The Princedale Fund

Annual Report

for the year ended 28 February 2025

Contents

The Princedale Fund

Report of the Authorised Corporate Director ('ACD')

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

The Princedale Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 22 August 2014. The Company is incorporated under registration number IC001017. It is a non-UCITS retail scheme ('NURS') complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL') and the Investment Funds sourcebook ('FUND'), as published by the Financial Conduct Authority ('FCA'). As the Company is a NURS, the ACD also acts as Alternative Investment Fund Manager ('AIFM') in order to comply with the Alternative Investment Fund Manager's Directive ('AIFMD').

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

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

The shareholders are not liable for the debts of the Company.

The Company has no Directors other than the ACD.

The Instrument of Incorporation can be inspected at the offices of the ACD.

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

Investment objective and policy

The objective of the Company is to provide capital growth and to a lesser extent income through investing globally in a portfolio of investments which may include transferable securities, money market instruments, units in collective investment schemes (regulated and unregulated), deposits, and warrants that can best take advantage of economic opportunities worldwide. It is the ACD's intention that derivatives be used only for Efficient Portfolio Management purposes. There is no limit to which the Company can be invested in each sector or geographic location, subject to the investment restrictions in the Regulations.

It is anticipated that at most times the Company will be invested predominantly in collective investment schemes. However, the proportion of the property of the Company which may be held in the different permitted asset classes, including cash and near cash, may vary from time to time at the investment Adviser's discretion subject to the limitations on investment set out in the FCA Handbook.

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 33.

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

Neil Coxhead
Director
Evelyn Partners Fund Solutions Limited
2 June 2025

Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

COLL also requires the ACD to carry out an Assessment of Value on the Company, 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-l-p/

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

Report of the Depositary to the shareholders of The Princedale Fund

Depositary's responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

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

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

NatWest Trustee and Depositary Services Limited
2 June 2025

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

Opinion

We have audited the financial statements of The Princedale 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.

Responsibilities of the Authorised Corporate Director

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

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

Auditor Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Use of Our Report

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

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

Accounting policies of The Princedale 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') and the Investment Funds sourcebook ('FUND').

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

b Valuation of investments

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

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

The quoted investments of the Fund have been valued at the global closing bid-market prices excluding any accrued interest 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 28 February 2025.

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

c Foreign exchange

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

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

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

d Revenue

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

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

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.

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

d Revenue (continued)

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the 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.

Management fee rebates agreed in respect of holdings in other collective investment schemes are recognised on an accruals basis and are allocated to revenue or capital being determined by the allocation of the expense in the collective investment scheme held.

e Expenses

The ACD's periodic charge and Investment Adviser's fee are charged against revenue and 50% of these expenses are then reallocated to capital, net of any tax effect, on an accruals basis. All other expenses are charged to the Fund against revenue, other than those relating to the purchase and sale of investments, on an accruals 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.

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.

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.

Accounting policies of The Princedale Fund (continued)

for the year ended 28 February 2025

i Distribution policies (continued)

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 Adviser's report

Investment performance*

	Share price	ARC Sterling Steady Growth PCI
29 February 2024	158.60p	298.86
28 February 2025	173.50p	324.93
Return for the period	9.4%	8.7%

The performance of the Fund (capital only) for the period from 1 March 2024 to 28 February 2025 was 9.4%.

Investment activities

Earlier in the year we added a new position to the portfolio, HarbourVest Global Private Equity, an investment trust trading at a significant discount to its Net Asset Value. In the hedge fund allocation, we also added to IAM Investments ICAV - O'Connor Event Driven UCITS Fund, an equity long short strategy focussing on merger arbitrage.

In July, following a request from one of the unitholders to make a significant withdrawal from the portfolio, we made several sales within the equity and bond allocations to raise the necessary cash, whilst maintaining a suitable exposure across asset classes.

In October, we also switched the Fund's position in AXA Fixed Interest Investment ICVC - Sterling Credit Short Duration Bond Fund, adding the proceeds to UK Treasury Gilt 0.25% 31/07/2031, in a bid to increase duration slightly.

We changed the portfolio's European exposure slightly by redeeming Comgest Growth - Comgest Growth Europe in favour of Eleva UCITS Fund - Eleva European Selection Fund, preferring its more 'flexible' approach. We also added a new fund to the portfolio, JPMorgan Fund II ICVC - UK Smaller Companies Fund.

Towards the end of the year, we adjusted our Emerging Markets and Asian exposure, exiting Vontobel Fund - mtx Sustainable Asian Leaders Ex Japan and GQG Partners Emerging Markets Equity Fund. Proceeds were reinvested into Asian and Emerging Market Exchange Traded Funds.

Investment strategy and outlook

The primary investment objective of the Fund is to provide capital growth and, as such, the Fund is invested in a diversified range of third-party actively managed funds and passive Exchange Traded Funds, investing across a number of asset classes, with the largest allocation being to global equities. The overall investment strategy of the Fund has not changed over this period.

Equity markets moved up in March 2024 following the continuing positivity around Artificial Intelligence, helping companies such as NVIDIA reach new highs. Financial markets also began to align with the Federal Reserve's ('Fed') outlook on US interest rates with investors moderating their expectations for rate cuts in response to economic data highlighting that although inflation has fallen significantly since last summer, reductions to the Fed's target rate were likely to happen more slowly than markets had hoped.

In local currency terms, both the US and Japanese equity markets continued to move upwards over the second quarter, whilst in Continental Europe and the UK returns were negative, with France particularly suffering in the wake of the snap election announced by President Macron. Within global markets, the best performing sectors by far were technology and telecoms, while the worst performing were the materials and consumer discretionary sectors.

Many commodities also enjoyed a strong quarter, as both oil and metals rose. Silver, platinum and copper saw particularly strong rises over the quarter. Conversely, the price of many agricultural commodities, including corn, soybeans and wheat, continued to decline.

July saw volatility return to markets following an Israeli airstrike in Beirut and the killing of a senior Hamas political leader Ismail Haniyeh in Tehran which further escalated tensions in the Middle East, raising concerns that the violence could spread and increase the risk of a full-blown war in the region. These concerns led to a rise in the price of gold to an all-time high and a rebound in crude oil futures, which had recently hit a seven-week low.

August was a month of two halves for equity markets, which fell over the first two weeks of the month and recovered over the second fortnight, with investors trying to balance the prospect of future interest rate cuts, with the probability of a recession in the US.

*Source: Evelyn Partners Fund Solutions Limited on a mid price basis at 12pm valuation point and ARC Research Limited.

Investment Adviser's report (continued)

Investment strategy and outlook* (continued)

Also, during this period, Japan’s stock market experienced the most severe one-day sell-off since 1987, as well as its worst three-day stretch ever, following the Bank of Japan’s surprise rate hike, coupled with plans to taper its bond purchases as well as their sudden willingness to incorporate the Japanese yen as a factor in setting policy.

The final quarter of the year saw the US equity market enjoy another strong period of performance as US investors reacted positively to Mr Trump’s election victory in anticipation of large-scale tax cuts and financial deregulation. In contrast, European and Emerging Markets generally sold off on concerns about Mr Trump’s election and the possibility of tariffs being introduced on US imports. The strength of the US dollar following the election also helped to boost US equity returns for UK investors.

Markets pulled back in the last month of the year following the Fed pivoting towards a more hawkish direction, leaving investors to digest the prospect of interest rates remaining higher for longer.

The beginning of 2025 saw some turbulence and rotation in markets, however, US technology stocks still managed to end the month on a positive note. United States treasury yields fell slightly before moving higher following remarks from Chairman of the Fed Jerome Powell that he was ‘not in a hurry’ to make cuts. The European Central Bank, by contrast, cut interest rates to 2.75%. European equities outperformed other regions in January partly supported by the fall in rates.

Volatility returned to markets in February following renewed concerns about the Trump Administration’s tariff threats. Despite the fears, the last-minute extension of tariffs on Canada and Mexico were postponed by a month with just hours to spare. However, 10% tariffs on Chinese imports did come into force. The S&P 500 Index still managed to reach an all-time high on 19 February 2025 but fell off into month-end as investors became more concerned over the outlook for the US economy.

Stanhope Capital LLP
18 March 2025

*Source: Bloomberg.

Portfolio changes

for the year ended 28 February 2025

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

Purchases:	Cost £
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	700,000
UK Treasury Gilt 0.25% 31/07/2031	685,181
HarbourVest Global Private Equity	592,388
Eleva UCITS Fund - Eleva European Selection Fund	588,801
iShares Core MSCI EM IMI UCITS ETF	489,228
iShares MSCI EM Asia UCITS ETF	486,983
JPMorgan Fund II ICVC - UK Smaller Companies Fund	484,106
IAM Investments ICAV - O'Connor Event Driven UCITS Fund	418,434

Sales:	Proceeds £
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	1,623,441
Comgest Growth - Comgest Growth Europe	700,786
AXA Fixed Interest Investment ICVC - Sterling Credit Short Duration Bond Fund	623,903
GQG Partners Emerging Markets Equity Fund	567,152
Vontobel Fund - mtx Sustainable Asian Leaders Ex Japan	522,963
Morgan Stanley Investment Funds - Global Opportunity Fund	512,121
iShares Edge MSCI World Value Factor UCITS ETF GBP	464,854
iShares MSCI World GBP Hedged UCITS ETF	433,118
iShares Core S&P 500 UCITS ETF	432,175
Gold Bullion Securities	322,121
Franklin Templeton Funds - Ftf Clearbridge Global Infrastructure Income Fund	317,865
iShares Edge MSCI World Value Factor UCITS ETF USD	200,944
iShares UK Gilts 0-5yr UCITS ETF	145,139

Portfolio statement
as at 28 February 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 6.28% (2.70%)			
Aa3 to A1 6.28% (2.70%)			
UK Treasury Gilt 0.25% 31/07/2031	£869,320	680,799	3.43
UK Treasury Gilt 3.5% 22/10/2025	£567,610	564,397	2.85
Total debt securities		1,245,196	6.28
Closed-Ended Funds 3.60% (0.00%)			
HarbourVest Global Private Equity	26,000	713,700	3.60
Collective Investment Schemes 83.55% (90.06%)			
UK Authorised Collective Investment Schemes 7.17% (8.80%)			
First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Fund	102,915	316,702	1.60
JPMorgan Fund II ICVC - UK Smaller Companies Fund	67,302	471,385	2.38
Trojan Investment Funds - Trojan Fund	187,694	631,928	3.19
Total UK authorised collective investment schemes		1,420,015	7.17
Offshore Collective Investment Schemes 76.38% (81.26%)			
Cantillon Funds Global Equity R2^	20,905	1,494,482	7.54
Comgest Growth - Comgest Growth Europe	13,327	501,495	2.53
Dodge & Cox Worldwide Funds - U.S. Stock Fund	30,051	1,136,213	5.73
Edgewood L Select - US Select Growth	2,755	588,861	2.97
Egerton Capital Equity Fund	2,822	1,586,906	8.01
Eleva UCITS Fund - Eleva European Selection Fund	461	614,378	3.10
Federated Hermes US SMID Equity Fund	192,884	518,887	2.62
IAM Investments ICAV - O'Connor Event Driven UCITS Fund	4,027	431,845	2.18
iShares Core MSCI EM IMI UCITS ETF	127,655	483,744	2.44
iShares Core S&P 500 UCITS ETF	25,668	1,194,396	6.02
iShares MSCI EM Asia UCITS ETF	3,425	492,336	2.48
iShares MSCI World GBP Hedged UCITS ETF	16,083	1,643,361	8.29
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	457,628	457,628	2.31
PIMCO Funds - Global Investors Series	94,513	871,412	4.40
Polar Capital Funds - Healthcare Opportunities Fund	14,307	853,412	4.31
Polen Capital Investment Funds - Focus US Growth	31,727	395,319	1.99
Velox Fund	4,702	477,116	2.41
Xtrackers S&P 500 Equal Weight UCITS ETF	18,080	1,397,403	7.05
Total offshore collective investment schemes		15,139,194	76.38
Total collective investment schemes		16,559,209	83.55
Exchange Traded Commodities 5.97% (5.47%)			
Gold Bullion Securities	5,696	1,183,287	5.97

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

^ Cantillon Funds Global Equity R2 is non-independently priced and the shares have been priced at £71.491, based on the net asset value per share supplied by Cantillon Capital Management (2024: £63.458).

Portfolio statement (continued)
as at 28 February 2025

Investment	Nominal value or holding	Market value £	% of total net assets
Forward currency contracts -0.07% (0.13%)			
Sell euro	(€1,081,012)	(893,458)	
Buy UK sterling	£895,132	895,132	
Expiry date 13 March 2025		1,674	0.01
Sell US dollar	($1,771,029)	(1,406,566)	
Buy UK sterling	£1,392,427	1,392,427	
Expiry date 13 March 2025		(14,139)	(0.08)
Forward currency contracts assets		1,674	0.01
Forward currency contracts liabilities		(14,139)	(0.08)
Total forward currency contracts		(12,465)	(0.07)
Investment assets		19,703,066	99.41
Investment liabilities		(14,139)	(0.08)
Portfolio of investments		19,688,927	99.33
Other net assets		132,567	0.67
Total net assets		19,821,494	100.00

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

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

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 11 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.

Net Income Shares	2025 p	2024 p	2023 p
Change in net assets per share			
Opening net asset value per share	158.28	141.73	148.54
Return before operating charges	18.49	20.35	(3.56)
Operating charges	(2.99)	(2.67)	(2.71)
Return after operating charges *	15.50	17.68	(6.27)
Distributions^	(2.08)	(1.13)	(0.54)
Closing net asset value per share	171.70	158.28	141.73
* after direct transaction costs of:	0.05	0.05	0.03
Performance			
Return after charges	9.79%	12.47%	(4.22%)
Other information			
Closing net asset value (£)	19,821,494	20,694,482	15,319,290
Closing number of shares	11,544,359	13,074,347	10,808,516
Operating charges^^	1.81%	1.85%	1.89%
Direct transaction costs	0.03%	0.04%	0.02%
Published prices			
Highest share price	176.4	158.6	152.5
Lowest share price	160.0	138.9	135.3

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 Princedale Fund

Statement of total return
for the year ended 28 February 2025

	Notes	2025		2024	
		£	£	£	£
Income:					
Net capital gains	2		1,715,369		2,030,276
Revenue	3	386,575		240,578	
Expenses	4	(234,809)		(193,123)	
Net revenue before taxation		151,766		47,455	
Taxation	5	-		-	
Net revenue after taxation			151,766		47,455
Total return before distributions			1,867,135		2,077,731
Distributions	6		(247,230)		(125,594)
Change in net assets attributable to shareholders from investment activities			1,619,905		1,952,137

Statement of change in net assets attributable to shareholders
for the year ended 28 February 2025

	2025		2024	
	£	£	£	£
Opening net assets attributable to shareholders		20,694,482		15,319,290
Amounts receivable on issue of shares	-		3,423,055	
Amounts payable on cancellation of shares	(2,492,893)		-	
		(2,492,893)		3,423,055
Change in net assets attributable to shareholders from investment activities		1,619,905		1,952,137
Closing net assets attributable to shareholders		19,821,494		20,694,482

Balance sheet
as at 28 February 2025

	Notes	2025	2024
		£	£
Assets:			
Fixed assets:			
Investments		19,703,066	20,354,460
Current assets:			
Debtors	7	22,858	25,878
Cash and cash equivalents	8	307,982	425,805
Total assets		20,033,906	20,806,143
Liabilities:			
Investment liabilities		(14,139)	-
Creditors:			
Distribution payable		(173,396)	(88,252)
Other creditors	9	(24,877)	(23,409)
Total liabilities		(212,412)	(111,661)
Net assets attributable to shareholders		19,821,494	20,694,482

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	1,030,426	13,919
Non-derivative securities - movement in unrealised gains	684,447	1,930,346
Currency losses	(39,287)	(10,959)
Forward currency contracts gains	40,034	97,394
Transaction charges	(251)	(424)
Total net capital gains	1,715,369	2,030,276

3. Revenue

	2025	2024
	£	£
UK revenue	24,448	21,241
Unfranked revenue	20,433	6,591
Overseas revenue	278,433	151,825
Interest on debt securities	38,295	19,194
Bank and deposit interest	20,788	36,181
Rebates from collective investment schemes	4,178	5,546
Total revenue	386,575	240,578

4. Expenses

	2025	2024
	£	£
Payable to the ACD and associates		
ACD's periodic charge*	38,653	35,080
Investment Adviser's fee*	171,047	136,394
	209,700	171,474
Payable to the Depositary		
Depositary fees	8,979	9,021
Other expenses:		
Audit fee	8,700	7,632
Non-executive directors’ fees	1,394	1,737
Safe custody fees	1,008	744
Bank interest	3,834	1,480
FCA fee	194	118
KIID production fee	1,000	917
	16,130	12,628
Total expenses	234,809	193,123

* The annual management charge is 1.04% and includes the ACD's periodic charge and the Investment Adviser's fees.

5. Taxation

	2025	2024
	£	£
a. Analysis of the tax charge for the year		
Total taxation (note 5b)	-	-

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	151,766	47,455
Corporation tax @ 20%	30,353	9,491
Effects of:		
UK revenue	(4,890)	(4,248)
Overseas revenue	(37,079)	(14,814)
Excess management expenses	11,616	9,571
Total taxation (note 5a)	-	-

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 £230,467 (2024: £218,851).

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	66,726	49,287
Final income distribution	173,396	88,252
	240,122	137,539
Equalisation:		
Amounts deducted on cancellation of shares	7,108	-
Amounts added on issue of shares	-	(11,945)
Total net distributions	247,230	125,594

Reconciliation between net revenue and distributions:

	2025	2024
Net revenue after taxation per Statement of total return	151,766	47,455
Undistributed revenue brought forward	44	24
Expenses paid from capital	104,850	85,737
Marginal tax relief	(9,353)	(7,578)
Undistributed revenue carried forward	(77)	(44)
Distributions	247,230	125,594

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	21,236	23,580
Prepaid expenses	13	9
Recoverable income tax	416	39
Accrued rebates from collective investment schemes	1,193	2,250
Total debtors	22,858	25,878

8. Cash and cash equivalents

	2025	2024
	£	£
Total cash and cash equivalents	307,982	425,805

9. Other creditors

	2025	2024
	£	£
Accrued expenses:		
Payable to the ACD and associates		
Investment management fees	13,278	13,624
Other expenses:		
Safe custody fees	956	303
Audit fee	8,700	7,632
Non-executive directors' fees	1,759	1,743
KIID production fee	83	83
Transaction charges	101	24
	11,599	9,785
Total other creditors	24,877	23,409

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:

	Net Income Shares
Opening shares in issue	13,074,347
Total shares cancelled in the year	(1,529,988)
Closing shares in issue	11,544,359

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

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 net income share has decreased from 171.7p to 167.7p 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		Purchases after transaction costs
2025	£	£	%	£	%	£
Closed-Ended Funds	591,500	887	0.15%	1	0.00%	592,388
Bonds	684,155	1,026	0.15%	-	-	685,181
Collective Investment Schemes	3,166,090	1,462	0.05%	-	-	3,167,552
Total	4,441,745	3,375	0.35%	1	0.00%	4,445,121

	Purchases before transaction costs	Commission		Taxes		Purchases after transaction costs
2024	£	£	%	£	%	£
Bonds	543,855	816	0.15%	-	-	544,671
Collective Investment Schemes	7,730,868	2,869	0.04%	-	-	7,733,737
Exchange Traded Commodities	454,886	681	0.15%	-	-	455,567
Total	8,729,609	4,366	0.34%	-	-	8,733,975

	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
2025	£	£	%	£	%	£
Collective Investment Schemes	6,546,979	(2,518)	(0.04%)	-	-	6,544,461
Exchange Traded Commodities	322,605	(484)	(0.15%)	-	-	322,121
Total	6,869,584	(3,002)	(0.19%)	-	-	6,866,582

14. Transaction costs (continued)

a Direct transaction costs (continued)

2024	Sales before transaction costs £	Commission £	Commission %	Taxes £	Taxes %	Sales after transaction costs £
Collective Investment Schemes	5,052,753	(1,364)	(0.03%)	-	-	5,051,389

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	6,377	0.03%
Taxes	1	0.00%

2024	£	% of average net asset value
Commission	5,730	0.04%

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.03% (2024: 0.02%).

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 collective investment schemes, closed-ended funds and exchange traded commodities.

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.

15. Risk management policies (continued)

a Market risk (continued)

(i) Other price risk (continued)

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 £922,810 (2024: £988,545).

(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	£	£	£
Euro	1,221,962	-	1,221,962
US dollar	2,118,819	-	2,118,819
Total foreign currency exposure	3,340,781	-	3,340,781

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2024	£	£	£
Euro	1,407,914	-	1,407,914
US dollar	2,247,675	-	2,247,675
Total foreign currency exposure	3,655,589	-	3,655,589

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 £52,745 (2024: £16,676). Forward currency contracts are used to manage the portfolio exposure to currency movements.

(iii) Interest rate risk

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

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

15. Risk management policies (continued)
a Market risk (continued)
(iii) Interest rate risk (continued)

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.

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

	Variable rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2025	£	£	£	£	£
Euro	106,089	-	1,115,873	-	1,221,962
UK sterling	152,763	1,245,196	15,281,027	(198,273)	16,480,713
US dollar	49,130	-	2,083,828	(14,139)	2,118,819
	307,982	1,245,196	18,480,728	(212,412)	19,821,494

	Variable rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2024	£	£	£	£	£
Euro	140,817	-	1,270,859	-	1,411,676
UK sterling	283,031	557,847	16,283,963	(111,661)	17,013,180
US dollar	1,957	-	2,267,669	-	2,269,626
	425,805	557,847	19,822,491	(111,661)	20,694,482

b Credit risk

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

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

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

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

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

15. Risk management policies (continued)

c Liquidity risk

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

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

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

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

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

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

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

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

Basis of valuation	Investment assets 2025 £	Investment liabilities 2025 £
Quoted prices	8,353,423	-
Observable market data	11,349,643	(14,139)
Unobservable data	-	-
	19,703,066	(14,139)

Basis of valuation	Investment assets 2024 £	Investment liabilities 2024 £
Quoted prices	6,978,547	-
Observable market data	13,375,913	-
Unobservable data	-	-
	20,354,460	-

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

15. Risk management policies (continued)

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

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

(i) Counterparties

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

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

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

(ii) Leverage

The leverage is calculated as the 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 the global exposure is as follows:

Investment	Gross exposure value £	% of the total net asset value
Forward Currency Contracts		
Value of short position - euro	893,458	4.51%
Value of short position - US dollar	1,406,566	7.10%

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
Net Income Shares				
Group 1	0.578	-	0.578	0.456
Group 2	0.578	-	0.578	0.456

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
Net Income Shares				
Group 1	1.502	-	1.502	0.675
Group 2	1.502	-	1.502	0.675

Remuneration

Remuneration code disclosure

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

Remuneration committee

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

Remuneration policy

The main principles of the remuneration policy are:

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

Remuneration systems

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

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

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

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

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

Remuneration (continued)

Aggregate quantitative information

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

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

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

Investment Adviser

The ACD has appointed Stanhope Capital LLP to provide investment management and related advisory services to the ACD. Stanhope Capital LLP is paid a monthly fee out of the scheme property of The Princedale Fund which is calculated on the total value of the portfolio of investments at the month end. Stanhope Capital 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 day of every month (or if this is not a business day, the next business day), and the last business day of the month, 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 or may be obtained by calling 0141 222 1151.

Benchmark

Shareholders may compare the performance of the Company against the ARC Sterling Steady Growth PCI. Comparison of the Company's performance against this benchmark will give shareholders an indication of how the Company is performing against an index based on the real performance numbers delivered to discretionary private clients by participating Investment Adviser.

The benchmark is not a target for the Company, nor is the Company constrained by the benchmark.

Appointments

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

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

Directors of the ACD
Andrew Baddeley - 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 Adviser
Stanhope Capital LLP
35 Portman Square
London W1H 6LR
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