Vagabond Investment Fund

Annual Report

for the year ended 31 July 2024

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

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

Vagabond Investment Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 20 September 2022. The Company is incorporated under registration number IC085389. It is a non-UCITS retail scheme ('NURS') complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL') and the Investment Funds sourcebook ('FUND'), as published by the Financial Conduct Authority ('FCA'). As the Company is a NURS, the ACD also acts as Alternative Investment Fund Manager ('AIFM') in order to comply with the Alternative Investment Fund Manager's Directive ('AIFMD').

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

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

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

The Company has no Directors other than the ACD.

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

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

Investment objective and policy to 10 March 2024

The Fund aims to generate capital growth net of fees over the long term (a 5 year rolling period).

The Fund is a multi-asset fund that typically invests indirectly across a range of asset classes including equities, fixed income securities, cash and near cash. Exposure to these asset classes will normally be gained indirectly, via collective investment schemes, (which may include those managed by the ACD or the Investment Manager), but the Investment Manager may gain direct exposure if it considers this to be in the best interests of the Fund.

The Fund will be actively managed and will typically invest 35 - 75% of its assets in equities, 20 - 60% in fixed income securities, 0 - 20% in cash and near cash.

The underlying equity component of the Fund may include equities of companies from anywhere in the world, in any sector and of any market capitalisation.

The underlying fixed interest component of the Fund may include government and corporate bonds, which may be investment grade, sub-investment grade or unrated. Investment grade bonds are considered by the Investment Manager to be those rated by a single ratings agency as BBB- or higher (or their equivalent), while high yield bonds are those with a rating of BB+ or lower (or their equivalent). For bonds which are not rated by a ratings agency the Investment Manager will apply a comparable quality rating to determine whether a corporate bond should be classified as investment grade or high yield.

To the extent not fully invested as set out above, the Investment Manager has the flexibility to invest indirectly in alternative asset classes such as commodities and real estate and may also invest, directly or indirectly, in hedge funds and structured products.

The Fund and the funds in which the Fund invests may use derivatives for Efficient Portfolio Management. The funds in which the Fund invests may also use derivatives for investment purposes.

Investment objective and policy from 11 March 2024

The Fund aims to generate capital growth net of fees over the long term (a 5 year rolling period).

The Fund is a multi-asset fund that typically invests indirectly across a range of asset classes including equities, fixed income securities, cash and near cash. Exposure to these asset classes will normally be gained indirectly, via collective investment schemes, (which may include those managed by the ACD or the Investment Manager), but the Investment Manager may gain direct exposure if it considers this to be in the best interests of the Fund.

The Fund will be actively managed and will typically invest 40-90% of its assets in equities, 5-55% in fixed income securities, 0 - 20% in cash and near cash.

The underlying equity component of the Fund may include equities of companies from anywhere in the world, in any sector and of any market capitalisation.

The underlying fixed interest component of the Fund may include government and corporate bonds, which may be investment grade, sub-investment grade or unrated. Investment grade bonds are considered by the Investment Manager to be those rated by a single ratings agency as BBB- or higher (or their equivalent), while high yield bonds are those with a rating of BB+ or lower (or their equivalent). For bonds which are not rated by a ratings agency the Investment Manager will apply a comparable quality rating to determine whether a corporate bond should be classified as investment grade or high yield.

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Changes affecting the Company in the year

On 11 March 2024, the investment objective and policy of the Company changed. The benchmark of the Company also changed on this date from the IA Mixed Investment 20-60% Shares Sector to the IA Mixed Investment 40-85% Shares Sector.

Further information in relation to the Company is illustrated on page 34.

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

Neil Coxhead
Director
Evelyn Partners Fund Solutions Limited
28 October 2024

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 - Vagabond 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 Vagabond 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 July 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 reduced 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 - Vagabond 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 an Investment Management firm.

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

External Factors

The Board assessed the delegate's skills, processes and experience. Also considered were any results from service review meetings as well as the annual due diligence performed by EPFL on the delegated Investment Manager, UBS AG, London Branch, where consideration was given to, amongst other things, the delegate's controls around the Fund's liquidity management.

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

What was the outcome of the assessment?

Internal Factors

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

External Factors

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

Were there any follow up actions?

There were no follow-up actions required.

2. Performance

What was assessed in this section?

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

Investment Objective

The Fund aims to generate capital growth net of fees over the long term (a 5 year rolling period).

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 - Vagabond Investment Fund (continued)

2. Performance (continued)

Benchmark (continued)

The benchmark for the Fund is the IA Mixed Investment 40-85% Shares Sector (changed from the IA Mixed Investment 20-60% Shares Sector on 11 March 2024), 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 June 2024 (%)

	Currency	1 year	11/11/2022 to 28/06/2024
Hybrid Benchmark	GBP	10.41	13.39
IA Mixed Investment 40-85% Shares Sector	GBP	11.82	13.60
Vagabond Investment Fund	GBX	12.31	16.80

The Hybrid Benchmark represents returns from the IA Mixed Investment 20-60% Shares Sector between 11/11/2022 to 11/03/2024 and the IA Mixed Investment 40-85% Shares Sector between 11/03/2024 and 28/06/2024.

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 in the period since launch, 11 November 2022, and whilst early signs were encouraging, concluded that it was too early to make a meaningful conclusion.

Consideration was given to the risk metrics associated with the Fund which focused on, amongst other things, volatility and risk adjusted returns where EPFL were comfortable that the outcomes were in line with the Fund's performance.

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

Were there any follow up actions?

There were no follow-up actions required.

3. ACD Costs

What was assessed in this section?

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

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

What was the outcome of the assessment?

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

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?

The Investment Management fee is a fixed percentage charge, however the ACD fee is tiered meaning there are opportunities for savings going forward should the Fund grow in size.

The ancillary charges of the Fund represent 8 basis points[1]. 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] One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 31 January 2024.

Assessment of Value - Vagabond 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 1.04%[2] 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 Management fee with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The Investment Management fee compared favourably with other EPFL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

7. Classes of Shares

What was assessed in this section?

The Board reviewed the Fund's set-up to ensure that where there 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

The Board concluded that Vagabond Investment Fund had provided value to investors.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited

24 September 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.

[2] Figure calculated at interim report, 31 January 2024.

[2] Following guidance issued by the Investment Association on 30 November 2023, the interim synthetic OCF calculation was restated to exclude closed-ended vehicles.

Report of the Depositary to the shareholders of Vagabond 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
28 October 2024

Independent Auditor's report to the shareholders of Vagabond Investment Fund

Opinion

We have audited the financial statements of Vagabond Investment Fund (the 'Company') for the year ended 31 July 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 July 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 Vagabond 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.

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

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

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

- Management override of controls.

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

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

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

Use of Our Report

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

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Bishop's Court
29 Albyn Place
Aberdeen AB10 1YL
28 October 2024

Accounting policies of Vagabond Investment Fund

for the year ended 31 July 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 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 July 2024.

c Foreign exchange

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

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

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

d Revenue

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

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

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

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

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

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

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

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

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 relevant class 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.

iv *Equalisation*

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

Investment Manager's report

Investment performance*

For the year 1 August 2023 to 31 July 2024, the Fund performed well and returned 10.9%. This compares favourably to the IA Mixed Investment 40-85% Share Sector, which was up 10.5% over the same time period.

Investment activities**

Based on our 15 year forward-looking capital market assumptions (as at 3 January 2024 in GBP), we would be targeting an annualised return of 6.5% for a balanced risk profile portfolio such as this.

Our security selection process is designed to be scalable, consistent, and risk controlled. We operate a modular concept, whereby we manage a portfolio for each sub-asset class, which we refer to as a module. Modules are therefore the building blocks for every portfolio. Our approach to investing via funds is based on managing the sum of the parts in order to arrive at a desired exposure at the module level. We are therefore interested in the interaction of different but complementary fund styles and exposures as opposed to picking funds in isolation. We believe this approach of maximising diversification benefit results in a more efficient portfolio with better risk-adjusted returns.

Over the year, the portfolio’s performance has been very strong:

- The portfolio concluded July on the back of a strong preceding 12 months.

- From quarter three 2023, the portfolio has benefitted from the strong performance in equity markets. Artificial Intelligence remained a major theme for markets, fuelling the US stock rally while returns were boosted by further evidence that US inflation is moderating, paving the way for US Federal Reserve ('Fed') rate cuts later this year.

- Owing to its sustainable focus, this portfolio has a bias to growth-stocks, which is the part of the equity market that performed particularly well in the period. As part of this, it has been global Environmental, Social, & Governance ('ESG') improvers equities and global ESG leaders equities which have benefitted most in the first part of 2024.

- Returns in fixed income were mixed after a strong 2023, when hopes for swift rate cuts from the Fed were building, and returns were modestly negative to mildly positive due to the continued uncertainty over the pace of easing. A steady, yet consistent, normalisation of inflation has provided greater clarity on the timing and pace of expected rate cuts as we have moved through 2024. The hope that central banks would successfully navigate a ‘soft landing’ and produce rate cuts buoyed both equity and bond markets.

- As part of our view that improving inflation data will benefit bonds, we have maintained our ‘most preferred’ view on the higher-quality fixed income segments throughout the period because we have viewed risk-adjusted yields as being historically attractive and also foresee the opportunity of capital appreciation once the rate-cutting cycle begins. This view is most evident within the allocation to multilateral development bank bonds.

- With central bank interest rate cuts expected to dominant markets over the remainder of this year, we hope to see a positive environment for fixed income and also a broader, healthier recovery in parts of the equity market which have been unloved for some time – for example small caps.

How we’re positioning:

- Within equities, our Chief Investment Office ('CIO') has had a preference for quality stocks throughout the year. Currently, the portfolio is overweight to global tech, where we eye attractive growth opportunity, and underweight global ESG leaders.

- In fixed income, the portfolio is overweight multilateral development bank bonds funded by our underweight to cash in the portfolio. We maintain our ‘most preferred’ view on the higher-quality fixed income segments, as current yields should provide attractive risk adjusted returns compared to cash.

- Over the coming years, we see investor attention broadening beyond the energy transition, with increasing focus on measurement and reporting results.

* Source: FE analytics, bid prices to 12 pm.

** Source: UBS AG and Investment Association.

Investment Manager's report (continued)

Investment strategy and outlook

Sustainable Investing ('SI') strategies are used within the portfolio but remain within the broader investment policy as described in the prospectus. This investment strategy has remained unchanged this year.

From a construction perspective, the portfolio encompasses a dedicated UBS CIO strategic asset allocation providing access to exclusive investment content, including World Bank Bonds, Green Bonds and ESG Engagement Equity Funds.

- The UBS Wealth Management CIO utilises 162 investment analysts and strategists from around the world to create an unmatched house view that brings institutional quality advice to our private wealth clients.

- At the core of the asset allocation are the different SI strategies in equity and fixed income.

- The key equity strategies used are ESG thematic equities, ESG leaders equities, ESG improvers equities, and ESG engagement equities.

- The key fixed income exposures are global multilateral development bank debt, thematic sustainable fixed income, ESG leaders corporate bonds, ESG engagement high yield bonds, and emerging market sustainable finance.

- We hedge most of the currency risk to the investor’s base currency because the volatility associated with currency movements could knock the portfolio’s risk and return characteristics off balance.

UBS AG, London Branch
14 August 2024

Summary of portfolio changes
for the year ended 31 July 2024

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

Purchases:	Cost £
UBS Ireland - MSCI ACWI Socially Responsible UCITS ETF	1,234,297
Focused SICAV - World Bank Long Term Bond	1,060,374
Multi Manager Access II - Green Social And Sustainable Bonds	817,936
Multi Manager Access II - US Multi Credit Sustainable	723,585
Focused SICAV - World Bank Bond	568,721
Federated Hermes - Global Equity ESG Fund	532,143
Rockefeller Global Equity ESG Improvers UCITS	510,784
iShares MSCI World Information Technology Sector ESG UCITS ETF Chi-x	491,144
Robecosam Global SDG Engagement Equities	455,481
Multi Manager Access II - European Multi Credit Sustainable	451,560
Columbia Threadneedle Lux III - CT Lux SDG Engagement Global Equity	395,607
Federated Hermes - SDG Engagement Equity Fund	333,176
Focused SICAV - US Corporate Bond Sustainable	332,178
Mirova Funds - Mirova Global Sustainable Equity	301,675
UBS Lux Equity SICAV - Long Term Themes USD	253,562
Record UCITS ICAV - Record Emerging Markets Sustainable Finance Fund	246,176
Multi Manager Access II - Future of Earth	230,374
Federated Hermes - SDG Engagement High Yield Credit Fund	208,396
UBS Ireland - MSCI ACWI ESG Universal Low Carbon Select UCITS ETF	160,319
Wellington Global Stewards Fund	157,977

Sales:	Proceeds £
UBS Ireland - MSCI ACWI Socially Responsible UCITS ETF	699,099
Multi Manager Access II - US Multi Credit Sustainable	465,510
Focused SICAV - World Bank Long Term Bond	319,392
Federated Hermes - Global Equity ESG Fund	265,071
Focused SICAV - US Corporate Bond Sustainable	243,554
Focused SICAV - World Bank Bond	189,215
Rockefeller Global Equity ESG Improvers UCITS	169,322
Mirova Funds - Mirova Global Sustainable Equity	131,706
Multi Manager Access II - Green Social And Sustainable Bonds	57,560

Portfolio statement
as at 31 July 2024

Investment	Nominal value or holding	Market value £	% of total net assets
Offshore Collective Investment Schemes 98.18% (96.30%)			
Brown Advisory Global Leaders Sustainable Fund	77,782	1,013,500	2.09
Columbia Threadneedle Lux III - CT Lux SDG Engagement Global Equity	168,398	2,684,264	5.54
Federated Hermes - Global Equity ESG Fund	2,334,225	3,363,151	6.93
Federated Hermes - SDG Engagement Equity Fund	1,390,391	1,950,023	4.02
Federated Hermes - SDG Engagement High Yield Credit Fund	1,437,129	1,643,645	3.39
Focused SICAV - US Corporate Bond Sustainable^	14,242	1,610,485	3.32
Focused SICAV - World Bank Bond^	17,637	1,854,178	3.82
Focused SICAV - World Bank Long Term Bond^	33,930	3,520,916	7.26
iShares MSCI World Information Technology Sector ESG UCITS ETF	45,399	464,678	0.96
Mirova Funds - Mirova Global Sustainable Equity	12,575	1,518,557	3.13
Multi Manager Access II - European Multi Credit Sustainable^	22,794	2,440,554	5.03
Multi Manager Access II - US Multi Credit Sustainable^	40,772	3,702,505	7.64
Multi Manager Access II - Future of Earth^	10,927	1,056,859	2.18
Multi Manager Access II - Green Social And Sustainable Bonds^	43,384	4,311,068	8.89
Neuberger Berman Global High Yield SDG Engagement Fund	63,329	704,852	1.45
Record UCITS ICAV - Record Emerging Markets Sustainable Finance Fund	12,163	1,329,820	2.74
Robecosam Global SDG Engagement Equities	30,401	3,333,166	6.87
Rockefeller Global Equity ESG Improvers UCITS	19,538	3,363,271	6.94
UBS Ireland - Global Gender Equality UCITS ETF^	49,144	1,037,676	2.14
UBS Ireland - MSCI ACWI ESG Universal Low Carbon Select UCITS ETF^	52,041	1,056,693	2.18
UBS Ireland - MSCI ACWI Socially Responsible UCITS ETF^	171,503	2,800,301	5.78
UBS Lux Equity SICAV - Long Term Themes USD^	9,067	1,478,646	3.05
UBS Lux Fund Solutions - Sustainable Development Bank Bonds UCITS ETF^	42,074	437,738	0.90
Wellington Global Stewards Fund	70,356	935,826	1.93
Total offshore collective investment schemes		47,612,372	98.18
Portfolio of investments		47,612,372	98.18
Other net assets		883,573	1.82
Total net assets		48,495,945	100.00

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

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

^ Managed by an associate of the Investment Manager, UBS AG, London Branch.

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.

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

* As per the KIID published on 14 June 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.

Accumulation Class launched on 11 November 2022 at 100.0p per share.

Accumulation	2024 p	2023 p
Change in net assets per share		
Opening net asset value per share	106.18	100.00
Return before operating charges	12.81	8.21
Operating charges	(1.18)	(2.03)
Return after operating charges *	11.63	6.18
Distributions^	(0.85)	-
Retained distributions on accumulation shares^	0.85	-
Closing net asset value per share	117.81	106.18
* after direct transaction costs of:	0.01	0.03
Performance		
Return after charges	10.95%	6.18%
Other information		
Closing net asset value (£)	48,495,945	36,481,372
Closing number of shares	41,163,738	34,359,174
Operating charges^^	1.08%	1.76%^^^
Direct transaction costs	0.01%	0.04%
Published prices		
Highest share price	119.1	106.2
Lowest share price	99.74	98.04

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

On 11 March 2024, the investment objective and policy and benchmark of the Company changed.

^ Rounded to 2 decimal places.

^^ The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which may occur in a year as it is calculated on historical data.

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

^^^ Annualised based on the expenses incurred during the period 11 November 2022 to 31 July 2023.

Financial statements - Vagabond Investment Fund

Statement of total return
for the year ended 31 July 2024

	Notes	1 August 2023 to 31 July 2024		11 November 2022 to 31 July 2023	
		£	£	£	£
Income:					
Net capital gains	2		4,683,985		1,121,044
Revenue	3	627,520		65,159	
Expenses	4	(271,549)		(104,831)	
Net revenue / (expense) before taxation		355,971		(39,672)	
Taxation	5	(25,384)		-	
Net revenue / (expense) after taxation			330,587		(39,672)
Total return before distributions			5,014,572		1,081,372
Distributions	6		(330,426)		-
Change in shareholders' funds from investment activities			4,684,146		1,081,372

Statement of change in shareholders' funds
for the year ended 31 July 2024

	1 August 2023 to 31 July 2024	11 November 2022 to 31 July 2023
	£	£
Opening net assets	36,481,372	-
Amounts receivable on issue of shares	6,980,123	35,400,000
Change in shareholders' funds from investment activities	4,684,146	1,081,372
Retained distributions on accumulation shares	350,304	-
Closing net assets	48,495,945	36,481,372

Balance sheet
as at 31 July 2024

	Notes	2024	2023
		£	£
Assets:			
Fixed assets:			
Investments		47,612,372	35,130,163
Current assets:			
Debtors	7	33,990	1,011,614
Cash and cash equivalents	8	886,034	526,542
Total assets		48,532,396	36,668,319
Liabilities:			
Creditors:			
Other creditors	9	(36,451)	(186,947)
Total liabilities		(36,451)	(186,947)
Net assets		48,495,945	36,481,372
Shareholders' funds		48,495,945	36,481,372

Notes to the financial statements

for the year ended 31 July 2024

1. Accounting policies

The accounting policies are disclosed on pages 13 and 14.

2. Net capital gains	1 August 2023 to 31 July 2024	11 November 2022 to 31 July 2023
	£	£
Non-derivative securities - realised gains	211,513	10,869
Non-derivative securities - movement in unrealised gains	4,474,032	1,097,172
Currency losses	(763)	-
Compensation	-	13,438
Transaction charges	(797)	(435)
Total net capital gains	4,683,985	1,121,044

3. Revenue	1 August 2023 to 31 July 2024	11 November 2022 to 31 July 2023
	£	£
Overseas revenue	574,401	49,683
Bank and deposit interest	53,119	15,476
Total revenue	627,520	65,159

4. Expenses	1 August 2023 to 31 July 2024	11 November 2022 to 31 July 2023
	£	£
Payable to the ACD and associates		
Annual management charge*	440,896	77,131
Annual management charge rebate*	(227,163)	(17,503)
	213,733	59,628
Payable to the Depositary		
Depositary fees	14,550	6,485
Other expenses:		
Audit fee	8,700	7,560
Non-executive directors' fees	1,462	1,000
Safe custody fees	15,346	9,335
Bank interest	6	-
FCA fee	102	2,500
KIID production fee	250	-
Set up fee	-	13,323
Legal fee	17,400	5,000
	43,266	38,718
Total expenses	271,549	104,831

* The annual management charge is 1.00% and includes the ACD's periodic charge and the Investment Manager's fee.

Where the ACD's periodic charge and the Investment Manager's fee are cumulatively lower than the annual management charge a rebate may occur.

For the year ended 31 July 2024, the annual management charge after rebates is 0.48%.

5. Taxation	1 August 2023 to 31 July 2024	11 November 2022 to 31 July 2023
	£	£
a. Analysis of the tax charge for the year		
UK corporation tax	25,384	-
Total taxation (note 5b)	25,384	-

b. Factors affecting the tax charge for the year

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

	1 August 2023 to 31 July 2024	11 November 2022 to 31 July 2023
	£	£
Net revenue / (expense) before taxation	355,971	(39,672)
Corporation tax @ 20%	71,194	(7,934)
Effects of:		
UK revenue	-	(7,747)
Overseas revenue	(35,474)	-
Expenses not deductible for tax purposes	1,680	3,665
Excess management expenses	-	12,016
Utilisation of excess management expenses	(12,016)	-
Total taxation (note 5a)	25,384	-

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 £nil (2023: £12,016).

6. Distributions

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

	1 August 2023 to 31 July 2024	11 November 2022 to 31 July 2023
	£	£
Interim accumulation distribution	160,539	-
Final accumulation distribution	189,765	-
	350,304	-
Equalisation:		
Amounts added on issue of shares	(19,878)	-
Total net distributions	330,426	-

Reconciliation between net revenue / (expense) and distributions:

Net revenue / (expense) after taxation per Statement of total return	330,587	(39,672)
Revenue shortfall to be transferred from capital	-	39,672
Undistributed revenue carried forward	(161)	-
Distributions	330,426	-

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

7. Debtors

	2024	2023
	£	£
Amounts receivable on issue of shares	-	1,000,000
Accrued revenue	11,453	4,522
Prepaid expenses	250	-
	11,703	1,004,522
Payable from the ACD and associates		
Annual management charge rebate	22,287	7,092
Total debtors	33,990	1,011,614

8. Cash and cash equivalents

	2024	2023
	£	£
Total cash and cash equivalents	886,034	526,542

9. Other creditors

	2024	2023
	£	£
Purchases awaiting settlement	-	177,284
Other expenses:		
Safe custody fees	1,382	1,103
Audit fee	8,700	7,560
Non-executive directors' fees	960	1,000
FCA fee	25	-
Total accrued expenses	11,067	9,663
Corporation tax payable	25,384	-
Total other creditors	36,451	186,947

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	34,359,174
Total shares issued in the year	6,804,564
Closing shares in issue	41,163,738

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per accumulation share has increased from 117.8p to 120.2p as at 24 October 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

Notes to the financial statements (continued)

for the year ended 31 July 2024

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	£	£	%	£	%	£
Collective Investment Schemes	9,960,247	1,360	0.01%	615	0.01%	9,962,222

	Purchases before transaction costs	Commission		Taxes		Purchases after transaction costs
2023	£	£	%	£	%	£
Collective Investment Schemes	35,016,361	3,556	0.01%	17	0.00%	35,019,934

	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
2024	£	£	%	£	%	£
Collective Investment Schemes	2,540,855	(426)	0.02%	-	-	2,540,429

	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
2023	£	£	%	£	%	£
Collective Investment Schemes	1,035,725	(575)	0.06%	-	-	1,035,150

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	1,786	0.01%
Taxes	615	0.00%

2023	£	% of average net asset value
Commission	4,131	0.04%
Taxes	17	0.00%

14. Transaction costs (continued)

b Average portfolio dealing spread

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

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

(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 element of the portfolio of investments which is exposed to this risk is collective investment schemes which are disclosed in the Portfolio statement.

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

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

At 31 July 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 £2,380,619 (2023: £1,756,508).

(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 Fund had no significant exposure to foreign currency in the year.

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk

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

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

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

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

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

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

b Credit risk

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

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

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

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

c Liquidity risk

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

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.

15. Risk management policies (continued)

d Fair value of financial assets and financial liabilities

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

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

Basis of valuation	Investment assets 2024	Investment liabilities 2024
	£	£
Quoted prices	5,797,085	-
Observable market data	41,815,287	-
Unobservable data	-	-
	47,612,372	-

Basis of valuation	Investment assets 2023	Investment liabilities 2023
	£	£
Quoted prices	3,495,790	-
Observable market data	31,634,373	-
Unobservable data	-	-
	35,130,163	-

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

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

During the year there were no derivative transactions.

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 July 2024

Interim distribution in pence per share

Group 1 - Shares purchased before 1 August 2023

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

	Net revenue	Equalisation	Total distribution 31 March 2024	Total distribution 31 March 2023
Accumulation				
Group 1	0.390	-	0.390	-
Group 2	0.098	0.292	0.390	-

Final distribution in pence per share

Group 1 - Shares purchased before 1 February 2024

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

	Net revenue	Equalisation	Total distribution 30 September 2024	Total distribution 30 September 2023
Accumulation				
Group 1	0.461	-	0.461	-
Group 2	0.461	-	0.461	-

Equalisation

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

Accumulation distribution

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 directors[1] 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 Senior Management and other MRTs for EPFL	For the period 1 January 2023 to 31 December 2023				
	Fixed	Variable Cash	Variable Equity	Total	No. MRTs
	£'000	£'000	£'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 Manager

The ACD delegates the management of the Company's portfolio of assets to UBS AG, London Branch and pays to UBS AG, London Branch, out of the annual management charge, a monthly fee calculated on the total value of the portfolio of investments at the month end. UBS AG, London Branch are compliant with the Capital Requirements Directive regarding remuneration and therefore their staff are covered by remuneration regulatory requirements.

Further information

Distributions and reporting dates

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

XD dates:	1 August	final
	1 February	interim
Reporting dates:	31 July	annual
	31 January	interim

Buying and selling shares

The property of the Fund is valued at 12pm on every business day, 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 the prices of shares are calculated as at that time. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

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

Benchmark to 10 March 2024

Shareholders may compare the performance of the Fund against the IA Mixed Investment 20-60% Shares Sector.

Benchmark from 11 March 2024

Shareholders may compare the performance of the Fund against the IA Mixed Investment 40-85% Shares Sector.

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

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

Appointments

ACD and Registered office

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

Administrator and Registrar

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

Directors of the ACD

Andrew Baddeley
Brian McLean
Mayank Prakash
Neil Coxhead

Independent Non-Executive Directors of the ACD

Dean Buckley
Linda Robinson
Victoria Muir
Sally Macdonald

Non-Executive Directors of the ACD

Guy Swarbreck - appointed 21 August 2023

Investment Manager

UBS AG, London Branch
5 Broadgate
London, EC2M 2QS
Authorised and regulated by the Prudential Regulation Authority 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