

The Nectar Fund

Annual Report

for the year ended 28 February 2025

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The Nectar Fund

Report of the Authorised Corporate Director ('ACD')

Evelyn Partners Fund Solutions Limited ('EPFL'), as ACD, presents herewith the Annual Report for The Nectar Fund for the year ended 28 February 2025.

The Nectar Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 12 September 2014. The Company is incorporated under registration number IC001016. 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 objective of the Company is to preserve and grow the real value of capital over the longer term through investment in some or all sectors, in some or all world markets, including the UK. Income will usually be of secondary importance.

The Company's investment policy will be to invest in a diverse portfolio which may include transferable securities (including equities, bonds and listed closed ended funds), collective investment schemes, warrants, money market instruments, cash, and deposits that can best take advantage of economic opportunities worldwide. There is no limit to which the Company can be invested in each asset class or sector. The Company will not maintain an interest in immovable property or tangible moveable property.

It is the ACD's intention that derivative and forward transactions will only be used for Efficient Portfolio Management. The Company may only use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to shareholders. The use of derivative and forward transactions for Efficient Portfolio Management is not intended to increase the risk profile of the Company.

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

Report of the Authorised Corporate Director (continued)

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

2 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-lp/#faq-question-title-17280-8d3611fd-8961-4370-903c-3b74c4c1f243>

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 Nectar 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
2 June 2025

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

Opinion

We have audited the financial statements of The Nectar Fund (the 'Company') for the year ended 28 February 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 28 February 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 Nectar Fund (continued)

Responsibilities of the Authorised Corporate Director

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

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

Auditor Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

- UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;
- The Financial Conduct Authority's COLL Rules; 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 Nectar 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
2 June 2025

Accounting policies of The Nectar Fund

for the year ended 28 February 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.

c *Foreign exchange*

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

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

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

d *Revenue*

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

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

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

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

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

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

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

Accounting policies of The Nectar Fund (continued)

for the year ended 28 February 2025

d Revenue (continued)

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

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

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

e Expenses

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

Bank interest paid is charged to revenue.

f 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 28 February 2025 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

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

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

g Efficient Portfolio Management

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

h 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 Nectar Fund (continued)

for the year ended 28 February 2025

i 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*

For the period from 1 March 2024 to 28 February 2025, the Fund returned 15.0% (capital return, based on 12pm mid-prices). Slightly behind the Fund's comparator benchmark, MSCI AC World Index, returned 15.6%.

Investment Review**

The most prominent narrative running through 2024 was that of interest rates, and although expectations for how many cuts we would see fluctuated throughout the year, the cutting cycle did begin in the second half with reductions from the majority of Central Banks as they became comfortable that inflation was now heading back towards their targets across the global economy. However, towards the end of the year the inflation outlook shifted with the services sector worldwide and employment statistics in the US both being stronger than expected in the run-up to the US Presidential election. Hence the Federal Reserve's ('Fed') pre and post-Christmas testimony was noticeably more hawkish about the potential for rate cuts in 2025, indicating a slower trajectory and a higher terminal rate. The Fed held interest rates in January in line with expectations. Trump responded by criticising the Fed, vowing to combat inflation through energy production, deregulation, trade and manufacturing. Here in the UK, Gilt yields also backed up to well above 4% at the end of the year, but decreased during January and have since ticked back up. The Bank of England cut interest rates at their most recent meeting by a quarter-point and halved their 2025 growth forecast.

Global equities had a strong year, up 15.6%, led once again by the United States in regional terms and by information technology at the sector level. However, this picture has changed more recently as Trump implements global tariffs, increasing the risk of a US rescission and resulting in a pullback in US growth stocks. European and UK equity markets have benefitted but still lag behind the US over the full 12 months.

Investment activities

Over the period, the portfolio's top equity contributor was Cisco Systems, after strong results with the company seeing significant growth in orders for Artificial Intelligence ('AI') infrastructure, followed by other companies within our Digitalisation theme; namely, Taiwan Semiconductor Manufacturing, NVIDIA, Meta Platforms 'A', Apple and Alphabet 'A' who all benefitted from positive investor sentiment around AI. EssilorLuxottica, the leading maker of glasses lens and frames, also performed well with their innovative smart glasses showing strong demand. Merck and LVMH Moët Hennessy Louis Vuitton were both detractors during the period. Merck has suffered after its HPV vaccine, Gardasil, shipments to China have been suspended. While, LVMH Moët Hennessy Louis Vuitton faced challenges due to concerns around the health of the Chinese consumer and a broader slowdown in the Chinese economy.

In terms of transactions, we added to core positions in Alphabet 'A' and Microsoft, whilst we also started positions in Meta Platforms 'A' and NVIDIA. Other names that we added to in the portfolio included, Kimberly-Clark, a global manufacturer and provider of essential personal care products, Emerson Electric, a global leader in automation technology and software and UnitedHealth Group, the largest US health insurer. Major sales included Broadcom whose dividend yield had compressed significantly after strong performance and the valuation was less attractive, and Novo Nordisk as other health care names were preferred. Lastly, JPMorgan Chase was sold and the proceeds were reinvested in to Morgan Stanley. This was a view on valuation where JP Morgan Chase looked extended and the dividend yield had reduced. Morgan Stanley, another investment bank, looked more compelling on a relative valuation and has a higher dividend yield.

Investment strategy and outlook

Currently, markets are especially focused on how tariffs and Musk's Department of Government Efficiency policies might adversely affect US economic activity during the rest of 2025, although clearly Trump's team expect both to have a much more positive impact over the longer term.

The latest economic data from the US showed some weakness, with employment and inflation numbers both below expectations, which could have positive implications for the Fed's interest rate policy through the rest of this year. The Consumer Price Index inflation data for February showed headline inflation down to 2.8% from 3% in January, while core inflation also dropped to 3.1% from 3.3%, thereby reversing the trend of the last few months. However, these inflation figures do not yet include the impact of tariffs, which will also be critical for interest rate policy.

*Source: Sarasin & Partners LLP

**Source: MSCI and Bloomberg.

Investment Manager's report (continued)

Investment strategy and outlook (continued)

Although there is clearly a lot to be concerned about in the short-term in the shape of Trump's tariff policies, the market has not yet focused on his plans for corporate tax cuts and deregulation later in the year, which should have a positive impact. They will take some time to be implemented, but we expect news on taxes in quarter 2 and quarter 3, which could give markets a real boost, as happened in Trump's first term. The difference this time is that he has gone for tariffs and immigration first, whereas last time he prioritised tax cuts.

In valuation terms a number of our highest conviction companies are back to quarter 3 2024 levels, but with earnings growth potential unchanged in our view, so we will be looking for opportunities to add to our favourite thematic companies. The portfolio's focus on companies with strong cash flow and growing dividends has proved defensive in recent market volatility and we believe these companies will continue to provide good long-term returns.

In the face of Trump's unpredictability, it feels very difficult to make confident predictions about the very short-term outlook for equity markets, but we can at least say that the recent quarterly earnings season was generally positive and well received. Profits momentum across the portfolio is already strong, therefore, we will be focusing hard on improving the portfolio's quality bias and long-term earnings growth potential if and when we see good opportunities to do so.

Sarasin & Partners LLP

17 March 2025

Summary of portfolio changes

for the year ended 28 February 2025

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

	Cost £
Purchases:	
Kimberly-Clark	671,743
Microsoft	646,149
Meta Platforms 'A'	537,991
Emerson Electric	514,143
Merck	447,395
UnitedHealth Group	438,697
NVIDIA	434,796
Alphabet 'A'	433,612
Bridgestone	403,955
Cisco Systems	368,920
Givaudan	362,994
Morgan Stanley	346,464
Intertek Group	341,813
ASML Holding	321,587
Terna Rete Elettrica Nazionale	315,546
LVMH Moët Hennessy Louis Vuitton	315,282
Colgate-Palmolive	301,417
Deere	294,542
Koninklijke Ahold Delhaize	293,697
IMI	290,267

	Proceeds £
Sales:	
Broadcom	777,874
CME Group	528,769
JPMorgan Chase	525,695
Novo Nordisk	506,588
DS Smith	458,868
SGS SA	408,990
Taiwan Semiconductor Manufacturing	395,750
Sonic Healthcare	391,890
United Parcel Service	375,387
Visa	361,146
Procter & Gamble	351,743
Eli Lilly	337,632
DSM-Firmenich	335,993
Merck	324,590
Hydro One	324,095
Equinor	310,873
Home Depot	305,647
Texas Instruments	295,242
EssilorLuxottica	291,257
Prologis	290,287

Portfolio statement

as at 28 February 2025

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities 98.57% (98.05%)			
Equities - United Kingdom 11.65% (11.21%)			
Materials 0.00% (2.24%)		-	-
Industrials 3.76% (1.61%)			
IMI	12,284	245,926	1.24
Intertek Group	4,894	251,307	1.27
RELX	6,496	248,017	1.25
		<u>745,250</u>	<u>3.76</u>
Consumer Discretionary 2.51% (2.34%)			
Compass Group	17,899	<u>496,339</u>	<u>2.51</u>
Consumer Staples 4.17% (3.14%)			
Reckitt Benckiser Group	6,836	358,206	1.81
Unilever	10,414	<u>467,172</u>	<u>2.36</u>
		<u>825,378</u>	<u>4.17</u>
Financials 1.21% (1.88%)			
Legal & General Group	97,534	<u>238,471</u>	<u>1.21</u>
Total equities - United Kingdom		<u>2,305,438</u>	<u>11.65</u>
Equities - Europe 24.89% (27.89%)			
Equities - Denmark 0.00% (2.99%)		-	-
Equities - France 7.27% (7.57%)			
Air Liquide	2,826	412,247	2.08
EssilorLuxottica	1,577	372,775	1.89
L'Oréal	774	225,663	1.14
LVMH Moët Hennessy Louis Vuitton	743	426,377	2.16
Total equities - France		<u>1,437,062</u>	<u>7.27</u>
Equities - Germany 3.11% (3.42%)			
Siemens	1,522	276,933	1.40
Siemens Healthineers	7,600	338,461	1.71
Total equities - Germany		<u>615,394</u>	<u>3.11</u>
Equities - Ireland 5.32% (5.44%)			
Accenture	1,358	375,773	1.90
Medtronic	9,249	<u>675,853</u>	<u>3.42</u>
Total equities - Ireland		<u>1,051,626</u>	<u>5.32</u>
Equities - Italy 1.57% (0.00%)			
Terna Rete Elettrica Nazionale	47,188	<u>311,014</u>	<u>1.57</u>

Portfolio statement (continued)
as at 28 February 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - Europe (continued)			
Equities - Netherlands 5.96% (3.52%)			
ASML Holding	459	257,260	1.30
ING Groep	23,163	327,372	1.66
Koninklijke Ahold Delhaize	21,168	593,736	3.00
Total equities - Netherlands		<u>1,178,368</u>	<u>5.96</u>
Equities - Norway 0.00% (1.47%)		-	-
Equities - Switzerland 1.66% (3.48%)			
Givaudan	92	328,531	1.66
Total equities - Europe		<u>4,921,995</u>	<u>24.89</u>
Equities - North America 53.72% (48.90%)			
Equities - Canada 0.00% (1.60%)		-	-
Equities - United States 53.72% (47.30%)			
Alphabet 'A'	5,255	710,697	3.59
American Tower	2,887	471,311	2.38
Amgen	1,106	270,494	1.37
AO Smith	3,324	175,420	0.89
Apple	2,398	460,555	2.33
BlackRock	625	485,337	2.45
Cisco Systems	13,989	712,144	3.61
CME Group	2,479	499,462	2.53
Colgate-Palmolive	6,484	469,532	2.37
Deere	822	313,772	1.59
Emerson Electric	5,038	486,695	2.46
Graco Inc	2,757	190,668	0.96
Home Depot	1,184	372,779	1.89
Kimberly-Clark	6,184	697,447	3.53
Mastercard	1,148	525,081	2.66
Merck	4,754	348,145	1.76
Meta Platforms 'A'	872	462,638	2.34
Microsoft	2,701	851,669	4.31
Morgan Stanley	3,410	360,512	1.82
NVIDIA	4,042	401,423	2.03
Otis Worldwide	4,782	378,944	1.92
Pfizer	14,938	313,435	1.58
Snap-on	696	188,544	0.95
Texas Instruments	1,161	180,796	0.91
UnitedHealth Group	783	295,222	1.49
Total equities - United States		<u>10,622,722</u>	<u>53.72</u>
Total equities - North America		<u>10,622,722</u>	<u>53.72</u>

Portfolio statement (continued)
as at 28 February 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - Australia 0.00% (1.25%)		-	-
Equities - Hong Kong 1.71% (2.04%) AIA Group	56,000	339,141	1.71
Equities - Japan 4.90% (3.84%) Bridgestone	19,400	596,680	3.02
Takeda Pharmaceutical	16,300	371,962	1.88
Total equities - Japan		968,642	4.90
Equities - Taiwan 1.70% (2.92%) Taiwan Semiconductor Manufacturing	2,339	335,427	1.70
Total equities		19,493,365	98.57
Portfolio of investments		19,493,365	98.57
Other net assets		282,445	1.43
Total net assets		19,775,810	100.00

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

The comparative figures in brackets are as at 29 February 2024.

United Kingdom equities are grouped in accordance with Global Industry Classification Standard ('GICS'). GICS was developed by and is the exclusive property and a service mark of MSCI Inc. ('MSCI') and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ('S&P') and is licensed for use by Evelyn Partners Services Limited. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Risk and reward profile*

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

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
1	2	3	4	5	6	7

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

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

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

* As per the KIID published on 12 February 2025.

Comparative table

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

	2025	2024	2023
	p	p	p
Income Shares			
Change in net assets per share			
Opening net asset value per share	147.56	136.88	139.80
Return before operating charges	21.27	14.35	0.42
Operating charges	(1.50)	(1.32)	(1.80)
Return after operating charges *	19.77	13.03	(1.38)
Distributions [^]	(2.23)	(2.35)	(1.54)
Closing net asset value per share	165.10	147.56	136.88
 * after direct transaction costs of:	 0.13	 0.15	 0.04
Performance			
Return after charges	13.40%	9.52%	(0.99%)
Other information			
Closing net asset value (£)	19,775,810	17,674,809	16,453,387
Closing number of shares	11,978,313	11,978,313	12,020,194
Operating charges ^{^^}	0.97%	0.95%	1.32%
Direct transaction costs	0.08%	0.11%	0.03%
Published prices			
Highest share price	169.0	148.5	143.4
Lowest share price	146.8	132.3	126.2

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

[^] Rounded to 2 decimal places.

^{^^} The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment 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.

Financial statements - The Nectar Fund

Statement of total return

for the year ended 28 February 2025

	Notes	2025	2024
		£	£
Income:			
Net capital gains	2	2,100,998	1,282,296
Revenue	3	497,270	447,848
Expenses	4	<u>(179,155)</u>	<u>(156,895)</u>
Net revenue before taxation		318,115	290,953
Taxation	5	<u>(51,355)</u>	<u>(13,513)</u>
Net revenue after taxation		<u>266,760</u>	<u>277,440</u>
Total return before distributions		2,367,758	1,559,736
Distributions	6	(266,757)	(281,827)
Change in net assets attributable to shareholders from investment activities		<u>2,101,001</u>	<u>1,277,909</u>

Statement of change in net assets attributable to shareholders

for the year ended 28 February 2025

	2025	2024
	£	£
Opening net assets attributable to shareholders	17,674,809	16,453,387
Amounts payable on cancellation of shares	-	(56,487)
Change in net assets attributable to shareholders from investment activities	2,101,001	1,277,909
Closing net assets attributable to shareholders	<u>19,775,810</u>	<u>17,674,809</u>

Balance sheet
as at 28 February 2025

	Notes	2025 £	2024 £
Assets:			
Fixed assets:			
Investments		19,493,365	17,331,020
Current assets:			
Debtors	7	34,037	22,385
Cash and bank balances	8	348,522	492,785
Total assets		<u>19,875,924</u>	<u>17,846,190</u>
Liabilities:			
Creditors:			
Distribution payable		(86,603)	(120,382)
Other creditors	9	(13,511)	(50,999)
Total liabilities		<u>(100,114)</u>	<u>(171,381)</u>
Net assets attributable to shareholders		<u><u>19,775,810</u></u>	<u><u>17,674,809</u></u>

Notes to the financial statements

for the year ended 28 February 2025

1. Accounting policies

The accounting policies are disclosed on pages 9 to 11.

2. Net capital gains

	2025	2024
	£	£
Non-derivative securities - realised gains	1,933,336	1,287,176
Non-derivative securities - movement in unrealised gains / (losses)	182,793	(34,398)
Derivative contracts - realised gains	-	176,740
Derivative contracts - movement in unrealised losses	-	(146,081)
Currency (losses) / gains	(10,257)	185
Forward currency contracts (losses) / gains	(3,499)	8
Compensation	68	40
Transaction charges	(1,443)	(1,374)
Total net capital gains	<u>2,100,998</u>	<u>1,282,296</u>

3. Revenue

	2025	2024
	£	£
UK revenue	62,929	140,968
Unfranked revenue	-	11,800
Overseas revenue	414,650	222,923
Interest on debt securities	-	47,107
Bank and deposit interest	19,691	25,050
Total revenue	<u>497,270</u>	<u>447,848</u>

4. Expenses

	2025	2024
	£	£
Payable to the ACD and associates		
Annual management charge*	162,714	135,150
Annual management charge rebate*	(7,924)	(421)
	<u>154,790</u>	<u>134,729</u>
Payable to the Depositary		
Depositary fees	<u>8,979</u>	<u>9,021</u>
Other expenses:		
Audit fee	8,700	7,632
Non-executive directors' fees	1,394	1,737
Safe custody fees	437	441
Bank interest	-	1
FCA fee	199	124
KIID production fee	500	458
Listing fee	2,927	2,470
Administration fee	-	282
Legal fee	1,229	-
	<u>15,386</u>	<u>13,145</u>
Total expenses	<u>179,155</u>	<u>156,895</u>

* The annual management charge is 0.88% 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 28 February 2025, the annual management charge after rebates is 0.84%.

Notes to the financial statements (continued)

for the year ended 28 February 2025

5. Taxation

	2025	2024
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	51,355	13,513
Total taxation (note 5b)	<u>51,355</u>	<u>13,513</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>318,115</u>	<u>290,953</u>
Corporation tax @ 20%	63,623	58,191
Effects of:		
UK revenue	(12,586)	(28,194)
Overseas revenue	(79,517)	(40,217)
Overseas tax withheld	51,355	13,513
Excess management expenses	28,480	5,885
Offshore income gains	-	4,335
Total taxation (note 5a)	<u>51,355</u>	<u>13,513</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 £199,564 (2024: £171,084).

6. Distributions

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

	2025	2024
	£	£
Interim income distribution	180,154	161,311
Final income distribution	<u>86,603</u>	<u>120,382</u>
	266,757	281,693
Equalisation:		
Amounts deducted on cancellation of shares	-	134
Total net distributions	<u>266,757</u>	<u>281,827</u>

Reconciliation between net revenue and distributions:

Net revenue after taxation per Statement of total return	266,760	277,440
Undistributed revenue brought forward	64	117
Marginal tax relief	-	4,334
Undistributed revenue carried forward	<u>(67)</u>	<u>(64)</u>
Distributions	<u>266,757</u>	<u>281,827</u>

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

Notes to the financial statements (continued)
for the year ended 28 February 2025

7. Debtors	2025	2024
	£	£
Accrued revenue	24,731	13,080
Recoverable overseas withholding tax	9,289	9,026
Prepaid expenses	17	10
	<u>34,037</u>	<u>22,116</u>
Payable from the ACD and associates		
Annual management charge rebate	-	269
Total debtors	<u>34,037</u>	<u>22,385</u>
8. Cash and bank balances	2025	2024
	£	£
Total cash and bank balances	<u>348,522</u>	<u>492,785</u>
9. Other creditors	2025	2024
	£	£
Purchases awaiting settlement	-	39,446
Other expenses:		
Safe custody fees	460	219
Audit fee	8,700	7,632
Non-executive directors' fees	1,759	1,743
KIID production fee	42	42
Listing fee	1,501	1,248
Transaction charges	1,049	669
Total accrued expenses	<u>13,511</u>	<u>11,553</u>
Total other creditors	<u>13,511</u>	<u>50,999</u>

10. Commitments and contingent liabilities

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

11. Share classes

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

	Income Shares
Opening shares in issue	<u>11,978,313</u>
Closing shares in issue	<u>11,978,313</u>

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 amount due from the ACD and its associates at the balance sheet date is disclosed in note 7.

Notes to the financial statements (continued)

for the year ended 28 February 2025

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per income share has decreased from 165.1p to 157.6p as at 15 May 2025. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

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

	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
2025								
Equities	12,865,761	5,080	0.04%	3,987	0.03%	2,612	0.02%	12,877,440
Closed-Ended Funds	25,685	4	0.02%	-	-	-	-	25,689
Total	12,891,446	5,084	0.06%	3,987	0.03%	2,612	0.02%	12,903,129

	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
2024								
Equities	13,730,336	3,569	0.03%	7,892	0.06%	3,440	0.03%	13,745,237
Closed-Ended Funds	786,560	146	0.02%	592	0.08%	-	-	787,298
Bonds*	3,218,441	-	-	-	-	-	-	3,218,441
Total	17,735,337	3,715	0.04%	8,484	0.13%	3,440	0.03%	17,750,976

	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
2025								
Equities	12,565,965	(3,762)	0.03%	(50)	0.00%	-	-	12,562,153
Closed-Ended Funds	290,368	(81)	0.03%	-	-	-	-	290,287
Total	12,856,333	(3,843)	0.06%	(50)	0.00%	-	-	12,852,440

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 28 February 2025

14. Transaction costs (continued)

a Direct transaction costs (continued)

	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
2024								
Equities	5,971,114	(1,441)	0.02%	(18)	0.00%	-	-	5,969,655
Closed-Ended Funds	3,013,980	(1,342)	0.04%	(16)	0.00%	-	-	3,012,622
Bonds*	3,491,315	-	-	-	-	-	-	3,491,315
Collective Investment Schemes*	3,892,288	-	-	-	-	-	-	3,892,288
Exchange Traded Commodities*	725,208	-	-	-	-	-	-	725,208
Structured Products*	813,390	-	-	-	-	-	-	813,390
Total	17,907,295	(2,783)	0.07%	(34)	0.00%	-	-	17,904,478

* No direct transaction costs were incurred in these transactions.

Capital events amount of £4,443 (2024: £5,610) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

Summary of direct transaction costs

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

2025	£	% of average net asset value
Commission	8,927	0.05%
Taxes	4,037	0.02%
Financial transaction tax	2,612	0.01%

2024	£	% of average net asset value
Commission	6,498	0.04%
Taxes	8,518	0.05%
Financial transaction tax	3,440	0.02%

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: 0.07%).

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.

Notes to the financial statements (continued)

for the year ended 28 February 2025

15. Risk management policies (continued)

a Market risk(continued)

(i) Other price risk

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

The main element of the portfolio of investments which is exposed to this risk is equities which are disclosed in the Portfolio statement.

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 28 February 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 £974,669 (2024: £866,551).

(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 instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2025	£	£	£
Danish krone	-	515	515
Euro	3,541,838	4,721	3,546,559
Hong Kong dollar	339,141	-	339,141
Japanese yen	968,641	8,745	977,386
Norwegian krone	-	736	736
Swiss franc	328,531	-	328,531
US dollar	12,009,776	15,118	12,024,894
Total foreign currency exposure	17,187,927	29,835	17,217,762

Notes to the financial statements (continued)

for the year ended 28 February 2025

15. Risk management policies (continued)

a Market risk(continued)

(ii) Currency risk (continued)

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2024	£	£	£
Australian dollar	221,129	-	221,129
Canadian dollar	282,916	-	282,916
Danish krone	528,810	-	528,810
Euro	2,773,355	9,026	2,782,381
Hong Kong dollar	359,647	-	359,647
Japanese yen	678,566	-	678,566
Norwegian krone	258,985	-	258,985
Swiss franc	406,775	-	406,775
US dollar	9,839,401	10,550	9,849,951
Total foreign currency exposure	15,349,584	19,576	15,369,160

At 28 February 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 £860,888 (2024: £768,458).

(iii) Interest rate risk

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

During the year the Fund's direct exposure to interest rates consisted of cash and bank balances.

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

In the event of a change in interest rates, there would be no material impact upon the net assets of the Fund.

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

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

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

b Credit risk

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

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

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

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

Notes to the financial statements (continued)

for the year ended 28 February 2025

15. Risk management policies (continued)

c Liquidity risk

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

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

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

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria, and can make it difficult to establish accurate estimates of fundamental value. The dearth of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

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

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

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2025	2025
	£	£
Quoted prices	19,493,365	-
Observable market data	-	-
Unobservable data*	-	-
	<u>19,493,365</u>	<u>-</u>

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

Notes to the financial statements (continued)

for the year ended 28 February 2025

15. Risk management policies (continued)

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

	Investment assets	Investment liabilities
Basis of valuation	2024	2024
	£	£
Quoted prices	17,331,020	-
Observable market data	-	-
*Unobservable data	-	-
	<u>17,331,020</u>	<u>-</u>

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the commitment approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Fund at any given time and may not exceed 100% of the net asset value of the property of the Fund.

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

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

(i) Counterparties

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

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

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

Notes to the financial statements (continued)

for the year ended 28 February 2025

15. Risk management policies (continued)

f Derivatives (continued)

(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 28 February 2025

Interim distribution in pence per share

Group 1 - Shares purchased before 1 March 2024

Group 2 - Shares purchased 1 March 2024 to 31 August 2024

	Net revenue	Equalisation	Total distribution 31 October 2024	Total distribution 31 October 2023
Income Shares				
Group 1	1.504	-	1.504	1.342
Group 2	1.504	-	1.504	1.342

Final distribution in pence per share

Group 1 - Shares purchased before 1 September 2024

Group 2 - Shares purchased 1 September 2024 to 28 February 2025

	Net revenue	Equalisation	Total distribution 30 April 2025	Total distribution 30 April 2024
Income Shares				
Group 1	0.723	-	0.723	1.005
Group 2	0.723	-	0.723	1.005

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 directors¹ and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met seven times during 2024.

Remuneration policy

The main principles of the remuneration policy are:

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

Remuneration systems

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

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

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

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

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

Remuneration (continued)

Aggregate quantitative information

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

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

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

Investment Manager

The ACD has appointed Sarasin & Partners LLP to provide investment management and related advisory services to the ACD. Sarasin & Partners LLP is paid a monthly fee out of the scheme property of The Nectar Fund which is calculated on the total value of the portfolio of investments at the month end. Sarasin & Partners LLP are compliant with the Capital Requirements Directive regarding remuneration and therefore their staff are covered by remuneration regulatory requirements.

Further information

Distributions and reporting dates

Where net revenue is available it will be distributed semi-annually on 30 April (final) and 31 October (interim). In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 March	final
	1 September	interim
Reporting dates:	last day of February	annual
	31 August	interim

Buying and selling shares

The property of the Fund is valued at 12 noon on the 15th and the last business day of the month except where the 15th is not a business day when it will be the next business day thereafter; and prices of shares are calculated as at that time. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

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

Benchmark

Shareholders may compare the performance of the Company against the MSCI AC World Index.

The ACD has selected this comparator benchmark as it believes this benchmark best reflects the Fund's asset allocation.

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

Sarasin & Partners LLP
Juxon House
100 St Pauls Churchyard
London EC4M 8BU
Authorised and regulated by the Financial Conduct Authority

Depository

NatWest Trustee and Depository 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