	1,746,523	1.77
GAM Multistock - Emerging Markets Equity [^]	1,453	2,726,316	2.76
GAM Star Continental European Equity [^]	116,919	3,203,491	3.24
HSBC MSCI Emerging Markets UCITS ETF	957,250	8,756,084	8.86
iShares Core S&P 500 UCITS ETF	22,230	10,486,045	10.61
iShares Edge MSCI USA Quality Factor UCITS ETF	1,200,000	13,734,687	13.90
SPDR S&P 400 U.S. Mid Cap UCITS ETF	42,135	3,130,834	3.17
SPDR S&P 500 UCITS ETF	44,804	19,955,405	20.19
UBS Irl ETF - S&P 500 ESG UCITS ETF	624,527	20,268,649	20.51
Vanguard FTSE Developed Europe UCITS ETF	297,335	9,780,017	9.90
Xtrackers MSCI Japan ESG Screened UCITS ETF	380,950	4,748,542	4.80
Total offshore collective investment schemes		<u>98,536,593</u>	<u>99.71</u>
Portfolio of investments		98,536,593	99.71
Other net assets		282,875	0.29
Total net assets		<u>98,819,468</u>	<u>100.00</u>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

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

[^] Securities managed by the Investment Adviser, GAM London Limited.

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 14 October 2024.

Comparative table

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

	2024	2023	2022
	p	p	p
Income Shares			
Change in net assets per share			
Opening net asset value per share	223.24	215.29	235.27
Return before operating charges	56.83	12.58	(17.00)
Operating charges	(1.51)	(1.08)	(1.08)
Return after operating charges *	55.32	11.50	(18.08)
Distributions [^]	(2.11)	(3.55)	(1.90)
Closing net asset value per share	276.45	223.24	215.29
* after direct transaction costs of:	0.10	0.08	0.08
Performance			
Return after charges	24.78%	5.34%	(7.68%)
Other information			
Closing net asset value (£)	1,457,203	1,212,279	1,169,135
Closing number of shares	527,115	543,041	543,041
Operating charges ^{^^}	0.59%	0.48%	0.47%
Direct transaction costs	0.04%	0.04%	0.03%
Published prices			
Highest share price	281.4	235.9	244.9
Lowest share price	232.5	212.8	211.2

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

On 14 October 2024, the investment objective and policy of the Company changed.

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

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

Comparative table (continued)

	2024	2023	2022
Accumulation Shares	p	p	p
Change in net assets per share			
Opening net asset value per share	241.61	229.33	248.44
Return before operating charges	61.59	13.43	(17.97)
Operating charges	(1.64)	(1.15)	(1.14)
Return after operating charges *	59.95	12.28	(19.11)
Distributions [^]	(2.29)	(3.80)	(2.01)
Retained distributions on accumulation shares [^]	2.29	3.80	2.01
Closing net asset value per share	301.56	241.61	229.33
* after direct transaction costs of:	0.10	0.09	0.08
Performance			
Return after charges	24.81%	5.35%	(7.69%)
Other information			
Closing net asset value (£)	97,362,265	78,795,358	75,109,840
Closing number of shares	32,285,694	32,612,030	32,752,380
Operating charges ^{^^}	0.59%	0.48%	0.47%
Direct transaction costs	0.04%	0.04%	0.03%
Published prices			
Highest share price	305.5	253.7	258.6
Lowest share price	251.7	226.7	223.5

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

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

Financial statements - The Magpie Fund

Statement of total return

for the year ended 31 October 2024

	Notes	2024		2023	
		£	£	£	£
Income:					
Net capital gains	2		19,061,193		2,837,677
Revenue	3	1,150,120		1,507,183	
Expenses	4	<u>(392,607)</u>		<u>(243,920)</u>	
Net revenue before taxation		757,513		1,263,263	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>757,513</u>		<u>1,263,263</u>
Total return before distributions			19,818,706		4,100,940
Distributions	6		(757,585)		(1,263,230)
Change in net assets attributable to shareholders from investment activities			<u>19,061,121</u>		<u>2,837,710</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2024

		2024		2023	
		£	£	£	£
Opening net assets attributable to shareholders			80,007,637		76,278,975
Amounts receivable on issue of shares		20,000		-	
Amounts payable on cancellation of shares		<u>(1,011,471)</u>		<u>(350,483)</u>	
			(991,471)		(350,483)
Change in net assets attributable to shareholders from investment activities			19,061,121		2,837,710
Retained distributions on accumulation shares			742,181		1,241,435
Closing net assets attributable to shareholders			<u>98,819,468</u>		<u>80,007,637</u>

Balance sheet
as at 31 October 2024

	Notes	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		98,536,593	79,412,787
Current assets:			
Debtors	7	499,592	322
Cash and cash equivalents	8	753,623	633,385
Total assets		<u>99,789,808</u>	<u>80,046,494</u>
Liabilities:			
Creditors:			
Distribution payable		(7,106)	(7,814)
Other creditors	9	(963,234)	(31,043)
Total liabilities		<u>(970,340)</u>	<u>(38,857)</u>
Net assets attributable to shareholders		<u><u>98,819,468</u></u>	<u><u>80,007,637</u></u>

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

1. Accounting policies

The accounting policies are disclosed on pages 13 to 15.

2. Net capital gains

	2024	2023
	£	£
Non-derivative securities - realised gains	3,231,410	1,881,182
Non-derivative securities - movement in unrealised gains	15,833,493	946,209
Currency (losses) / gains	(3,505)	10,455
Compensation	-	30
Transaction charges	(205)	(199)
Total net capital gains	<u>19,061,193</u>	<u>2,837,677</u>

3. Revenue

	2024	2023
	£	£
Overseas revenue	1,110,852	1,480,249
Bank and deposit interest	39,268	26,934
Total revenue	<u>1,150,120</u>	<u>1,507,183</u>

4. Expenses

	2024	2023
	£	£
Payable to the ACD and associates		
ACD's periodic charge*	127,214	112,083
Investment Adviser's fee*	209,084	79,222
	<u>336,298</u>	<u>191,305</u>
Payable to the Depositary		
Depositary fees	<u>29,031</u>	<u>25,400</u>
Other expenses:		
Audit fee	8,700	7,632
Non-executive directors' fees	1,278	1,662
Safe custody fees	3,855	3,641
Bank interest	472	1,219
FCA fee	473	602
KIID production fee	500	459
Administration fee	12,000	12,000
	<u>27,278</u>	<u>27,215</u>
Total expenses	<u>392,607</u>	<u>243,920</u>

* For the year ended 31 October 2024, the annual management charge for each share type is as follows:

Income shares:	0.37%
Accumulation shares:	0.37%

The annual management charge includes the ACD's periodic charge and the Investment Adviser's fee.

Notes to the financial statements (continued)

for the year ended 31 October 2024

5. Taxation	2024	2023
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Total taxation (note 5b)	<u>-</u>	<u>-</u>

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	<u>757,513</u>	<u>1,263,263</u>
Corporation tax @ 20%	151,503	252,653
Effects of:		
Overseas revenue	(222,171)	(296,050)
Excess management expenses	<u>70,668</u>	<u>43,397</u>
Total taxation (note 5a)	<u>-</u>	<u>-</u>

c. Provision for deferred taxation

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £411,253 (2023: £340,585).

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	4,089	11,464
Interim accumulation distribution	269,196	736,601
Final income distribution	7,106	7,814
Final accumulation distribution	<u>472,985</u>	<u>504,834</u>
	753,376	1,260,713
Equalisation:		
Amounts deducted on cancellation of shares	<u>4,209</u>	<u>2,517</u>
Total net distributions	<u>757,585</u>	<u>1,263,230</u>
Reconciliation between net revenue and distributions:		
Net revenue after taxation per Statement of total return	757,513	1,263,263
Undistributed revenue brought forward	121	88
Undistributed revenue carried forward	<u>(49)</u>	<u>(121)</u>
Distributions	<u>757,585</u>	<u>1,263,230</u>

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

Notes to the financial statements (continued)

for the year ended 31 October 2024

7. Debtors	2024	2023
	£	£
Sales awaiting settlement	499,467	-
Prepaid expenses	125	322
Total debtors	<u>499,592</u>	<u>322</u>
8. Cash and cash equivalents	2024	2023
	£	£
Total cash and cash equivalents	<u>753,623</u>	<u>633,385</u>
9. Other creditors	2024	2023
	£	£
Amounts payable on cancellation of shares	425,000	3,000
Purchases awaiting settlement	498,626	-
Currency trades outstanding	611	-
Accrued expenses:		
Payable to the ACD and associates		
Investment Adviser's fee	<u>20,558</u>	<u>13,804</u>
Other expenses:		
Safe custody fees	4,279	1,346
Audit fee	8,700	7,632
Non-executive directors' fees	1,149	1,248
FCA fee	276	-
Administration fee	4,000	4,000
Transaction charges	35	13
	<u>18,439</u>	<u>14,239</u>
Total accrued expenses	<u>38,997</u>	<u>28,043</u>
Total other creditors	<u>963,234</u>	<u>31,043</u>

10. Commitments and contingent liabilities

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

11. Share types

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

	Income Shares
Opening shares in issue	543,041
Total shares cancelled in the year	<u>(15,926)</u>
Closing shares in issue	<u>527,115</u>
	Accumulation Shares
Opening shares in issue	32,612,030
Total shares issued in the year	7,896
Total shares cancelled in the year	<u>(334,232)</u>
Closing shares in issue	<u>32,285,694</u>

Notes to the financial statements (continued)

for the year ended 31 October 2024

11. Share types (continued)

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 amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per income share has increased from 276.4p to 296.3p and the accumulation share has increased from 301.6p to 323.3p as at 17 February 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		Purchases after transaction costs
	£	£	%	£
2024				
Collective Investment Schemes	17,011,222	17,011	0.10%	17,028,233

Notes to the financial statements (continued)

for the year ended 31 October 2024

14. Transaction costs (continued)

a Direct transaction costs (continued)

	Purchases before transaction costs		Commission		Purchases after transaction costs
	£		£	%	£
2023					
Collective Investment Schemes	15,163,792		15,164	0.10%	15,178,956
	Sales before transaction costs		Commission		Sales after transaction costs
	£	%	£	%	£
2024					
Collective Investment Schemes	17,525,008		(17,525)	0.10%	17,507,483
	Sales before transaction costs		Commission		Sales after transaction costs
	£	%	£	%	£
2023					
Collective Investment Schemes	15,463,561		(14,722)	0.10%	15,448,839

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	34,536	0.04%
2023	£	% of average net asset value
Commission	29,886	0.04%

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: 0.40%).

Notes to the financial statements (continued)

for the year ended 31 October 2024

15. Risk management policies

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

a Market risk

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

(i) Other price risk

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

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

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

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

At 31 October 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 £4,926,830 (2023: £3,970,639).

(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.

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2024	£	£	£
Euro	12,983,508	230	12,983,738
US dollar	78,078,227	-	78,078,227
Total foreign currency exposure	91,061,735	230	91,061,965
	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2023	£	£	£
Euro	9,797,981	-	9,797,981
US dollar	62,986,494	-	62,986,494
Total foreign currency exposure	72,784,475	-	72,784,475

Notes to the financial statements (continued)

for the year ended 31 October 2024

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

At 31 October 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 £4,553,098 (2023: £3,639,224).

(iii) Interest rate risk

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

During the year the Fund's direct exposure to interest rates consisted of cash and bank balances. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. In the event of a change in interest rates, there would be no material impact upon the net assets of the Fund. The Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

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

There is no exposure to interest bearing securities at the balance sheet date.

b Credit risk

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

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

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

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

c Liquidity risk

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

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.

Notes to the financial statements (continued)

for the year ended 31 October 2024

15. Risk management policies (continued)

d Fair value of financial assets and financial liabilities

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

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

Basis of valuation	Investment assets	Investment liabilities
	2024	2024
	£	£
Quoted prices	92,606,786	-
Observable market data	5,929,807	-
Unobservable data	-	-
	<u>98,536,593</u>	<u>-</u>

Basis of valuation	Investment assets	Investment liabilities
	2023	2023
	£	£
Quoted prices	74,399,043	-
Observable market data	5,013,744	-
Unobservable data	-	-
	<u>79,412,787</u>	<u>-</u>

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 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.

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.

Notes to the financial statements (continued)

for the year ended 31 October 2024

15. Risk management policies (continued)

f Derivatives (continued)

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

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

There have been no collateral arrangements in the year.

Distribution table

for the year ended 31 October 2024

Interim distributions in pence per share

Group 1 - Shares purchased before 1 November 2023

Group 2 - Shares purchased 1 November 2023 to 30 April 2024

	Net revenue	Equalisation	Total distributions 30 June 2024	Total distributions 30 June 2023
Income Shares				
Group 1	0.765	-	0.765	2.111
Group 2	0.765	-	0.765	2.111
Accumulation Shares				
Group 1	0.828	-	0.828	2.249
Group 2	0.828	-	0.828	2.249

Final distributions in pence per share

Group 1 - Shares purchased before 1 May 2024

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

	Net revenue	Equalisation	Total distributions 31 December 2024	Total distributions 31 December 2023
Income Shares				
Group 1	1.348	-	1.348	1.439
Group 2	1.348	-	1.348	1.439
Accumulation Shares				
Group 1	1.465	-	1.465	1.548
Group 2	-	1.465	1.465	1.548

Equalisation

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

Accumulation distributions

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

Remuneration

Remuneration code disclosure

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

Remuneration committee

The remuneration committee report contained in the Group Report and Financial Statements for the year ended 31 December 2023 includes details on the remuneration policy. The remuneration committee comprises five non-executive directors¹ 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		For the period 1 January 2023 to 31 December 2023				
Senior Management and other MRTs for EPFL		Fixed	Variable	Variable	Total	No. MRTs
		£'000	Cash £'000	Equity £'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 Adviser

The ACD has appointed GAM London Limited to provide investment management and related advisory services to the ACD. GAM London Limited is paid a monthly fee out of the scheme property of The Magpie Fund which is calculated on the total value of the portfolio of investments at each valuation point. GAM London 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 December (final) and 30 June (interim). In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 November	final
	1 May	interim
Reporting dates:	31 October	annual
	30 April	interim

Buying and selling shares

The property of the Fund is valued at 5pm on the 14th day and the last business day of each month except where the 14th is not a business day when it shall be the next business day thereafter, and prices of shares are calculated as at that time. 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 ARC Sterling Equity Risk PCI.

Comparison of the Company's performance against this benchmark will give shareholders an indication of how the Company 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 Company, nor is the Company constrained by the benchmark.

Appointments

ACD and Registered office

Evelyn Partners Fund Solutions Limited

45 Gresham Street

London EC2V 7BG

Telephone 0207 131 4000

Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar

Evelyn Partners Fund Solutions Limited

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

Guy Swarbreck

Investment Adviser

GAM London Limited

8 Finsbury Circus

London EC2M 7GB

Authorised and regulated by the Financial Conduct Authority

Depositary

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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