

The Milne Fund

Annual Report

for the year ended 1 April 2025

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## The Milne Fund

### Report of the Authorised Corporate Director ('ACD')

Evelyn Partners Fund Solutions Limited ('EPFL'), as ACD, presents herewith the Annual Report for The Milne Fund for the year ended 1 April 2025.

The Milne Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 13 October 2004. The Company is incorporated under registration number IC000337. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

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

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

The investment objective of The Milne Fund is to achieve a balanced return of income and capital growth.

The investment policy will be to invest in securities, bonds, collective investment schemes, warrants, money market instruments, cash, deposits and other permitted investments.

Derivatives and forward transactions may be used for hedging purposes.

The Investment Manager does not intend to have an interest in any immovable property or tangible movable property.

#### Changes affecting the Company in the year

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

Further information in relation to the Company is illustrated on page 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 ACD, Evelyn Partners Fund Solutions Limited.

Neil Coxhead  
Director  
Evelyn Partners Fund Solutions Limited  
26 June 2025

## Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

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

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

## Report of the Depositary to the shareholders of The Milne Fund

### Depositary's responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited  
26 June 2025

## Independent Auditor's report to the shareholders of The Milne Fund

### Opinion

We have audited the financial statements of The Milne Fund (the 'Company') for the year ended 1 April 2025, which comprise the Statement of total return, Statement of change in net assets attributable to shareholders, Balance sheet, the related Notes to the financial statements, including significant accounting policies and the Distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Company as at 1 April 2025 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

### Basis for Opinion

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

### Conclusions Relating to Going Concern

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

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

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

### Other Information

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

We have nothing to report in this regard.

### Opinions on Other Matters Prescribed by the COLL Rules

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

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

## Independent Auditor's report to the shareholders of The Milne 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 3, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Use of Our Report

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

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



## Accounting policies of The Milne Fund

for the year ended 1 April 2025

### a Basis of accounting

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

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

### b Valuation of investments

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

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

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

Collective investment schemes are valued at the bid price for dual priced funds and at the single price for single priced funds and are valued at their most recent published price prior to the close of business valuation on 1 April 2025.

Where an observable market price is unreliable or does not exist, investments are valued at the ACD's best estimate of the amount that would be received from an immediate transfer at arm's length. The ACD has appointed the fair value pricing committee to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset.

### c Foreign exchange

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

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

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

### d Revenue

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

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

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

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

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

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

## Accounting policies of The Milne Fund (continued)

for the year ended 1 April 2025

### d Revenue (continued)

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

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

Ordinary stock dividends are recognised wholly as revenue on the basis of the market values of the shares on the date that they are quoted ex-dividend. Where an enhancement is offered the amount by which the market value of the shares on the date they are quoted ex-dividend exceeds the cash dividend is taken to capital. The ordinary element of scrip dividends is treated as revenue and forms part of the Funds' distributions.

### e Expenses

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

Bank interest paid is charged to revenue.

### f Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 1 April 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.

### g Efficient Portfolio Management

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

### h Dilution levy

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

## Accounting policies of The Milne Fund (continued)

for the year ended 1 April 2025

### *i Dilution adjustment*

A dilution adjustment is an adjustment to the share price which is determined by the ACD in accordance with the COLL Sourcebook. The ACD may make a dilution adjustment to the price of a share (which means that the price of a share is above or below that which would have resulted from mid-market valuation) for the purposes of reducing dilution in the Fund (or to recover an amount which it has already paid or is reasonably expected to pay in the future) in relation to the issue or cancellation of shares. 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.

#### *ii Unclaimed distributions*

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

#### *iii Revenue*

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

#### *iv Expenses*

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

## Investment Manager's report

### Investment performance\*

Global equity markets ended the financial year under pressure, driven by a reversal in the US market, and with that, many of the largest companies in the index which had helped to drive it higher over the last few years.

Investors focused on three key issues over the last twelve months; interest rates, elections and growth of Artificial Intelligence ('AI'). Expectations of interest rate cuts fluctuated with macroeconomic data. This led to further volatility within the bond market, with UK gilts under pressure. With the exception of a sharp sell-off in August, equity markets continued to move higher until mid-February, buoyed by corporate earnings growth and positive sentiment following the decisive victory for the former President Donald Trump in the US Presidential election. This euphoria, however, waned in February following the unveiling of the cost-effective Chinese AI service, DeepSeek, and President Trump's announcement of new import tariffs, initially targeting Canada and Mexico.

The Fund rose in value by +5.3%, as compared to the comparator of UK Consumer Price Index +3%, which rose by +5.6%.

Leadership of the market was unusually narrow until January with the 'Magnificent Seven' (the largest US technology related companies) dominating performance, bolstered by the growth of generative AI and the associated capital expenditure boom. The Fund held only three of the seven; Alphabet 'A', Amazon.com and Microsoft. This did act as a drag on performance during 2024, but we benefited during the sharp sell-off in February and March as these stocks reversed some of their gains.

Over the twelve month period the Fund's equities rose in value by 7.8%. The Fund's bonds fell by -0.2%, similar to UK gilts, which were down by -0.1%. The Fund's alternatives were the stand-out, rising by +23.3%, but this was almost entirely down to the holding in gold, which offered a safe-haven for investors.

As far as individual contributors to performance are concerned, our security selection in technology was poor, with Advanced Micro Devices down by -44.1% and Microsoft losing -11.3% over the twelve months. Some of our Industrials were also disappointing: Autoliv -24%, Ferguson -26.8%, Sandvik -5.5%. However, we also had some very strong selection in industrials, most notably General Electric, which split into GE Aerospace +57% and GE Vernova +119.5%. Hitachi has been a long-term strong performer for the Fund, up 26.7% during the period. In some ways Yum China was the most impressive, given that we only purchased it in September, it rose in value by 57%. It is also worth mentioning the gold holding, which was up by 34.5%.

### Investment activities\*\*

We established two new positions during the year in Yum China Holdings and Tencent Holdings.

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

Tencent Holdings is a Chinese technology company. It is the largest Mobile Gaming company in China, as well as owning WeChat, which is a "super-app" used for messaging, social media and payments with over 1.4 billion monthly active users. WeChat is entirely embedded into the daily lives of Chinese users, creating an enormous moat for the business. Tencent Holdings is growing its revenue in higher margin areas, such as advertising and video accounts, which has allowed for mid-teens growth in earnings. In addition, it has a net cash balance sheet and is returning capital to shareholders through both dividends and share buybacks.

We sold the holding of UPM-Kymmene to fund the purchases.

### Investment strategy and outlook

Global equities have reacted negatively to President Trump's 'Liberation Day' tariff announcements with both the obvious losers from a harsher backdrop and the winners of the last few years falling sharply. As stock-pickers, we find it difficult to invest in these fast-moving environments with new announcements made almost on a daily basis. The Fund has relatively limited exposure to companies exporting to the US and neither of the Chinese holdings are directly impacted by US tariffs. It does, however, have cyclical exposure and would be hurt by any European retaliation against US digital services.

\*Source: Waverton Investment Management Limited, Morningstar, Rimes and FactSet (gross of fees, total return).

\*\*Source: Waverton Investment Management Limited.

## Investment Manager's report (continued)

### Investment strategy and outlook (continued)

We have a modest exposure to US stocks relative to the underlying market and as a result we are also underweight the US dollar, which we think is correct for the current environment. We have consequently done little to change the shape of the portfolio at the start of the new financial year. Rather, we have been talking to the companies we invest your capital with to assess the impact of the recent changes with a focus on pricing power. This work may not help us avoid further downside, but will be critical to ensure we own the businesses that will profit once current instability subsides.

Waverton Investment Management Limited

24 April 2025

## Portfolio changes

for the year ended 1 April 2025

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

|   | Cost     |
|---|----------|
|   | £        |
| Purchases:  |          |
| Tencent Holdings  | 804,730  |
| Yum China Holdings  | 739,228  |
| Waverton Investment Funds - Waverton Global Strategic Bond Fund | 730,740  |
| UK Treasury Gilt 4.25% 07/12/2049                               | 621,469  |
| Waverton Investment Funds - Waverton Sterling Bond Fund         | 525,184  |
| BUPA Finance 5% 08/12/2026                                      | 199,490  |
| United Overseas Bank  | 178,649  |
| Autoliv   | 161,407  |
| Thermo Fisher Scientific  | 126,040  |
|   |          |
|   | Proceeds |
|   | £        |
| Sales:  |          |
| UK Treasury Gilt 2.75% 07/09/2024                               | 800,000  |
| Industria de Diseno Textil                                      | 687,077  |
| UPM-Kymmene   | 623,249  |
| Hitachi   | 390,270  |
| AstraZeneca   | 275,197  |
| Iberdrola   | 255,994  |
| International Business Machines                                 | 204,078  |
| Volkswagen Financial Services 1.875% 03/12/2024                 | 200,000  |
| Rothsay Life 5.5% 17/09/2029                                    | 200,000  |
| Ford Motor Credit 2.748% 14/06/2024                             | 200,000  |
| Yum China Holdings  | 152,737  |
| UnitedHealth Group  | 146,813  |
| American Express  | 141,444  |
| Amazon.com  | 135,189  |
| Marsh & McLennan  | 130,345  |
| United Rentals  | 84,458   |

## Portfolio statement

as at 1 April 2025

|  | Nominal<br>value or<br>holding | Market<br>value<br>£ | % of total<br>net assets |
|--|--------------------------------|----------------------|--------------------------|
| Investment   |                                |                      |                          |
| Debt Securities* 7.64% (10.32%)                                  |                                |                      |                          |
| Aa3 to A1 6.42% (7.78%)  |                                |                      |                          |
| UK Treasury Gilt 4.25% 07/12/2049                                | £1,700,000                     | 1,470,398            | 4.57                     |
| UK Treasury Index-Linked Gilt 0.125% 22/03/2026**                | £392,000                       | 595,884              | 1.85                     |
|  |                                | <u>2,066,282</u>     | <u>6.42</u>              |
| A2 to A3 0.60% (0.63%)   |                                |                      |                          |
| BP Capital Markets 4.25% Perpetual**                             | £200,000                       | 193,788              | 0.60                     |
|  |                                | <u>193,788</u>       | <u>0.60</u>              |
| Baa1 to Baa2 0.62% (1.26%)                                       |                                |                      |                          |
| BUPA Finance 5% 08/12/2026                                       | £200,000                       | 198,992              | 0.62                     |
|  |                                | <u>198,992</u>       | <u>0.62</u>              |
| Baa3 and below 0.00% (0.65%)                                     |                                | -                    | -                        |
|  |                                | <u>-</u>             | <u>-</u>                 |
| Total debt securities  |                                | <u>2,459,062</u>     | <u>7.64</u>              |
| Equities 76.36% (79.41%)   |                                |                      |                          |
| Equities - United Kingdom 9.56% (9.93%)                          |                                |                      |                          |
| Equities - incorporated in the United Kingdom 6.75% (7.51%)      |                                |                      |                          |
| Energy 3.27% (3.20%)   |                                |                      |                          |
| Shell  | 37,500                         | 1,052,250            | 3.27                     |
|  |                                | <u>1,052,250</u>     | <u>3.27</u>              |
| Materials 1.80% (1.71%)  |                                |                      |                          |
| Anglo American   | 27,000                         | 578,205              | 1.80                     |
|  |                                | <u>578,205</u>       | <u>1.80</u>              |
| Health Care 1.68% (2.60%)  |                                |                      |                          |
| AstraZeneca  | 4,750                          | 539,505              | 1.68                     |
|  |                                | <u>539,505</u>       | <u>1.68</u>              |
| Total equities - incorporated in the United Kingdom              |                                | <u>2,169,960</u>     | <u>6.75</u>              |
| Equities - incorporated outwith the United Kingdom 2.81% (2.42%) |                                |                      |                          |
| Industrials 0.00% (2.42%)  |                                | -                    | -                        |
|  |                                | <u>-</u>             | <u>-</u>                 |
| Communication Services 2.81% (0.00%)                             |                                |                      |                          |
| Tencent Holdings   | 18,000                         | 902,099              | 2.81                     |
|  |                                | <u>902,099</u>       | <u>2.81</u>              |
| Total equities - incorporated outwith the United Kingdom         |                                | <u>902,099</u>       | <u>2.81</u>              |
| Total equities - United Kingdom                                  |                                | <u>3,072,059</u>     | <u>9.56</u>              |

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

\*\* Variable interest security.

## Portfolio statement (continued)

as at 1 April 2025

|  | Nominal<br>value or<br>holding | Market<br>value<br>£ | % of total<br>net assets |
|--|--------------------------------|----------------------|--------------------------|
| Investment                               |                                |                      |                          |
| Equities (continued)                     |                                |                      |                          |
| Equities - Europe 8.90% (14.24%)         |                                |                      |                          |
| Equities - Finland 0.00% (2.36%)         |                                | -                    | -                        |
| Equities - Ireland 2.07% (0.00%)         |                                |                      |                          |
| TE Connectivity                          | 6,100                          | <u>664,420</u>       | <u>2.07</u>              |
| Equities - Spain 4.50% (6.96%)           |                                |                      |                          |
| Amadeus IT Group                         | 8,000                          | 477,504              | 1.49                     |
| Iberdrola                                | 48,000                         | 602,233              | 1.87                     |
| Industria de Diseno Textil               | 9,500                          | <u>367,032</u>       | <u>1.14</u>              |
| Total equities - Spain                   |                                | <u>1,446,769</u>     | <u>4.50</u>              |
| Equities - Sweden 2.33% (2.64%)          |                                |                      |                          |
| Sandvik                                  | 46,000                         | <u>749,330</u>       | <u>2.33</u>              |
| Equities - Switzerland 0.00% (2.28%)     |                                | -                    | -                        |
| Total equities - Europe                  |                                | <u>2,860,519</u>     | <u>8.90</u>              |
| Equities - North America 47.87% (46.14%) |                                |                      |                          |
| Equities - Canada 1.95% (2.61%)          |                                |                      |                          |
| Canadian Pacific Kansas City             | 11,500                         | <u>628,504</u>       | <u>1.95</u>              |
| Equities - United States 45.92% (43.53%) |                                |                      |                          |
| Advanced Micro Devices                   | 7,000                          | 556,631              | 1.73                     |
| Alphabet 'A'                             | 6,000                          | 729,016              | 2.27                     |
| Amazon.com                               | 5,200                          | 773,120              | 2.40                     |
| American Express                         | 5,000                          | 1,045,884            | 3.25                     |
| Autoliv                                  | 10,600                         | 735,314              | 2.29                     |
| CME Group                                | 4,600                          | 933,383              | 2.90                     |
| Ferguson Enterprises                     | 4,300                          | 534,672              | 1.66                     |
| GE Vernova                               | 1,750                          | 427,304              | 1.33                     |
| General Electric                         | 7,000                          | 1,103,838            | 3.43                     |
| International Business Machines          | 5,000                          | 968,121              | 3.01                     |
| Intuit                                   | 1,220                          | 579,264              | 1.80                     |
| Marsh & McLennan                         | 4,300                          | 811,590              | 2.53                     |
| Microsoft                                | 3,500                          | 1,034,726            | 3.22                     |
| Qualcomm                                 | 4,000                          | 473,538              | 1.47                     |
| Thermo Fisher Scientific                 | 1,900                          | 709,780              | 2.21                     |
| United Rentals                           | 1,350                          | 659,666              | 2.05                     |



## Portfolio statement (continued)

as at 1 April 2025

| Investment  | Nominal<br>value or<br>holding | Market<br>value<br>£ | % of total<br>net assets |
|---|--------------------------------|----------------------|--------------------------|
| Equities (continued)  |                                |                      |                          |
| Equities - North America (continued)  |                                |                      |                          |
| Equities - United States (continued)  |                                |                      |                          |
| UnitedHealth Group  | 1,700                          | 687,879              | 2.14                     |
| Visa  | 3,800                          | 1,017,655            | 3.17                     |
| Yum China Holdings  | 24,000                         | 983,287              | 3.06                     |
| Total equities - United States  |                                | <u>14,764,668</u>    | <u>45.92</u>             |
| Total equities - North America  |                                | <u>15,393,172</u>    | <u>47.87</u>             |
| Equities - Japan 7.67% (7.70%)  |                                |                      |                          |
| Asahi Group Holdings  | 63,000                         | 626,701              | 1.95                     |
| Hitachi   | 50,000                         | 890,570              | 2.77                     |
| Sumitomo Mitsui Financial Group   | 48,900                         | 948,291              | 2.95                     |
| Total equities - Japan  |                                | <u>2,465,562</u>     | <u>7.67</u>              |
| Equities - Singapore 2.36% (1.40%)  |                                |                      |                          |
| United Overseas Bank  | 35,000                         | <u>760,278</u>       | <u>2.36</u>              |
| Total equities  |                                | <u>24,551,590</u>    | <u>76.36</u>             |
| Closed-Ended Funds - incorporated in the United Kingdom 1.29% (1.39%)         |                                |                      |                          |
| 3i Infrastructure   | 130,946                        | 413,134              | 1.29                     |
| Highbridge Tactical Credit Fund <sup>^</sup>                                  | 185,000                        | -                    | -                        |
| Total closed-ended funds - incorporated in the United Kingdom                 |                                | <u>413,134</u>       | <u>1.29</u>              |
| Offshore Collective Investment Schemes 7.63% (4.02%)                          |                                |                      |                          |
| Waverton Investment Funds - Waverton Sterling Bond Fund <sup>^^</sup>         | 140,000                        | 1,137,920            | 3.54                     |
| Waverton Investment Funds - Waverton Global Strategic Bond Fund <sup>^^</sup> | 212,000                        | 1,315,896            | 4.09                     |
| Total offshore collective investment schemes                                  |                                | <u>2,453,816</u>     | <u>7.63</u>              |
| Total collective investment schemes   |                                | <u>2,453,816</u>     | <u>7.63</u>              |

<sup>^</sup> Highbridge Tactical Credit Fund: The fair value pricing committee determined a share price of £nil (01.04.2024: £nil) was appropriate after a delisting and liquidation announcement on 28 March 2019.

<sup>^^</sup> Managed by the Investment Manager, Waverton Investment Management Limited.

## Portfolio statement (continued)

as at 1 April 2025

| Investment                                | Nominal<br>value or<br>holding | Market<br>value<br>£ | % of total<br>net assets |
|---|--------------------------------|----------------------|--------------------------|
| Exchange Traded Commodities 3.51% (2.67%) |                                |                      |                          |
| WisdomTree Physical Gold                  | 5,000                          | 1,127,553            | 3.51                     |
| Portfolio of investments                  |                                | 31,005,155           | 96.43                    |
| Other net assets                          |                                | 1,149,476            | 3.57                     |
| Total net assets                          |                                | 32,154,631           | 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.

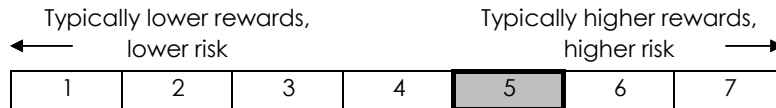
The comparative figures in brackets are as at 1 April 2024.

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

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## Risk and reward profile\*

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



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

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

During the year, the risk and reward indicator changed from 4 to 5.

\* As per the KIID published on 12 February 2025.

## Comparative table

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

|                                      | 2025       | 2024       | 2023       |
|--------------------------------------|------------|------------|------------|
|                                      | p          | p          | p          |
| <b>Income</b>                        |            |            |            |
| Change in net assets per share       |            |            |            |
| Opening net asset value per share    | 257.96     | 221.07     | 222.72     |
| Return before operating charges      | 17.50      | 42.17      | 2.94       |
| Operating charges                    | (2.01)     | (1.64)     | (1.61)     |
| Return after operating charges *     | 15.49      | 40.53      | 1.33       |
| Distributions <sup>^</sup>           | (3.76)     | (3.64)     | (2.98)     |
| Closing net asset value per share    | 269.69     | 257.96     | 221.07     |
| <br>                                 |            |            |            |
| * after direct transaction costs of: | 0.02       | 0.03       | 0.08       |
| <b>Performance</b>                   |            |            |            |
| Return after charges                 | 6.00%      | 18.33%     | 0.60%      |
| <b>Other information</b>             |            |            |            |
| Closing net asset value (£)          | 32,154,631 | 30,755,971 | 26,357,897 |
| Closing number of shares             | 11,922,919 | 11,922,919 | 11,922,919 |
| Operating charges <sup>^^</sup>      | 0.75%      | 0.71%      | 0.74%      |
| Direct transaction costs             | 0.01%      | 0.01%      | 0.03%      |
| <b>Published prices</b>              |            |            |            |
| Highest share price                  | 286.4      | 259.2      | 227.2      |
| Lowest share price                   | 254.5      | 218.5      | 207.1      |

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

<sup>^</sup> Rounded to 2 decimal places.

<sup>^^</sup> The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD'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 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 Milne Fund

### Statement of total return for the year ended 1 April 2025

|   | Notes | 2025             |                  | 2024             |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | £                | £                | £                | £                |
| Income:   |       |                  |                  |                  |                  |
| Net capital gains   | 2     |                  | 1,398,712        |                  | 4,398,068        |
| Revenue   | 3     | 702,868          |                  | 655,405          |                  |
| Expenses  | 4     | <u>(214,017)</u> |                  | <u>(187,749)</u> |                  |
| Net revenue before taxation   |       | 488,851          |                  | 467,656          |                  |
| Taxation  | 5     | <u>(40,720)</u>  |                  | <u>(33,775)</u>  |                  |
| Net revenue after taxation  |       |                  | <u>448,131</u>   |                  | <u>433,881</u>   |
| Total return before distributions   |       |                  | 1,846,843        |                  | 4,831,949        |
| Distributions   | 6     |                  | (448,183)        |                  | (433,875)        |
| Change in net assets attributable to shareholders<br>from investment activities |       |                  | <u>1,398,660</u> |                  | <u>4,398,074</u> |

### Statement of change in net assets attributable to shareholders for the year ended 1 April 2025

|   | 2025              | 2024              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| Opening net assets attributable to shareholders                                 | 30,755,971        | 26,357,897        |
| Change in net assets attributable to shareholders<br>from investment activities | 1,398,660         | 4,398,074         |
| Closing net assets attributable to shareholders                                 | <u>32,154,631</u> | <u>30,755,971</u> |

Balance sheet  
as at 1 April 2025

|   | Notes | 2025<br>£                | 2024<br>£                |
|---|-------|--------------------------|--------------------------|
| Assets:                                 |       |                          |                          |
| Fixed assets:                           |       |                          |                          |
| Investments                             |       | 31,005,155               | 30,083,360               |
| Current assets:                         |       |                          |                          |
| Debtors                                 | 7     | 83,712                   | 96,435                   |
| Cash and bank balances                  | 8     | 1,171,336                | 666,771                  |
| Total assets                            |       | <u>32,260,203</u>        | <u>30,846,566</u>        |
| Liabilities:                            |       |                          |                          |
| Creditors:                              |       |                          |                          |
| Distribution payable                    |       | (92,164)                 | (75,234)                 |
| Other creditors                         | 9     | (13,408)                 | (15,361)                 |
| Total liabilities                       |       | <u>(105,572)</u>         | <u>(90,595)</u>          |
| Net assets attributable to shareholders |       | <u><u>32,154,631</u></u> | <u><u>30,755,971</u></u> |

## Notes to the financial statements

for the year ended 1 April 2025

### 1. Accounting policies

The accounting policies are disclosed on pages 8 to 10.

### 2. Net capital gains

|  | 2025             | 2024             |
|--|------------------|------------------|
|  | £                | £                |
| Non-derivative securities - realised gains               | 921,645          | 1,063,067        |
| Non-derivative securities - movement in unrealised gains | 477,114          | 3,337,681        |
| Currency gains   | 8,073            | 2,410            |
| Forward currency contracts                               | -                | 572              |
| Compensation   | -                | 49               |
| Transaction charges                                      | (8,120)          | (5,711)          |
| Total net capital gains                                  | <u>1,398,712</u> | <u>4,398,068</u> |

### 3. Revenue

|                             | 2025           | 2024           |
|-----------------------------|----------------|----------------|
|                             | £              | £              |
| UK revenue                  | 71,313         | 82,639         |
| Unfranked revenue           | 12,472         | 9,177          |
| Overseas revenue            | 456,724        | 372,366        |
| Interest on debt securities | 137,955        | 151,769        |
| Bank and deposit interest   | 3,952          | 12,117         |
| Stock dividends             | 20,452         | 27,337         |
| Total revenue               | <u>702,868</u> | <u>655,405</u> |

### 4. Expenses

|                                   | 2025           | 2024           |
|-----------------------------------|----------------|----------------|
|                                   | £              | £              |
| Payable to the ACD and associates |                |                |
| Annual management charge*         | 478,664        | 412,762        |
| Annual management charge rebate*  | (288,920)      | (247,365)      |
|                                   | <u>189,744</u> | <u>165,397</u> |
| Payable to the Depositary         |                |                |
| Depositary fees                   | <u>10,531</u>  | <u>9,202</u>   |
| Other expenses:                   |                |                |
| Audit fee                         | 9,450          | 9,000          |
| Non-executive directors' fees     | 1,385          | 1,763          |
| Safe custody fees                 | 2,376          | 1,999          |
| FCA fee                           | 338            | 174            |
| KIID production fee               | 193            | 214            |
|                                   | <u>13,742</u>  | <u>13,150</u>  |
| Total expenses                    | <u>214,017</u> | <u>187,749</u> |

\* The annual management charge is 1.50% and includes the ACD's periodic charge and the Investment Manager's fees. Where the ACD'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 1 April 2025, the annual management charge after rebates is 0.60% (2024: 0.60%). The Investment Manager's fees excludes any holdings within the portfolio of investments that are managed by the Investment Manager, Waverton Investment Management Limited.

## Notes to the financial statements (continued)

for the year ended 1 April 2025

| 5. Taxation                                       | 2025          | 2024          |
|---|---------------|---------------|
|   | £             | £             |
| <i>a. Analysis of the tax charge for the year</i> |               |               |
| Overseas tax withheld                             | 40,720        | 33,775        |
| Total taxation (note 5b)                          | <u>40,720</u> | <u>33,775</u> |

### *b. Factors affecting the tax charge for the year*

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

|   | 2025           | 2024           |
|---|----------------|----------------|
|   | £              | £              |
| Net revenue before taxation               | <u>488,851</u> | <u>467,656</u> |
| Corporation tax @ 20%                     | 97,770         | 93,531         |
| Effects of:                               |                |                |
| UK revenue                                | (14,263)       | (21,995)       |
| Overseas revenue                          | (83,578)       | (68,512)       |
| Overseas tax withheld                     | 40,720         | 33,775         |
| Excess management expenses                | 71             | -              |
| Utilisation of excess management expenses | -              | (3,024)        |
| Total taxation (note 5a)                  | <u>40,720</u>  | <u>33,775</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 £131,850 (2024: £131,779).

## 6. Distributions

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

|                               | 2025           | 2024           |
|-------------------------------|----------------|----------------|
|                               | £              | £              |
| Quarter 1 income distribution | 130,437        | 143,313        |
| Interim income distribution   | 123,164        | 106,114        |
| Quarter 3 income distribution | 102,418        | 109,214        |
| Final income distribution     | 92,164         | 75,234         |
| Total net distributions       | <u>448,183</u> | <u>433,875</u> |

Reconciliation between net revenue and distributions:

|  |                |                |
|--|----------------|----------------|
| Net revenue after taxation per Statement of total return | 448,131        | 433,881        |
| Undistributed revenue brought forward                    | 62             | 56             |
| Undistributed revenue carried forward                    | (10)           | (62)           |
| Distributions  | <u>448,183</u> | <u>433,875</u> |

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



## Notes to the financial statements (continued)

for the year ended 1 April 2025

|                                      |                  |                |
|--------------------------------------|------------------|----------------|
| 7. Debtors                           | 2025             | 2024           |
|                                      | £                | £              |
| Accrued revenue                      | 60,012           | 61,080         |
| Recoverable overseas withholding tax | 22,847           | 12,167         |
|                                      | <u>82,859</u>    | <u>73,247</u>  |
| Payable from the ACD and associates  |                  |                |
| Annual management charge rebate      | 853              | 23,188         |
|                                      | <u>83,712</u>    | <u>96,435</u>  |
| 8. Cash and bank balances            | 2025             | 2024           |
|                                      | £                | £              |
| Total cash and bank balances         | <u>1,171,336</u> | <u>666,771</u> |
| 9. Other creditors                   | 2025             | 2024           |
|                                      | £                | £              |
| Accrued expenses:                    |                  |                |
| Payable to the ACD and associates    |                  |                |
| Annual management charge             | 1,322            | 5,056          |
| Other expenses:                      |                  |                |
| Depositary fees                      | 29               | 111            |
| Safe custody fees                    | 588              | 539            |
| Audit fee                            | 9,450            | 9,000          |
| Non-executive directors' fees        | 1,880            | 495            |
| KIID production fee                  | 33               | 36             |
| Transaction charges                  | 106              | 124            |
|                                      | <u>12,086</u>    | <u>10,305</u>  |
| Total other creditors                | <u>13,408</u>    | <u>15,361</u>  |

### 10. Commitments and contingent liabilities

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

### 11. Share classes

There was no creations or cancellations of shares in the year. The closing number of income shares in issue was 11,922,919. Further information in respect of the return per share is disclosed in the Comparative table.

### 12. Related party transactions

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

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

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

## Notes to the financial statements (continued)

for the year ended 1 April 2025

### 13. Events after the balance sheet date

Subsequent to the year end, the net asset value per income share has increased from 269.7p to 275.2p 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 |              |              | Financial transaction tax |          | Purchases after transaction costs |                  |  |
|--------------------------------|------------------------------------|--------------|--------------|---------------------------|----------|-----------------------------------|------------------|--|
| 2025                           | £                                  | £            | %            | £                         | %        | £                                 | £                |  |
| Equities                       | 2,008,454                          | 1,601        | 0.08%        | -                         | -        | -                                 | 2,010,055        |  |
| Bonds                          | 820,846                            | 112          | 0.01%        | -                         | -        | -                                 | 820,958          |  |
| Collective Investment Schemes* | 1,255,924                          | -            | -            | -                         | -        | -                                 | 1,255,924        |  |
| <b>Total</b>                   | <b>4,085,224</b>                   | <b>1,713</b> | <b>0.09%</b> | <b>-</b>                  | <b>-</b> | <b>-</b>                          | <b>4,086,937</b> |  |

|              | Purchases before transaction costs |              |              | Financial transaction tax |              | Purchases after transaction costs |                  |  |
|--------------|------------------------------------|--------------|--------------|---------------------------|--------------|-----------------------------------|------------------|--|
| 2024         | £                                  | £            | %            | £                         | %            | £                                 | £                |  |
| Equities     | 4,418,551                          | 1,977        | 0.04%        | 146                       | 0.00%        | -                                 | 4,420,674        |  |
| Bonds        | 2,367,351                          | 353          | 0.01%        | -                         | -            | -                                 | 2,367,704        |  |
| <b>Total</b> | <b>6,785,902</b>                   | <b>2,330</b> | <b>0.05%</b> | <b>146</b>                | <b>0.00%</b> | <b>-</b>                          | <b>6,788,378</b> |  |

Capital events amount of £20,452 (2024: £27,337) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

|              | Sales before transaction costs |              |              | Financial transaction tax |          | Sales after transaction costs |                  |  |
|--------------|--------------------------------|--------------|--------------|---------------------------|----------|-------------------------------|------------------|--|
| 2025         | £                              | £            | %            | £                         | %        | £                             | £                |  |
| Equities     | 3,227,837                      | (986)        | 0.03%        | -                         | -        | -                             | 3,226,851        |  |
| Bonds*       | 1,400,000                      | -            | -            | -                         | -        | -                             | 1,400,000        |  |
| <b>Total</b> | <b>4,627,837</b>               | <b>(986)</b> | <b>0.03%</b> | <b>-</b>                  | <b>-</b> | <b>-</b>                      | <b>4,626,851</b> |  |

\* No direct transaction costs were incurred in these transactions.

## Notes to the financial statements (continued)

for the year ended 1 April 2025

### 14. Transaction costs (continued)

#### a Direct transaction costs (continued)

|                    | Sales<br>before<br>transaction<br>costs |         | Commission |   | Financial<br>transaction tax |   | Sales<br>after<br>transaction<br>costs |
|--------------------|---|---------|------------|---|------------------------------|---|--|
|                    | £                                       | £       | %          | £ | %                            | £ |  |
| 2024               |   |         |            |   |                              |   |  |
| Equities           | 4,689,368                               | (1,324) | 0.03%      | - | -                            | - | 4,688,044                              |
| Closed-Ended Funds | 119,145                                 | (37)    | 0.03%      | - | -                            | - | 119,108                                |
| Bonds              | 2,450,210                               | (43)    | 0.00%      | - | -                            | - | 2,450,167                              |
| Total              | 7,258,723                               | (1,404) | 0.06%      | - | -                            | - | 7,257,319                              |

#### 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:

|                           |       |                                 |
|---------------------------|-------|---------------------------------|
| 2025                      | £     | % of average<br>net asset value |
| Commission                | 2,699 | 0.01%                           |
| 2024                      | £     | % of average<br>net asset value |
| Commission                | 3,734 | 0.01%                           |
| Financial transaction tax | 146   | 0.00%                           |

#### b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.07% (2024: 0.09%).

### 15. Risk management policies

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

#### a Market risk

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

#### (i) Other price risk

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

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

\* No direct transaction costs were incurred in these transactions.

## Notes to the financial statements (continued)

for the year ended 1 April 2025

### 15. Risk management policies (continued)

#### a Market risk (continued)

##### (i) Other price risk (continued)

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 1 April 2025, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £1,427,305 (2024: £1,345,433).

##### (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 Fund's financial instruments and cash holdings at the balance sheet date is as follows:

|                                 | Financial<br>instruments and<br>cash holdings | Net debtors<br>and creditors | Total net<br>foreign<br>currency<br>exposure |
|---------------------------------|---|------------------------------|--|
| 2025                            | £   | £                            | £  |
| Canadian dollar                 | 628,504                                       | 1,001                        | 629,505                                      |
| Danish krone                    | -   | 583                          | 583  |
| Euro                            | 1,446,848                                     | 22,264                       | 1,469,112                                    |
| Hong Kong dollar                | 902,099                                       | -                            | 902,099                                      |
| Japanese yen                    | 2,465,562                                     | 17,252                       | 2,482,814                                    |
| Singapore dollar                | 760,278                                       | -                            | 760,278                                      |
| Swedish krona                   | 1,484,644                                     | -                            | 1,484,644                                    |
| US dollar                       | 17,137,223                                    | 9,113                        | 17,146,336                                   |
| Total foreign currency exposure | <u>24,825,158</u>                             | <u>50,213</u>                | <u>24,875,371</u>                            |

## Notes to the financial statements (continued)

for the year ended 1 April 2025

### 15. Risk management policies (continued)

#### a Market risk (continued)

#### (ii) Currency risk (continued)

|                                 | Financial<br>instruments and<br>cash holdings | Net debtors<br>and creditors | Total net<br>foreign<br>currency<br>exposure |
|---------------------------------|---|------------------------------|--|
| 2024                            | £   | £                            | £  |
| Canadian dollar                 | 802,612                                       | 1,084                        | 803,696                                      |
| Danish krone                    | -   | 1,754                        | 1,754  |
| Euro                            | 2,866,013                                     | 10,413                       | 2,876,426                                    |
| Japanese yen                    | 2,368,181                                     | 16,950                       | 2,385,131                                    |
| Singapore dollar                | 429,791                                       | -                            | 429,791                                      |
| Swedish krona                   | 1,601,993                                     | -                            | 1,601,993                                    |
| US dollar                       | 15,464,098                                    | 9,065                        | 15,473,163                                   |
| Total foreign currency exposure | <u>23,532,688</u>                             | <u>39,266</u>                | <u>23,571,954</u>                            |

At 1 April 2025, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £1,243,769 (2024: £1,178,598).

#### (iii) Interest rate risk

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

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

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

|                  | Variable rate<br>financial<br>assets | Fixed rate<br>financial assets | Non-interest<br>bearing<br>financial assets | Non-interest<br>bearing<br>financial<br>liabilities | Total             |
|------------------|--------------------------------------|--------------------------------|---|---|-------------------|
| 2025             | £                                    | £                              | £   | £   | £                 |
| Canadian dollar  | -                                    | -                              | 629,505                                     | -   | 629,505           |
| Danish krone     | -                                    | -                              | 583   | -   | 583               |
| Euro             | 79                                   | -                              | 1,469,033                                   | -   | 1,469,112         |
| Hong Kong dollar | -                                    | -                              | 902,099                                     | -   | 902,099           |
| Japanese yen     | -                                    | -                              | 2,482,814                                   | -   | 2,482,814         |
| Singapore dollar | -                                    | -                              | 760,278                                     | -   | 760,278           |
| Swedish krona    | -                                    | -                              | 1,484,644                                   | -   | 1,484,644         |
| UK sterling      | 1,960,929                            | 1,669,390                      | 3,754,513                                   | (105,572)   | 7,279,260         |
| US dollar        | -                                    | -                              | 17,146,336                                  | -   | 17,146,336        |
|                  | <u>1,961,008</u>                     | <u>1,669,390</u>               | <u>28,629,805</u>                           | <u>(105,572)</u>                                    | <u>32,154,631</u> |

## Notes to the financial statements (continued)

for the year ended 1 April 2025

### 15. Risk management policies (continued)

#### a Market risk (continued)

#### (iii) Interest rate risk (continued)

|                  | Variable rate<br>financial<br>assets | Fixed rate<br>financial assets | Non-interest<br>bearing<br>financial assets | Non-interest<br>bearing<br>financial<br>liabilities | Total             |
|------------------|--------------------------------------|--------------------------------|---|---|-------------------|
| 2024             | £                                    | £                              | £   | £   | £                 |
| Canadian dollar  | -                                    | -                              | 803,696                                     | -   | 803,696           |
| Danish krone     | -                                    | -                              | 1,754                                       | -   | 1,754             |
| Euro             | 81                                   | -                              | 2,876,345                                   | -   | 2,876,426         |
| Japanese yen     | -                                    | -                              | 2,385,131                                   | -   | 2,385,131         |
| Singapore dollar | -                                    | -                              | 429,791                                     | -   | 429,791           |
| Swedish krona    | -                                    | -                              | 1,601,993                                   | -   | 1,601,993         |
| UK sterling      | 1,625,906                            | 2,215,485                      | 3,433,221                                   | (90,595)  | 7,184,017         |
| US dollar        | -                                    | -                              | 15,473,163                                  | -   | 15,473,163        |
|                  | <u>1,625,987</u>                     | <u>2,215,485</u>               | <u>27,005,094</u>                           | <u>(90,595)</u>                                     | <u>30,755,971</u> |

#### b Credit risk

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

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

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

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

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

#### c Liquidity risk

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

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

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

## Notes to the financial statements (continued)

for the year ended 1 April 2025

### 15. Risk management policies (continued)

#### c Liquidity risk (continued)

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

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

All of the financial liabilities are payable on demand.

#### d Fair value of financial assets and financial liabilities

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

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

|                        | Investment<br>assets | Investment<br>liabilities |
|------------------------|----------------------|---------------------------|
| Basis of valuation     | 2025                 | 2025                      |
|                        | £                    | £                         |
| Quoted prices          | 28,158,559           | -                         |
| Observable market data | 2,846,596            | -                         |
| Unobservable data*     | -                    | -                         |
|                        | <u>31,005,155</u>    | <u>-</u>                  |
|                        |                      |                           |
|                        | Investment<br>assets | Investment<br>liabilities |
| Basis of valuation     | 2024                 | 2024                      |
|                        | £                    | £                         |
| Quoted prices          | 28,063,378           | -                         |
| Observable market data | 2,019,982            | -                         |
| Unobservable data*     | -                    | -                         |
|                        | <u>30,083,360</u>    | <u>-</u>                  |

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

Highbridge Tactical Credit Fund: The fair value pricing committee determined a share price of £nil (01.04.2024: £nil) was appropriate after a delisting and liquidation announcement on 28 March 2019.

#### Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the ACD has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The ACD of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other the assumptions used are under continuous review by the ACD with particular attention paid to the carrying value of the investments.

## Notes to the financial statements (continued)

for the year ended 1 April 2025

### 15. Risk management policies (continued)

e Assets subject to special arrangements arising from their illiquid nature

The following assets held in the portfolio of investments are subject to special arrangements arising from their illiquid nature:

|                                 | 2025                                 | 2024                                 |
|---------------------------------|--------------------------------------|--------------------------------------|
|                                 | % of the<br>total net<br>asset value | % of the<br>total net<br>asset value |
| Highbridge Tactical Credit Fund | 0.00%                                | 0.00%                                |

f Derivatives

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

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

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 Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(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 1 April 2025

Quarter 1 distribution in pence per share

Group 1 - Shares purchased before 2 April 2024

Group 2 - Shares purchased 2 April 2024 to 1 July 2024

|         | Net<br>revenue | Equalisation | Total distribution<br>31 August 2024 | Total distribution<br>31 August 2023 |
|---------|----------------|--------------|--------------------------------------|--------------------------------------|
| Income  |                |              |                                      |                                      |
| Group 1 | 1.094          | -            | 1.094                                | 1.202                                |
| Group 2 | 1.094          | -            | 1.094                                | 1.202                                |

Interim distribution in pence per share

Group 1 - Shares purchased before 2 July 2024

Group 2 - Shares purchased 2 July 2024 to 1 October 2024

|         | Net<br>revenue | Equalisation | Total distribution<br>30 November 2024 | Total distribution<br>30 November 2023 |
|---------|----------------|--------------|--|--|
| Income  |                |              |  |  |
| Group 1 | 1.033          | -            | 1.033                                  | 0.890                                  |
| Group 2 | 1.033          | -            | 1.033                                  | 0.890                                  |

Quarter 3 distribution in pence per share

Group 1 - Shares purchased before 2 October 2024

Group 2 - Shares purchased 2 October 2024 to 1 January 2025

|         | Net<br>revenue | Equalisation | Total distribution<br>28 February 2025 | Total distribution<br>29 February 2024 |
|---------|----------------|--------------|--|--|
| Income  |                |              |  |  |
| Group 1 | 0.859          | -            | 0.859                                  | 0.916                                  |
| Group 2 | 0.859          | -            | 0.859                                  | 0.916                                  |

Final distribution in pence per share

Group 1 - Shares purchased before 2 January 2025

Group 2 - Shares purchased 2 January 2025 to 1 April 2025

|         | Net<br>revenue | Equalisation | Total distribution<br>31 May 2025 | Total distribution<br>31 May 2024 |
|---------|----------------|--------------|-----------------------------------|-----------------------------------|
| Income  |                |              |                                   |                                   |
| Group 1 | 0.773          | -            | 0.773                             | 0.631                             |
| Group 2 | 0.773          | -            | 0.773                             | 0.631                             |

## 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<sup>1</sup> 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.

<sup>1</sup> 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<br>Senior Management and other MRTs for EPFL | For the period 1 January 2024 to 31 December 2024 |               |                 |                |          |
|--|---|---------------|-----------------|----------------|----------|
|  | Fixed<br>£'000                                    | Variable      |                 | Total<br>£'000 | No. MRTs |
|  |   | Cash<br>£'000 | Equity<br>£'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 ACD delegates the management of the Company's portfolio of assets to Waverton Investment Management Limited and pays to the Investment Manager, out of the annual management charge, a monthly fee calculated on the total value of the portfolio of investments at the month end. The Investment Manager is compliant with the Capital Requirements Directive regarding remuneration and therefore their staff are covered by remuneration regulatory requirements.

## Further information

### Distributions and reporting dates

Where net revenue is available it will be distributed quarterly on 31 May (Final), 31 August (quarter 1), 30 November (interim) and the last day in February (quarter 3). In the event of a distribution, shareholders will receive a tax voucher.

|           |           |           |
|-----------|-----------|-----------|
| XD dates: | 2 April   | final     |
|           | 2 July    | quarter 1 |
|           | 2 October | Interim   |
|           | 2 January | quarter 3 |

|                  |           |         |
|------------------|-----------|---------|
| Reporting dates: | 1 April   | annual  |
|                  | 1 October | interim |

### Buying and selling shares

The property of the Fund is valued at 10pm each Wednesday, except to the extent that it is not a business day, in which case the dealing day will be on the next available business day; and the last business day of the month, and 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 ACD and the Depositary, 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 Fund are published on the following website: [www.trustnet.com](http://www.trustnet.com) or may be obtained by calling 0141 222 1151.

### Benchmark

Shareholders may also compare the performance of the Fund against UK Consumer Price Index +3%.

The ACD has selected this comparator benchmark as it reflects the absolute returns above inflation.

The benchmark is not a target for the Fund, nor is the Fund 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 - resigned 31 March 2025  
Brian McLean  
Mayank Prakash - resigned 30 April 2025  
Neil Coxhead

### Independent Non-Executive Directors of the ACD

Dean Buckley  
Linda Robinson  
Victoria Muir  
Sally Macdonald

### Non-Executive Directors of the ACD

Guy Swarbreck - resigned 31 March 2025

### Investment Manager

Waverton Investment Management Limited  
16 Babmaes Street  
London, SW1Y 6AH  
Authorised and regulated by the Financial Conduct Authority

### Depositary

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

### Auditor

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