

The Touchstone Investment Fund

Annual Report

for the year ended 31 October 2024

Contents

Page

Report of the Authorised Corporate Director	2
Statement of the Authorised Corporate Director's responsibilities	4
Assessment of Value - The Touchstone Investment Fund	5
Report of the Depositary to the shareholders of The Touchstone Investment Fund	9
Independent Auditor's report to the shareholders of The Touchstone Investment Fund	10
Accounting policies of The Touchstone Investment Fund	13
Investment Managers' report	
Evelyn Partners Investment Management Services Limited	15
Meridiem Investment Management Limited (previously Veritas Investment Partners (UK) Limited)	16
Summary of portfolio changes	18
Portfolio statement	19
Risk and reward profile	23
Comparative table	24
Financial statements:	
Statement of total return	25
Statement of change in shareholders' funds	25
Balance sheet	26
Notes to the financial statements	27
Distribution table	37
Remuneration	38
Further information	40
Appointments	41

The Touchstone Investment Fund Report of the Authorised Corporate Director ('ACD')

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

The Touchstone Investment Fund ('the Company') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 10 May 2013. The Company is incorporated under registration number IC000970. It is a non-UCITS retail scheme ('NURS') complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL') and the Investment Funds sourcebook ('FUND'), as published by the Financial Conduct Authority ('FCA'). As the Company is a NURS, the ACD also acts as Alternative Investment Fund Manager ('AIFM') in order to comply with the Alternative Investment Fund Manager's Directive ('AIFMD').

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

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

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

The Company has no Directors other than the ACD.

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

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

Investment objective and policy

The investment objective of the Company is to achieve a balance between capital growth and income returns by employing a medium risk strategy and investing in any country and in any economic sector of the world.

The Company will seek to achieve this objective by investing directly or indirectly in a range of asset classes, geographical and economic sectors. The Company may invest in both regulated and unregulated collective investment schemes, transferable securities, approved money market instruments, deposits and cash or near cash investments, warrants and gold. The Company may also use derivatives for the purpose of Efficient Portfolio Management only. 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 Managers' discretion subject to the limitations on investment set out in the FCA Regulations.

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

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

The Company will not maintain an interest in immovable property or tangible movable property.

Report of the Authorised Corporate Director (continued)

Changes affecting the Company in the year

On 1 November 2023, Evelyn Partners Investment Management LLP resigned as Investment Manager. On the same day Evelyn Partners Investment Management Services Limited and Meridiem Investment Management Limited (previously Veritas Investment Partners (UK) Limited) were appointed as Investment Managers. Please note there is no change to the investment objective and policy.

Further information in relation to the Company is illustrated on page 40.

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.

Brian McLean
Director
Evelyn Partners Fund Solutions Limited
31 January 2025

Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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









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

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




Assessment of Value - The Touchstone Investment Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Evelyn Partners Fund Solutions Limited ('EPFL') as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for The Touchstone Investment Fund ('the Fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the Fund for the year ended 31 October 2024, using the seven criteria set by the FCA is set out below:

1. Quality of Service	
2. Performance	
3. ACD Costs	
4. Economies of Scale	
5. Comparable Market Rates	
6. Comparable Services	
7. Classes of Shares	
Overall Rating	

EPFL has adopted a traffic light system to show how it rated the Fund:

-  On balance, the Board believes the Fund has delivered value to shareholders, with no material issues noted.
-  On balance, the Board believes the Fund has delivered value to shareholders, but may require some action.
-  On balance, the Board believes the Fund has not delivered value to shareholders and significant remedial action is now planned by the Board.

How EPFL assessed each of the seven criteria and the rating arrived at are discussed in greater detail on the following pages.

EPFL has created an Assessment of Value Committee ('AVC'), for the review, challenge and approval of all funds' Assessments of Value. Ultimately the assessments will be subject to scrutiny by the Board (which includes independent directors) to ensure the outcomes of the assessments are clear and fair, before final sign-off by the chair of the Board prior to communicating to investors if the Fund has delivered value, and if not, where improvements need to be made.

In carrying out the assessment, the EPFL AVC has separately considered, the following seven criteria stipulated by the FCA. The Committee may also have considered other issues where it was deemed appropriate.

EPFL believes the Assessment of Value can make it easier for investors to both evaluate whether the Fund is providing them with value for money and make more informed decisions when choosing investments.

The seven criteria are:

- (1) Quality of service – the quality of every aspect of the service provided, including, for example, accounting, administration, customer services and communications;
- (2) Performance – how the Fund performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;
- (3) ACD costs – the fairness and value of the Fund's costs, including entry and exit fees, early redemption fees, administration charges;
- (4) Economies of scale – how costs have been or can be reduced as a result of increased assets-under-management ('AUM'), and whether or not those savings have been passed on to investors;
- (5) Comparable market rates – how the costs of the Fund compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the Fund compare with those of other funds administered by EPFL;
- (7) Classes of shares – the appropriateness of the classes of shares in the Fund for investors.

Assessment of Value - The Touchstone Investment Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

EPFL, as ACD, has overall responsibility for the Fund. The Board assessed, amongst other things: the day-to-day administration of the Fund; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIIDs')); the pricing and valuation of shares; the calculation of income and distribution payments; the maintenance of accounting and other records; the preparation of annual audited and half-yearly Report & Accounts; the review of tax provisions and submission of tax computations to HMRC; the maintenance of the register of shareholders; the dealing and settlement arrangements and the quality of marketing material sent to shareholders. EPFL delegates the Investment Management of the Fund to two Investment Management firms.

The Board reviewed information provided by EPFL's control functions on the adequacy of its internal services, including governance, operations and monitoring. Elements important to the investor experience such as the timely payment of settlement and distribution monies were also reviewed. Over the past year, EPFL has been audited by internal and external auditors, the Fund's Depositary and various EPFL delegated Investment Managers.

External Factors

The Board assessed the delegates' skills, processes and experience. Also considered were any results from service review meetings as well as the annual due diligence performed by EPFL on the delegated Investment Managers, Evelyn Partners Investment Management Services Limited and Meridiem Investment Management Limited (previously Veritas Investment Partners (UK) Limited), where consideration was given to, amongst other things, the delegates' controls around the Fund's liquidity management.

The Board also considered the nature, extent and quality of administrative and shareholder services performed under separate agreements covering depositary services, custodians, as well as services provided with regard to both audit and legal functions.

What was the outcome of the assessment?

Internal Factors

The Board recognised that all distribution and settlement monies were paid in a timely manner and that there were no significant findings as a result of the various audits performed on EPFL during the year. In addition, EPFL has performed its own independent analysis, using automated systems, of the Fund's liquidity. The Board concluded that EPFL had carried out its duties diligently.

External Factors

The Board concluded that the nature, extent and quality of the services provided by the external parties have benefitted and should continue to benefit the Fund and its shareholders.

Were there any follow up actions?

There were no follow-up actions required.

2. Performance

What was assessed in this section?

The Board reviewed the performance of the Fund, after the deduction of all payments out of the scheme property as set out in the Prospectus. Performance, against its benchmark, was considered over appropriate timescales having regard to the Fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

Investment Objective

The investment objective of the Company is to achieve a balance between capital growth and income returns by employing a medium risk strategy and investing in any country and in any economic sector of the world.

Benchmark

As ACD, EPFL is required to explain in a fund's scheme documentation why a benchmark is being used or alternatively explain how investors should assess performance of a fund in the absence of a benchmark.

Assessment of Value - The Touchstone Investment Fund (continued)

2. Performance (continued)

Benchmark (continued)

The benchmark for the Fund is the MSCI PIMFA Balanced Index, which is a comparator. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Fund had performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 30 September 2024

	Currency	1 year	3 year	5 year
MSCI PIMFA Balanced Index	GBP	14.29%	14.27%	27.54%
The Touchstone Investment Fund	GBX	13.22%	0.38%	24.08%

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but FE fundinfo neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

Performance is calculated net of fees. Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board assessed the performance of the Fund over its minimum recommended holding period of five years and observed that it underperformed its comparator benchmark, the MSCI PIMFA Balanced Index. As a result, an Amber rating has been given. The Board acknowledged the appointment of two new Investment Managers to the Fund on 1 November 2023 to replace the existing Manager.

In line with the objective, there has been consistent income distributions over the recommended holding period.

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

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

Were there any follow up actions?

EPFL will continue to monitor performance through its normal oversight process, at least bi-annually.

3. ACD Costs

What was assessed in this section?

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

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

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

4. Economies of Scale

What was assessed in this section?

The Board reviewed each separate fee structure and the AUM of the Fund to examine the effect on the Fund to potential and existing investors should it increase or decrease in value.

What was the outcome of the assessment?

One of the two Investment Managers' fees is on a tier, meaning there are opportunities for savings going forward should that portion of the Fund grow in size.

The ancillary charges¹ of the Fund represent 10 basis points². Some of these costs are fixed and as the Fund grows in size, may result in a small reduction in the basis point cost of these services.

Were there any follow up actions?

There were no follow-up actions required.

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

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

Assessment of Value - The Touchstone Investment Fund (continued)

5. Comparable Market Rates

What was assessed in this section?

The Board reviewed the ongoing charges figure ('OCF') of the Fund and how those charges affect its returns. The OCF of the Fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of 1.18%³ compared favourably with those of similar externally managed funds.

Note that EPFL has not charged an entry fee, exit fee or any other event-based fees on this Fund.

Were there any follow up actions?

There were no follow-up actions required.

6. Comparable Services

What was assessed in this section?

The Board compared the Investment Managers' fees with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The Investment Managers' fees compared favourably with other EPFL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

7. Classes of Shares

What was assessed in this section?

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

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

Overall Assessment of Value

Notwithstanding the matter discussed in section 2, The Board concluded that The Touchstone Investment Fund had provided value to shareholders.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited

18 December 2024

Consumer Feedback

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

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

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

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

³ Figure calculated at interim report, 30 April 2024.

Report of the Depositary to the shareholders of The Touchstone Investment 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

31 January 2025

Independent Auditor's report to the shareholders of The Touchstone Investment Fund

Opinion

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

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Company as at 31 October 2024 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

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

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the COLL Rules

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

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

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

Responsibilities of the Authorised Corporate Director

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

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

Auditor Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Independent Auditor's report to the shareholders of The Touchstone Investment 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, 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
31 January 2025

Accounting policies of The Touchstone Investment Fund

for the year ended 31 October 2024

a Basis of accounting

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

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

b Valuation of investments

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

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

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

Collective investment schemes are valued at the bid price for dual priced funds and at the single price for single priced funds and are valued at their most recent published price prior to the close of business valuation on 31 October 2024.

c Foreign exchange

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

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

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

d Revenue

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

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

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

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

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

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

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.

Accounting policies of The Touchstone Investment Fund (continued)

for the year ended 31 October 2024

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.

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 31 October 2024 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

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.

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 accumulation shares are re-invested in the Fund on behalf of the shareholders.

ii Revenue

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

iii 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 - Evelyn Partners Investment Management Services Limited

For the portfolio managed by Evelyn Partners Investment Management Services Limited, who managed 50.19% of the Fund's assets at the balance sheet date in accordance with the investment objective and policy of the Fund.

Investment performance*

During the year, the portfolio, managed by Evelyn Partners Investment Management Services Limited, rose by 15.47%, in comparison to the comparative benchmark, the MSCI PIMFA Balanced Index, which returned 16.88%. Portfolio return is time weighted rate of return, net of fees.

Investment activities**

During the first half of the year, we sold down positions in several existing equity funds: Sanlam Artificial Intelligence Fund, Pershing Square Holdings, First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability, Dechra Pharmaceuticals, Rio Tinto, Polar Capital Technology Trust, Baillie Gifford US Growth Trust, Heineken, Schroder Investment Fund Co-Schroder Global Energy Transition Fund, Stryker, and Sandoz Group.

The capital generated from these sales was reinvested into new positions. We acquired positions in Ardan UCITS ICAV - Silvercross Global Small-Cap Fund, Blackrock Global Unconstrained Equity Fund, Findlay Park American Fund, IFSL Evenlode Global Income, Brown Advisory Global Leaders Fund, Magna Umbrella Fund - Fiera Atlas Global Companies Fund, GuardCap UCITS Funds - GuardCap Global Equity Fund, and Morgan Stanley Investment Funds - Global Sustain Fund. Additionally, we topped up our position in Fundsmith Equity Fund during the first six months.

In the latter half of the year, we divested our alternatives holdings in Trojan Ethical Fund and a fixed income position in the UK Treasury Gilt 3.5% 22/10/2025. We allocated funds to Amundi US TIPS Government Inflation-Linked Bond UCITS ETF and initially invested in a UK Treasury Gilt 0.875% 31/07/2033, which was subsequently sold and replaced with a UK Treasury Gilt 0.625% 31/07/2035. Additionally, we increased our positions in GuardCap UCITS Funds - GuardCap Global Equity Fund and Magna Umbrella Fund - Fiera Atlas Global Companies Fund.

Investment strategy and outlook**

The last twelve months reflected a strong year for most assets class, with global equities up 21% in GBP Sterling, led by the S&P 500 which returned 25%, and UK Government Bonds returning 8%. However, the year also saw historic levels of stock market concentration. Of the 1,553 companies within the index, just three of them, NVIDIA, Apple and Microsoft, contributed over a quarter of the return. This is equivalent to just 0.2% of the companies in the global index being responsible for 25% of the index's return. As a result of this, the top 10 companies now make up 24% of the index – a historic high.

2024 has been the year of elections, with nearly half of the global population going to the polls to vote. In the United Kingdom, the Labour Party returned to power for the first time in fourteen years, after a largely expected routing of the Conservatives. In the United States, President Trump saw a surprisingly strong victory, with the Republicans taking a clean sweep of the Presidency, House of Representatives and Congress. There was also further geopolitical tension, with the outbreak of hostilities between Israel, Palestine and Lebanon, as well as the continuation of the war in Ukraine. Global uncertainty helped propel gold to new all time highs, as the commodity's price rose 28% over the last twelve months.

The last twelve months also saw the beginning of the global easing cycle, as interest rates were cut in the United Kingdom, the United States and the Eurozone. These interest cuts came despite still mostly upbeat economic data, with retail sales and industrial production proving resilient. Part of the cuts may be inspired by falling inflation during the year, with inflation returning to around the 2% mark across developed economies.

Historically, US Federal Reserve ('Fed') easing cycles have been supportive for equity markets – provided that the economy can avoid a recession. In the last eleven Fed easing cycles, 70% of the time the stock market was higher 12 months later. This may be what has caused a significant rise in the valuations of some companies, especially within pockets of US technology and semi-conductor businesses.

We believe that regardless of valuation movements, what should be the fundamental driver of your long-term returns will be the underlying earnings and free cash flow growth of the businesses we invest in. History also shows us that this earnings and free cash flow growth are the key determinant in terms of long run returns to shareholders. 86% of share price movements over a ten year period can be ascribed to the actual growth of that company, rather than any sentiment or valuation movement.

Evelyn Partners Investment Management Services Limited

10 December 2024

* Source: Morningstar Direct 2024, based on 5pm mid prices.

** Source: Bloomberg.

Investment Manager's report - Meridiem Investment Management Limited (previously Veritas Investment Partners (UK) Limited)

For the portfolio managed by Meridiem Investment Management Limited, who managed 49.81% of the Fund's assets at the balance sheet date in accordance with the investment objective and policy of the Fund.

Investment performance*

For the portfolio managed by Meridiem Investment Management Limited the performance from 1 November 2023 to 31 October 2024 amounted to 14.70%. The comparative benchmark, MSCI PIMFA Balanced Index, returned 16.88%.

Investment activities**

Fiserv is a company that touches virtually every US household, every day, yet it is not a household name. Its software and hardware products form part of the backbone of the global financial system, from bank transfers to restaurant bookings, payments and staff management. This entrenched position gives Fiserv a strong moat and repeat business, enabling it to grow its earnings per share every year for the past 38 years. As a leading provider of online and mobile banking solutions and payment processing, Fiserv benefits from the shift to digital banking and the transition from cash to cards.

Intuitive Surgical's share price made good progress after well-received quarter two results in 2024, showing strong initial demand for its latest Da Vinci 5 robot. Benefiting from a 20-year head start on its competitors, Intuitive Surgical is the world leader in robot-assisted surgery, a practical solution to addressing the needs of ageing and chronically ill populations. Every 14 seconds a surgeon somewhere in the world starts a procedure using Intuitive Surgical's Da Vinci system, but there is still plenty of room for growth – robotics are used in only 4% of surgeries worldwide.

An encouraging set of quarter three results in 2024 from Adobe failed to offset its lower-than-expected guidance in quarter two, which disappointed some investors' optimistic expectations for revenue growth from generative Artificial Intelligence ('AI') tools. The decline in the share price follows stellar performance in 2023 that enabled us to take profits. Our long-term investment thesis for holding Adobe remains unchanged: its content creation tools are a de facto international standard, giving Adobe a strong competitive advantage and high levels of recurring revenue.

NIKE was the second largest detractor from performance over the year.

We have established a position in Cadence Design Systems. Like Synopsys, Cadence Design Systems is a world leader in the software used to design and test semiconductors. These two companies dominate this area of expertise, which is known as electronic design automation ('EDA').

While it is difficult to say which of the semiconductor makers might be long-term winners, we are confident that companies such as Cadence Design Systems and Synopsys will continue to be in high demand. Virtually every device with a chip has been touched in some way by EDA design and testing tools, which underpin semiconductor development and innovation across the entire tech landscape. It's hard to overstate the long runway for growth and value creation that this implies.

AMETEK makes precision instruments and components that are widely used in areas such as automation, medicine, aerospace, power generation and distribution, and environmental monitoring. AMETEK's products are often mission-critical for its clients, and it is therefore well positioned to sustain pricing power and benefit from recurring revenues. AMETEK also tends to operate in regulated markets where its approved devices and components have a strong competitive advantage over new entrants.

We exited our position in NIKE, the consistency of NIKE's delivery was key to our case for investing in this area of the market, but the current management has lost its way. NIKE has bounced back from other periods of under-performance, but it has never faced such a dearth of new products and low visibility of the path ahead. Since we decided to "Just do it" and exit our position, CEO John Donahoe has announced that he will be replaced by NIKE veteran Elliot Hill. The management team has warned that any turnaround will be far from instant.

The role of fixed income in your portfolio is to dampen some of the volatility of equities and provide smoother investment returns. With interest rates beginning to fall, our current task is to make the most of the attractive yields on high-quality corporate bonds while they are still available. Today's corporate bond yields of between 4.5% and 5.0% are comfortably higher than the UK's annual Consumer Price Index reading of 1.7% in September. To lock in the benefits of these above-inflation returns, we have added to medium-term bonds.

* Source: Morningstar Direct 2024, based on 5pm mid prices.

** Source: SEI, Meridiem 1 November 2024.

Investment Manager's report - Meridiem Investment Management Limited (continued)

Investment commentary

"If it's Boeing, I ain't going."

We've been fascinated by the news that SpaceX will step in to give Butch Wilmore and Suni Williams a ride home from the International Space Station in its Dragon capsule. Technical issues with Boeing's Starliner have turned an eight-day trip into an eight-month space opera, with the astronauts hitching a lift back courtesy of an innovative upstart company of barely 20 years' standing.

This incident highlights the speed at which innovative companies are disrupting entire industries. SpaceX's stablemate Starlink (born 2015) now has 6,350 satellites in orbit, enough for astronomers to grumble about obscured views. Meanwhile, Boeing (founded 1916) is dealing with the aftermath of two tragic air disasters, truculent unions and close questions from its regulator.

Our aim is to beat inflation over the long term, not jump over the moon. Hence, many of our holdings are less headline-grabbing companies that work quietly 'under the bonnet' to re-wire themselves or entire swathes of the economy for a connected, digital world.

We don't hold moon-shot businesses such as SpaceX or struggling once-greats like Boeing, but we do own companies such as London Stock Exchange Group, which is revolutionising finance, and Intuit, which is democratising accountancy. Amphenol and new holding AMETEK supply indispensable wadgetry and gadgetry, the high-speed fibre optics, hermetic seals, connectors and precision instrumentation needed by an array of industries – including the aerospace and space sectors.

What most of our portfolio companies have in common is predictable and growing revenues based on innovation, continual self-improvement and an ability to repel competition. Such companies do not come cheap, so we need to be patient until the price is right, such as during the recent market sell-off.

Space may be the final frontier, but plenty of frontiers are still being crossed here on our home planet. Thermo Fisher Scientific's latest cryo-electron microscope, for example, is helping to accelerate discovery of new medicines by determining protein structure down to the atomic level. That's equivalent to being able to see a tennis ball on earth from the moon.

Our current favourite quote comes from Alex Lintner, CEO of Experian Software Solutions, discussing generative AI at the Barclays 2024 Credit Bureau Forum:

"I don't want to contribute to hype or anything, but this is the biggest leap forward in technological advancement that I have seen since...the invention of the internet...It will be profound and it will be profound for our customers..."

Balancing the opportunities to invest in this disruption with our hunt for predictable revenue streams means our portfolio will look unlike any given market index. Until there is a re-wiring of our clients' needs, we remain focused on inflation-plus returns.

Investment strategy and outlook

Equity markets have largely shrugged off the risks implied by conflicts in Ukraine and the Middle East, highly indebted governments and a moribund Chinese economy. Other than a brief sell-off in August, during which our equities proved defensive, the market trend has been one of strong performance and, since the US Federal Reserve's first interest rate cut, growing faith that the US economy can achieve a soft landing.

We cannot claim to have unique insight into whether this will continue. The clear outcome of the US presidential election has removed one major source of uncertainty, but there is still ample scope for market upsets caused by a widening of conflict, ructions in China's economy or bond investors demanding higher yields from governments. As ever, our focus is on finding great companies with robust businesses that we are happy to invest in for the long term, through good times and bad.

Meridiem Investment Management Limited (previously Veritas Investment Partners (UK) Limited)

15 November 2024

Summary of portfolio changes

for the year ended 31 October 2024

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

	Cost
	£
Purchases:	
Magna Umbrella Fund - Fiera Atlas Global Companies Fund	783,676
GuardCap UCITS Funds - GuardCap Global Equity Fund	783,676
IFSL Evenlode Global Income	732,676
Brown Advisory Global Leaders Fund	732,676
Baillie Gifford Responsible Global Equity Income Fund	732,676
Findlay Park American Fund	732,676
Morgan Stanley Investment Funds - Global Sustain Fund	722,038
Blackrock Global Unconstrained Equity Fund	550,000
Amundi US TIPS Government Inflation-Linked Bond UCITS ETF	486,190
UK Treasury Gilt 0.625% 31/07/2035	482,835
Vontobel Fund - TwentyFour Absolute Return Credit Fund	460,283
iShares Physical Gold	424,245
UK Treasury Gilt 0.875% 31/07/2033	399,237
WisdomTree Core Physical Gold	386,395
Trojan Ethical Fund	368,200
Ardan UCITS ICAV - Silvercross Global Small-Cap Fund	320,545
Marsh & McLennan	271,374
Mastercard	267,277
Thermo Fisher Scientific	263,065
Synopsys	257,464
	Proceeds
	£
Sales:	
Novo Nordisk	814,498
Amazon.com	754,166
Apple	745,513
Sanlam Artificial Intelligence Fund	652,968
Pershing Square Holdings	606,126
UK Treasury Gilt 3.5% 22/10/2025	590,385
First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability	515,482
Sanlam Global Inflation Linked Bond Fund	468,800
Schneider Electric	466,703
Dechra Pharmaceuticals	417,974
Rio Tinto	414,082
UK Treasury Gilt 0.875% 31/07/2033	411,208
Microsoft	409,560
Polar Capital Technology Trust	401,499
UK Treasury Gilt 0.125% 31/01/2024	400,000
Novartis	387,283
Trojan Ethical Fund	380,819
Diageo	356,523
Baillie Gifford US Growth Trust	345,999
SSE	325,844

Portfolio statement
as at 31 October 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 17.55% (10.96%)			
Aaa to Aa2 0.90% (1.32%)			
Apple 3.05% 31/07/2029	£200,000	187,874	0.90
Aa3 to A1 10.08% (9.11%)			
Pepsi 3.2% 22/07/2029	£120,000	113,239	0.55
Siemens Financieringsmaatschappij 1% 20/02/2025	£200,000	197,536	0.95
UK Treasury Gilt 3.5% 22/10/2025	£400,000	395,716	1.90
UK Treasury Gilt 4.125% 29/01/2027	£197,823	196,533	0.95
UK Treasury Gilt 0.625% 31/07/2035	£700,268	473,899	2.28
UK Treasury Index-Linked Gilt 0.125% 22/03/2026**	£144,000	214,469	1.03
UK Treasury Index-Linked Gilt 0.125% 22/03/2029**	£157,000	253,181	1.22
UK Treasury Index-Linked Gilt 0.125% 10/08/2031**	£193,000	249,042	1.20
		2,093,615	10.08
A2 to A3 5.03% (0.00%)			
Anheuser-Busch InBev 4% 24/09/2025	£100,000	99,144	0.48
Diageo Finance 2.375% 08/06/2028	£210,000	193,616	0.93
Experian Finance 3.25% 07/04/2032	£270,000	240,786	1.16
GlaxoSmithKline Capital 1.25% 12/10/2028	£200,000	176,572	0.85
Henkel 1.25% 30/09/2026	£200,000	187,406	0.90
London Stock Exchange Group 1.625% 06/04/2030	£175,000	148,010	0.71
		1,045,534	5.03
Baa1 to Baa2 1.54% (0.53%)			
Bunzl Finance 1.5% 30/10/2030	£140,000	115,209	0.56
Verizon Communications 1.125% 03/11/2028	£120,000	103,993	0.50
Verizon Communications 1.875% 19/09/2030	£120,000	100,531	0.48
		319,733	1.54
Total debt securities		3,646,756	17.55
Equities 32.91% (47.79%)			
Equities - United Kingdom 4.54% (12.63%)			
Equities - incorporated in the United Kingdom 3.72% (12.63%)			
Materials 0.00% (3.82%)		-	-
Industrials 1.33% (0.00%)			
Bunzl	8,100	276,210	1.33
Consumer Discretionary 0.94% (0.00%)			
Next	2,000	195,760	0.94

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

** Variable interest security.

Portfolio statement (continued)
as at 31 October 2024

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - United Kingdom (continued)			
Equities - incorporated in the United Kingdom (continued)			
Consumer Staples 0.00% (3.47%)		-	-
Health Care 0.00% (2.29%)		-	-
Financials 1.45% (1.27%)			
London Stock Exchange Group	2,860	<u>300,586</u>	<u>1.45</u>
Utilities 0.00% (1.78%)		-	-
Total equities - incorporated in the United Kingdom		<u>772,556</u>	<u>3.72</u>
Equities - incorporated outwith the United Kingdom 0.82% (0.00%)			
Industrials 0.82% (0.00%)			
Experian	4,500	<u>169,920</u>	<u>0.82</u>
Total equities - United Kingdom		<u>942,476</u>	<u>4.54</u>
Equities - Europe 4.63% (13.57%)			
Equities - Denmark 0.25% (4.50%)			
Novo Nordisk	600	<u>51,771</u>	<u>0.25</u>
Equities - France 0.00% (2.34%)		-	-
Equities - Ireland 1.99% (0.00%)			
Accenture	970	260,229	1.25
Kerry Group	2,000	154,535	0.74
Total equities - Ireland		<u>414,764</u>	<u>1.99</u>
Equities - Germany 0.00% (1.67%)		-	-
Equities - Netherlands 0.00% (2.85%)		-	-
Equities - Switzerland 2.39% (2.21%)			
DSM-Firmenich	1,650	151,944	0.73
Roche Holding	960	231,343	1.11
Sonova Holding	405	114,830	0.55
Total equities - Switzerland		<u>498,117</u>	<u>2.39</u>
Total equities - Europe		<u>964,652</u>	<u>4.63</u>

Portfolio statement (continued)
as at 31 October 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - United States 23.74% (21.59%)			
Adobe	230	85,494	0.41
Align Technology	530	84,485	0.41
Alphabet 'A'	1,300	172,929	0.83
Amazon.com	1,600	231,640	1.11
AMETEK	820	116,898	0.56
Amphenol	4,600	239,759	1.15
Automatic Data Processing	935	210,301	1.01
Avery Dennison	1,000	161,101	0.78
Broadridge Financial Solutions	1,100	180,412	0.87
Cadence Design Systems	885	190,065	0.91
Fiserv	2,500	384,844	1.85
Intuit	550	260,915	1.26
Intuitive Surgical	765	299,675	1.44
Labcorp Holdings	1,450	257,496	1.24
Marsh & McLennan	1,750	296,941	1.43
Mastercard	825	320,445	1.54
Microsoft	950	300,226	1.44
Synopsys	600	239,491	1.15
Thermo Fisher Scientific	655	278,431	1.34
Tractor Supply	1,250	258,138	1.24
UnitedHealth Group	840	368,760	1.77
Total equities - United States		<u>4,938,446</u>	<u>23.74</u>
Total equities		<u>6,845,574</u>	<u>32.91</u>
Closed-Ended Funds 1.68% (8.88%)			
Closed-Ended Funds - incorporated in the United Kingdom 1.68% (5.61%)			
Smithson Investment Trust	25,000	<u>350,000</u>	<u>1.68</u>
Closed-Ended Funds - incorporated outwith the United Kingdom 0.00% (3.27%)			
Total closed-ended funds		<u>350,000</u>	<u>1.68</u>
Collective Investment Schemes 42.35% (13.09%)			
UK Authorised Collective Investment Schemes 14.78% (7.15%)			
Baillie Gifford Responsible Global Equity Income Fund	477,313	814,774	3.92
Blackrock Global Unconstrained Equity Fund	566,813	634,860	3.05
Fundsmith Equity Fund	132,662	837,891	4.03
IFSL Evenlode Global Income	519,850	787,104	3.78
Total UK authorised collective investment schemes		<u>3,074,629</u>	<u>14.78</u>

Portfolio statement (continued)

as at 31 October 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Collective Investment Schemes (continued)			
Offshore Collective Investment Schemes 27.57% (5.94%)			
Ardan UCITS ICAV - Silvercross Global Small-Cap Fund	3,330	384,658	1.85
Brown Advisory Global Leaders Fund	54,555	905,070	4.35
Findlay Park American Fund	5,043	880,694	4.23
GuardCap UCITS Funds - GuardCap Global Equity Fund	76,339	869,197	4.18
Amundi US TIPS Government Inflation-Linked Bond UCITS ETF	4,659	493,621	2.37
Magna Umbrella Fund - Fiera Atlas Global Companies Fund	666,795	864,633	4.16
Morgan Stanley Investment Funds - Global Sustain Fund	35,437	863,850	4.15
Vontobel Fund - TwentyFour Absolute Return Credit Fund	4,796	474,575	2.28
Total offshore collective investment schemes		<u>5,736,298</u>	<u>27.57</u>
Total collective investment schemes		<u>8,810,927</u>	<u>42.35</u>
Exchange Traded Commodities 4.98% (0.00%)			
iShares Physical Gold	13,771	569,982	2.75
WisdomTree Core Physical Gold	2,191	464,185	2.23
Total exchange traded commodities		<u>1,034,167</u>	<u>4.98</u>
Portfolio of investments		20,687,424	99.47
Other net assets		111,141	0.53
Total net assets		<u>20,798,565</u>	<u>100.00</u>

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

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

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 8 October 2024.

Comparative table

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

	2024	2023	2022
	p	p	p
Accumulation			
Change in net assets per share			
Opening net asset value per share	161.61	151.99	191.64
Return before operating charges	27.06	11.04	(37.73)
Operating charges	(2.16)	(1.42)	(1.92)
Return after operating charges*	24.90	9.62	(39.65)
Distributions [^]	(1.31)	(1.92)	(1.58)
Retained distributions on accumulation shares [^]	1.31	1.92	1.58
Closing net asset value per share	186.51	161.61	151.99
* after direct transaction costs of:	0.11	0.04	0.02
Performance			
Return after charges	15.41%	6.33%	(20.69%)
Other information			
Closing net asset value (£)	20,798,565	18,306,358	17,584,583
Closing number of shares	11,151,370	11,327,826	11,569,436
Operating charges ^{^^}	1.21%	0.88%	1.11%
Direct transaction costs	0.06%	0.03%	0.01%
Published prices			
Highest share price	188.2	167.0	196.8
Lowest share price	166.2	154.7	148.4

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

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

Financial statements - The Touchstone Investment Fund

Statement of total return

for the year ended 31 October 2024

	Notes	2024		2023	
		£	£	£	£
Income:					
Net capital gains	2		2,658,504		896,388
Revenue	3	343,729		385,080	
Expenses	4	<u>(184,634)</u>		<u>(150,096)</u>	
Net revenue before taxation		159,095		234,984	
Taxation	5	<u>(12,392)</u>		<u>(14,597)</u>	
Net revenue after taxation			<u>146,703</u>		<u>220,387</u>
Total return before distributions			2,805,207		1,116,775
Distributions	6		(146,726)		(220,445)
Change in shareholders' funds from investment activities			<u>2,658,481</u>		<u>896,330</u>

Statement of change in shareholders' funds

for the year ended 31 October 2024

	2024	2023
	£	£
Opening net assets	18,306,358	17,584,583
Amounts payable on cancellation of shares	(312,763)	(394,471)
Change in shareholders' funds from investment activities	2,658,481	896,330
Retained distributions on accumulation shares	146,489	219,916
Closing net assets	<u>20,798,565</u>	<u>18,306,358</u>

Balance sheet
as at 31 October 2024

	Notes	2024 £	2023 £
Assets:			
Fixed assets:			
Investments		20,687,424	14,776,471
Current assets:			
Debtors	7	31,524	25,841
Cash and cash equivalents	8	104,661	3,522,134
Total assets		<u>20,823,609</u>	<u>18,324,446</u>
Liabilities:			
Creditors:			
Other creditors	9	(25,044)	(18,088)
Total liabilities		<u>(25,044)</u>	<u>(18,088)</u>
Net assets		<u>20,798,565</u>	<u>18,306,358</u>
Shareholders' funds		<u>20,798,565</u>	<u>18,306,358</u>

Notes to the financial statements

for the year ended 31 October 2024

1. Accounting policies

The accounting policies are disclosed on pages 13 and 14.

2. Net capital gains	2024	2023
	£	£
Non-derivative securities - realised gains / (losses)	3,911,710	(33,460)
Non-derivative securities - movement in unrealised (losses) / gains	(1,242,799)	931,509
Currency losses	(7,322)	(841)
Forward currency contracts (losses) / gains	(2,240)	433
Compensation	128	4
Transaction charges	(973)	(1,257)
Total net capital gains	<u>2,658,504</u>	<u>896,388</u>
3. Revenue	2024	2023
	£	£
UK revenue	44,938	139,985
Unfranked revenue	1,293	17,040
Overseas revenue	96,659	170,326
Interest on debt securities	163,409	42,431
Bank and deposit interest	37,430	15,298
Total revenue	<u>343,729</u>	<u>385,080</u>
4. Expenses	2024	2023
	£	£
Payable to the ACD and associates		
ACD's periodic charge	35,015	35,000
Investment Managers' fees	126,602	92,637
	<u>161,617</u>	<u>127,637</u>
Payable to the Depositary		
Depositary fees	9,004	9,000
Other expenses:		
Audit fee	9,000	7,968
Non-executive directors' fees	1,279	1,662
Safe custody fees	85	355
Bank interest	719	395
FCA fee	190	170
KIID production fee	500	458
Listing fee	2,240	2,451
	<u>14,013</u>	<u>13,459</u>
Total expenses	<u>184,634</u>	<u>150,096</u>

Notes to the financial statements (continued)

for the year ended 31 October 2024

5. Taxation	2024	2023
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	12,392	14,597
Total taxation (note 5b)	<u>12,392</u>	<u>14,597</u>

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2023: 20%). The differences are explained below:

	2024	2023
	£	£
Net revenue before taxation	<u>159,095</u>	<u>234,984</u>
Corporation tax @ 20%	31,819	46,997
Effects of:		
UK revenue	(8,988)	(27,997)
Overseas revenue	(15,427)	(23,871)
Overseas tax withheld	12,392	14,597
Excess management expenses	-	4,871
Utilisation of excess management expenses	(7,404)	-
Total taxation (note 5a)	<u>12,392</u>	<u>14,597</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 £173,474 (2023: £180,878).

6. Distributions

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

	2024	2023
	£	£
Quarter 1 accumulation distribution	34,797	25,437
Interim accumulation distribution	39,892	72,088
Quarter 3 accumulation distribution	50,724	73,115
Final accumulation distribution	21,076	49,276
	<u>146,489</u>	<u>219,916</u>
Equalisation:		
Amounts deducted on cancellation of shares	237	529
Total net distributions	<u>146,726</u>	<u>220,445</u>

Reconciliation between net revenue and distributions:

Net revenue after taxation per Statement of total return	146,703	220,387
Undistributed revenue brought forward	40	98
Undistributed revenue carried forward	(17)	(40)
Distributions	<u>146,726</u>	<u>220,445</u>

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

Notes to the financial statements (continued)

for the year ended 31 October 2024

7. Debtors	2024	2023
	£	£
Accrued revenue	29,495	22,184
Recoverable overseas withholding tax	1,645	3,479
Prepaid expenses	125	178
Recoverable income tax	259	-
Total debtors	<u>31,524</u>	<u>25,841</u>
8. Cash and cash equivalents	2024	2023
	£	£
Total cash and cash equivalents	<u>104,661</u>	<u>3,522,134</u>
9. Other creditors	2024	2023
	£	£
Investment Managers' fees	<u>11,067</u>	<u>8,113</u>
Other expenses:		
Safe custody fees	147	137
Audit fee	9,000	7,968
Non-executive directors' fees	1,149	1,248
FCA fee	137	-
Listing fee	2,823	583
Transaction charges	<u>721</u>	<u>39</u>
	13,977	9,975
Total other creditors	<u>25,044</u>	<u>18,088</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:

	Accumulation
Opening shares in issue	11,327,826
Total shares cancelled in the year	<u>(176,456)</u>
Closing shares in issue	<u>11,151,370</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 shareholders' funds 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.

The Investment Manager, Evelyn Partners Investment Management Services Limited is a related party to the ACD as they are within the same corporate body.

Notes to the financial statements (continued)

for the year ended 31 October 2024

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per Accumulation share has increased from 186.5p to 192.2p as at 14 January 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
	£	£	%	£	%	£	£
2024							
Equities	5,726,557	2,986	0.05%	4,542	0.08%		5,734,085
Bonds	3,600,086	951	0.03%	-	-		3,601,037
Collective Investment Schemes*	7,588,188	-	-	-	-		7,588,188
Exchange Traded Commodities	810,485	155	0.02%	-	-		810,640
Total	17,725,316	4,092	0.10%	4,542	0.08%		17,733,950

	Purchases before transaction costs		Commission		Taxes		Purchases after transaction costs
	£	£	%	£	%	£	£
2023							
Equities	1,942,823	793	0.04%	1,790	0.09%		1,945,406
Closed Ended Funds	538,435	-	-	1,014	0.19%		539,449
Bonds*	2,010,161	-	-	-	-		2,010,161
Collective Investment Schemes*	106,156	-	-	-	-		106,156
Total	4,597,575	793	0.04%	2,804	0.28%		4,601,172

	Sales before transaction costs		Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£	£
2024							
Equities	8,909,913	(4,065)	0.05%	(15)	0.00%		8,905,833
Closed-Ended Funds	1,353,627	-	-	(3)	0.00%		1,353,624
Bonds	2,029,187	(52)	0.00%	-	-		2,029,135
Collective Investment Schemes*	2,276,314	-	-	-	-		2,276,314
Total	14,569,041	(4,117)	0.05%	(18)	0.00%		14,564,906

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 October 2024

14. Transaction costs (continued)

a Direct transaction costs (continued)

	Sales before transaction costs		Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£	
2023							
Equities	5,111,262	(1,129)	0.02%	(16)	0.00%	5,110,117	
Closed Ended Funds	2,169,102	-	-	(11)	0.00%	2,169,091	
Collective Investment Schemes*	868,905	-	-	-	-	868,905	
Total	8,149,269	(1,129)	0.02%	(27)	0.00%	8,148,113	

Summary of direct transaction costs

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

2024	£	% of average net asset value
Commission	8,209	0.04%
Taxes	4,560	0.02%
2023	£	% of average net asset value
Commission	1,922	0.01%
Taxes	2,831	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 0.06% (2023: 0.05%).

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.

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 October 2024

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 elements of the portfolio of investments exposed to this risk are equities, 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.

At 31 October 2024, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £852,033 (2023: £638,543).

(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
2024	£	£	£
Danish krone	51,771	-	51,771
Euro	306,479	1,378	307,857
Swiss franc	346,173	-	346,173
US dollar	6,062,525	2,896	6,065,421
Total foreign currency exposure	<u>6,766,948</u>	<u>4,274</u>	<u>6,771,222</u>
	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2023	£	£	£
Danish krone	823,154	2,644	825,798
Euro	1,256,317	835	1,257,152
Swiss franc	404,193	-	404,193
US dollar	3,953,064	1,036	3,954,100
Total foreign currency exposure	<u>6,436,728</u>	<u>4,515</u>	<u>6,441,243</u>

Notes to the financial statements (continued)

for the year ended 31 October 2024

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

At 31 October 2024, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £338,561 (2023: £322,062).

(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.

At 31 October 2024, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to shareholders of the Fund would increase or decrease by approximately £38,711 (2023: £11,594).

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
2024	£	£	£	£	£
Danish krone	-	-	51,771	-	51,771
Euro	-	-	307,857	-	307,857
Swiss franc	-	-	346,173	-	346,173
UK sterling	821,353	2,930,064	10,300,970	(25,044)	14,027,343
US dollar	-	-	6,065,421	-	6,065,421
	<u>821,353</u>	<u>2,930,064</u>	<u>17,072,192</u>	<u>(25,044)</u>	<u>20,798,565</u>

	Variable rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£	£	£	£	£
Danish krone	-	-	825,798	-	825,798
Euro	12	-	1,257,140	-	1,257,152
Swiss franc	-	-	404,193	-	404,193
UK sterling	3,522,122	2,005,612	6,355,469	(18,088)	11,865,115
US dollar	-	-	3,954,100	-	3,954,100
	<u>3,522,134</u>	<u>2,005,612</u>	<u>12,796,700</u>	<u>(18,088)</u>	<u>18,306,358</u>

Notes to the financial statements (continued)

for the year ended 31 October 2024

15. Risk management policies (continued)

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. These are made across a variety of industry sectors, and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Portfolio statement.

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

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

c Liquidity risk

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

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

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

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.

Notes to the financial statements (continued)

for the year ended 31 October 2024

15. Risk management policies (continued)

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

Basis of valuation	Investment assets	Investment liabilities
	2024	2024
	£	£
Quoted prices	10,506,202	-
Observable market data	10,181,222	-
Unobservable data	-	-
	<u>20,687,424</u>	<u>-</u>

Basis of valuation	Investment assets	Investment liabilities
	2023	2023
	£	£
Quoted prices	12,043,204	-
Observable market data	2,733,267	-
Unobservable data	-	-
	<u>14,776,471</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.

Notes to the financial statements (continued)

for the year ended 31 October 2024

15. Risk management policies (continued)

f Derivatives (continued)

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

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

There have been no collateral arrangements in the year.

Distribution table

for the year ended 31 October 2024

Quarter 1 distribution in pence per share

Group 1 - Shares purchased before 1 November 2023

Group 2 - Shares purchased 1 November 2023 to 31 January 2024

	Net revenue	Equalisation	Total distribution 31 March 2024	Total distribution 31 March 2023
Accumulation				
Group 1	0.309	-	0.309	0.221
Group 2	0.309	-	0.309	0.221

Interim distribution in pence per share

Group 1 - Shares purchased before 1 February 2024

Group 2 - Shares purchased 1 February 2024 to 30 April 2024

	Net revenue	Equalisation	Total distribution 30 June 2024	Total distribution 30 June 2023
Accumulation				
Group 1	0.356	-	0.356	0.627
Group 2	0.356	-	0.356	0.627

Quarter 3 distribution in pence per share

Group 1 - Shares purchased before 1 May 2024

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

	Net revenue	Equalisation	Total distribution 30 September 2024	Total distribution 30 September 2023
Accumulation				
Group 1	0.454	-	0.454	0.640
Group 2	0.454	-	0.454	0.640

Final distribution in pence per share

Group 1 - Shares purchased before 1 August 2024

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

	Net revenue	Equalisation	Total distribution 31 December 2024	Total distribution 31 December 2023
Accumulation				
Group 1	0.189	-	0.189	0.435
Group 2	0.189	-	0.189	0.435

Accumulation distributions

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

Remuneration

Remuneration code disclosure

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

Remuneration committee

The remuneration committee report contained in the Group Report and Financial Statements for the year ended 31 December 2023 includes details on the remuneration policy. The remuneration committee comprises five non-executive directors¹ and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met eight times during 2023.

Remuneration policy

The main principles of the remuneration policy are:

- to align remuneration with the strategy and performance of the business;
- to ensure that remuneration is set at an appropriate and competitive level taking into account market rates and practices;
- to foster and support conduct and behaviours which are in line with our culture and values;
- to maintain a sound risk management framework;
- to ensure that the ratio between fixed and variable remuneration is appropriate and does not encourage excessive risk taking;
- to comply with all relevant regulatory requirements; and
- to align incentive plans with the business strategy and shareholder interests.

The policy is designed to reward partners, directors and employees for delivery of both financial and non-financial objectives which are set in line with company strategy. As part of a "balanced scorecard" approach to variable remuneration non-financial criteria including, but not limited to, compliance and risk issues, client management, supervision, leadership and teamwork are considered alongside financial performance.

Remuneration systems

The committee reviews all partners' and directors' fixed and variable remuneration. In addition, it approves hurdles and awards in respect of equity incentive plans, namely a Deferred Option Plan, Equity Matching Plan, Matching Share Plan, Executive Long Term Incentive Plan and an Investment Management Long Term Incentive Plan.

The remuneration of partners is made up of a fixed profit share, discretionary bonus profit share and non-discretionary bonus profit share. The remuneration of employees typically comprises of a salary with benefits including pension contribution, life assurance, permanent health insurance, private medical insurance, SAYE scheme and a discretionary bonus scheme. Partners, directors and associate directors are also eligible to participate, at the invitation of the committee, in the equity incentive plans described above.

When setting variable remuneration for the executive directors, the committee considers overall business profit for the group and divisions, achievement of both financial and non-financial objectives (including adherence to the principles of treating customers fairly, conduct risk, compliance and regulatory rules), personal performance and any other relevant policy of the board in respect of the year ended 31 December 2023. The committee agrees the individual allocation of variable remuneration and the proportion of that variable remuneration to be awarded as restricted shares.

¹ Please note that the data provided for the independent non-executive directors is as at 31 December 2023. The data provided is for independent non-executive directors only.

Remuneration (continued)

Aggregate quantitative information

The total amount of remuneration paid by Evelyn Partners Fund Solutions Limited ('EPFL') is nil as EPFL has no employees. However, a number of employees have remuneration costs recharged to EPFL and the annualised remuneration for these 72 employees is £3.51 million of which £3.23 million is fixed remuneration. This is based on the salary and benefits for those identified as working in EPFL as at 31 December 2023. Any variable remuneration is awarded for the year ended 31 December 2023. This information excludes any senior management or other Material Risk Takers (MRTs) whose remuneration information is detailed below.

Evelyn Partners Group Limited reviews its MRTs at least annually. These individuals are employed by and provide services to other companies in the Group. It is difficult to apportion remuneration for these individuals in respect of their duties to EPFL. For this reason, the aggregate total remuneration awarded for the year 31 December 2023 for senior management and other MRTs detailed below has not been apportioned.

Table to show the aggregate remuneration split by		For the period 1 January 2023 to 31 December 2023				
Senior Management and other MRTs for EPFL		Fixed	Variable	Variable	Total	No. MRTs
		£'000	Cash £'000	Equity £'000	£'000	
Senior Management		3,518	1,662	-	5,180	18
Other MRTs		919	848	-	1,767	5
Total		4,437	2,510	-	6,947	23

Investment Managers

The ACD has appointed Evelyn Partners Investment Management Services Limited and Meridiem Investment Management (previously Veritas Investment Partners (UK) Limited) to provide investment management and related advisory services to the ACD. The Investment Managers are paid a monthly fee out of the scheme property of The Touchstone Investment Fund which is calculated on the total value of the portfolio of investments at the month end. The Investment Managers 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 allocated quarterly on or before 31 December (final), 31 March (quarter 1), 30 June (interim) and 30 September (quarter 3). In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 November	final
	1 February	quarter 1
	1 May	interim
	1 August	quarter 3
Reporting dates:	31 October	annual
	30 April	interim

Buying and selling shares

The property of the Company is valued at 5pm on the 14th day and the last business day of the month except where the 14th is not a business day when it shall be the next business day thereafter; 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 Company 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 PIMFA Balanced Index.

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

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

Appointments

ACD and Registered office

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

Administrator and Registrar

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

Directors of the ACD

Andrew Baddeley
Brian McLean
Mayank Prakash
Neil Coxhead

Independent Non-Executive Directors of the ACD

Dean Buckley
Linda Robinson
Sally Macdonald
Victoria Muir

Non-Executive Directors of the ACD

Guy Swarbreck

Investment Managers

Evelyn Partners Investment Management Services Limited
45 Gresham Street
London EC2V 7BG
Authorised and regulated by the Financial Conduct Authority

Meridien Investment Management (previously Veritas Investment Partners (UK) Limited)

Riverside House
2a Southwark Bridge Road
London SE1 9HA
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