



Wealth
Management

Annual Report & Financial Statements

Volare UCITS Portfolios

For the year ended 31 May 2024



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* Collectively, these comprise the ACD's Report.

Authorised Corporate Director's ("ACD") Report

We are pleased to present the Annual Report & Audited Financial Statements for Volare UCITS Portfolios for the year ended 31 May 2024.

Authorised Status

Volare UCITS Portfolios ("the Company") is an investment company with variable capital ("ICVC") incorporated in England and Wales under registered number IC001079 and authorised by the Financial Conduct Authority ("FCA"), with effect from 22 December 2016. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

Head Office: the Head Office of the Company is at Hamilton Centre, Rodney Way, Chelmsford, England, CM1 3BY, United Kingdom.

The Head Office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

Structure of the Company

The Company is structured as an umbrella company, under which different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Share Class, a revised Prospectus will be prepared setting out the relevant details of each Fund or Share Class.

The Company is a UK UCITS scheme.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the Investment Objective and Investment Policy applicable to that Fund. Investment of the assets of each of the Funds must comply with the FCA's Collective Investment Schemes Sourcebook ("COLL") and the Investment Objective and Policy of the relevant Fund.

Currently the Company has six Funds: Volare Adventurous Fund, Volare Balanced Fund, Volare Cautious Fund, Volare Defensive Fund, Volare Growth Fund and Volare Strategic Income Fund. In the future there may be other Funds established.

Under the requirements of UCITS V and the UCITS Remuneration Code, FundRock Partners ("FP"), as UK UCITS Manager, must establish and apply remuneration policies and practices for its staff that have a material impact on the risk profile of FP or the Fund. These practices must be consistent with and promote sound and effective risk management, not encourage risk taking which is inconsistent with the risk profile of the Fund as detailed in the instrument of the Fund or the prospectus and does not impair FP's compliance with its duty to act in the best interest of the Fund it manages.

Under the relevant provisions of COLL Sourcebook, FP as UK UCITS Manager, is required to disclose remuneration information on how those whose actions have a material impact on the Fund are remunerated (see page 122).

Crossholdings

There were no Shares in any Fund held by any other Fund of the Company.

Important Events during the Year

The merger of WAY Fund Managers' Elite Balanced Trust into the Volare Balanced Fund took place on 2 February 2024.

Important Events after the Year End

With effect from 25 September 2024, the composition of Directors and Non-executive Directors of the ACD Board of FundRock Partners Limited changed. The changes are noted on page 125.

On 1 October 2024, the Volare Strategic Income Fund F Income Share Class will be launched.

On 1 October 2024, the Volare Strategic Income Fund distribution dates will move to a monthly income allocation.

Authorised Corporate Director's ("ACD") Report (continued)

Base Currency

The base currency of the Company is Pound Sterling.

Share Capital

The minimum Share Capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The Share Capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.

Certification of Financial Statements by Directors of the ACD For the year ended 31 May 2024

Directors' Certification

This report has been prepared in accordance with the requirements of COLL, as issued and amended by the FCA. We hereby certify and authorise for issue, the Annual Report and the Audited Financial Statements on behalf of the Directors of FundRock Partners Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of these Financial Statements as the assets of the Company consist predominantly of securities that are readily realisable, and accordingly, the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

S. Gunson

FundRock Partners Limited

27 September 2024

Volare UCITS Portfolios

Statement of the ACD's Responsibilities For the year ended 31 May 2024

The Authorised Corporate Director ("ACD") of Volare UCITS Portfolios ("Company") is responsible for preparing the Annual Report and the Audited Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the FCA's Collective Investment Schemes Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare Financial Statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the "Statement of Recommended Practice: Financial Statements of UK Authorised Funds" issued by the Investment Association ("SORP") in May 2014 and amended in June 2017; and
- give a true and fair view of the financial position of the Company and each of its sub-funds as at the end of that year and the net revenue and the net capital gains on the property of the Company and each of its sub-funds for that year.

In preparing the Financial Statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the SORP have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the applicable SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the Audited Financial Statements were approved by the Board of Directors of the ACD of the Company and authorised for issue on 27 September 2024.

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Company for the year ended 31 May 2024

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (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 income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.

Citibank UK Limited, London

UK Trustee and Depositary Services

27 September 2024

Independent Auditor's Report to the Shareholders of the Company For the year ended 31 May 2024

Report on the audit of the financial statements

Opinion

In our opinion the Financial Statements of Volare UCITS Portfolios (the "Company"):

- give a true and fair view of the financial position of the Company and its funds as at 31 May 2024 and of the net revenue and the net capital gains on the property of the Company and its funds for the year ended 31 May 2024; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each fund:

- the statement of total return;
- the statement of change in net assets attributable to Shareholders;
- the balance sheet;
- the distribution tables; and
- the accounting policies and financial instruments (applicable to all sub funds) and individual notes.

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), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, as amended in June 2017, the Collective Investment Schemes Sourcebook 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's 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 Financial Reporting Council's (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 (ACD'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 ACD with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Shareholders of the Company (continued) For the year ended 31 May 2024

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 ACD 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.

Responsibilities of Depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the Company and the ACD 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 ACD 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 ACD 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 ACD either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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: 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 considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the ACD about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

Independent Auditor's Report to the Shareholders of the Company (continued) For the year ended 31 May 2024

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

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's obligations under The Open-Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. There is an incentive to report favourable results through manipulation of holdings and prices used in closing value of investments due to its significance to the net asset values of the sub-funds. In response we have assessed the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and Company's legal counsel concerning actual and potential instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Company and the funds have been kept and the Financial Statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the Annual Report for the year ended 31 May 2024 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the Financial Statements.

Independent Auditor's Report to the Shareholders of the Company (continued) For the year ended 31 May 2024

Use of our report

This report is made solely to the Company's Shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. 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 Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

Statutory Auditor
London, United Kingdom

27 September 2024

Accounting Policies and Financial Instruments For the year ended 31 May 2024

1 Accounting Basis And Policies

(a) Basis of accounting

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 "The Financial Reporting Standards Applicable in the UK and Republic of Ireland" and the "Statement of Recommended Practice: Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 and amended in June 2017.

As described in the Certification of Financial Statements by Directors of the ACD on page 5, the ACD continues to adopt the going concern basis in the preparation of the Financial Statements of the Company. The Company is able to meet all of its liabilities from its assets. The performance, marketability and risks of the Company are reviewed on a regular basis throughout the financial period. Therefore, the Directors of the ACD believe that the Company will continue in operational existence for a period of at least twelve months from the date of approval of the financial statements.

The preparation of Financial Statements in accordance with FRS 102 requires the ACD to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. As at 31 May 2024, there were no significant judgement or estimates involved in the determination of the values of assets and liabilities reported in these Financial Statements.

(b) Realised and unrealised gains and losses

Realised gains or losses have been calculated as the proceeds from disposal less book cost.

Unrealised gain/losses are calculated with reference to the original recorded value of the asset or liability, and only the element of gain/loss within the accounting period is recorded in the Financial Statements. All unrealised and realised gains are capital in nature and do not form part of the Fund's distributable income.

All foreign currency transactions are recorded using an exchange rate from the effective date of the transaction (e.g. the trade date of a trade, the ex-div date of a dividend, or the date of a currency disposal).

Central Securities Depositories Regulation (CSDR) entered into force in 2014 with an objective of improving securities settlements in the European Union. One of the cornerstones of the CSDR is the introduction of an obligation on Central Securities Depositories (CSDs) to impose cash penalties on participants to their securities settlement systems that cause settlement failures. The cash penalties may be accounted for as an expense or income (if the 3rd party was responsible for the failure of trade settlement). The CSDR penalties will be reimbursed by the Investment Manager as necessary to ensure that the Funds will not suffer undue costs.

(c) Recognition of revenue

Distributions from Collective Investment Schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting year, is recognised as revenue no later than the date on which the reporting fund makes this information available.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2024

1 Accounting Basis And Policies (continued)

(d) Treatment of stock and special dividends

The ordinary element of stock dividends received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

(e) Treatment of expenses

Expenses are recorded on an accrual basis but the Fund may incur additional allowable expenses which are charged as and when they are incurred.

Expenses of the Funds are charged against revenue (except for Volare Strategic Income Fund where all fees are charged to capital) except for costs associated with the purchase and sale of investment which are allocated to the capital of the Funds.

(f) Allocation of revenue and expenses to multiple Share Classes and Funds

Any revenue or expenses not directly attributable to a particular Share Class or Fund will normally be allocated pro-rata to the net assets of the relevant Share Classes and Funds.

(g) Taxation

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Corporation tax is provided for on realised gains on non-reporting offshore funds less deductible expenses.

Deferred tax is provided for on unrealised gains on non-reporting offshore funds less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(h) Distribution policy

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is deducted from capital.

In addition, the portfolio transaction charges will be charged wholly to the capital of the Fund. Accordingly, the imposition of such charges may constrain the capital growth of the Fund.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2024

1 Accounting Basis And Policies (continued)

(h) Distribution policy (continued)

The ACD has elected to pay all revenue less expenses charged to revenue and taxation as an annual distribution at the end of each annual accounting year, with the exception of Volare Strategic Income Fund which pays quarterly distributions.

Marginal tax relief for the expenses charges to capital is not taken into account when determining the amount available for distribution on the Funds.

(i) Basis of valuation of investments

Market value is defined by the SORP as fair value which is the bid value of each security.

Collective Investment Schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting year.

All investments are recognised and derecognised on trade date, and any trades that occur between valuation point and close of business are included in the Financial Statements.

Non-observable entity specific data is only used where relevant observable market data is not available. Typically this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close-ended funds and open-ended funds with restrictions on redemption rights.

(j) Exchange rates

Transactions in foreign currencies are recorded in Pound Sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting year are translated into Pound Sterling at the closing mid market exchange rates ruling on that date.

(k) Dilution Adjustment

The ACD may require a dilution adjustment 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. In particular, the dilution adjustment may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution adjustment.

(l) Equalisation

Equalisation applies only to Shares purchased during the distribution period (Group 2 Shares). It represents the accrued revenue included in the purchase price of the Shares.

After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the Shares for Capital Gains tax purposes.

(m) Derivatives

The Funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2024

1 Accounting Basis And Policies (continued)

(m) Derivatives (continued)

Where the transactions are used to protect or enhance capital, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the year end are included in the Balance Sheet at their mark to market value. There were no derivative transactions during the year.

(n) Financial instruments

The Sub-funds have classified their financial assets and liabilities based on the purpose for which they were acquired. Trade receivables are classified as financial assets at amortised cost and are initially recognised at transaction price. They are subsequently measured at their amortised cost using the effective interest method, less any allowance for credit losses. Cash and cash equivalents comprise cash at bank and in hand. Bank overdrafts, where applicable, are presented with loans and borrowings in current liabilities. Trade payables are classified as financial liabilities at amortised cost using the effective interest rate method. Borrowings are classified as financial liabilities at amortised cost and are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument.

Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Balance Sheet. For the purposes of each financial liability, interest expense includes initial transaction costs any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Sub-fund transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Sub-fund, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Derivatives and other financial instruments

Management of risk is a critical responsibility of the ACD in managing the Company.

The Funds for which FundRock Partners Limited acts as ACD are exposed to a wide range of risks. The purpose of the ACD's Risk Management Policy ("RMP") is to identify these risks and document the controls and processes in place to manage and mitigate these risks. The specific risks to the Funds are documented in sections (a) to (i) below and are reviewed on a regular basis.

In pursuing the investment objectives a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

The main risks from the Company's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed below:

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2024

2 Derivatives and other financial instruments (continued)

(a) Foreign currency risk

A significant portion of the Company's assets in which the Company invests may be denominated in a currency other than the base currency of the Company or Class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Shares of the relevant Fund are valued and priced.

The Company is not required to hedge its foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Company does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Company's assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Company in circumstances where no such hedging transactions are undertaken.

(b) Interest rate risk profile of financial assets and liabilities

The interest rate risk is the risk that the value of the Company's investments will fluctuate due to changes in the interest rate. Cashflows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the Company's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Company did not have any long term financial liabilities at the balance sheet date (2023: nil).

(c) Credit risk

Credit risk 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 and issuer risk.

The sub-funds enter into transactions in financial instruments which expose them to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

The credit risk in the sub-funds is limited to the cash and bank balances and debtors, these are held with counterparties with high credit-ratings assigned by credit-rating agencies.

(d) Liquidity risk

Subject to the Regulations, the Company may invest up to and including 10% of the Scheme Property of the Company in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Company's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent the Company invests in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2024

2 Derivatives and other financial instruments (continued)

(d) Liquidity risk (continued)

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Company's ability to purchase or sell such securities at a fair price may be impaired or delayed.

(e) Market price risk

The Company invests principally in equities. The value of these investments are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Manager seeks to minimise these risks by holding a diversified portfolio of equity in line with the Company's objectives. In addition, the management of the Company complies with the FCA's COLL sourcebook, which includes rules prohibiting a holding greater than 35% of assets in any one Fund.

(f) Counterparty risk

Transactions in securities entered into by the Company 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. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

(g) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot eliminate operational risks but, through the continual review and assessment of its control environment, by monitoring and responding to potential risks, they can be managed.

High level controls include effective segregation of duties, trade confirmation checking and reconciliation procedures, incident reporting and oversight of delegated functions.

(h) Leverage

In accordance with the SORP, as ACD we are required to disclose any leverage of the Fund. Leverage is defined as any method by which the Fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives and in accordance with the SORP commitment approach (CESR/10-788)) divided by the net asset value.

The Fund's exposure is defined with reference to the 'Commitment' method. Commitment method exposure is calculated as the sum of all positions of the Fund, after netting off derivative and security positions and is disclosed within the individual Funds' Financial Statements.

(i) 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.

Volare Adventurous Fund

Investment Manager's Report For the year ended 31 May 2024

Investment Objective

The Fund aims to achieve capital growth (the increase in value of investments) whilst operating within a volatility range (variance) of between 10% and 16% over rolling 5 year periods.

The Fund's primary objective is to control volatility (variance) and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility (variance).

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 100% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 20% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

Quarter 3 2023

The position in Fidelity Japan Index Fund was sold in favour of Legal & General Japan Index due to its lower cost, whilst Legal & General Global Equity Index was also introduced to help bring more passive equity exposure to the Fund.

Quarter 4 2023

The Fund's position in Liontrust Special Situations was sold, with the proceeds being directed towards Legal & General Global Equity Index, targeting large caps as well as continuing the trend of reducing UK exposure.

Also, positions in Legal & General US Index and Legal & General UK Global 100 Index were added to the Fund to help increase the overall passive exposure. Respectively, the position in Legal & General UK Global 100 Index would later be trimmed to help create liquidity following redemptions across the Fund.

WS Ruffer Diversified Return (previously known as LF Ruffer Diversified Return) was sold to help reduce the Fund's overall Absolute Return exposure. The Fund's position in Fidelity Global Divided was also sold, with a view to favour higher conviction selections across the Fund.

Quarter 1 2024

The Fund's position in LF Lindsell Train UK Equity was removed to help shift towards global equity allocations, respectively Lazard Global Equity Franchise was introduced to the Fund for its value characteristics. The position would later be trimmed to help create liquidity in the Fund.

Legal & General Japan Index was increased to help raise the overall exposure towards Japan given favorable valuations and economic reforms.

Volare Adventurous Fund

Investment Manager's Report (continued) For the year ended 31 May 2024

Investment Review (continued)

Quarter 2 2024

We continued the transition in the Fund with an aim to create a core-satellite approach. This involves creating an optimal blend of core quality funds, which are intended to be held over the long term, complimented by satellite ideas to take advantage of shorter term opportunities.

The Fund's position in AXA US Short Duration High Yield was sold to help reduce the Fixed Income exposure, with the proceeds from the sale being reallocated towards Harrington Cooper US All Cap Equity Fund and Brown Advisory Global Leaders. Allianz All China Equity Fund was also sold to lessen the geographical narrowness of the Asian equity allocation.

Market Overview

Resilient economic data, combined with increasing evidence that economies are taking higher interest rates in their stride drove the vast majority of equity markets upwards over the year, with the period in question proving a positive year for model portfolios. Whilst the picture differed slightly from region to region, a demonstration that inflation is continuing to move down to major central bank targets (Federal Reserve, Bank of England and the European Central Bank) also provided confidence to market participants that the rampant inflation concerns of 2022 are in the rear mirror.

Particularly strong markets over the year in focus were United States ("US") equities, with US technology firms in particular driven higher by names in the 'Magnificent 7' (Nvidia, Apple, Microsoft, Alphabet, Tesla, Amazon, Meta) which continue to dominate the market. This led to strong returns for US and Global facing names in the Fund. However, our 'quality' approach has led us to be generally underweight the magnificent seven names, and as such that will have added as a drag on performance versus the benchmark. Additionally, whilst it wasn't plain sailing, over the period in question equity markets in many other regions such as the United Kingdom ("UK") and Asia saw gains as concerns that economies would experience a deep recession faded. Our overweight to Asian equities versus the benchmark hindered performance over early part of the period in question, however in the last 3 months these have outperformed.

On the other hand, inflation proving stickier than hoped in 2024 did not help many fixed income strategies in the Fund, as yields moved higher over the period to factor in lower amounts of those previously mentioned major central bank interest-rate cuts. Generally the Fund is run with a lower duration versus the benchmark and therefore this was a positive.

Outlook

We have made a strategic shift towards a core-satellite approach. The core of the portfolio embodies several characteristics such as Emphasis on quality, Factor-aware equity allocation, Utilisation of best-in-class global funds, Balanced exposure across world equity markets, Uniformed to be held across all risk profiles and maintaining a relatively stable composition over time.

Complementing the core are satellite positions, which serve as avenues for thematic investment, short-term trading strategies or exposure to long-term megatrends such as artificial intelligence emerging market consumer trends and the energy transition. This hybrid portfolio approach combines both active and passive elements, allowing for style-agnostic diversification through passive market beta while leveraging active funds for high-conviction investment opportunities. This strategy aims to deliver tailored solutions that align with client objectives while optimising risk-adjusted returns.

Investment Manager's Report (continued) For the year ended 31 May 2024

Outlook (continued)

Quality investing still remains our key focus, seeking strong fundamentals such as low debt, wide profit margins, and significant pricing power. These types of companies are well-positioned to provide downside protection during market volatility, ensuring a smoothed return profile over the long term. Historical data shows that quality investing has outperformed over the long run. The current market dynamics, with elevated Price to Earnings ratios in the 'Magnificent 7', suggest that our focus on quality stocks trading at normal valuations presents attractive future returns.

Despite recent underperformance, Chinese equities are trading at historically cheap valuations and exhibit growth potential exceeding their Western counterparts. We expect that our exposure here will yield positive returns as economic conditions improve.

Commodities have shown strong performance, providing opportunities for diversification. Additionally, our holdings in Japanese equities have been top performers, demonstrating the effectiveness of our diversified approach.

Our strategic allocation has larger positions in US value, Europe, Asia, and emerging markets, which are expected to offer better long-term returns compared to US growth stocks. This diversified strategy is aligned with analyst consensus and historical trends.

Our global quality bias has been a significant contributor to performance, especially in recent quarters. This momentum is expected to continue, supporting our optimistic outlook for quality companies. As markets normalise, with inflation gradually decreasing and employment remaining strong, we believe investors will return to valuing fundamentals. This environment is likely to favour our quality-focused, conservative investment approach.

Investment Manager

LGT Wealth Management UK LLP
19 August 2024

Volare Adventurous Fund

Comparative Tables As at 31 May 2024

A Accumulation

| | 31/05/24 (p) | 31/05/23 (p) | 31/05/22 (p) |
|--|-----------------|-----------------|-----------------|
| Change in net assets per Share | | | |
| Opening net asset value per Share | 98.12 | 98.59 | 100.00 |
| Return before operating charges* | 12.54 | 0.59 | (0.19) |
| Operating charges | (1.03) | (1.06) | (1.22) |
| Return after operating charges* | 11.51 | (0.47) | (1.41) |
| Distributions | (0.74) | (0.80) | 0.00 |
| Retained distributions on accumulation | 0.74 | 0.80 | 0.00 |
| Closing net asset value per Share | 109.63 | 98.12 | 98.59 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 |
| Performance | | | |
| Return after operating charges | 11.73% | (0.48%) | (1.41%) |
| Other information | | | |
| Closing net asset value | £16,000,538 | £15,400,027 | £39,521,928 |
| Closing number of Shares | 14,595,502 | 15,694,668 | 40,085,171 |
| Operating charges | 1.00% | 1.09% | 1.25% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest Share price | 112.33 | 102.79 | 100.79 |
| Lowest Share price | 95.68 | 91.55 | 94.32 |

Highest and lowest Share prices are based on official published daily NAVs.

Volare Adventurous Fund

Performance Information

As at 31 May 2024

Operating Charges

| Date | AMC* (%) | Investment Manager subsidy (%) | Other expenses (%) | Transaction costs (%) | Operating Charges (%) | Synthetic expense ratio (%) | Total Operating Charges (%) |
|---------------|-------------|---|--------------------------|-----------------------------|-----------------------------|--------------------------------------|--------------------------------------|
| 31/05/24 | | | | | | | |
| Share Class A | 0.35 | (0.26) | 0.47 | 0.04 | 0.60 | 0.40 | 1.00 |
| 31/05/23 | | | | | | | |
| Share Class A | 0.35 | (0.13) | 0.34 | 0.04 | 0.60 | 0.49 | 1.09 |

* Annual Management Charge

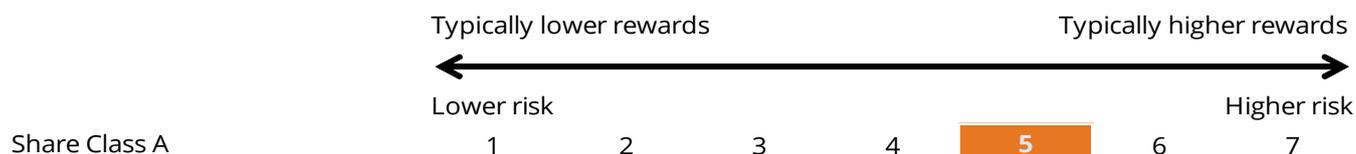
The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio. From November 2023, the Investment Association has updated guidance and all closed ended investments are to be excluded from the Fund's Synthetic expense ratio. As at the year end date, 31 May 2024, the Fund did not invest in any closed ended investments.

An Operating Charges cap of 0.60% for the A Accumulation Share class is currently in effect. This is excluding any impact from the Synthetic expense ratio. Investment Manager subsidy will be provided from the sponsor to ensure operating charge ratios do not exceed these limits.

Risk and Reward Profile

As at 31 May 2024



- The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a '5' on the scale. This is partly because the Fund invests in a mixture of investments, some of which have values that may fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Volare Adventurous Fund

Portfolio Statement As at 31 May 2024

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|---|-------------------|--------------------------|
| | Collective Investment Schemes 98.99% [93.93%] | | |
| 148 | Allianz All China Equity | 151,838 | 0.95 |
| 56,424 | BA Beutel Goodman US Value | 801,787 | 5.01 |
| 43,805 | Brown Advisory Global Leaders | 694,310 | 4.34 |
| 44,304 | Cohen & Steers SICAV Diversified Real Assets | 659,684 | 4.12 |
| 118,427 | Fundsmith Equity | 832,847 | 5.21 |
| 6,673 | Harrington Cooper Snyder US All Cap Equity | 869,384 | 5.43 |
| 468,186 | IFSL Evenlode Global Income | 800,692 | 5.00 |
| 162,745 | Impax Asian Environmental Markets | 149,726 | 0.94 |
| 5,235 | Lazard Global Equity Franchise | 660,605 | 4.13 |
| 114,249 | Lazard Global Listed Infrastructure Equity | 297,721 | 1.86 |
| 174,165 | Legal & General Global 100 Index | 672,451 | 4.20 |
| 1,043,087 | Legal & General Global Equity Index | 1,537,511 | 9.61 |
| 600,033 | Legal & General Global Technology Index | 934,251 | 5.84 |
| 337,380 | Legal & General International Index | 873,476 | 5.46 |
| 824,239 | Legal & General Japan Index | 728,545 | 4.55 |
| 176,093 | Legal & General Pacific Index | 418,573 | 2.62 |
| 103,407 | Legal & General UK 100 Index | 329,352 | 2.06 |
| 58,826 | Legal & General US Index | 652,385 | 4.08 |
| 14,799 | Morgan Stanley Asia Opportunity | 288,731 | 1.80 |
| 66,440 | Polar Capital Emerging Market Stars | 679,678 | 4.25 |
| 65,028 | Polar Capital Global Insurance | 814,440 | 5.09 |
| 34,764 | Stewart Investors Asia Pacific Leaders Sustainability | 356,100 | 2.23 |
| 5,229 | Vanguard Emerging Markets Stock Index | 808,447 | 5.05 |
| 1,996 | Vanguard Global Small Cap Index | 487,146 | 3.04 |
| 2,012 | Vanguard Pacific ex-Japan Stock Index | 339,546 | 2.12 |
| | | 15,839,226 | 98.99 |
| | Portfolio of investments | 15,839,226 | 98.99 |
| | Net other assets | 161,312 | 1.01 |
| | Net assets | 16,000,538 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

All investments are listed on an official stock exchange and/or traded on regulated markets unless otherwise stated.

Comparative figures shown above in square brackets relate to 31 May 2023.

Gross purchases for the year: £9,571,982 [2023: £34,688,408] (See Note 14).

Total sales net of transaction costs for the year: £9,891,997 [2023: £59,842,539] (See Note 14).

Volare Adventurous Fund

Statement of Total Return For the year ended 31 May 2024

| | Note | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|---|------|----------------------|------------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 1,499,081 | | (914,440) |
| Revenue | 3 | 190,974 | | 308,331 | |
| Expenses | 4 | (83,602) | | (110,353) | |
| Interest paid and similar charges | | - | | - | |
| Net revenue before taxation | | 107,372 | | 197,978 | |
| Taxation | 5 | - | | - | |
| Net revenue after taxation | | | 107,372 | | 197,978 |
| Total return before distributions | | | 1,606,453 | | (716,462) |
| Distributions | 6 | | (107,378) | | (197,969) |
| Change in net assets attributable to Shareholders from investment activities | | | 1,499,075 | | (914,431) |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2024

| | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | 15,400,027 | | 39,521,928 |
| Amounts received on issue of Shares | 2,577,323 | | 3,595,967 | |
| Less: Amounts paid on cancellation of Shares | (3,584,375) | | (26,928,743) | |
| | | (1,007,052) | | (23,332,776) |
| Change in net assets attributable to Shareholders from investment activities (see above) | | 1,499,075 | | (914,431) |
| Retained distribution on accumulation Shares | | 108,488 | | 125,306 |
| Closing net assets attributable to Shareholders | | 16,000,538 | | 15,400,027 |

Volare Adventurous Fund

Balance Sheet As at 31 May 2024

| | | 31/05/24 | | 31/05/23 | |
|--|------|----------|-------------------|-------------|-------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | | 15,839,226 | | 14,464,969 |
| Current assets: | | | | | |
| Debtors | 7 | 25,308 | | 201,132 | |
| Cash and bank balances | 8 | 161,969 | | 2,763,234 | |
| Total current assets | | | 187,277 | | 2,964,366 |
| Total assets | | | 16,026,503 | | 17,429,335 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Other creditors | 9 | (25,965) | | (2,029,308) | |
| Total creditors | | | (25,965) | | (2,029,308) |
| Total liabilities | | | (25,965) | | (2,029,308) |
| Net assets attributable to Shareholders | | | | | |
| | | | 16,000,538 | | 15,400,027 |

Volare Adventurous Fund

Notes to the Financial Statements For the year ended 31 May 2024

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 15.

| 2 Net capital gains/(losses) | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Net capital gains/(losses) during the year comprise | | |
| Currency gains/(losses) realised | - | (4,889) |
| Investment manager subsidy | 866 | 271 |
| Non-derivative securities gains/(losses) | 1,515,025 | (927,241) |
| Post merger cash transfer | (11,258) | 25,153 |
| Transaction charges | (5,552) | (7,734) |
| Total net capital gains/(losses) | 1,499,081 | (914,440) |

| 3 Revenue | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Bank interest | 11,727 | 6,839 |
| Franked dividends from Collective Investment Schemes | 94,433 | 171,299 |
| Interest income from Collective Investment Schemes | 19,703 | 6,503 |
| Offshore funds dividends | 65,111 | 123,690 |
| Total revenue | 190,974 | 308,331 |

| 4 Expenses | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 51,622 | 70,113 |
| Fund accounting fees | 18,772 | 18,225 |
| Investment manager subsidy | (36,778) | (25,908) |
| Registration fees | 16,089 | 21,895 |
| | 49,705 | 84,325 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 14,400 | 13,466 |
| Safe custody fees | 676 | 134 |
| | 15,076 | 13,600 |
| Other expenses | | |
| Audit fees* | 10,980 | 10,471 |
| EMX/Calastone fees | 2,679 | 1,421 |
| FCA fees | 43 | 110 |
| General expenses | 4,695 | - |
| LEI licence fees | 124 | 126 |
| Printing, postage, stationery and typesetting costs | 300 | 300 |
| | 18,821 | 12,428 |
| Total expenses | 83,602 | 110,353 |

* Audit fees of £9,150 + VAT have been charged in the current year (2023: £8,725 + VAT).

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 5 Taxation | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| (a) Analysis of the tax charge in the year | | |
| Corporation tax | - | - |
| Total current tax charge (Note 5 (b)) | - | - |
| Deferred tax (Note 5 (c)) | - | - |
| Total taxation for the year | - | - |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2023: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Net revenue before taxation | 107,372 | 197,978 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 21,474 | 39,596 |
| Effects of: | | |
| Income in capital | 173 | 54 |
| Movement in excess management expenses | 10,261 | 19,348 |
| Revenue not subject to corporation tax | (31,908) | (58,998) |
| Total tax charge for the year | - | - |

OEIC's are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the balance sheet date in the current year or prior year.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £35,426 (2023: £25,165*) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

* Restated Prior year potential deferred tax asset figure to accurately reflect the prior year Company Tax Return form CT600.

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

6 Finance costs

Distributions

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Final | 108,489 | 125,306 |
| Add: Revenue paid on cancellation of Shares | 13,892 | 102,913 |
| Deduct: Revenue received on issue of Shares | (15,003) | (30,250) |
| Net distribution for the year | 107,378 | 197,969 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|----------------|----------------|
| Net revenue after taxation | 107,372 | 197,978 |
| Net movement in revenue account | 6 | (9) |
| Net distribution for the year | 107,378 | 197,969 |

Details of the distributions per Share are set out in the distribution table on page 34.

7 Debtors

| | 31/05/24 | 31/05/23 |
|---|---------------|----------------|
| | £ | £ |
| Accrued bank interest | 1,585 | 2,005 |
| Amounts receivable for creation of Shares | 5,003 | 1,147 |
| Investment manager subsidy | 18,720 | 22,741 |
| Sales awaiting settlement | - | 175,239 |
| Total debtors | 25,308 | 201,132 |

8 Cash and bank balances

| | 31/05/24 | 31/05/23 |
|-------------------------------------|----------------|------------------|
| | £ | £ |
| Cash and bank balances | 161,969 | 2,763,234 |
| Total cash and bank balances | 161,969 | 2,763,234 |

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 9 Creditors | 31/05/24 | 31/05/23 |
|--|-----------------|------------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 211 | 13,349 |
| Purchases awaiting settlement | - | 1,979,821 |
| | 211 | 1,993,170 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fees | 4,744 | 4,617 |
| Fund accounting fees | 1,592 | 1,545 |
| Registration fees | 2,839 | 11,558 |
| | 9,175 | 17,720 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 5,094 | 5,054 |
| Safe custody fees | 61 | 271 |
| Transaction charges | 435 | 2,604 |
| | 5,590 | 7,929 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 10,980 | 10,470 |
| FCA fees | 9 | 19 |
| | 10,989 | 10,489 |
| Total creditors | 25,965 | 2,029,308 |

10 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

All other amounts received or paid by the related parties together with the outstanding balances are disclosed within the individual Funds' Financial Statements.

Significant Shareholdings

FundRock Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that the Fund's Shares in issue are not under the control of a single investor/nominee and its related parties for the current and prior year.

11 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|--------------------|----------|
| A Accumulation | 0.35 |

Each Share Class has equal rights in the event of the wind up of any Fund.

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

11 Share Classes (continued)

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/23 | Issued | Cancelled | Converted | 31/05/24 |
|----------------|------------|-----------|-------------|-----------|------------|
| A Accumulation | 15,694,668 | 2,408,870 | (3,508,036) | - | 14,595,502 |

12 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: Nil).

13 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets | | Total |
|--|-----------------------------|------------------------|-------------------|
| | Monetary exposures | Non-monetary exposures | |
| | £ | £ | |
| 31/05/24 | | | |
| Euro | 11 | - | 11 |
| Total foreign currency exposure | 11 | - | 11 |
| Pound Sterling | 161,302 | 15,839,225 | 16,000,527 |
| Total net assets | 161,313 | 15,839,225 | 16,000,538 |
| 31/05/23 | | | |
| Euro | 11 | - | 11 |
| Total foreign currency exposure | 11 | - | 11 |
| Pound Sterling | 935,048 | 14,464,968 | 15,400,016 |
| Total net assets | 935,059 | 14,464,968 | 15,400,027 |

Investments, other than those in debt securities, are classified as Non-Monetary exposure as their value is not static in nature and can fluctuate.

Monetary exposure includes items which are static in value, such as cash, bank deposits, trade receivables and other receivables settling in cash, and investments in debt securities.

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £1 (2023: £1). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £1 (2023: £1). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)
For the year ended 31 May 2024

13 Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets | Financial assets not carrying interest | Total |
|------------------------|---------------------------------------|---|-------------------|
| | £ | £ | £ |
| 31/05/24 | | | |
| Euro | 11 | - | 11 |
| Pound Sterling | 161,958 | 15,864,534 | 16,026,492 |
| Total | 161,969 | 15,864,534 | 16,026,503 |
| 31/05/23 | | | |
| Euro | 11 | - | 11 |
| Pound Sterling | 2,763,223 | 14,666,101 | 17,429,324 |
| Total | 2,763,234 | 14,666,101 | 17,429,335 |

| Currency Liabilities | Floating rate financial liabilities | Financial liabilities not carrying interest | Total |
|-----------------------------|--|--|------------------|
| | £ | £ | £ |
| 31/05/24 | | | |
| Pound Sterling | - | 25,965 | 25,965 |
| Total | - | 25,965 | 25,965 |
| 31/05/23 | | | |
| Pound Sterling | - | 2,029,308 | 2,029,308 |
| Total | - | 2,029,308 | 2,029,308 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase | Decrease |
|------|-----------------|-----------------|
| | £ | £ |
| 2024 | 1,583,923 | 1,583,923 |
| 2023 | 1,446,497 | 1,446,497 |

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

13 Derivatives and other financial instruments (continued)

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2024 (2023: no significant leverage), other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

| 14 Portfolio transaction costs | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|--|-------------------------|------------------|-------------------------|-------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs | | | | |
| Collective Investment Schemes | | 9,571,982 | | 34,688,408 |
| | | 9,571,982 | | 34,688,408 |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | | 9,571,982 | | 34,688,408 |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs | | | | |
| Collective Investment Schemes | | 9,891,997 | | 59,842,539 |
| | | 9,891,997 | | 59,842,539 |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | | 9,891,997 | | 59,842,539 |

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Volare Adventurous Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

14 Portfolio transaction costs (continued)

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|---------------------------------|---------------------------------|
| | % | % |
| Transaction costs as percentage of principal amounts | | |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
| | % | % |
| Transaction costs as percentage of average net asset value | | |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

16 Fair value disclosure

| | 31/05/24 | | 31/05/23 | |
|--|-------------------|--------------------|-------------------|--------------------|
| Valuation technique | Assets | Liabilities | Assets | Liabilities |
| | £ | £ | £ | £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | - | - | - | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 15,839,226 | - | 14,464,969 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 15,839,226 | - | 14,464,969 | - |

* The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Adventurous Fund

Distribution Table

As at 31 May 2024

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2023

Group 2 Shares purchased on or after 1 June 2023 to 31 May 2024

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/24 (p) | Distribution paid 31/07/23 (p) |
|-----------------------------------|-----------------------|---------------------|--|---|
| Share Class A Accumulation | | | | |
| Group 1 | 0.7433 | - | 0.7433 | 0.7984 |
| Group 2 | 0.1365 | 0.6068 | 0.7433 | 0.7984 |

Volare Balanced Fund

Investment Manager's Report For the year ended 31 May 2024

Investment Objective

The Fund aims to achieve capital growth (the increase in value of investments) whilst operating within a volatility range (variance) of between 5% and 9% over rolling 5 year periods.

The Fund's primary objective is to control volatility (variance) and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility (variance).

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 75% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 60% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

Quarter 3 2023

The Fund's position in Liontrust Special Situations was partially sold to help reduce the Fund's sensitivity to the United Kingdom ("UK") economy. The position in Allianz UK Strategic Bond was also sold, as increased interest rates meant the need for active long-duration bond fund management was reduced. A position in Vontobel Twenty-Four Sustainable Short Term Bond was introduced for its low volatility and duration (interest rate sensitivity).

Also, we increased the Fund's position in the Federated Hermes Cash Plus Fund following ongoing concerns around rising interest rates. Finally, we sold the Fund's position in Morgan Stanley Global Brands Fund with the proceeds being applied towards higher conviction global equity opportunities.

Quarter 4 2023

Positions in Liontrust Special Situations and Legal & General UK Index were sold, to continue the trend of reducing UK exposure across the Fund. The proceeds from the sales were redirected towards global equities such as Harrington Cooper US All Cap Equity Fund to help increase the Fund's overall global exposure. The position in Jupiter Strategic Bond was also sold due to higher interest rates favoring passive strategies.

The Fund's position in ES Alliance Bernstein Sustainable US Equity Fund was sold to help reduce the Fund's active United States ("US") Equity exposure at the time, whilst a position in Vanguard Global Bond Index was added to the Fund for its attractive yields. Legal & General US Index and Legal & General UK 100 Index was also added to help increase the Fund's overall passive exposure.

Volare Balanced Fund

Investment Manager's Report (continued) For the year ended 31 May 2024

Investment Review (continued)

Quarter 1 2024

The Fund's position in LF Lindsell Train UK Equity was removed to shift towards global equity allocations. Positions in Fundsmith Equity and Lazard Global Equity Franchise Fund were added to the Fund for their quality growth and value characteristics. Respectively, Lazard Global Equity Franchise would later be trimmed to help raise liquidity across the Fund). We reduced the Fund's overall exposure in WS Ruffer Diversified Return (previously known as LF Ruffer Diversified Return) due to a reduced demand for protective strategies.

Quarter 2 2024

We continued the transition in the Fund with an aim to create a core-satellite approach. This involves creating an optimal blend of core quality funds, which are intended to be held over the long term, complimented by satellite ideas to take advantage of shorter term opportunities.

The position in Vanguard Global Short Term Bond Index was sold to help increase duration in anticipation of upcoming major central bank interest rate cuts. The proceeds from the sale have been reallocated towards AXA US Short Duration High Yield Bond Fund. Despite being increased throughout the year, the position in Fidelity Global Dividend Fund was partially sold due to an overlap with other global quality funds, favoring Brown Advisory Global Leaders. Legal & General Global Inflation Linked Bond and Federated Hermes Cash Plus Fund were also reduced to help create liquidity across the Fund, whilst the position in Morgan Stanley Asia Opportunity was sold to help to reduce the Fund's overall Asia exposure.

Market Overview

Resilient economic data, combined with increasing evidence that economies are taking higher interest rates in their stride drove the vast majority of equity markets upwards over the year, with the period in question proving a positive year for model portfolios. Whilst the picture differed slightly from region to region, a demonstration that inflation is continuing to move down to major central bank targets (Federal Reserve, Bank of England and the European Central Bank) also provided confidence to market participants that the rampant inflation concerns of 2022 are in the rear mirror.

Particularly strong markets over the year in focus were US equities, with US technology firms in particular driven higher by names in the 'Magnificent 7' (Nvidia, Apple, Microsoft, Alphabet, Tesla, Amazon, Meta) which continue to dominate the market. This led to strong returns for US and Global facing names in the Fund. However, our 'quality' approach has led us to be generally underweight the magnificent seven names, and as such that will have added as a drag on performance versus the benchmark. Additionally, whilst it wasn't plain sailing, over the period in question equity markets in many other regions such as the UK and Asia saw gains as concerns that economies would experience a deep recession faded. Our overweight to Asian equities versus the benchmark hindered performance over early part of the period in question, however in the last 3 months these have outperformed.

On the other hand, inflation proving stickier than hoped in 2024 did not help many fixed income strategies in the Fund, as yields moved higher over the period to factor in lower amounts of those previously mentioned major central bank interest-rate cuts. Generally the Fund is run with a lower duration versus the benchmark and therefore this was a positive.

Outlook

We have made a strategic shift towards a core-satellite approach. The core of the portfolio embodies several characteristics such as emphasis on quality, factor-aware equity allocation, utilisation of best-in-class global funds, balanced exposure across world equity markets, uniformed to be held across all risk profiles and maintaining a relatively stable composition over time.

Investment Manager's Report (continued) For the year ended 31 May 2024

Outlook (continued)

Complementing the core are satellite positions, which serve as avenues for thematic investment, short-term trading strategies or exposure to long-term megatrends such as artificial intelligence emerging market consumer trends and the energy transition. This hybrid portfolio approach combines both active and passive elements, allowing for style-agnostic diversification through passive market beta while leveraging active funds for high-conviction investment opportunities. This strategy aims to deliver tailored solutions that align with client objectives while optimising risk-adjusted returns.

Quality investing still remains our key focus, seeking strong fundamentals such as low debt, wide profit margins, and significant pricing power. These types of companies are well-positioned to provide downside protection during market volatility, ensuring a smoothed return profile over the long term. Historical data shows that quality investing has outperformed over the long run. The current market dynamics, with elevated price to earnings ratios in the 'Magnificent 7', suggest that our focus on quality stocks trading at normal valuations presents attractive future returns.

Despite recent underperformance, Chinese equities are trading at historically cheap valuations and exhibit growth potential exceeding their Western counterparts. We expect that our exposure here will yield positive returns as economic conditions improve.

Commodities have shown strong performance, providing opportunities for diversification. Additionally, our holdings in Japanese equities have been top performers, demonstrating the effectiveness of our diversified approach.

Our strategic allocation has larger positions in US value, Europe, Asia, and emerging markets, which are expected to offer better long-term returns compared to US growth stocks. This diversified strategy is aligned with analyst consensus and historical trends.

Our global quality bias has been a significant contributor to performance, especially in recent quarters. This momentum is expected to continue, supporting our optimistic outlook for quality companies. As markets normalise, with inflation gradually decreasing and employment remaining strong, we believe investors will return to valuing fundamentals. This environment is likely to favour our quality-focused, conservative investment approach.

Investment Manager

LGT Wealth Management UK LLP
19 August 2024

Volare Balanced Fund

Comparative Tables

As at 31 May 2024

| | A Accumulation | | | Z Accumulation | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31/05/24 (p) | 31/05/23 (p) | 31/05/22 (p) | 31/05/24 (p) | 31/05/23 (p) | 31/05/22 (p) |
| Change in net assets per Share | | | | | | |
| Opening net asset value per Share | 117.46 | 117.47 | 123.73 | 113.92 | 113.52 | 119.19 |
| Return before operating charges* | 8.88 | 1.07 | (4.82) | 8.63 | 1.10 | (4.71) |
| Operating charges | (1.08) | (1.08) | (1.44) | (0.64) | (0.70) | (0.96) |
| Return after operating charges* | 7.80 | (0.01) | (6.26) | 7.99 | 0.40 | (5.67) |
| Distributions | (1.44) | (1.20) | (0.69) | (2.06) | (1.57) | (1.04) |
| Retained distributions on accumulation | 1.44 | 1.20 | 0.69 | 2.06 | 1.57 | 1.04 |
| Closing net asset value per Share | 125.26 | 117.46 | 117.47 | 121.91 | 113.92 | 113.52 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Performance | | | | | | |
| Return after operating charges | 6.64% | (0.01%) | (5.06%) | 7.01% | 0.35% | (4.76%) |
| Other information | | | | | | |
| Closing net asset value | £53,376,420 | £75,778,615 | £88,042,468 | £21,470,682 | £13,303,045 | £11,426,438 |
| Closing number of Shares | 42,612,151 | 64,511,750 | 74,951,765 | 17,612,615 | 11,677,655 | 10,065,532 |
| Operating charges | 0.90% | 0.95% | 1.15% | 0.55% | 0.60% | 0.80% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | | | |
| Highest Share price | 127.80 | 117.52 | 131.75 | 124.36 | 121.31 | 127.09 |
| Lowest Share price | 114.72 | 107.52 | 114.25 | 111.42 | 111.24 | 110.40 |

Highest and lowest Share prices are based on official published daily NAVs.

Volare Balanced Fund

Performance Information As at 31 May 2024

Operating Charges

| | AMC* (%) | Other expenses (%) | Transaction costs (%) | Operating Charges (%) | Synthetic expense ratio (%) | Total Operating Charges (%) |
|---------------|-------------|--------------------------|-----------------------------|-----------------------------|--------------------------------------|--------------------------------------|
| 31/05/24 | | | | | | |
| Share Class A | 0.35 | 0.17 | 0.01 | 0.53 | 0.37 | 0.90 |
| Share Class Z | 0.00 | 0.17 | 0.01 | 0.18 | 0.37 | 0.55 |
| 31/05/23 | | | | | | |
| Share Class A | 0.35 | 0.14 | 0.01 | 0.50 | 0.45 | 0.95 |
| Share Class Z | 0.00 | 0.14 | 0.01 | 0.15 | 0.45 | 0.60 |

* Annual Management Charge

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio. From November 2023, the Investment Association has updated guidance and all closed ended investments are to be excluded from the Fund's Synthetic expense ratio. As at the year end date, 31 May 2024, the Fund did not invest in any closed ended investments.

An Operating Charges cap of 0.60% for the A Accumulation Share class and 0.25% for the Z Accumulation Share class is currently in effect. This is excluding any impact from the Synthetic expense ratio. Investment Manager subsidy will be provided from the sponsor to ensure operating charge ratios do not exceed these limits.

Risk and Reward Profile As at 31 May 2024

| | Typically lower rewards | | | Typically higher rewards | | | |
|---------------|-------------------------|---|---|--------------------------|---|---|-------------|
| | ←—————→ | | | | | | |
| | Lower risk | | | | | | Higher risk |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share Class Z | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a '4' on the scale. This is partly because the Fund invests in a mixture of investments, some of which have values that may fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Volare Balanced Fund

Portfolio Statement As at 31 May 2024

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|---|-------------------|--------------------------|
| Collective Investment Schemes 91.08% [88.45%] | | | |
| 2,608,223 | AXA US Short Duration High Yield | 4,196,631 | 5.60 |
| 115,440 | BA Beutel Goodman US Value | 1,640,404 | 2.19 |
| 110,689 | Brown Advisory Global Leaders | 1,754,428 | 2.34 |
| 22,514 | CG Absolute Return | 3,049,458 | 4.07 |
| 116,633 | Cohen & Steers SICAV Diversified Real Assets | 1,736,664 | 2.32 |
| 15,701 | Federated Hermes Sterling Cash Plus | 1,820,181 | 2.43 |
| 1,335,796 | Fidelity Global Dividend | 1,644,364 | 2.20 |
| 371,597 | Fundsmith Equity | 2,613,295 | 3.49 |
| 14,577 | Harrington Cooper US All Cap Equity | 1,899,123 | 2.54 |
| 2,311,238 | IFSL Evenlode Global Income | 3,952,680 | 5.28 |
| 28,198 | Lazard Global Equity Franchise | 3,558,573 | 4.75 |
| 2,583,392 | Legal & General Global Inflation Linked Bond Index | 1,549,518 | 2.07 |
| 3,073,190 | Legal & General International Index | 7,956,488 | 10.63 |
| 2,625,823 | Legal & General Japan Index | 2,320,965 | 3.10 |
| 613,017 | Legal & General Pacific Index | 1,457,142 | 1.95 |
| 1,155,956 | Legal & General UK 100 Index | 3,681,721 | 4.92 |
| 221,850 | Legal & General US Index | 2,460,319 | 3.29 |
| 15,000 | Morgan Stanley Asia Opportunity USD | 360,439 | 0.48 |
| 59,760 | Morgan Stanley Global Brands | 1,020,709 | 1.36 |
| 28,744 | Muzinich Global Tactical Credit | 2,954,352 | 3.95 |
| 146,542 | Stewart Investors Asia Pacific Leaders Sustainability | 1,501,085 | 2.01 |
| 2,590,868 | Trojan | 3,470,467 | 4.64 |
| 9,981 | Vanguard Emerging Markets Stock Index | 1,543,144 | 2.06 |
| 46,626 | Vanguard Global Bond Index | 5,072,440 | 6.78 |
| 9,441 | Vanguard Pacific Ex-Japan Stock Index | 1,592,806 | 2.13 |
| 16,560 | Vontobel Fund TwentyFour Sustainable Short Term Bond Income | 1,753,392 | 2.34 |
| 1,582,678 | WS Ruffer Diversified Return | 1,613,224 | 2.16 |
| | | 68,174,012 | 91.08 |
| Fixed Interest 9.00% [2.97%] | | | |
| £4,830,000 | UK Treasury GILT 0.875% 31/07/2033 | 3,605,967 | 4.82 |
| £6,555,000 | UK Treasury GILT 1.5% 22/07/2026 | 3,126,319 | 4.18 |
| | | 6,732,286 | 9.00 |
| Portfolio of investments | | 74,906,298 | 100.08 |
| Net other liabilities | | (59,196) | (0.08) |
| Net assets | | 74,847,102 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

All investments are listed on an official stock exchange and/or traded on regulated markets unless otherwise stated.

Comparative figures shown above in square brackets relate to 31 May 2023.

Gross purchases for the year: £68,624,453 [2023: £51,364,767] (See Note 15).

Total sales net of transaction costs for the year: £80,634,623 [2023: £64,358,693] (See Note 15).

Volare Balanced Fund

Statement of Total Return For the year ended 31 May 2024

| | Note | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|---|------|----------------------|------------------|----------------------|--------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 3,998,232 | | (1,176,656) |
| Revenue | 3 | 1,711,562 | | 1,460,575 | |
| Expenses | 4 | (364,379) | | (399,801) | |
| Interest paid and similar charges | | - | | - | |
| Net revenue before taxation | | 1,347,183 | | 1,060,774 | |
| Taxation | 5 | (130,459) | | (76,382) | |
| Net revenue after taxation | | | 1,216,724 | | 984,392 |
| Total return before distributions | | | 5,214,956 | | (192,264) |
| Distributions | 6 | | (1,216,741) | | (984,348) |
| Change in net assets attributable to Shareholders from investment activities | | | 3,998,215 | | (1,176,612) |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2024

| | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | 89,081,660 | | 99,468,906 |
| Amounts received on issue of Shares | 29,142,893 | | 10,423,095 | |
| Less: Amounts paid on cancellation of Shares | (48,351,419) | | (20,588,065) | |
| | | (19,208,526) | | (10,164,970) |
| Dilution adjustment charged | | 146 | | - |
| Change in net assets attributable to Shareholders from investment activities (see above) | | 3,998,215 | | (1,176,612) |
| Retained distribution on accumulation Shares | | 975,607 | | 954,336 |
| Closing net assets attributable to Shareholders | | 74,847,102 | | 89,081,660 |

Volare Balanced Fund

Balance Sheet As at 31 May 2024

| | | 31/05/24 | | 31/05/23 | |
|--|------|-----------|-------------------|--------------|-------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | | 74,906,298 | | 81,438,487 |
| Current assets: | | | | | |
| Debtors | 7 | 123,435 | | 11,903,365 | |
| Cash and bank balances | 8 | 770,252 | | 11,280,630 | |
| Total current assets | | | 893,687 | | 23,183,995 |
| Total assets | | | 75,799,985 | | 104,622,482 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Bank overdrafts | 10 | (555,885) | | - | |
| Other creditors | 9 | (396,998) | | (15,540,822) | |
| Total creditors | | | (952,883) | | (15,540,822) |
| Total liabilities | | | (952,883) | | (15,540,822) |
| Net assets attributable to Shareholders | | | | | |
| | | | 74,847,102 | | 89,081,660 |

Volare Balanced Fund

Notes to the Financial Statements For the year ended 31 May 2024

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 15.

| 2 Net capital gains/(losses) | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Net capital gains/(losses) during the year comprise | | |
| Currency losses realised | (10,604) | (3,184) |
| Non-derivative securities gains/(losses) | 4,015,418 | (1,166,965) |
| Transaction charges | (9,688) | (6,507) |
| Post merger cash transfer | 3,106 | - |
| Total net capital gains/(losses) | 3,998,232 | (1,176,656) |
| 3 Revenue | | |
| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
| | £ | £ |
| Bank interest | 111,455 | 38,475 |
| Franked dividends from Collective Investment Schemes | 605,683 | 593,558 |
| Interest from Debt Securities | 290,651 | 1,124 |
| Interest income from Collective Investment Schemes | 339,631 | 544,559 |
| Offshore funds dividends | 89,203 | 84,697 |
| Offshore funds interest | 274,939 | 198,162 |
| Total revenue | 1,711,562 | 1,460,575 |
| 4 Expenses | | |
| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 231,347 | 285,379 |
| Fund accounting fees | 20,279 | 22,860 |
| Registration fees | 53,343 | 47,254 |
| | 304,969 | 355,493 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 24,440 | 27,340 |
| Safe custody fees | 3,668 | (6,687) |
| | 28,108 | 20,653 |
| Other expenses | | |
| Audit fees* | 10,980 | 10,470 |
| EMX/Calastone fees | 12,541 | 10,550 |
| FCA fees | 43 | 110 |
| General expenses | 4,442 | 1,163 |
| Legal fees | 2,572 | 744 |
| LEI licence fee | 124 | 18 |
| Printing, postage, stationery and typesetting costs | 600 | 600 |
| | 31,302 | 23,655 |
| Total expenses | 364,379 | 399,801 |

* Audit fees of £9,150 + VAT have been charged in the current year (2023: £8,725 + VAT).

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 5 Taxation | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| (a) Analysis of the tax charge in the year | | |
| Corporation tax | 130,459 | 76,382 |
| Total current tax charge (Note 5 (b)) | 130,459 | 76,382 |
| Deferred tax (Note 5 (c)) | - | - |
| Total taxation for the year | 130,459 | 76,382 |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2023: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Net revenue before taxation | 1,347,183 | 1,060,774 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 269,437 | 212,155 |
| Effects of: | | |
| Income tax written off | - | (122) |
| Revenue not subject to corporation tax | (138,978) | (135,651) |
| Total tax charge for the year | 130,459 | 76,382 |

OEIC's are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the balance sheet date in the current year or prior year.

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

6 Finance costs

Distributions

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Final | 975,607 | 954,336 |
| Add: Revenue paid on cancellation of Shares | 404,762 | 127,611 |
| Deduct: Revenue received on issue of Shares | (163,628) | (97,599) |
| Net distribution for the year | 1,216,741 | 984,348 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|------------------|----------------|
| Net revenue after taxation | 1,216,724 | 984,392 |
| Net movement in revenue account | 17 | (44) |
| Net distribution for the year | 1,216,741 | 984,348 |

Details of the distributions per Share are set out in the distribution table on page 51.

7 Debtors

| | 31/05/24 | 31/05/23 |
|---|----------------|-------------------|
| | £ | £ |
| Accrued bank interest | 5,301 | 7,196 |
| Accrued revenue | 41,627 | 22,667 |
| Amounts receivable for creation of Shares | 76,507 | 392,348 |
| Sales awaiting settlement | - | 11,481,154 |
| Total debtors | 123,435 | 11,903,365 |

8 Cash and bank balances

| | 31/05/24 | 31/05/23 |
|-------------------------------------|----------------|-------------------|
| | £ | £ |
| Cash and bank balances | 770,252 | 11,280,630 |
| Total cash and bank balances | 770,252 | 11,280,630 |

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 9 Creditors | 31/05/24 | 31/05/23 |
|--|-----------------|-------------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 219,678 | 560,557 |
| Corporation tax payable | 130,459 | 76,504 |
| Purchases awaiting settlement | - | 14,831,968 |
| | 350,137 | 15,469,029 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fees | 16,346 | 23,149 |
| Fund accounting fees | 1,629 | 1,923 |
| Registration fees | 8,862 | 23,278 |
| | 26,837 | 48,350 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 8,001 | 8,827 |
| Safe custody fees | 301 | 1,483 |
| Transaction charges | 733 | 2,644 |
| | 9,035 | 12,954 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 10,980 | 10,470 |
| FCA fees | 9 | 19 |
| | 10,989 | 10,489 |
| Total creditors | 396,998 | 15,540,822 |
| 10 Bank overdrafts | 31/05/24 | 31/05/23 |
| | £ | £ |
| Bank overdrafts | 555,885 | - |
| Total bank overdrafts | 555,885 | - |

11 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

Significant Shareholdings

FundRock Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that 31.41% (2023: Nil) of the Fund's Shares in issue are under the control of a single nominee and its related parties for the current year.

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

12 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|----------------|------|
| A Accumulation | 0.35 |
| Z Accumulation | 0.00 |

Each Share Class has equal rights in the event of the wind up of any Fund.

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/23 | Issued | Cancelled | Converted | 31/05/24 |
|----------------|------------|------------|--------------|-----------|------------|
| A Accumulation | 64,511,750 | 14,544,605 | (36,444,204) | - | 42,612,151 |
| Z Accumulation | 11,677,655 | 9,668,808 | (3,733,847) | - | 17,612,616 |

13 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: Nil).

14 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|------------------------|-------------------|
| | Monetary exposures | Non-monetary exposures | Total |
| | £ | £ | £ |
| 31/05/24 | | | |
| US Dollar | 770,252 | 360,438 | 1,130,690 |
| Total foreign currency exposure | 770,252 | 360,438 | 1,130,690 |
| Pound Sterling | (829,448) | 74,545,860 | 73,716,412 |
| Total net assets | (59,196) | 74,906,298 | 74,847,102 |
| 31/05/23 | | | |
| US Dollar | 496,975 | 1,191,066 | 1,688,041 |
| Total foreign currency exposure | 496,975 | 1,191,066 | 1,688,041 |
| Pound Sterling | 7,146,196 | 80,247,421 | 87,393,617 |
| Total net assets | 7,643,171 | 81,438,487 | 89,081,658 |

Investments, other than those in debt securities, are classified as Non-Monetary exposure as their value is not static in nature and can fluctuate.

Monetary exposure includes items which are static in value, such as cash, bank deposits, trade receivables and other receivables settling in cash, and investments in debt securities.

Notes to the Financial Statements (continued) For the year ended 31 May 2024

14 Derivatives and other financial instruments (continued)

(a) Foreign currency risk (continued)

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £102,790 (2023: £153,458). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £125,632 (2023: £187,560). These calculations assume all other variables remain constant.

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|----------------------|-------------------------------------|----------------------------------|---|--------------------|
| | £ | £ | £ | £ |
| 31/05/24 | | | | |
| Pound Sterling | - | 6,732,286 | 67,937,009 | 74,669,295 |
| US Dollar | 770,252 | - | 360,438 | 1,130,690 |
| Total | 770,252 | 6,732,286 | 68,297,447 | 75,799,985 |
| 31/05/23 | | | | |
| Pound Sterling | 10,783,655 | - | 92,150,785 | 102,934,440 |
| US Dollar | 496,975 | - | 1,191,067 | 1,688,042 |
| Total | 11,280,630 | - | 93,341,852 | 104,622,482 |
| Currency Liabilities | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
| | £ | £ | £ | £ |
| 31/05/24 | | | | |
| Pound Sterling | 555,885 | - | 396,998 | 952,883 |
| Total | 555,885 | - | 396,998 | 952,883 |
| 31/05/23 | | | | |
| Pound Sterling | - | - | 15,540,822 | 15,540,822 |
| Total | - | - | 15,540,822 | 15,540,822 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued) For the year ended 31 May 2024

13 Derivatives and other financial instruments (continued)

(c) Market Risk (continued)

| | Increase £ | Decrease £ |
|------|---------------|---------------|
| 2024 | 7,490,630 | 7,490,630 |
| 2023 | 8,143,849 | 8,143,849 |

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2024 (2023: no significant leverage), other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

15 Portfolio transaction costs

| | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|---|-------------------------|-------------------|-------------------------|-------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs: | | | | |
| Collective Investment Schemes | | 64,602,129 | | 48,751,002 |
| Bonds | | 4,022,324 | | 2,613,765 |
| | | 68,624,453 | | 51,364,767 |
| Commissions - Collective Investment Schemes | - | | - | |
| Commissions - Bonds | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Fees - Bonds | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | | 68,624,453 | | 51,364,767 |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs: | | | | |
| Collective Investment Schemes | | 80,634,623 | | 64,358,693 |
| | | 80,634,623 | | 64,358,693 |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | | 80,634,623 | | 64,358,693 |

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

Volare Balanced Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

15 Portfolio transaction costs (continued)

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| Transaction costs as percentage of principal amounts | % | % |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Bonds | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Bonds | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
| Transaction costs as percentage of average net asset value | % | % |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

16 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

17 Fair value disclosure

| | 31/05/24 | | 31/05/23 | |
|--|-------------------|------------------|-------------------|------------------|
| Valuation technique | Assets £ | Liabilities £ | Assets £ | Liabilities £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | 6,732,286 | - | 2,640,944 | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 68,174,012 | - | 78,797,543 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 74,906,298 | - | 81,438,487 | - |

* The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Balanced Fund

Distribution Table

As at 31 May 2024

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2023

Group 2 Shares purchased on or after 1 June 2023 to 31 May 2024

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/24 (p) | Distribution paid 31/07/23 (p) |
|-----------------------------------|-----------------------|---------------------|--|---|
| Share Class A Accumulation | | | | |
| Group 1 | 1.4400 | - | 1.4400 | 1.1950 |
| Group 2 | 0.6695 | 0.7705 | 1.4400 | 1.1950 |
| Share Class Z Accumulation | | | | |
| Group 1 | 2.0553 | - | 2.0553 | 1.5707 |
| Group 2 | 0.5550 | 1.5003 | 2.0553 | 1.5707 |

Volare Cautious Fund

Investment Manager's Report For the year ended 31 May 2024

Investment Objective

The Fund aims to achieve capital growth (the increase in value of investments) whilst operating within a volatility range (variance) of between 4% and 7% over rolling 5 year periods.

The Fund's primary objective is to control volatility (variance) and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility (variance).

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 55% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 70% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

Quarter 3 2023

The Fund's position in Liontrust Special Situations was partially sold to help reduce the Fund's sensitivity to the United Kingdom ("UK") economy. The position in Allianz UK Strategic Bond was also sold, as increased interest rates meant the need for active fund management was reduced. Also, the position in Vontobel Twenty-Four Sustainable Short Term Bond was increased for its low volatility and duration (interest rate sensitivity).

Also, we introduced the Federated Hermes Cash Plus Fund to the Fund following ongoing concerns around rising interest rates, reducing the Fund's positions in Jupiter Strategic Bond and Muzinich Global Tactical Credit accordingly. Despite a short holding period, with the Fund only recently being bought, our position in Schroder International Asia Fund was sold to help reduce the Fund's overall exposure towards Asia following rising geopolitical tensions.

Quarter 4 2023

The Fund's positions in Liontrust Special Situations and Legal & General UK Index Trust were sold, to continue the trend of reducing UK exposure and the resulting funds were redirected towards global equities. The Fund's position in Jupiter Strategic Bond was sold due to higher interest rates favoring passive strategies and the position in ES Alliance Bernstein Sustainable US Equity Fund was also sold, and the position in Muzinich Global Tactical Credit trimmed, to help reduce the Fund's overall United States ("US") and fixed income exposure, respectively.

A position in Vanguard Global Bond Index was added to the Fund for its attractive yields and to further help shift the Fund's focus towards growth, particularly in technology stocks. Positions in Legal & General US Index and Legal & General UK 100 Index trust were also added to help increase the Fund's overall passive exposure. The positions have since been partially sold to help raise liquidity across the Fund.

Investment Manager's Report (continued) For the year ended 31 May 2024

Investment Review (continued)

Quarter 1 2024

The Fund's position in LF Lindsell Train UK Equity was removed to help shift towards global equity allocations. Positions in Fundsmith Equity Fund and Lazard Global Equity Franchise Fund were added to the Fund for their quality growth and value characteristics, respectively. Also, the Fund's position in WS Ruffer Diversified Return (previously known as LF Ruffer Diversified Return) was partially sold due to a reduced demand for protective strategies.

Quarter 2 2024

We continued the transition in the Fund with an aim to create a core-satellite approach. This involves creating an optimal blend of core quality funds, which are intended to be held over the long term, complimented by satellite ideas to take advantage of shorter term opportunities.

The Fund's overall position in Muzinich Emerging Markets Short Duration Bond was sold as there were more attractive opportunities available in the fixed income space in regions where interest rate cuts had yet to begin. The proceeds from the sale were redirected towards positions in Vanguard Global Bond Index and AXA US Short Duration High Yield Bond accordingly. The position has since been reduced to help raise liquidity across the Fund.

Also, the Fund's position in Morgan Stanley Global Brands Fund was exited due to an overlap with other global quality funds. The positions in Fidelity Global Dividend Fund, Legal & General Global Inflation Linked Bond and Federated Hermes Cash Plus Fund were also reduced to help raise liquidity across the Fund.

Market Overview

Resilient economic data, combined with increasing evidence that economies are taking higher interest rates in their stride drove the vast majority of equity markets upwards over the year, with the period in question proving a positive year for model portfolios. Whilst the picture differed slightly from region to region, a demonstration that inflation is continuing to move down to major central bank targets (Federal Reserve, Bank of England and the European Central Bank) also provided confidence to market participants that the rampant inflation concerns of 2022 are in the rear mirror.

Particularly strong markets over the year in focus were US equities, with US technology firms in particular driven higher by names in the 'Magnificent 7' (Nvidia, Apple, Microsoft, Alphabet, Tesla, Amazon, Meta) which continue to dominate the market. This led to strong returns for US and Global facing names in the Fund. However, our 'quality' approach has led us to be generally underweight the magnificent seven names, and as such that will have added as a drag on performance versus the benchmark. Additionally, whilst it wasn't plain sailing, over the period in question equity markets in many other regions such as the UK and Asia saw gains as concerns that economies would experience a deep recession faded. Our overweight to Asian equities versus the benchmark hindered performance over early part of the period in question, however in the last 3 months these have outperformed.

On the other hand, inflation proving stickier than hoped in 2024 did not help many fixed income strategies in the Fund, as yields moved higher over the period to factor in lower amounts of those previously mentioned major central bank interest-rate cuts. Generally the Fund is run with a lower duration versus the benchmark and therefore this was a positive.

Investment Manager's Report (continued) For the year ended 31 May 2024

Outlook

We have made a strategic shift towards a core-satellite approach. The core of the portfolio embodies several characteristics such as emphasis on quality, factor-aware equity allocation, utilisation of best-in-class global funds, balanced exposure across world equity markets, uniformed to be held across all risk profiles and maintaining a relatively stable composition over time.

Complementing the core are satellite positions, which serve as avenues for thematic investment, short-term trading strategies or exposure to long-term megatrends such as artificial intelligence emerging market consumer trends and the energy transition. This hybrid portfolio approach combines both active and passive elements, allowing for style-agnostic diversification through passive market beta while leveraging active funds for high-conviction investment opportunities. This strategy aims to deliver tailored solutions that align with client objectives while optimising risk-adjusted returns.

Quality investing still remains our key focus, seeking strong fundamentals such as low debt, wide profit margins, and significant pricing power. These types of companies are well-positioned to provide downside protection during market volatility, ensuring a smoothed return profile over the long term. Historical data shows that quality investing has outperformed over the long run. The current market dynamics, with elevated price to earnings ratios in the 'Magnificent 7', suggest that our focus on quality stocks trading at normal valuations presents attractive future returns.

Despite recent underperformance, Chinese equities are trading at historically cheap valuations and exhibit growth potential exceeding their Western counterparts. We expect that our exposure here will yield positive returns as economic conditions improve.

Commodities have shown strong performance, providing opportunities for diversification. Additionally, our holdings in Japanese equities have been top performers, demonstrating the effectiveness of our diversified approach.

Our strategic allocation has larger positions in US value, Europe, Asia, and emerging markets, which are expected to offer better long-term returns compared to US growth stocks. This diversified strategy is aligned with analyst consensus and historical trends.

Our global quality bias has been a significant contributor to performance, especially in recent quarters. This momentum is expected to continue, supporting our optimistic outlook for quality companies. As markets normalise, with inflation gradually decreasing and employment remaining strong, we believe investors will return to valuing fundamentals. This environment is likely to favour our quality-focused, conservative investment approach.

Investment Manager

LGT Wealth Management UK LLP

19 August 2024

Volare Cautious Fund

Comparative Tables

As at 31 May 2024

| | A Accumulation | | | Z Accumulation | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31/05/24 (p) | 31/05/23 (p) | 31/05/22 (p) | 31/05/24 (p) | 31/05/23 (p) | 31/05/22 (p) |
| Change in net assets per Share | | | | | | |
| Opening net asset value per Share | 115.21 | 116.10 | 119.39 | 110.97 | 111.44 | 114.23 |
| Return before operating charges* | 7.75 | 0.22 | (2.13) | 7.48 | 0.21 | (2.08) |
| Operating charges | (1.15) | (1.11) | (1.16) | (0.71) | (0.68) | (0.71) |
| Return after operating charges* | 6.60 | (0.89) | (3.29) | 6.77 | (0.47) | (2.79) |
| Distributions | (2.15) | (1.48) | (0.62) | (2.47) | (1.83) | (1.31) |
| Retained distributions on accumulation | 2.15 | 1.48 | 0.62 | 2.47 | 1.83 | 1.31 |
| Closing net asset value per Share | 121.81 | 115.21 | 116.10 | 117.74 | 110.97 | 111.44 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Performance | | | | | | |
| Return after operating charges | 5.73% | (0.77%) | (2.76%) | 6.10% | (0.42%) | (2.44%) |
| Other information | | | | | | |
| Closing net asset value | £31,011,715 | £42,849,574 | £68,290,988 | £1,306,295 | £1,178,272 | £742,464 |
| Closing number of Shares | 25,459,700 | 37,192,795 | 58,822,691 | 1,109,455 | 1,061,754 | 666,262 |
| Operating charges | 0.97% | 0.97% | 0.96% | 0.62% | 0.62% | 0.61% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | | | |
| Highest Share price | 123.75 | 117.85 | 125.93 | 119.60 | 113.39 | 120.65 |
| Lowest Share price | 113.13 | 110.15 | 113.84 | 109.14 | 105.87 | 109.26 |

Highest and lowest Share prices are based on official published daily NAVs.

Volare Cautious Fund

Performance Information

As at 31 May 2024

Operating Charges

| Date | AMC* (%) | Investment Manager subsidy (%) | Other expenses (%) | Transaction costs (%) | Operating Charges (%) | Synthetic expense ratio (%) | Total Operating Charges (%) |
|---------------|----------|--------------------------------|--------------------|-----------------------|-----------------------|-----------------------------|-----------------------------|
| 31/05/24 | | | | | | | |
| Share Class A | 0.35 | (0.04) | 0.27 | 0.02 | 0.60 | 0.37 | 0.97 |
| Share Class Z | 0.00 | (0.04) | 0.27 | 0.02 | 0.25 | 0.37 | 0.62 |
| 31/05/23 | | | | | | | |
| Share Class A | 0.35 | 0.00 | 0.19 | 0.01 | 0.55 | 0.42 | 0.97 |
| Share Class Z | 0.00 | 0.00 | 0.19 | 0.01 | 0.20 | 0.42 | 0.62 |

* Annual Management Charge

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio. From November 2023, the Investment Association has updated guidance and all closed ended investments are to be excluded from the Fund's Synthetic expense ratio. As at the year end date, 31 May 2024, the Fund did not invest in any closed ended investments.

An Operating Charges cap of 0.60% for the A Accumulation Share class and 0.25% for the Z Accumulation Share class is currently in effect. This is excluding any impact from the Synthetic expense ratio. Investment Manager subsidy will be provided from the sponsor to ensure operating charge ratios do not exceed these limits.

Risk and Reward Profile

As at 31 May 2024



- The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a '4' on the scale. This is partly because the Fund invests in a mixture of investments, whose values do not fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Volare Cautious Fund

Portfolio Statement As at 31 May 2024

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|--|-------------------|--------------------------|
| Collective Investment Schemes 93.51% [85.09%] | | | |
| 1,272,176 | AXA US Short Duration High Yield | 2,046,932 | 6.33 |
| 48,701 | BA Beutel Goodman US Value | 692,046 | 2.14 |
| 11,811 | CG Absolute Return | 1,599,782 | 4.95 |
| 6,844 | Federated Hermes Sterling Cash Plus | 793,396 | 2.45 |
| 645,249 | Fidelity Global Dividend | 794,301 | 2.46 |
| 185,316 | Fundsmith Equity | 1,303,250 | 4.03 |
| 742,310 | IFSL Evenlode Global Income | 1,269,498 | 3.93 |
| 12,435 | Lazard Global Equity Franchise | 1,569,281 | 4.86 |
| 2,164,354 | Legal & General Global Inflation Linked Bond Index | 1,298,180 | 4.02 |
| 1,039,561 | Legal & General International Index | 2,691,422 | 8.33 |
| 186,232 | Legal & General Pacific Index | 442,673 | 1.37 |
| 436,584 | Legal & General UK 100 Index | 1,390,520 | 4.31 |
| 84,526 | Legal & General US Index | 937,399 | 2.90 |
| 14,947 | Muzinich Global Tactical Credit | 1,536,267 | 4.75 |
| 46,439 | Stewart Investors Asia Pacific Leaders Sustainability | 475,698 | 1.47 |
| 1,633,698 | Trojan | 2,188,338 | 6.77 |
| 22,769 | Vanguard Global Bond Index | 2,476,990 | 7.67 |
| 21,074 | Vanguard Global Short Term Bond Index | 2,315,216 | 7.16 |
| 4,963 | Vanguard Pacific Ex-Japan | 837,402 | 2.59 |
| 20,249 | Vontobel TwentyFour Sustainable Short Term Bond Income | 2,143,961 | 6.63 |
| 1,390,695 | WS Ruffer Diversified Return | 1,417,535 | 4.39 |
| | | 30,220,087 | 93.51 |
| Fixed Interest 7.32% [2.92%] | | | |
| £1,480,000 | UK Treasury GILT 0.875% 31/07/2033 | 1,104,934 | 3.42 |
| £2,645,000 | UK Treasury GILT 1.5% 22/07/2026 | 1,261,497 | 3.90 |
| | | 2,366,431 | 7.32 |
| Portfolio of investments | | 32,586,518 | 100.83 |
| Net other liabilities | | (268,508) | (0.83) |
| Net assets | | 32,318,010 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

All investments are listed on an official stock exchange and/or traded on regulated markets unless otherwise stated.

Comparative figures shown above in square brackets relate to 31 May 2023.

Gross purchases for the year: £29,943,725 [2023: £32,616,671] (See Note 14).

Total sales net of transaction costs for the year: £38,447,038 [2023: £61,773,395] (See Note 14).

Volare Cautious Fund

Statement of Total Return For the year ended 31 May 2024

| | Note | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|---|------|----------------------|------------------|----------------------|--------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 1,402,975 | | (1,445,439) |
| Revenue | 3 | 1,075,004 | | 1,092,621 | |
| Expenses | 4 | (223,648) | | (281,626) | |
| Interest paid and similar charges | | - | | - | |
| Net revenue before taxation | | 851,356 | | 810,995 | |
| Taxation | 5 | (113,562) | | (82,848) | |
| Net revenue after taxation | | | 737,794 | | 728,147 |
| Total return before distributions | | | 2,140,769 | | (717,292) |
| Finance costs: Distributions | 6 | | (737,812) | | (728,167) |
| Change in net assets attributable to Shareholders from investment activities | | | 1,402,957 | | (1,445,459) |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2024

| | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | 44,027,846 | | 69,033,452 |
| Amounts received on issue of Shares | 2,262,446 | | 1,527,036 | |
| Less: Amounts paid on cancellation of Shares | (15,951,432) | | (25,658,784) | |
| | | (13,688,986) | | (24,131,748) |
| Dilution adjustment charged | | 259 | | - |
| Change in net assets attributable to Shareholders from investment activities (see above) | | 1,402,957 | | (1,445,459) |
| Retained distribution on accumulation Shares | | 575,934 | | 571,601 |
| Closing net assets attributable to Shareholders | | 32,318,010 | | 44,027,846 |

Volare Cautious Fund

Balance Sheet As at 31 May 2024

| | | 31/05/24 | | 31/05/23 | |
|--|------|------------|-------------------|-------------|-------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | 32,586,518 | | 38,748,993 | |
| Current assets: | | | | | |
| Debtors | 7 | 106,137 | | 5,662,413 | |
| Cash and bank balances | 8 | 315,102 | | 5,519,364 | |
| Total current assets | | | 421,239 | | 11,181,777 |
| Total assets | | | 33,007,757 | | 49,930,770 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Other creditors | 9 | (689,747) | | (5,902,924) | |
| Total creditors | | | (689,747) | | (5,902,924) |
| Total liabilities | | | (689,747) | | (5,902,924) |
| Net assets attributable to Shareholders | | | | | |
| | | | 32,318,010 | | 44,027,846 |

Volare Cautious Fund

Notes to the Financial Statements For the year ended 31 May 2024

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 15.

| 2 Net capital gains/(losses) | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Net capital gains/(losses) during the year comprise | | |
| Currency gains/(losses) realised | - | (321) |
| Investment Manager subsidy | 691 | - |
| Non-derivative securities gains/(losses) | 1,409,622 | (1,466,027) |
| Post merger cash transfer | 117 | 27,418 |
| Transaction charges | (7,455) | (6,509) |
| Total net capital gains/(losses) | 1,402,975 | (1,445,439) |

| 3 Revenue | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Bank interest | 61,804 | 71,663 |
| Franked dividends from Collective Investment Schemes | 239,675 | 279,459 |
| Interest from Debt Securities | 119,965 | 548 |
| Interest income from Collective Investment Schemes | 215,053 | 375,311 |
| Offshore funds dividends | 44,562 | 117,297 |
| Offshore funds interest | 393,945 | 248,343 |
| Total revenue | 1,075,004 | 1,092,621 |

Volare Cautious Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 4 Expenses | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 132,572 | 184,277 |
| Fund accounting fees | 18,772 | 18,225 |
| Investment Manager subsidy | (16,109) | - |
| Registration fees | 44,669 | 45,116 |
| | 179,904 | 247,618 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 14,291 | 16,213 |
| Safe custody fees | 1,763 | (2,531) |
| | 16,054 | 13,682 |
| Other expenses | | |
| Audit fees* | 10,980 | 10,470 |
| EMX/Calastone fees | 8,650 | 7,417 |
| FCA fees | 43 | 110 |
| General expenses | 4,721 | 967 |
| Legal fees | 2,572 | 744 |
| LEI licence fee | 124 | 18 |
| Printing, postage, stationery and typesetting costs | 600 | 600 |
| | 27,690 | 20,326 |
| Total expenses | 223,648 | 281,626 |

* Audit fees of £9,150 + VAT have been charged in the current year (2023: £8,725 + VAT).

Volare Cautious Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 5 Taxation | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| (a) Analysis of the tax charge in the year | | |
| Corporation tax | 113,562 | 82,848 |
| Total current tax charge (Note 5 (b)) | 113,562 | 82,848 |
| Deferred tax (Note 5 (c)) | - | - |
| Total taxation for the year | 113,562 | 82,848 |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2023: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Net revenue before taxation | 851,356 | 810,995 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 170,271 | 162,199 |
| Effects of: | | |
| Expenses not deductible for tax purposes | (56,847) | (79,351) |
| Income in capital | 138 | - |
| Total tax charge for the year | 113,562 | 82,848 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the balance sheet date in the current or prior year.

Volare Cautious Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

6 Finance costs

Distributions

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Final | 575,933 | 571,601 |
| Add: Revenue paid on cancellation of Shares | 183,920 | 165,835 |
| Deduct: Revenue received on issue of Shares | (22,041) | (9,269) |
| Net distribution for the year | 737,812 | 728,167 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|----------------|----------------|
| Net revenue after taxation | 737,794 | 728,147 |
| Net movement in revenue account | 18 | 20 |
| Net distribution for the year | 737,812 | 728,167 |

Details of the distributions per Share are set out in the distribution table on page 69.

7 Debtors

| | 31/05/24 | 31/05/23 |
|----------------------------|----------------|------------------|
| | £ | £ |
| Accrued bank interest | 1,364 | 9,703 |
| Accrued revenue | 15,422 | 11,051 |
| Investment manager subsidy | 9,351 | - |
| Sales awaiting settlement | 80,000 | 5,641,659 |
| Total debtors | 106,137 | 5,662,413 |

8 Cash and bank balances

| | 31/05/24 | 31/05/23 |
|-------------------------------------|----------------|------------------|
| | £ | £ |
| Cash and bank balances | 315,102 | 5,519,364 |
| Total cash and bank balances | 315,102 | 5,519,364 |

Volare Cautious Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 9 Creditors | 31/05/24 | 31/05/23 |
|--|-----------------|------------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 541,728 | 300,452 |
| Corporation tax payable | 113,564 | 82,850 |
| Purchases awaiting settlement | - | 5,464,367 |
| | 655,292 | 5,847,669 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fees | 9,556 | 13,025 |
| Fund accounting fees | 1,591 | 1,545 |
| Registration fees | 6,644 | 22,290 |
| | 17,791 | 36,860 |
| <i>Depository and Agents</i> | | |
| Depository fees | 5,015 | 4,800 |
| Safe custody fees | 139 | 784 |
| Transaction charges | 521 | 2,322 |
| | 5,675 | 7,906 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 10,980 | 10,470 |
| FCA fees | 9 | 19 |
| | 10,989 | 10,489 |
| Total creditors | 689,747 | 5,902,924 |

10 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

All other amounts received or paid by the related parties together with the outstanding balances are disclosed within the individual Funds' Financial Statements.

Significant Shareholdings

FundRock Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that the Fund's Shares in issue are not under the control of a single investor/nominee and its related parties in the current and prior year.

11 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|--------------------|----------|
| A Accumulation | 0.35 |
| Z Accumulation | 0.00 |

Each Share Class has equal rights in the event of the wind up of any Fund.

Notes to the Financial Statements (continued) For the year ended 31 May 2024

11 Share Classes (continued)

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/23 | Issued | Cancelled | Converted | 31/05/24 |
|----------------|------------|-----------|--------------|-----------|------------|
| A Accumulation | 37,192,795 | 1,851,003 | (13,584,098) | - | 25,459,700 |
| Z Accumulation | 1,061,754 | 117,680 | (69,979) | - | 1,109,455 |

12 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: Nil).

13 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|------------------------|-------------------|
| | Monetary exposures | Non-monetary exposures | Total |
| | £ | £ | £ |
| 31/05/24 | | | |
| Euro | 16 | - | 16 |
| Total foreign currency exposure | 16 | - | 16 |
| Pound Sterling | (268,524) | 32,586,518 | 32,317,994 |
| Total net assets | (268,508) | 32,586,518 | 32,318,010 |
| 31/05/23 | | | |
| Euro | 16 | - | 16 |
| Total foreign currency exposure | 16 | - | 16 |
| Pound Sterling | 5,278,837 | 38,748,993 | 44,027,830 |
| Total net assets | 5,278,853 | 38,748,993 | 44,027,846 |

Investments, other than those in debt securities, are classified as Non-Monetary exposure as their value is not static in nature and can fluctuate.

Monetary exposure includes items which are static in value, such as cash, bank deposits, trade receivables and other receivables settling in cash, and investments in debt securities.

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £1 (2023: £1). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £2 (2023: £2). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)
For the year ended 31 May 2024

13 Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|-----------------------------|--|---|--|-------------------|
| | £ | £ | £ | £ |
| 31/05/24 | | | | |
| Euro | 16 | - | - | 16 |
| Pound Sterling | 315,086 | 2,366,431 | 30,325,807 | 33,007,324 |
| Total | 315,102 | 2,366,431 | 30,325,807 | 33,007,340 |
| 31/05/23 | | | | |
| Euro | 16 | - | - | 16 |
| Pound Sterling | 5,519,348 | - | 44,411,406 | 49,930,754 |
| Total | 5,519,364 | - | 44,411,406 | 49,930,770 |
| Currency Liabilities | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
| | £ | £ | £ | £ |
| 31/05/24 | | | | |
| Pound Sterling | - | - | 689,747 | 689,747 |
| Total | - | - | 689,747 | 689,747 |
| 31/05/23 | | | | |
| Pound Sterling | - | - | 5,902,924 | 5,902,924 |
| Total | - | - | 5,902,924 | 5,902,924 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase | Decrease |
|------|-----------------|-----------------|
| | £ | £ |
| 2024 | 3,258,652 | 3,258,652 |
| 2023 | 3,874,899 | 3,874,899 |

Notes to the Financial Statements (continued) For the year ended 31 May 2024

13 Derivatives and other financial instruments (continued)

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2024 (2023: no significant leverage), other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

| 14 Portfolio transaction costs | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|--|-------------------------|-------------------|-------------------------|-------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs: | | | | |
| Collective Investment Schemes | | 28,900,325 | | 31,342,310 |
| Bonds | | 1,043,400 | | 1,274,361 |
| | | <u>29,943,725</u> | | <u>32,616,671</u> |
| Commissions - Collective Investment Schemes | - | | - | |
| Commissions - Bonds | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Fees - Bonds | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | | 29,943,725 | | 32,616,671 |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs: | | | | |
| Collective Investment Schemes | | 38,447,038 | | 61,773,395 |
| | | <u>38,447,038</u> | | <u>61,773,395</u> |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | | 38,447,038 | | 61,773,395 |

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

Volare Cautious Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

14 Portfolio transaction costs (continued)

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|---------------------------------|---------------------------------|
| | % | % |
| Transaction costs as percentage of principal amounts | | |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Bonds | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Bonds | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
| | % | % |
| Transaction costs as percentage of average net asset value | | |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

16 Fair value disclosure

| | 31/05/24 | | 31/05/23 | |
|--|-------------------|------------------|-------------------|------------------|
| Valuation technique | Assets £ | Liabilities £ | Assets £ | Liabilities £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | 2,366,431 | - | 1,287,612 | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 30,220,087 | - | 37,461,381 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 32,586,518 | - | 38,748,993 | - |

* The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Cautious Fund

Distribution Table

As at 31 May 2024

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2023

Group 2 Shares purchased on or after 1 June 2023 to 31 May 2024

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/24 (p) | Distribution paid 31/07/23 (p) |
|-----------------------------------|-----------------------|---------------------|--|---|
| Share Class A Accumulation | | | | |
| Group 1 | 2.1544 | - | 2.1544 | 1.4847 |
| Group 2 | 1.0817 | 1.0727 | 2.1544 | 1.4847 |
| Share Class Z Accumulation | | | | |
| Group 1 | 2.4723 | - | 2.4723 | 1.8271 |
| Group 2 | 0.7436 | 1.7287 | 2.4723 | 1.8271 |

Volare Defensive Fund

Investment Manager's Report For the year ended 31 May 2024

Investment Objective

The Fund aims to achieve capital growth (the increase in value of investments) whilst operating within a volatility range (variance) of between 2% and 4.75% over rolling 5 year periods.

The Fund's primary objective is to control volatility (variance) and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility (variance).

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 40% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 90% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

Quarter 3 2023

The Fund's position in Liontrust Special Situations was partially sold to help reduce the Fund's overall United Kingdom ("UK") exposure. Also, the position in ES Alliance Bernstein Sustainable US Equity was sold, and the resulting funds were redirected towards global exposure across the Fund. The position in Allianz UK Strategic Bond was also sold, as increased interest rates meant the need for active fund management was reduced.

We increased the Fund's position in the Federated Hermes Cash Plus Fund following ongoing concerns around rising interest rates. Finally, we reduced the Fund's position in Jupiter Strategic Bond, Legal & General Global Inflation Linked Bond and AXA US Short Duration High Yield Bond to further reduce the Fund's overall fixed income exposure, with concerns about inflation staying higher for longer.

Quarter 4 2023

The Fund's position in Liontrust Special Situations was exited to help reduce the Fund's sensitivity to the UK economy. The resulting funds were redirected towards global equities such as Morgan Stanley Global Brands. Our position in Jupiter Strategic Bond was also sold due to higher interest rates favoring passive strategies.

The position in Muzinich Global Tactical Credit was trimmed in line with our continued trend of reducing exposure to active managers, whilst Vanguard Global Bond Index was added to the Fund for its attractive yield profile. The position in Vontobel Twenty-Four Sustainable Short term Bond was increased to help reduce the Fund's overall interest rate risk and volatility of the Fund.

Volare Defensive Fund

Investment Manager's Report (continued) For the year ended 31 May 2024

Investment Review (continued)

Quarter 1 2024

The Fund's position in LF Lindsell Train UK Equity was removed to shift towards global equity allocations. Positions in Fundsmith Equity and Lazard Global Equity Franchise Fund were added to the Fund for their quality growth and value characteristics respectively. The holdings have since been reduced to help raise liquidity across the Fund. The position in WS Ruffer Diversified Return (previously known as LF Ruffer Diversified Return) was reduced and the resulting funds reallocated towards both Federated Hermes Cash Plus Fund and Legal & General International Index Trust. Lastly, the Fund's position in Legal & General Global Inflation Linked Bond Index was trimmed due to less desire for inflation surprise protection.

Quarter 2 2024

We continued the transition in the Fund with an aim to create a core-satellite approach. This involves creating an optimal blend of core quality funds, which are intended to be held over the long term, complimented by satellite ideas to take advantage of shorter term opportunities.

The Fund's overall position in Muzinich Emerging Markets Short Duration Bond was exited as there were more attractive opportunities available in the fixed income space in regions where interest rate cuts had yet to begin. The proceeds from the sale were redirected towards positions in Vanguard Global Bond Index and AXA US Short Duration High Yield Bond accordingly. Also, our position in Morgan Stanley Global Brands was sold due to an overlap with other global quality funds, favoring Brown Advisory Global Leaders. The positions in Fidelity Global Dividend Fund, Legal & General Global Inflation Linked Bond and Federated Hermes Cash Plus Fund were also reduced to raise liquidity for the Fund. The position in Fidelity Global Dividend has since been increased.

Market Overview

Resilient economic data, combined with increasing evidence that economies are taking higher interest rates in their stride drove the vast majority of equity markets upwards over the year, with the period in question proving a positive year for model portfolios. Whilst the picture differed slightly from region to region, a demonstration that inflation is continuing to move down to major central bank targets (Federal Reserve, Bank of England and the European Central Bank) also provided confidence to market participants that the rampant inflation concerns of 2022 are in the rear mirror.

Particularly strong markets over the year in focus were United States ("US") equities, with US technology firms in particular driven higher by names in the 'Magnificent 7' (Nvidia, Apple, Microsoft, Alphabet, Tesla, Amazon, Meta) which continue to dominate the market. This led to strong returns for US and Global facing names in the Fund. However, our 'quality' approach has led us to be generally underweight the magnificent seven names, and as such that will have added as a drag on performance versus the benchmark. Additionally, whilst it wasn't plain sailing, over the period in question equity markets in many other regions such as the UK and Asia saw gains as concerns that economies would experience a deep recession faded. Our overweight to Asian equities versus the benchmark hindered performance over early part of the period in question, however in the last 3 months these have outperformed.

On the other hand, inflation proving stickier than hoped in 2024 did not help many fixed income strategies in the Fund, as yields moved higher over the period to factor in lower amounts of those previously mentioned major central bank interest-rate cuts. Generally the Fund is run with a lower duration versus the benchmark and therefore this was a positive.

Outlook

We have made a strategic shift towards a core-satellite approach. The core of the portfolio embodies several characteristics such as Emphasis on quality, Factor-aware equity allocation, Utilisation of best-in-class global funds, Balanced exposure across world equity markets, Uniformed to be held across all risk profiles and maintaining a relatively stable composition over time.

Investment Manager's Report (continued) For the year ended 31 May 2024

Outlook

We have made a strategic shift towards a core-satellite approach. The core of the portfolio embodies several characteristics such as Emphasis on quality, Factor-aware equity allocation, Utilisation of best-in-class global funds, Balanced exposure across world equity markets, Uniformed to be held across all risk profiles and maintaining a relatively stable composition over time.

Complementing the core are satellite positions, which serve as avenues for thematic investment, short-term trading strategies or exposure to long-term megatrends such as artificial intelligence emerging market consumer trends and the energy transition. This hybrid portfolio approach combines both active and passive elements, allowing for style-agnostic diversification through passive market beta while leveraging active funds for high-conviction investment opportunities. This strategy aims to deliver tailored solutions that align with client objectives while optimising risk-adjusted returns.

Quality investing still remains our key focus, seeking strong fundamentals such as low debt, wide profit margins, and significant pricing power. These types of companies are well-positioned to provide downside protection during market volatility, ensuring a smoothed return profile over the long term. Historical data shows that quality investing has outperformed over the long run. The current market dynamics, with elevated Price to Earnings ratios in the 'Magnificent 7', suggest that our focus on quality stocks trading at normal valuations presents attractive future returns.

Despite recent underperformance, Chinese equities are trading at historically cheap valuations and exhibit growth potential exceeding their Western counterparts. We expect that our exposure here will yield positive returns as economic conditions improve.

Commodities have shown strong performance, providing opportunities for diversification. Additionally, our holdings in Japanese equities have been top performers, demonstrating the effectiveness of our diversified approach.

Our strategic allocation has larger positions in US value, Europe, Asia, and emerging markets, which are expected to offer better long-term returns compared to US growth stocks. This diversified strategy is aligned with analyst consensus and historical trends.

Our global quality bias has been a significant contributor to performance, especially in recent quarters. This momentum is expected to continue, supporting our optimistic outlook for quality companies. As markets normalise, with inflation gradually decreasing and employment remaining strong, we believe investors will return to valuing fundamentals. This environment is likely to favour our quality-focused, conservative investment approach.

Investment Manager

LGT Wealth Management UK LLP

19 August 2024

Volare Defensive Fund

Comparative Tables As at 31 May 2024

| | A Accumulation | | | Z Accumulation | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31/05/24 (p) | 31/05/23 (p) | 31/05/22 (p) | 31/05/24 (p) | 31/05/23 (p) | 31/05/22 (p) |
| Change in net assets per Share | | | | | | |
| Opening net asset value per Share | 103.16 | 104.39 | 108.38 | 104.74 | 105.55 | 109.19 |
| Return before operating charges* | 5.66 | (0.21) | (2.50) | 5.74 | (0.16) | (2.53) |
| Operating charges | (0.99) | (1.02) | (1.49) | (0.63) | (0.65) | (1.11) |
| Return after operating charges* | 4.67 | (1.23) | (3.99) | 5.11 | (0.81) | (3.64) |
| Distributions | (2.14) | (1.20) | (0.14) | (2.53) | (1.96) | (1.11) |
| Retained distributions on accumulation | 2.14 | 1.20 | 0.14 | 2.53 | 1.96 | 1.11 |
| Closing net asset value per Share | 107.83 | 103.16 | 104.39 | 109.85 | 104.74 | 105.55 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Performance | | | | | | |
| Return after operating charges | 4.53% | (1.18%) | (3.68%) | 4.88% | (0.77%) | (3.33%) |
| Other information | | | | | | |
| Closing net asset value | £7,474,989 | £11,574,731 | £36,217,673 | £390,696 | £439,929 | £400,910 |
| Closing number of Shares | 6,932,217 | 11,220,264 | 34,693,847 | 355,648 | 420,018 | 379,818 |
| Operating charges | 0.94% | 0.98% | 1.36% | 0.59% | 0.63% | 1.01% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | | | |
| Highest Share price | 109.04 | 106.28 | 112.38 | 111.08 | 105.10 | 113.32 |
| Lowest Share price | 101.67 | 100.01 | 104.64 | 103.37 | 98.60 | 105.76 |

Highest and lowest Share prices are based on official published daily NAVs.

Volare Defensive Fund

Performance Information

As at 31 May 2024

Operating Charges

| Date | AMC* (%) | Investment Manager subsidy (%) | Other expenses (%) | Transaction costs (%) | Operating Charges (%) | Synthetic expense ratio (%) | Total Operating Charges (%) |
|---------------|-------------|---|--------------------------|-----------------------------|-----------------------------|--------------------------------------|--------------------------------------|
| 31/05/24 | | | | | | | |
| Share Class A | 0.35 | (0.57) | 0.75 | 0.07 | 0.60 | 0.34 | 0.94 |
| Share Class Z | 0.00 | (0.57) | 0.75 | 0.07 | 0.25 | 0.34 | 0.59 |
| 31/05/23 | | | | | | | |
| Share Class A | 0.35 | (0.16) | 0.37 | 0.04 | 0.60 | 0.38 | 0.98 |
| Share Class Z | 0.00 | (0.16) | 0.37 | 0.04 | 0.25 | 0.38 | 0.63 |

* Annual Management Charge

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio. From November 2023, the Investment Association has updated guidance and all closed ended investments are to be excluded from the Fund's Synthetic expense ratio. As at the year end date, 31 May 2024, the Fund did not invest in any closed ended investments.

An Operating Charges cap of 0.60% for the A Accumulation Share class and 0.25% for the Z Accumulation Share class is currently in effect. This is excluding any impact from the Synthetic expense ratio. Investment Manager subsidy will be provided from the sponsor to ensure operating charge ratios do not exceed these limits.

Risk and Reward Profile

As at 31 May 2024

| | Typically lower rewards | | | Typically higher rewards | | | |
|---------------|-------------------------|---|---|--------------------------|---|---|-------------|
| | ←—————→ | | | | | | |
| | Lower risk | | | | | | Higher risk |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share Class Z | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

On 4 August 2023, the published Synthetic Risk and Reward Indicator ("SRRI") for Volare Defensive Fund changed from a "3" to "4".

- The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a '4' on the scale. This is partly because the Fund invests in a mixture of investments, whose values do not fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Volare Defensive Fund

Portfolio Statement As at 31 May 2024

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|--|-------------------|--------------------------|
| Collective Investment Schemes 91.36% [78.97%] | | | |
| 372,521 | AXA US Short Duration High Yield | 599,386 | 7.62 |
| 12,650 | Brown Advisory Global Leaders | 200,506 | 2.55 |
| 3,464 | CG Absolute Return | 469,237 | 5.97 |
| 7,132 | Federated Hermes Sterling Cash Plus | 826,831 | 10.51 |
| 102,213 | Fidelity Global Dividend | 125,824 | 1.60 |
| 20,433 | Fundsmith Equity | 143,700 | 1.83 |
| 1,906 | Lazard Global Equity Franchise | 240,486 | 3.06 |
| 434,472 | Legal & General Global Inflation Linked Bond | 260,597 | 3.31 |
| 126,864 | Legal & General International Index | 328,451 | 4.18 |
| 61,357 | Legal & General Pacific Index | 145,845 | 1.85 |
| 82,883 | Legal & General UK 100 Index | 263,981 | 3.36 |
| 2,796 | Muzinich Global Tactical Credit | 287,332 | 3.65 |
| 87,088 | TB Evenlode Global Income | 148,938 | 1.89 |
| 440,774 | Trojan | 590,416 | 7.51 |
| 6,190 | Vanguard Global Bond Index | 673,403 | 8.56 |
| 6,488 | Vanguard Global Short Term Bond Index | 712,762 | 9.06 |
| 7,185 | Vontobel TwentyFour Sustainable Short Term Bond Income | 760,698 | 9.67 |
| 399,914 | WS Ruffer Diversified Return | 407,632 | 5.18 |
| | | 7,186,025 | 91.36 |
| Fixed Interest 6.98% [2.92%] | | | |
| £275,000 | UK Treasury Gilt 0.875% 07/31/2033 | 205,309 | 2.61 |
| £720,000 | UK Treasury Gilt 1.25% 31/07/2051 | 343,394 | 4.37 |
| | | 548,703 | 6.98 |
| Portfolio of investments | | 7,734,728 | 98.34 |
| Net other assets | | 130,957 | 1.66 |
| Net assets | | 7,865,685 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

All investments are listed on an official stock exchange and/or traded on regulated markets unless otherwise stated.

Comparative figures shown above in square brackets relate to 31 May 2023.

Gross purchases for the year: £5,144,124 [2023: £25,544,377] (See Note 14).

Total sales net of transaction costs for the year: £7,684,569 [2023: £51,153,462] (See Note 14).

Volare Defensive Fund

Statement of Total Return For the year ended 31 May 2024

| | Note | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|---|------|----------------------|----------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 186,783 | | (843,456) |
| Revenue | 3 | 281,304 | | 353,321 | |
| Expenses | 4 | (47,940) | | (104,845) | |
| Interest paid and similar charges | | - | | - | |
| Net revenue before taxation | | 233,364 | | 248,476 | |
| Taxation | 5 | (37,938) | | (31,216) | |
| Net revenue after taxation | | | 195,426 | | 217,260 |
| Total return before distributions | | | 382,209 | | (626,196) |
| Finance costs: Distributions | 6 | | (195,435) | | (217,261) |
| Change in net assets attributable to Shareholders from investment activities | | | 186,774 | | (843,457) |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2024

| | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|--|----------------------|------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | 12,014,660 | | 36,618,583 |
| Amounts received on issue of Shares | 156,108 | | 456,416 | |
| Less: Amounts paid on cancellation of Shares | (4,649,388) | | (24,359,956) | |
| | | (4,493,280) | | (23,903,540) |
| Change in net assets attributable to Shareholders from investment activities (see above) | | 186,774 | | (843,457) |
| Retained distribution on accumulation Shares | | 157,531 | | 143,074 |
| Closing net assets attributable to Shareholders | | 7,865,685 | | 12,014,660 |

Volare Defensive Fund

Balance Sheet As at 31 May 2024

| | | 31/05/24 | | 31/05/23 | |
|--|------|----------|------------------|-------------|-------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | | 7,734,728 | | 9,838,923 |
| Current assets: | | | | | |
| Debtors | 7 | 32,778 | | 984,893 | |
| Cash and bank balances | 8 | 182,788 | | 2,284,812 | |
| Total current assets | | | 215,566 | | 3,269,705 |
| Total assets | | | 7,950,294 | | 13,108,628 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Other creditors | 9 | (84,609) | | (1,093,968) | |
| Total creditors | | | (84,609) | | (1,093,968) |
| Total liabilities | | | (84,609) | | (1,093,968) |
| Net assets attributable to Shareholders | | | | | |
| | | | 7,865,685 | | 12,014,660 |

Volare Defensive Fund

Notes to the Financial Statements For the year ended 31 May 2024

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 15.

| 2 Net capital gains/(losses) | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|---------------------------------|---------------------------------|
| | £ | £ |
| The net capital gains/(losses) during the year | | |
| Currency gains realised | - | 2,861 |
| Investment Manager subsidy | - | 588 |
| Non-derivative securities gains/(liabilities) | 193,011 | (947,561) |
| Post merger cash transfer | - | 107,442 |
| Transaction charges | (6,228) | (6,786) |
| Net capital gains/(losses) | 186,783 | (843,456) |

| 3 Revenue | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Bank interest | 16,229 | 35,024 |
| Franked dividends from Collective Investment Schemes | 41,834 | 55,873 |
| Interest from Debt Securities | 29,481 | 149 |
| Interest income from Collective Investment Schemes | 57,347 | 72,921 |
| Offshore funds dividends | 1,839 | 37,099 |
| Offshore funds interest | 134,574 | 152,255 |
| Total revenue | 281,304 | 353,321 |

Volare Defensive Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 4 Expenses | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 30,944 | 65,198 |
| Fund accounting fees | 18,772 | 18,225 |
| Investment manager subsidy | (52,375) | (29,779) |
| Registration fees | 14,425 | 22,431 |
| | 11,766 | 76,075 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 14,400 | 14,400 |
| Safe custody fees | 384 | 7 |
| | 14,784 | 14,407 |
| Other expenses | | |
| Audit fees* | 10,980 | 10,470 |
| EMX/Calastone fees | 2,368 | 1,735 |
| FCA fees | 43 | 110 |
| General Expenses | 4,703 | 608 |
| Legal fees | 2,572 | 744 |
| LEI licence fee | 124 | 96 |
| Printing, postage, stationery and typesetting costs | 600 | 600 |
| | 21,390 | 14,363 |
| Total expenses | 47,940 | 104,845 |

* Audit fees of £9,150 + VAT have been charged in the current year (2023: £8,725 + VAT).

Volare Defensive Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 5 Taxation | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| (a) Analysis of the tax charge in the year | | |
| Corporation tax | 37,938 | 31,216 |
| Total current tax charge (Note 6 (b)) | 37,938 | 31,216 |
| Deferred tax (Note 6 (c)) | - | - |
| Total taxation for the year | 37,938 | 31,216 |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2023: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Net revenue before taxation | 233,364 | 248,476 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 46,673 | 49,695 |
| Effects of: | | |
| Expenses not deductible for tax purposes | (8,735) | (18,597) |
| Investment Manager subsidy | - | 118 |
| Total tax charge for the year | 37,938 | 31,216 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the balance sheet date in the current or prior year.

Volare Defensive Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

6 Finance costs

Distributions

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Final | 157,531 | 143,074 |
| Add: Revenue paid on cancellation of Shares | 39,853 | 77,471 |
| Deduct: Revenue received on issue of Shares | (1,949) | (3,284) |
| Net distribution for the year | 195,435 | 217,261 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|----------------|----------------|
| Net revenue after taxation | 195,426 | 217,260 |
| Net movement in revenue account | 9 | 1 |
| Net distribution for the year | 195,435 | 217,261 |

Details of the distributions per Share are set out in the distribution table on page 87.

7 Debtors

| | 31/05/24 | 31/05/23 |
|---|---------------|----------------|
| | £ | £ |
| Accrued bank interest | 632 | 5,086 |
| Accrued revenue | 3,886 | 3,008 |
| Amounts receivable for creation of Shares | - | 355 |
| Investment manager subsidy | 28,260 | 21,712 |
| Sales awaiting settlement | - | 954,732 |
| Total debtors | 32,778 | 984,893 |

8 Cash and bank balances

| | 31/05/24 | 31/05/23 |
|---------------------------------------|----------------|------------------|
| | £ | £ |
| Cash and bank balances | 182,788 | 2,284,812 |
| 1 Total cash and bank balances | 182,788 | 2,284,812 |

Volare Defensive Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 9 Creditors | 31/05/24 | 31/05/23 |
|--|-----------------|------------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 23,864 | 59,624 |
| Corporation tax payable | 37,936 | 31,218 |
| Purchases awaiting settlement | - | 971,324 |
| | 61,800 | 1,062,166 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fees | 2,240 | 3,483 |
| Fund accounting fees | 1,592 | 1,545 |
| Registration fees | 2,558 | 11,416 |
| | 6,390 | 16,444 |
| <i>Depository and Agents</i> | | |
| Depository fees | 4,972 | 2,312 |
| Safe custody fees | 33 | 231 |
| Transaction charges | 425 | 2,327 |
| | 5,430 | 4,870 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 10,980 | 10,470 |
| FCA fees | 9 | 18 |
| | 10,989 | 10,488 |
| Total creditors | 84,609 | 1,093,968 |

10 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

All other amounts received or paid by the related parties together with the outstanding balances are disclosed within the individual Funds' Financial Statements.

Significant Shareholdings

FundRock Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that the Fund's Shares in issue are not under the control of a single investor/nominee and its related parties in the current and prior year.

11 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|--------------------|----------|
| A Accumulation | 0.35 |
| Z Accumulation | 0.00 |

Each Share Class has equal rights in the event of the wind up of any Fund.

Volare Defensive Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

11 Share Classes (continued)

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/23 | Issued | Cancelled | Converted | 31/05/24 |
|----------------|------------|---------|-------------|-----------|-----------|
| A Accumulation | 11,220,264 | 130,226 | (4,418,274) | - | 6,932,217 |
| Z Accumulation | 420,018 | 19,882 | (84,252) | - | 355,648 |

12 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: Nil).

13 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets | | |
|-------------------------|-----------------------------|------------------------|-------------------|
| | Monetary exposures | Non-monetary exposures | Total |
| | £ | £ | £ |
| 31/05/24 | | | |
| Pound Sterling | 130,957 | 7,734,728 | 7,865,685 |
| Total net assets | 130,957 | 7,734,728 | 7,865,685 |
| 31/05/23 | | | |
| Pound Sterling | 2,175,737 | 9,838,923 | 12,014,660 |
| Total net assets | 2,175,737 | 9,838,923 | 12,014,660 |

Investments, other than those in debt securities, are classified as Non-Monetary exposure as their value is not static in nature and can fluctuate.

Monetary exposure includes items which are static in value, such as cash, bank deposits, trade receivables and other receivables settling in cash, and investments in debt securities.

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £Nil (2023: £Nil). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £Nil (2023: £Nil). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)

For the year ended 31 May 2024

13 Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets £ | Fixed rate financial assets £ | Financial assets not carrying interest £ | Total £ |
|--------------------|---|--|---|-------------------|
| 31/05/24 | | | | |
| Pound Sterling | 182,788 | 548,703 | 7,218,803 | 7,950,294 |
| Total | 182,788 | 548,703 | 7,218,803 | 7,950,294 |
| 31/05/23 | | | | |
| Pound Sterling | 2,284,812 | - | 10,823,816 | 13,108,628 |
| Total | 2,284,812 | - | 10,823,816 | 13,108,628 |

| Currency Liabilities | Floating rate financial liabilities £ | Fixed rate financial liabilities £ | Financial liabilities not carrying interest £ | Total £ |
|-------------------------|--|---|---|------------------|
| 31/05/24 | | | | |
| Pound Sterling | - | - | 84,609 | 84,609 |
| Total | - | - | 84,609 | 84,609 |
| 31/05/23 | | | | |
| Pound Sterling | - | - | 1,093,968 | 1,093,968 |
| Total | - | - | 1,093,968 | 1,093,968 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase £ | Decrease £ |
|------|---------------|---------------|
| 2024 | 773,473 | 773,473 |
| 2023 | 983,892 | 983,892 |

Volare Defensive Fund

Notes to the Financial Statements (continued)

For the year ended 31 May 2024

13 Derivatives and other financial instruments (continued)

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2024 (2023: no significant leverage), other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

14 Portfolio transaction costs

| | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|---|-------------------------|------------------|-------------------------|-------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs: | | | | |
| Collective Investment Schemes | | 4,950,249 | | 25,197,481 |
| Bonds | | 193,875 | | 346,896 |
| | | <u>5,144,124</u> | | <u>25,544,377</u> |
| Commissions - Collective Investment Schemes | - | | - | |
| Commissions - Bonds | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Fees - Bonds | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | | 5,144,124 | | 25,544,377 |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs: | | | | |
| Collective Investment Schemes | | 7,684,569 | | 51,153,462 |
| | | <u>7,684,569</u> | | <u>51,153,462</u> |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | | 7,684,569 | | 51,153,462 |

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

Volare Defensive Fund

Notes to the Financial Statements (continued)

For the year ended 31 May 2024

14 Portfolio transaction costs (continued)

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|---------------------------------|---------------------------------|
| | % | % |
| Transaction costs as percentage of principal amounts | | |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Bonds | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Bonds | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
| | % | % |
| Transaction costs as percentage of average net asset value | | |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

16 Fair value disclosure

| | 31/05/24 | | 31/05/23 | |
|--|------------------|------------------|------------------|------------------|
| Valuation technique | Assets £ | Liabilities £ | Assets £ | Liabilities £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | 548,703 | - | 350,503 | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 7,186,025 | - | 9,488,420 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 7,734,728 | - | 9,838,923 | - |

* The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Defensive Fund

Distribution Table

As at 31 May 2024

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2023

Group 2 Shares purchased on or after 1 June 2023 to 31 May 2024

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/24 (p) | Distribution paid 31/07/23 (p) |
|-----------------------------------|-----------------------|---------------------|--|---|
| Share Class A Accumulation | | | | |
| Group 1 | 2.1428 | - | 2.1428 | 1.2016 |
| Group 2 | 0.9772 | 1.1656 | 2.1428 | 1.2016 |
| Share Class Z Accumulation | | | | |
| Group 1 | 2.5271 | - | 2.5271 | 1.9644 |
| Group 2 | 1.2939 | 1.2332 | 2.5271 | 1.9644 |

Volare Growth Fund

Investment Manager's Report For the year ended 31 May 2024

Investment Objective

The Fund aims to achieve capital growth (the increase in value of investments) whilst operating within a volatility range (variance) of between 8% and 13% over rolling 5 year periods.

The Fund's primary objective is to control volatility (variance) and this could therefore be at the expense of performance. There can be no guarantee that the Fund will achieve its objective of managing volatility (variance).

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 85% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 40% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

Quarter 3 2023

The Fund's position Liontrust Special Situations was trimmed and the position in CT UK Equity Income Fund exited, in line with a desire to reduce the Fund's overall exposure to United Kingdom ("UK") equities. Also, profits had been realized on the Fund's position in Vanguard UK Long Duration Gilt Index, exiting the position.

The Fund's positions in Legal & General UK 100 Index and Legal & General Japan Index have also been increased to help increase the Fund overall passive exposure.

We also reduced the Fund's positions in Jupiter Strategic Bond and Muzinich Global Tactical Credit to further reduce the Fund's overall fixed income exposure, whilst our position in Schroder International Asia Total Return Fund was also sold to help reduce the Fund's overall exposure towards Asia, following rising geopolitical tensions.

Quarter 4 2023

The Fund's positions in Liontrust Special Situations and Legal & General UK 100 Index were sold, to continue the trend of reducing UK exposure, with the resulting funds being redirected towards global equities such as Legal & General Global Equity Index. The position in Jupiter Strategic Bond was sold due to higher interest rates favoring passive strategies across the Fund.

ES Alliance Bernstein Sustainable US Equity Fund was sold in favour of less constrained United States ("US") Equity funds, whilst the position in Muzinich Global Tactical Credit was trimmed around concerns of rising interest rates. A position in Vanguard Global Bond Index was added to the Fund given its attractive yield profile whilst Legal & General US Index and Legal & General UK 100 Index trust were added to help increase the Fund's overall passive exposure.

Investment Manager's Report (continued) For the year ended 31 May 2024

Investment Review (continued)

Quarter 1 2024

The Fund's position in LF Lindsell Train UK Equity was removed to shift towards global equity allocations, whilst Lazard Global Equity Franchise was also added to the Fund for its overall value characteristics. Respectively, the position would later be trimmed to help create liquidity across the Fund.

Legal & General Japan Index Trust was increased to help raise the overall exposure towards Japan given favorable valuations and economic reforms. We also reduced the Fund's exposure in WS Ruffer Diversified Return (previously known as LF Ruffer Diversified Return). Whilst maintaining confidence in its uncorrelated performance, there was a reduced need for protection at that time.

Quarter 2 2024

We continued the transition in Fund with an aim to create a core-satellite approach. This involves creating an optimal blend of core quality funds, which are intended to be held over the long term, complimented by satellite ideas to take advantage of shorter term opportunities.

The position in Vanguard Global Short Term Bond Index was sold to increase duration in anticipation of upcoming major central bank interest rate cuts. The proceeds from the sale had been reallocated towards AXA US Short Duration High Yield Bond, respectively the position would later be trimmed to help create liquidity in the Fund. Also, the Fund's position in Fidelity Global Dividend was partially sold due to its overlap with other global quality funds, favoring Brown Advisory Global Leaders. Respectively, the position would later be trimmed to help create liquidity across the Fund.

The Fund's position in Legal & General Global Inflation Linked Bond was trimmed due to a reduced need for inflation upside exposure, whilst Morgan Stanley Asia Opportunity and Allianz All China Fund were sold to lessen the geographical narrowness of the Asian equity allocations.

Market Overview

Resilient economic data, combined with increasing evidence that economies are taking higher interest rates in their stride drove the vast majority of equity markets upwards over the year, with the period in question proving a positive year for model portfolios. Whilst the picture differed slightly from region to region, a demonstration that inflation is continuing to move down to major central bank targets (Federal Reserve, Bank of England and the European Central Bank) also provided confidence to market participants that the rampant inflation concerns of 2022 are in the rear mirror.

Particularly strong markets over the year in focus were United States ("US") equities, with US technology firms in particular driven higher by names in the 'Magnificent 7' (Nvidia, Apple, Microsoft, Alphabet, Tesla, Amazon, Meta) which continue to dominate the market. This led to strong returns for US and Global facing names in the Fund. However, our 'quality' approach has led us to be generally underweight the magnificent seven names, and as such that will have added as a drag on performance versus the benchmark. Additionally, whilst it wasn't plain sailing, over the period in question equity markets in many other regions such as the UK and Asia saw gains as concerns that economies would experience a deep recession faded. Our overweight to Asian equities versus the benchmark hindered performance over early part of the period in question, however in the last 3 months these have outperformed.

On the other hand, inflation proving stickier than hoped in 2024 did not help many fixed income strategies in the Fund, as yields moved higher over the period to factor in lower amounts of those previously mentioned major central bank interest-rate cuts. Generally the Fund is run with a lower duration versus the benchmark and therefore this was a positive.

Investment Manager's Report (continued) For the year ended 31 May 2024

Outlook

We have made a strategic shift towards a core-satellite approach. The core of the portfolio embodies several characteristics such as Emphasis on quality, Factor-aware equity allocation, Utilisation of best-in-class global funds, Balanced exposure across world equity markets, Uniformed to be held across all risk profiles and maintaining a relatively stable composition over time.

Complementing the core are satellite positions, which serve as avenues for thematic investment, short-term trading strategies or exposure to long-term megatrends such as artificial intelligence emerging market consumer trends and the energy transition. This hybrid portfolio approach combines both active and passive elements, allowing for style-agnostic diversification through passive market beta while leveraging active funds for high-conviction investment opportunities. This strategy aims to deliver tailored solutions that align with client objectives while optimising risk-adjusted returns.

Quality investing still remains our key focus, seeking strong fundamentals such as low debt, wide profit margins, and significant pricing power. These types of companies are well-positioned to provide downside protection during market volatility, ensuring a smoothed return profile over the long term. Historical data shows that quality investing has outperformed over the long run. The current market dynamics, with elevated Price to Earnings ratios in the 'Magnificent 7', suggest that our focus on quality stocks trading at normal valuations presents attractive future returns.

Despite recent underperformance, Chinese equities are trading at historically cheap valuations and exhibit growth potential exceeding their Western counterparts. We expect that our exposure here will yield positive returns as economic conditions improve.

Commodities have shown strong performance, providing opportunities for diversification. Additionally, our holdings in Japanese equities have been top performers, demonstrating the effectiveness of our diversified approach.

Our strategic allocation has larger positions in US value, Europe, Asia, and emerging markets, which are expected to offer better long-term returns compared to US growth stocks. This diversified strategy is aligned with analyst consensus and historical trends.

Our global quality bias has been a significant contributor to performance, especially in recent quarters. This momentum is expected to continue, supporting our optimistic outlook for quality companies. As markets normalise, with inflation gradually decreasing and employment remaining strong, we believe investors will return to valuing fundamentals. This environment is likely to favour our quality-focused, conservative investment approach.

Investment Manager

LGT Wealth Management UK LLP

19 August 2024

Volare Growth Fund

Comparative Tables As at 31 May 2024

| | A Accumulation | | | Z Accumulation | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31/05/24 (p) | 31/05/23 (p) | 31/05/22 (p) | 31/05/24 (p) | 31/05/23 (p) | 31/05/22 (p) |
| Change in net assets per Share | | | | | | |
| Opening net asset value per Share | 118.56 | 118.84 | 125.93 | 113.03 | 112.91 | 119.22 |
| Return before operating charges* | 11.19 | 1.09 | (5.45) | 10.69 | 1.15 | (5.18) |
| Operating charges | (1.23) | (1.37) | (1.64) | (0.76) | (1.03) | (1.13) |
| Return after operating charges* | 9.96 | (0.28) | (7.09) | 9.93 | 0.12 | (6.31) |
| Distributions | (1.49) | (1.22) | (0.85) | (1.83) | (1.54) | (1.24) |
| Retained distributions on accumulation | 1.49 | 1.22 | 0.85 | 1.83 | 1.54 | 1.24 |
| Closing net asset value per Share | 128.52 | 118.56 | 118.84 | 122.96 | 113.03 | 112.91 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Performance | | | | | | |
| Return after operating charges | 8.40% | (0.24%) | (5.63%) | 8.79% | 0.11% | (5.29%) |
| Other information | | | | | | |
| Closing net asset value | £32,255,779 | £42,514,564 | £46,134,902 | £12,380,160 | £8,476,613 | £7,600,716 |
| Closing number of Shares | 25,098,092 | 35,858,792 | 38,820,099 | 10,068,648 | 7,499,176 | 6,731,861 |
| Operating charges | 1.00% | 1.22% | 1.29% | 0.65% | 0.87% | 0.94% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | | | |
| Highest Share price | 131.60 | 118.56 | 135.15 | 125.89 | 123.86 | 128.15 |
| Lowest Share price | 115.50 | 106.06 | 115.20 | 110.28 | 111.61 | 109.43 |

Highest and lowest Share prices are based on official published daily NAVs.

Volare Growth Fund

Performance Information

As at 31 May 2024

Operating Charges

| Date | AMC* (%) | Other expenses (%) | Transaction costs (%) | Operating Charges (%) | Synthetic expense ratio (%) | Total Operating Charges (%) |
|---------------|----------|--------------------|-----------------------|-----------------------|-----------------------------|-----------------------------|
| 31/05/24 | | | | | | |
| Share Class A | 0.35 | 0.21 | 0.02 | 0.58 | 0.42 | 1.00 |
| Share Class Z | 0.00 | 0.21 | 0.02 | 0.23 | 0.42 | 0.65 |
| 31/05/23 | | | | | | |
| Share Class A | 0.35 | 0.17 | 0.01 | 0.53 | 0.69 | 1.22 |
| Share Class Z | 0.00 | 0.17 | 0.01 | 0.18 | 0.69 | 0.87 |

* Annual Management Charge

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio. From November 2023, the Investment Association has updated guidance and all closed ended investments are to be excluded from the Fund's Synthetic expense ratio. As at the year end date, 31 May 2024, the Fund did not invest in any closed ended investments.

An Operating Charges cap of 0.60% for the A Accumulation Share class and 0.25% for the Z Accumulation Share class is currently in effect. This is excluding any impact from the Synthetic expense ratio. Investment Manager subsidy will be provided from the sponsor to ensure operating charge ratios do not exceed these limits.

Risk and Reward Profile

As at 31 May 2024

| | Typically lower rewards | | | | Typically higher rewards | | |
|---------------|-------------------------|---|---|---|--------------------------|---|-------------|
| | ←—————→ | | | | | | |
| | Lower risk | | | | | | Higher risk |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Share Class Z | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a '5' on the scale. This is partly because the Fund invests in a mixture of investments, many of which have values that may fluctuate widely.
- The Fund does not provide its investors with any guarantee on performance, nor on monies invested in it.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Volare Growth Fund

Portfolio Statement As at 31 May 2024

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|---|-------------------|--------------------------|
| | Collective Investment Schemes 96.47% [97.44%] | | |
| 1,128,317 | AXA US Short Duration High Yield | 1,815,462 | 4.07 |
| 126,381 | BA Beutel Goodman US Value | 1,795,869 | 4.02 |
| 94,877 | Brown Advisory Global Leaders | 1,503,795 | 3.37 |
| 105,651 | Cohen & Steers SICAV Diversified Real Assets | 1,573,150 | 3.52 |
| 792,780 | Fidelity Global Dividend | 975,913 | 2.19 |
| 297,157 | Fundsmith Equity | 2,089,786 | 4.68 |
| 15,659 | Harrington Cooper Snyder US All Cap Equity | 2,040,031 | 4.57 |
| 517,242 | Impax Asian Environmental Markets | 475,862 | 1.07 |
| 18,482 | Lazard Global Equity Franchise | 2,332,369 | 5.23 |
| 385,492 | Lazard Global Listed Infrastructure Equity | 1,004,554 | 2.25 |
| 1,719,424 | Legal & General International Index | 4,451,587 | 9.97 |
| 2,072,610 | Legal & General Japan Index | 1,831,980 | 4.10 |
| 747,628 | Legal & General Pacific Index | 1,777,113 | 3.98 |
| 609,456 | Legal & General UK 100 Index | 1,941,117 | 4.35 |
| 54,421 | Legal & General US Index | 603,524 | 1.35 |
| 1,144,309 | Legal & Genral Global Equity Index | 1,686,711 | 3.78 |
| 20,357 | Morgan Stanley Asia Opportunity USD | 489,169 | 1.10 |
| 41,115 | Morgan Stanley Global Brands | 702,244 | 1.57 |
| 11,353 | Muzinich Global Tactical Credit | 1,166,820 | 2.62 |
| 122,909 | Polar Capital Global Insurance | 1,539,377 | 3.45 |
| 134,300 | Polar Emerging Market Stars | 1,373,884 | 3.08 |
| 52,838 | Stewart Investors Asia Pacific Leaders Sustainability | 541,240 | 1.21 |
| 969,585 | TB Evenlode Global Income | 1,658,185 | 3.71 |
| 1,013,774 | Trojan | 1,357,950 | 3.04 |
| 8,110 | Vanguard Emerging Markets Stock Index | 1,253,892 | 2.81 |
| 22,096 | Vanguard Global Bond Index | 2,403,776 | 5.39 |
| 3,837 | Vanguard Global Small-Cap Index | 936,364 | 2.10 |
| 6,517 | Vanguard Pacific Ex-Japan Stock Index | 1,099,526 | 2.46 |
| 627,397 | WS Ruffer Diversified Return | 639,505 | 1.43 |
| | | 43,060,755 | 96.47 |
| | Fixed Interest 3.08% [0.00%] | | |
| £2,880,000 | UK Treasury Gilt 1.25% 07/31/2051 | 1,373,577 | 3.08 |
| | | 1,373,577 | 3.08 |
| | Portfolio of investments | 44,434,332 | 99.55 |
| | Net other assets | 201,607 | 0.45 |
| | Net assets | 44,635,939 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

All investments are listed on an official stock exchange and/or traded on regulated markets unless otherwise stated.

Comparative figures shown above in square brackets relate to 31 May 2023.

Gross purchases for the year: £43,871,155 [2023: £15,378,433] (See Note 15).

Total sales net of transaction costs for the year: £53,007,214 [2023: £15,746,167] (See Note 15).

Volare Growth Fund

Statement of Total Return For the year ended 31 May 2024

| | Note | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|---|------|----------------------|------------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 3,096,623 | | (689,881) |
| Revenue | 3 | 874,987 | | 827,985 | |
| Expenses | 4 | (231,296) | | (238,340) | |
| Interest paid and similar charges | | - | | - | |
| Net revenue before taxation | | 643,691 | | 589,645 | |
| Taxation | 5 | (22,415) | | (23,325) | |
| Net revenue after taxation | | | 621,276 | | 566,320 |
| Total return before distributions | | | 3,717,899 | | (123,561) |
| Finance costs: Distributions | 6 | | (621,276) | | (566,332) |
| Change in net assets attributable to Shareholders from investment activities | | | 3,096,623 | | (689,893) |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2024

| | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | 50,991,177 | | 53,735,618 |
| Amounts received on issue of Shares | 7,648,928 | | 8,626,641 | |
| Less: Amounts paid on cancellation of Shares | (17,659,415) | | (11,232,749) | |
| | | (10,010,487) | | (2,606,108) |
| Change in net assets attributable to Shareholders from investment activities (see above) | | 3,096,623 | | (689,893) |
| Retained distribution on accumulation Shares | | 558,626 | | 551,560 |
| Closing net assets attributable to Shareholders | | 44,635,939 | | 50,991,177 |

Volare Growth Fund

Balance Sheet As at 31 May 2024

| | | 31/05/24 | | 31/05/23 | |
|--|------|-----------|-------------------|-----------|-------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | | 44,434,332 | | 49,684,970 |
| Current assets: | | | | | |
| Debtors | 7 | 152,347 | | 97,674 | |
| Cash and bank balances | 8 | 210,115 | | 1,716,111 | |
| Total current assets | | | 362,462 | | 1,813,785 |
| Total assets | | | 44,796,794 | | 51,498,755 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Bank overdrafts | 10 | (43,691) | | - | |
| Other creditors | 9 | (117,164) | | (507,578) | |
| Total creditors | | | (160,855) | | (507,578) |
| Total liabilities | | | (160,855) | | (507,578) |
| Net assets attributable to Shareholders | | | | | |
| | | | 44,635,939 | | 50,991,177 |

Volare Growth Fund

Notes to the Financial Statements For the year ended 31 May 2024

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 15.

| 2 Net capital gains/(losses) | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|-------------------------|-------------------------|
| | £ | £ |
| The net capital gains/(losses) during the year | | |
| Currency gains/(losses) realised | 6,344 | (4,691) |
| Non-derivative securities gains/(losses) | 3,099,528 | (679,287) |
| Transaction charges | (9,249) | (5,903) |
| Net capital gains/(losses) | 3,096,623 | (689,881) |
| 3 Revenue | | |
| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
| | £ | £ |
| Bank interest | 58,035 | 42,720 |
| Franked dividends from Collective Investment Schemes | 380,704 | 283,448 |
| Interest from Debt Securities | 74,645 | - |
| Interest income from Collective Investment Schemes | 102,245 | 205,035 |
| Offshore funds dividends | 150,910 | 166,407 |
| Offshore funds interest | 108,448 | 130,375 |
| Total revenue | 874,987 | 827,985 |
| 4 Expenses | | |
| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 131,328 | 154,686 |
| Fund accounting fees | 18,772 | 18,225 |
| Registration fees | 37,794 | 34,195 |
| | 187,894 | 207,106 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 14,402 | 15,639 |
| Safe custody fees | 2,259 | (3,853) |
| | 16,661 | 11,786 |
| Other expenses | | |
| Audit fees* | 10,980 | 10,470 |
| EMX/Calastone fees | 8,006 | 6,504 |
| FCA fees | 43 | 110 |
| General expenses | 4,416 | 1,002 |
| Legal fees | 2,572 | 744 |
| LEI licence fee | 124 | 18 |
| Printing, postage, stationery and typesetting costs | 600 | 600 |
| | 26,741 | 19,448 |
| Total expenses | 231,296 | 238,340 |

* Audit fees of £9,150 + VAT have been charged in the current year (2023: £8,725 + VAT).

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 5 Taxation | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| (a) Analysis of the tax charge in the year | | |
| Corporation tax | 22,415 | 23,325 |
| Total current tax charge (Note 6 (b)) | 22,415 | 23,325 |
| Deferred tax (Note 6 (c)) | - | - |
| Total taxation for the year | 22,415 | 23,325 |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2023: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Net revenue before taxation | 643,691 | 589,645 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 128,738 | 117,929 |
| Effects of: | | |
| Movement in excess management expenses | - | (4,633) |
| Revenue not subject to corporation tax | (106,323) | (89,971) |
| Total tax charge for the year | 22,415 | 23,325 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the balance sheet date in the current or prior year.

Notes to the Financial Statements (continued) For the year ended 31 May 2024

6 Finance costs

Distributions

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Final | 558,626 | 551,560 |
| Add: Revenue paid on cancellation of Shares | 137,502 | 72,297 |
| Deduct: Revenue received on issue of Shares | (74,852) | (57,525) |
| Net distribution for the year | 621,276 | 566,332 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|----------------|----------------|
| Net revenue after taxation | 621,276 | 566,320 |
| Net movement in revenue account | - | 12 |
| Net distribution for the year | 621,276 | 566,332 |

Details of the distributions per Share are set out in the distribution table on page 104.

7 Debtors

| | 31/05/24 | 31/05/23 |
|---|----------------|---------------|
| | £ | £ |
| Accrued bank interest | 758 | 4,849 |
| Accrued revenue | 12,066 | - |
| Amounts receivable for creation of Shares | 89,523 | 92,825 |
| Sales awaiting settlement | 50,000 | - |
| Total debtors | 152,347 | 97,674 |

8 Cash and bank balances

| | 31/05/24 | 31/05/23 |
|---------------------------------------|----------------|------------------|
| | £ | £ |
| Cash and bank balances | 210,115 | 1,716,111 |
| 1 Total cash and bank balances | 210,115 | 1,716,111 |

Volare Growth Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 9 Creditors | 31/05/24 | 31/05/23 |
|--|-----------------|-----------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 60,611 | 434,220 |
| Corporation tax payable | 22,415 | 23,325 |
| | 83,026 | 457,545 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fees | 9,804 | 12,887 |
| Fund accounting fees | 1,591 | 1,545 |
| Registration fees | 5,876 | 16,426 |
| | 17,271 | 30,858 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 4,879 | 5,170 |
| Safe custody fees | 185 | 815 |
| Transaction charges | 814 | 2,701 |
| | 5,878 | 8,686 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 10,980 | 10,470 |
| FCA fees | 9 | 19 |
| | 10,989 | 10,489 |
| Total creditors | 117,164 | 507,578 |
| 10 Bank overdrafts | 31/05/24 | 31/05/23 |
| | £ | £ |
| Bank overdrafts | 43,691 | - |
| Total bank overdrafts | 43,691 | - |

11 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

Significant Shareholdings

FundRock Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that 30.42% (2023: Nil) of the Fund's Shares in issue are under the control of a single nominee and its related parties for the current year.

12 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|----------------|------|
| A Accumulation | 0.35 |
| Z Accumulation | 0.00 |

Each Share Class has equal rights in the event of the wind up of any Fund.

Notes to the Financial Statements (continued) For the year ended 31 May 2024

12 Share Classes (continued)

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/23 | Issued | Cancelled | Converted | 31/05/24 |
|----------------|------------|-----------|--------------|-----------|------------|
| A Accumulation | 35,858,792 | 1,830,382 | (12,591,082) | - | 25,098,092 |
| Z Accumulation | 7,499,176 | 4,604,173 | (2,034,701) | - | 10,068,648 |

13 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: Nil).

14 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|------------------------|-------------------|
| | Monetary exposures | Non-monetary exposures | Total |
| | £ | £ | £ |
| 31/05/24 | | | |
| US Dollar | 210,115 | 489,169 | 699,284 |
| Total foreign currency exposure | 210,115 | 489,169 | 699,284 |
| Pound Sterling | (8,508) | 43,945,163 | 43,936,655 |
| Total net assets | 201,607 | 44,434,332 | 44,635,939 |
| 31/05/23 | | | |
| US Dollar | 99,463 | 1,083,593 | 1,183,056 |
| Total foreign currency exposure | 99,463 | 1,083,593 | 1,183,056 |
| Pound Sterling | 1,206,745 | 48,601,376 | 49,808,121 |
| Total net assets | 1,306,208 | 49,684,969 | 50,991,177 |

Investments, other than those in debt securities, are classified as Non-Monetary exposure as their value is not static in nature and can fluctuate.

Monetary exposure includes items which are static in value, such as cash, bank deposits, trade receivables and other receivables settling in cash, and investments in debt securities.

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £63,571 (2023: £107,551). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £77,698 (2023: £131,451). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)

For the year ended 31 May 2024

14 Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets | Fixed rate financial assets | Financial assets not carrying interest | Total |
|------------------------|---------------------------------------|------------------------------------|---|-------------------|
| | £ | £ | £ | £ |
| 31/05/24 | | | | |
| Pound Sterling | - | 1,373,577 | 42,723,933 | 44,097,510 |
| US Dollar | 210,115 | - | 489,169 | 699,284 |
| Total | 210,115 | 1,373,577 | 43,213,102 | 44,796,794 |
| 31/05/23 | | | | |
| Pound Sterling | 1,616,649 | - | 48,699,050 | 50,315,699 |
| US Dollar | 99,462 | - | 1,083,594 | 1,183,056 |
| Total | 1,716,111 | - | 49,782,644 | 51,498,755 |

| Currency Liabilities | Floating rate financial liabilities | Fixed rate financial liabilities | Financial liabilities not carrying interest | Total |
|-----------------------------|--|---|--|----------------|
| | £ | £ | £ | £ |
| 31/05/24 | | | | |
| Pound Sterling | 43,690 | - | 117,165 | 160,855 |
| Total | 43,690 | - | 117,165 | 160,855 |
| 31/05/23 | | | | |
| Pound Sterling | - | - | 507,578 | 507,578 |
| Total | - | - | 507,578 | 507,578 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase | Decrease |
|------|-----------------|-----------------|
| | £ | £ |
| 2024 | 4,443,433 | 4,443,433 |
| 2023 | 4,968,497 | 4,968,497 |

Notes to the Financial Statements (continued)

For the year ended 31 May 2024

14 Derivatives and other financial instruments (continued)

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2024 (2023: no significant leverage), other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

| 15 Portfolio transaction costs | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|---|-------------------------|-------------------|-------------------------|-------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs: | | | | |
| Collective Investment Schemes | | 42,420,787 | | 15,378,433 |
| Bonds | | 1,450,368 | | - |
| | | <u>43,871,155</u> | | <u>15,378,433</u> |
| Commissions - Collective Investment Schemes | - | | - | |
| Commissions - Bonds | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Fees - Bonds | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | | 43,871,155 | | 15,378,433 |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs: | | | | |
| Collective Investment Schemes | | 53,007,214 | | 15,746,167 |
| | | <u>53,007,214</u> | | <u>15,746,167</u> |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | | 53,007,214 | | 15,746,167 |

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

Notes to the Financial Statements (continued)

For the year ended 31 May 2024

15 Portfolio transaction costs (continued)

| | 01/06/23 to 31/05/24 % | 01/06/22 to 31/05/23 % |
|---|---------------------------------------|---------------------------------------|
| Transaction costs as percentage of principal amounts | | |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Bonds | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Bonds | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| | 01/06/23 to 31/05/24 % | 01/06/22 to 31/05/23 % |
| Transaction costs as percentage of average net asset value | | |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

16 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

17 Fair value disclosure

| Valuation technique | 31/05/24 | | 31/05/23 | |
|--|-------------------|------------------|-------------------|------------------|
| | Assets £ | Liabilities £ | Assets £ | Liabilities £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | 1,373,577 | - | - | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 43,060,755 | - | 49,684,970 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 44,434,332 | - | 49,684,970 | - |

* The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Growth Fund

Distribution Table

As at 31 May 2024

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2023

Group 2 Shares purchased on or after 1 June 2023 to 31 May 2024

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/24 (p) | Distribution paid 31/07/23 (p) |
|-----------------------------------|-----------------------|---------------------|--|---|
| Share Class A Accumulation | | | | |
| Group 1 | 1.4901 | - | 1.4901 | 1.2165 |
| Group 2 | 0.7502 | 0.7399 | 1.4901 | 1.2165 |
| Share Class Z Accumulation | | | | |
| Group 1 | 1.8338 | - | 1.8338 | 1.5380 |
| Group 2 | 0.4925 | 1.3413 | 1.8338 | 1.5380 |

Volare Strategic Income Fund

Investment Manager's Report For the year ended 31 May 2024

Investment Objective

The Fund aims to achieve an income target of 3.5% over a rolling five year period.

Investment Policy

The Fund will aim to achieve its objective through investment in a variety of asset classes across multiple geographic areas and markets, including:

- Between 0% and 75% in shares in companies, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs).
- Between 0% and 60% in cash, near cash, bonds and money market instruments.

The Fund will aim to have at least 80% of its exposure to these asset classes indirectly by holding units in collective investment schemes which invest in these assets. The collective investment schemes in which the Fund invests will typically have investment strategies which seek to achieve income.

The Fund will be managed in a manner that maintains eligibility for ISAs.

The Fund may hold certain financial contracts known as derivatives (which are investments whose value is linked to another investment, or the performance of a stock exchange or to some other variable factor, such as interest rates) for efficient portfolio management purposes. Efficient portfolio management is where the Fund is managed in a way that is designed to reduce risk or cost and/or generate extra income or growth. It is not intended that the use of derivatives in this way will change the risk profile of the Fund. On giving Shareholders 60 days' notice, the Funds will be able to also use derivatives for investment purposes.

Investment Review

Quarter 3 2023

A position in Legal & General UK Index Trust was introduced into the Fund to help increase the overall passive exposure. The Fund's position in TM Redwheel UK Equity Fund was increased, given the attractive yields on offer in the United Kingdom ("UK") equity space. Redemptions were also made proportionally across the Fund within the quarter to help raise sufficient liquidity for the above positions and redemptions across the Fund.

Quarter 1 2024

The position in Lindsell Train Global Equity Fund was reduced from the Fund and the proceeds applied towards Legal & General Global Equity Index and Fundsmith Equity. Respectively, the position (Fundsmith Equity) would later be trimmed to help create liquidity across the Fund. We also reduced the Fund's exposure in WS Ruffer Diversified Return (previously known as LF Ruffer Diversified Return). Whilst maintaining confidence in its uncorrelated performance, there was a reduced need for protection at that time.

Quarter 2 2024

The Fund's position in M&G Strategic Corporate Bond was sold and the proceeds redirected towards Aegon High Yield Global Bond given the higher yields on offer.

Market Overview

Resilient economic data, combined with increasing evidence that economies are taking higher interest rates in their stride drove the vast majority of equity markets upwards over the year, with the period in question proving a positive year for model portfolios. Whilst the picture differed slightly from region to region, a demonstration that inflation is continuing to move down to major central bank targets (Federal Reserve, Bank of England and the European Central Bank) also provided confidence to market participants that the rampant inflation concerns of 2022 are in the rear mirror.

Investment Manager's Report (continued) For the year ended 31 May 2024

Market Overview (continued)

Particularly strong markets over the year in focus were United States ("US") equities, with US technology firms in particular driven higher by names in the 'Magnificent 7' (Nvidia, Apple, Microsoft, Alphabet, Tesla, Amazon, Meta) which continue to dominate the market. This led to strong returns for US and Global facing names in the Fund. However, our 'quality' approach has led us to be generally underweight the magnificent seven names, and as such that will have added as a drag on performance versus the benchmark. Additionally, whilst it wasn't plain sailing, over the period in question equity markets in many other regions such as the UK and Asia saw gains as concerns that economies would experience a deep recession faded. Our overweight to Asian equities versus the benchmark hindered performance over early part of the period in question, however in the last 3 months these have outperformed.

On the other hand, inflation proving stickier than hoped in 2024 did not help many fixed income strategies in the Fund, as yields moved higher over the period to factor in lower amounts of those previously mentioned major central bank interest-rate cuts. Generally the Fund is run with a lower duration versus the benchmark and therefore this was a positive.

Outlook

We have made a strategic shift towards a core-satellite approach. The core of the portfolio embodies several characteristics such as Emphasis on quality, Factor-aware equity allocation, Utilisation of best-in-class global funds, Balanced exposure across world equity markets, Uniformed to be held across all risk profiles and maintaining a relatively stable composition over time.

Complementing the core are satellite positions, which serve as avenues for thematic investment, short-term trading strategies or exposure to long-term megatrends such as artificial intelligence emerging market consumer trends and the energy transition. This hybrid portfolio approach combines both active and passive elements, allowing for style-agnostic diversification through passive market beta while leveraging active funds for high-conviction investment opportunities. This strategy aims to deliver tailored solutions that align with client objectives while optimising risk-adjusted returns.

Quality investing still remains our key focus, seeking strong fundamentals such as low debt, wide profit margins, and significant pricing power. These types of companies are well-positioned to provide downside protection during market volatility, ensuring a smoothed return profile over the long term. Historical data shows that quality investing has outperformed over the long run. The current market dynamics, with elevated Price to Earnings ratios in the 'Magnificent 7', suggest that our focus on quality stocks trading at normal valuations presents attractive future returns.

Despite recent underperformance, Chinese equities are trading at historically cheap valuations and exhibit growth potential exceeding their Western counterparts. We expect that our exposure here will yield positive returns as economic conditions improve.

Commodities have shown strong performance, providing opportunities for diversification. Additionally, our holdings in Japanese equities have been top performers, demonstrating the effectiveness of our diversified approach.

Our strategic allocation has larger positions in US value, Europe, Asia, and emerging markets, which are expected to offer better long-term returns compared to US growth stocks. This diversified strategy is aligned with analyst consensus and historical trends.

Volare Strategic Income Fund

Investment Manager's Report (continued)

For the year ended 31 May 2024

Outlook (continued)

Our global quality bias has been a significant contributor to performance, especially in recent quarters. This momentum is expected to continue, supporting our optimistic outlook for quality companies. As markets normalise, with inflation gradually decreasing and employment remaining strong, we believe investors will return to valuing fundamentals. This environment is likely to favour our quality-focused, conservative investment approach.

Investment Manager

LGT Wealth Management UK LLP

19 August 2024

Volare Strategic Income Fund

Comparative Tables As at 31 May 2024

A Income

| | 31/05/24 (p) | 31/05/23 (p) | 31/05/22 (p) |
|--|-----------------|-----------------|-----------------|
| Change in net assets per Share | | | |
| Opening net asset value per Share | 94.90 | 99.15 | 102.14 |
| Return before operating charges* | 8.64 | 0.28 | 1.49 |
| Operating charges | (1.13) | (1.11) | (1.24) |
| Return after operating charges* | 7.51 | (0.83) | 0.25 |
| Distributions | (3.37) | (3.42) | (3.24) |
| Retained distributions on accumulation | - | - | - |
| Closing net asset value per Share | 99.04 | 94.90 | 99.15 |
| * after direct transaction costs of: | 0.00 | 0.00 | 0.00 |
| Performance | | | |
| Return after operating charges | 7.91% | (0.84%) | 0.24% |
| Other information | | | |
| Closing net asset value | £3,234,954 | £3,837,082 | £4,046,959 |
| Closing number of Shares | 3,266,452 | 4,043,434 | 4,081,693 |
| Operating charges | 1.17% | 1.16% | 1.28% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest Share price | 101.70 | 100.40 | 106.77 |
| Lowest Share price | 91.87 | 90.67 | 96.65 |

Highest and lowest Share prices are based on official published daily NAVs.

Volare Strategic Income Fund

Portfolio Statement

As at 31 May 2024

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|--|-------------------|--------------------------|
| Collective Investment Schemes 96.15% [82.08%] | | | |
| 16,922 | Aegon High Yield Global Bond | 177,846 | 5.49 |
| 243,662 | AXA US Short Duration High Yield | 249,267 | 7.70 |
| 133,279 | Fidelity Global Dividend | 207,382 | 6.41 |
| 17,526 | Fundsmith Equity | 123,250 | 3.81 |
| 244,489 | Jupiter Strategic Bond | 195,249 | 6.04 |
| 692 | Lazard Global Equity Franchise | 83,035 | 2.57 |
| 1,741 | Lazard Global Listed Infrastructure Equity | 195,090 | 6.03 |
| 21,301 | Legal & General Global Equity Index | 77,984 | 2.41 |
| 124,242 | Legal & General UK Index | 223,387 | 6.91 |
| 30,231 | Lindsell Train Global Equity | 134,207 | 4.15 |
| 10,492 | Morgan Stanley Global Brands | 134,823 | 4.17 |
| 1,615 | Muzinich Emerging Markets Short Duration | 168,365 | 5.20 |
| 1,539 | Muzinich Global Tactical Credit | 156,214 | 4.83 |
| 292,844 | Schroder Asian Income Maximiser | 127,124 | 3.93 |
| 174,871 | Schroder Income Maximiser | 76,418 | 2.36 |
| 192,248 | Schroder US Equity Income Maximiser | 139,649 | 4.32 |
| 32,172 | Stewart Investors Asia Pacific Leaders Sustainability | 100,305 | 3.10 |
| 113,578 | TB Evenlode Global Income | 168,936 | 5.22 |
| 140,752 | TM Redwheel UK Equity Income | 170,169 | 5.26 |
| 1,505 | Vontobel TwentyFour Sustainable Short Term Bond Income | 159,385 | 4.93 |
| 43,453 | WS Ruffer Diversified Return | 42,505 | 1.31 |
| | | 3,110,590 | 96.15 |
| Fixed Interest 3.66% [3.15%] | | | |
| £248,010 | UK Treasury Gilt 1.25% 31/07/2051 | 118,285 | 3.66 |
| | | 118,285 | 3.66 |
| Portfolio of investments | | 3,228,875 | 99.81 |
| Net other assets | | 6,079 | 0.19 |
| Net assets | | 3,234,954 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

All investments are listed on an official stock exchange and/or traded on regulated markets unless otherwise stated.

Comparative figures shown above in square brackets relate to 31 May 2023.

Gross purchases for the year: £2,173,741 [2023: £1,039,359] (See Note 14).

Total sales net of transaction costs for the year: £2,368,571 [2023: £1,344,793] (See Note 14).

Volare Strategic Income Fund

Statement of Total Return For the year ended 31 May 2024

| | Note | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|---|------|----------------------|----------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 204,941 | | (105,661) |
| Revenue | 3 | 126,114 | | 144,457 | |
| Expenses | 4 | (77,470) | | (70,154) | |
| Interest paid and similar charges | | - | | - | |
| Net revenue before taxation | | 48,644 | | 74,303 | |
| Taxation | 5 | (10,684) | | (7,615) | |
| Net revenue after taxation | | | 37,960 | | 66,688 |
| Total return before distributions | | | 242,901 | | (38,973) |
| Finance costs: Distributions | 6 | | (115,430) | | (136,844) |
| Change in net assets attributable to Shareholders from investment activities | | | 127,471 | | (175,817) |

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2024

| | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|--|----------------------|------------------|----------------------|------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to Shareholders | | 3,837,082 | | 4,046,959 |
| Amounts received on issue of Shares | 388,953 | | 851,210 | |
| Less: Amounts paid on cancellation of Shares | (1,118,552) | | (885,270) | |
| | | (729,599) | | (34,060) |
| Change in net assets attributable to Shareholders from investment activities (see above) | | 127,471 | | (175,817) |
| Closing net assets attributable to Shareholders | | 3,234,954 | | 3,837,082 |

Volare Strategic Income Fund

Balance Sheet As at 31 May 2024

| | | 31/05/24 | | 31/05/23 | |
|--|------|----------|------------------|-----------|------------------|
| | Note | £ | £ | £ | £ |
| Assets | | | | | |
| Fixed assets: | | | | | |
| Investments | | | 3,228,875 | | 3,270,419 |
| Current assets: | | | | | |
| Debtors | 7 | 40,797 | | 614,437 | |
| Cash and bank balances | 8 | 39,650 | | 141,822 | |
| Total current assets | | | 80,447 | | 756,259 |
| Total assets | | | 3,309,322 | | 4,026,678 |
| Liabilities | | | | | |
| Creditors: | | | | | |
| Distribution payable on income Shares | | (31,747) | | (29,101) | |
| Other creditors | 9 | (42,621) | | (160,495) | |
| Total creditors | | | (74,368) | | (189,596) |
| Total liabilities | | | (74,368) | | (189,596) |
| Net assets attributable to Shareholders | | | | | |
| | | | 3,234,954 | | 3,837,082 |

Volare Strategic Income Fund

Notes to the Financial Statements For the year ended 31 May 2024

1 Accounting Basis And Policies

The Funds' Financial Statements have been prepared on the basis detailed on pages 12 to 15.

| 2 Net capital gains/(losses) | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| The net capital gains/(losses) during the year | | |
| Investment manager subsidy | 64,528 | 53,485 |
| Non-derivative securities gains/(liabilities) | 145,132 | (155,419) |
| Transaction charges | (4,719) | (3,727) |
| Net capital gains/(losses) | 204,941 | (105,661) |
| 3 Revenue | | |
| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
| | £ | £ |
| Bank interest | 5,674 | 3,192 |
| Franked dividends from Collective Investment Schemes | 45,758 | 65,734 |
| Interest from Debt Securities | 7,727 | - |
| Interest income from Collective Investment Schemes | 33,486 | 34,188 |
| Offshore funds dividends | 13,994 | 23,977 |
| Offshore funds interest | 19,475 | 17,366 |
| Total revenue | 126,114 | 144,457 |
| 4 Expenses | | |
| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
| | £ | £ |
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fees | 11,500 | 13,370 |
| Fund accounting fees | 18,772 | 18,225 |
| Registration fees | 8,342 | 7,451 |
| | 38,614 | 39,046 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| Depositary's fees | 14,400 | 14,400 |
| Safe custody fees | 157 | (1,719) |
| | 14,557 | 12,681 |
| Other expenses | | |
| Audit fees* | 10,980 | 10,470 |
| EMX/Calastone fees | 931 | 641 |
| FCA fees | 43 | 110 |
| General expenses | 9,049 | 5,844 |
| Legal fees | 2,572 | 744 |
| LEI licence fee | 124 | 18 |
| Printing, postage, stationery and typesetting costs | 600 | 600 |
| | 24,299 | 18,427 |
| Total expenses | 77,470 | 70,154 |

* Audit fees of £9,150 + VAT have been charged in the current year (2023: £8,725 + VAT).

Notes to the Financial Statements (continued)
For the year ended 31 May 2024

| 5 Taxation | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|--|---------------------------------|---------------------------------|
| | £ | £ |
| <i>(a) Analysis of the tax charge in the year</i> | | |
| Corporation tax | 10,684 | 7,615 |
| Total current tax charge (Note 6 (b)) | 10,684 | 7,615 |
| Deferred tax (Note 6 (c)) | - | - |
| Total taxation for the year | 10,684 | 7,615 |

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2023: 20%) is applied to the net revenue before taxation

The differences are explained below:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|---------------------------------|---------------------------------|
| | £ | £ |
| Net revenue before taxation | 48,644 | 74,303 |
| Net revenue for the year multiplied by the standard rate of corporation tax | 9,729 | 14,861 |
| Effects of: | | |
| Investment manager subsidy | 12,906 | 10,697 |
| Revenue not subject to corporation tax | (11,951) | (17,943) |
| Total tax charge for the year | 10,684 | 7,615 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the balance sheet date in the current or prior year.

Notes to the Financial Statements (continued) For the year ended 31 May 2024

6 Finance costs

Distributions

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise:

| | 01/06/23 to 31/05/24 | 01/06/22 to 31/05/23 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Interim | 82,239 | 107,950 |
| Final | 31,747 | 29,101 |
| Add: Revenue paid on cancellation of Shares | 2,809 | 6,142 |
| Deduct: Revenue received on issue of Shares | (1,365) | (6,349) |
| Net distribution for the year | 115,430 | 136,844 |

Reconciliation of net revenue after taxation to distributions

| | | |
|--------------------------------------|----------------|----------------|
| Net revenue after taxation | 37,960 | 66,688 |
| Expenses charged to capital | 77,470 | 70,154 |
| Net movement in revenue account | - | 2 |
| Net distribution for the year | 115,430 | 136,844 |

Details of the distributions per Share are set out in the distribution table on page 120.

7 Debtors

| | 31/05/24 | 31/05/23 |
|----------------------------|---------------|----------------|
| | £ | £ |
| Accrued bank interest | 153 | 331 |
| Accrued revenue | 8,923 | 9,464 |
| Investment manager subsidy | 31,721 | 23,865 |
| Sales awaiting settlement | - | 580,777 |
| Total debtors | 40,797 | 614,437 |

8 Cash and bank balances

| | 31/05/24 | 31/05/23 |
|-------------------------------------|---------------|----------------|
| | £ | £ |
| Cash and bank balances | 39,650 | 141,822 |
| Total cash and bank balances | 39,650 | 141,822 |

Volare Strategic Income Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

| 9 Creditors | 31/05/24 | 31/05/23 |
|--|-----------------|-----------------|
| | £ | £ |
| Amounts payable for cancellation of Shares | 520 | 211 |
| Corporation tax payable | 10,684 | 7,615 |
| Purchases awaiting settlement | - | 132,134 |
| | 11,204 | 139,960 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fees | 974 | 1,126 |
| Fund accounting fees | 1,591 | 1,545 |
| Registration fees | 1,336 | 3,265 |
| | 3,901 | 5,936 |
| <i>Depository and Agents</i> | | |
| Depository fees | 16,125 | 2,612 |
| Safe custody fees | 13 | 59 |
| Transaction charges | 389 | 1,440 |
| | 16,527 | 4,111 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 10,980 | 10,470 |
| FCA fees | 9 | 18 |
| | 10,989 | 10,488 |
| Total creditors | 42,621 | 160,495 |

10 Related party transactions

The monies received and paid by the ACD through the issue and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

Significant Shareholdings

FundRock Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that 25.52% and 29.54% (2023: 29.60%) of the Fund's shares in issue are under the control of two nominees and their related parties for the current year.

11 Share Classes

The Share Class and ACD's Annual Management Charges applicable to the Fund are as follows:

| Share Class | % |
|--------------------|----------|
| A Income | 0.35 |

Each Share Class has equal rights in the event of the wind up of any Fund.

The reconciliation of the opening and closing numbers of Shares of each class is shown below:

| | 31/05/23 | Issued | Cancelled | Converted | 31/05/24 |
|----------|-----------------|---------------|------------------|------------------|-----------------|
| A Income | 4,043,434 | 396,310 | (1,173,292) | - | 3,266,452 |

Notes to the Financial Statements (continued)

For the year ended 31 May 2024

12 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: Nil).

13 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 15 to 17.

(a) Foreign currency risk

The functional currency of the Fund is Pound Sterling. All assets and liabilities of the Fund are denominated in Pound Sterling. There was no direct foreign currency exposure within the Fund at the balance sheet date. However, there was a significant foreign currency exposure within the Fund's holdings of Collective Investment Schemes since a proportion of their assets are denominated in currencies other than Pound Sterling, with the effect their balance sheet and total returns can be affected by exchange rate fluctuations.

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency Assets | Floating rate financial assets £ | Fixed rate financial assets £ | Financial assets not carrying interest £ | Total £ |
|--------------------|---|--|---|------------------|
| 31/05/24 | | | | |
| Pound Sterling | 39,650 | 118,285 | 3,151,387 | 3,309,322 |
| Total | 39,650 | 118,285 | 3,151,387 | 3,309,322 |
| 31/05/23 | | | | |
| Pound Sterling | 141,822 | - | 3,884,856 | 4,026,678 |
| Total | 141,822 | - | 3,884,856 | 4,026,678 |

| Currency Liabilities | Floating rate financial liabilities £ | Fixed rate financial liabilities £ | Financial liabilities not carrying interest £ | Total £ |
|-------------------------|--|---|---|----------------|
| 31/05/24 | | | | |
| Pound Sterling | - | - | 74,368 | 74,368 |
| Total | - | - | 74,368 | 74,368 |
| 31/05/23 | | | | |
| Pound Sterling | - | - | 189,596 | 189,596 |
| Total | - | - | 189,596 | 189,596 |

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Volare Strategic Income Fund

Notes to the Financial Statements (continued) For the year ended 31 May 2024

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

| | Increase £ | Decrease £ |
|------|---------------|---------------|
| 2024 | 322,888 | 322,888 |
| 2023 | 327,042 | 327,042 |

(d) Leverage

The Fund did not employ any significant leverage as at 31 May 2024 (2023: no significant leverage), other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

14 Portfolio transaction costs

| | 01/06/23 to 31/05/24 | | 01/06/22 to 31/05/23 | |
|---|-------------------------|------------------|-------------------------|------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in year before transaction costs: | | | | |
| Collective Investment Schemes | | 2,173,741 | | 921,083 |
| Bonds | | - | | 118,276 |
| | | 2,173,741 | | 1,039,359 |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total purchase costs | | - | | - |
| Gross purchase total | | 2,173,741 | | 1,039,359 |
| Analysis of total sale costs | | | | |
| Gross sales in year before transaction costs: | | | | |
| Collective Investment Schemes | | 2,368,571 | | 1,344,793 |
| | | 2,368,571 | | 1,344,793 |
| Commissions - Collective Investment Schemes | - | | - | |
| Fees - Collective Investment Schemes | - | | - | |
| Total sale costs | | - | | - |
| Total sales net of transaction costs | | 2,368,571 | | 1,344,793 |

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Volare Strategic Income Fund

Notes to the Financial Statements (continued)

For the year ended 31 May 2024

14 Portfolio transaction costs (continued)

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

| | 01/06/23 to 31/05/24 % | 01/06/22 to 31/05/23 % |
|---|------------------------------|------------------------------|
| Transaction costs as percentage of principal amounts | | |
| Purchases - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Purchases - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Commissions | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| Sales - Fees | | |
| Collective Investment Schemes | 0.0000% | 0.0000% |
| | 01/06/23 to 31/05/24 % | 01/06/22 to 31/05/23 % |
| Transaction costs as percentage of average net asset value | | |
| Commissions | 0.0000% | 0.0000% |
| Fees | 0.0000% | 0.0000% |

15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

16 Fair value disclosure

| Valuation technique | 31/05/24 | | 31/05/23 | |
|--|------------------|------------------|------------------|------------------|
| | Assets £ | Liabilities £ | Assets £ | Liabilities £ |
| Level 1: The unadjusted quoted price in an active market for identical assets or liabilities | 118,285 | - | 120,734 | - |
| Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | 3,110,590 | - | 3,149,685 | - |
| Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability* | - | - | - | - |
| | 3,228,875 | - | 3,270,419 | - |

* The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 14.

Volare Strategic Income Fund

Distribution Table As at 31 May 2024

First Interim Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2023

Group 2 Shares purchased on or after 1 June 2023 to 31 August 2023

| | Net revenue (p) | Equalisation (p) | Distribution paid 31/10/23 (p) | Distribution paid 30/10/22 (p) |
|-----------------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.9271 | - | 0.9271 | 0.8899 |
| Group 2 | 0.0443 | 0.8828 | 0.9271 | 0.8899 |

Second Interim Distribution in pence per Share

Group 1 Shares purchased prior to 1 September 2023

Group 2 Shares purchased on or after 1 September 2023 to 30 November 2023

| | Net revenue (p) | Equalisation (p) | Distribution paid 31/01/24 (p) | Distribution paid 30/01/23 (p) |
|-----------------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.7715 | - | 0.7715 | 0.9143 |
| Group 2 | 0.4672 | 0.3043 | 0.7715 | 0.9143 |

Third Interim Distribution in pence per Share

Group 1 Shares purchased prior to 1 December 2023

Group 2 Shares purchased on or after 1 December 2023 to 29 February 2024

| | Net revenue (p) | Equalisation (p) | Distribution paid 30/04/24 (p) | Distribution paid 30/04/23 (p) |
|-----------------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.6958 | - | 0.6958 | 0.9004 |
| Group 2 | 0.0191 | 0.6767 | 0.6958 | 0.9004 |

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 March 2024

Group 2 Shares purchased on or after 1 March 2024 to 31 May 2024

| | Net revenue (p) | Equalisation (p) | Distribution payable 31/07/24 (p) | Distribution paid 31/07/23 (p) |
|-----------------------------|-----------------------|---------------------|--|---|
| Share Class A Income | | | | |
| Group 1 | 0.9719 | - | 0.9719 | 0.7197 |
| Group 2 | 0.7394 | 0.2325 | 0.9719 | 0.7197 |

General Information

Classes of Shares

The Company can issue different classes of Shares in respect of the Fund. Holders of Income Shares are entitled to be paid the revenue attributable to such Shares, in respect of each annual accounting period, with the exception of Volare Strategic Income Fund which pays quarterly distributions as detailed below (see Distribution Payment Dates). Holders of Accumulation Shares are not entitled to be paid the revenue attributable to such Shares, but that revenue is retained and accumulated for the benefit of Shareholders and is reflected in the price of Shares.

Buying and Selling Shares

The Authorised Corporate Director ("ACD") will accept orders to deal in the Shares on normal business days between 9.00 am and 5.00 pm. Instructions to buy or sell Shares may be either in writing to: FundRock Partners Limited - LGT Wealth Management, PO Box 12391, Chelmsford, CM99 2EU or by telephone on 01268 445772* (UK only) or +44 1268 445772* (outside the UK)* or by fax on 01268 441498 (UK only) or +44 1268 441498 (outside the UK). A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Valuation Point

The valuation point for the Fund is 12 noon on each dealing day (being each day which is a business day in London). Valuations may be made at other times under the terms contained within the Prospectus.

Prices

The prices of Shares for each class in the Fund will be posted via a link on www.trustnet.com.

The prices can also be obtained by telephoning the Administrator on 01268 445772* (UK only) or +44 1268 445772* (outside the UK)* during the ACD's normal business hours.

Report

The annual report of the Company will normally be published within two months of each annual accounting period, although the ACD reserves the right to publish the annual report at a later date but not later than four months from the end of each annual accounting period and the interim report will be published within two months of each interim accounting period.

| | |
|--|-------------|
| Interim Financial Statements period ended: | 30 November |
| Annual Financial Statements year ended: | 31 May |

Distribution Payment Dates

| | |
|---------|--|
| Interim | 31 January, 30 April, 31 October (Strategic Income Fund) |
| Annual | 31 July |

* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.

General Information (continued)

Remuneration Information

Under the UCITS V Directive, the ACD must establish and apply remuneration policies and practices that are consistent with and promote sound and effective risk management. Under the COLL Sourcebook, FundRock Partners ("FP") as UK UCITS Manager, are required to disclose details on how those individuals whose actions can have a material impact on the Fund are remunerated (known as Identified Staff or 'Material Risk Takers').

The remuneration strategy across FP is governed by the FP Board. FP has chosen not to establish a Remuneration Committee. The FP Board has established a Remuneration Policy designed to ensure the UCITS Remuneration Code in the UK Financial Authority handbook is met proportionately for all UCITS Remuneration Code Staff.

FP considers its activities as non complex due to the fact that regulation limits the UCITS strategies conducted and the scope of investment in such a way that investor risk is mitigated. The discretion of FP and the portfolio manager is strictly controlled within certain pre-defined parameters as determined in the prospectus of each UK UCITS.

In its role as an UK UCITS Manager, FP deems itself as lower risk due to the nature of the activities it conducts. Therefore FP has provided a basic overview of how staff whose actions have a material impact on the Funds are remunerated.

| May 24 | Number of Beneficiaries ¹ | Total remuneration paid ² | Fixed remuneration | Variable remuneration paid | Carried interest paid by the UCITS |
|--|--------------------------------------|--------------------------------------|--------------------|----------------------------|------------------------------------|
| Total remuneration paid by FP during the financial year | 21 | 2,163,310 | 2,040,517 | 122,793 | 0 |
| Remuneration paid to employees of FP who have a material impact on the risk profile of the UK UCITS | 5 | 695,781 | 652,122 | 43,659 | 0 |
| Senior Management | 5 | 695,781 | 652,122 | 43,659 | 0 |
| Control functions | 5 | 695,781 | 652,122 | 43,659 | 0 |
| Employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers | 0 | 0 | 0 | 0 | 0 |

¹Number of beneficiaries represents employees of the FP who are fully or partially involved in the activities of the UK UCITS as at 31 May 2024.

²Total remuneration paid represents total compensation of those employees of FP who are fully or partially involved in the activities of the UK UCITS based on their time in the role during the reporting period. Due to FP's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable.

There were no material changes in FP's remuneration policy since the previous year end.

Based on the annual review of the remuneration policy and remuneration principles, FundRock Partners have not noted any irregularities which require action.

General Information (continued)

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document ("KIID"), Supplementary Information Document ("SID") and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies can be obtained upon request as well digital copies may be obtained on the below:-

<https://www.fundrock.com/investor-information/lgt-wealth-management-uk-llp/>

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a Shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR.

Data Protection

The way in which we may use personal information of individuals ("personal data") is governed by the "Data Protection Requirements" which means all applicable data protection laws and regulations including, without limitation, (a) the General Data Protection Regulation (EU) 2016/679 ("GDPR"), (b) UK GDPR (as that term is defined by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019) and the Data Protection Act 2018, and (c) any legislation that supplements or replaces the foregoing in the UK. The Data Protection Requirements are designed to strengthen data protection for all individuals.

Further details on our privacy policy and your rights under the Data Protection Requirements can be found on our website: <https://www.fundrock.com/policies-and-compliance/privacy-policy/>. Changes to our privacy policy will be published on our website.

We will use personal data to open the Shareholder's accounts, maintain the Register; process subscriptions, redemptions and exchanges of Shares and payments of dividends; perform controls on excessive trading and market timing; comply with applicable anti-money laundering rules or anti-terrorist financing rules; or comply with our reporting obligations to regulatory bodies or tax authorities as well as our obligations under other applicable laws and regulations, monitor calls and electronic communications to process and verify instructions, or for investigation and fraud prevention purposes. We will only share the Shareholder's personal data in accordance with Data Protection Laws.

Effects of Personal Taxation

Investors should be aware that unless their Shares are held within an ISA, selling Shares is treated as a disposal for the purpose of Capital Gains Tax.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

General Information (continued)

Value Assessment

With effect from 30 September 2019, an authorised fund manager (“AFM”) or a UCITS management company authorised by the FCA must perform a detailed assessment on whether its funds are providing value to investors and then publish an annual statement summarising the outcome. This statement can be part of a fund’s annual long report or AFMs can produce a composite report covering two or more funds. In carrying out the value assessment, the AFMs must consider several criteria: quality of service, performance, AFM costs, economies of scale, comparable market rates, comparable services and classes of units. FundRock Partners Limited has chosen to use the composite report approach. The assessment will be published on the FundRock website within four months after the reference date - 30 June.

<https://www.fundrock.com/investor-information/lgt-wealth-management-uk-llp/>

Task Force on Climate-Related Financial Disclosures (TCFD)

The ACD is required to publish a public TCFD product report in respect of each Sub-fund. The report is designed to provide institutional investors with transparency into their portfolios’ climate-related risks and opportunities according to the recommendations from the TCFD and aims to help investors understand their exposure to these risks and opportunities.

Reports for each Sub-fund are published on <https://www.fundrock.com/investor-information/> and can be found by selecting the relevant Fund Name and then category downloads TCFD reports.

Contact Information

The Company and its Head Office

Volare UCITS Portfolios
Hamilton Centre,
Rodney Way,
Chelmsford,
England, CM1 3BY
Incorporated in England and Wales
under registration number IC001079
Website address: www.fundrock.com
(Authorised and regulated by the FCA)

Directors of the ACD

C. Deptford (appointed 16 September 2024)
S. Gunson
L. Poynter

Non-executive Directors

S. Gordon-Hart (resigned 25 September 2024)
E. Personne
D. Phillips (appointed 16 September 2024)
J. Thompson (appointed 16 September 2024)
M. Vareika (resigned 25 September 2024)

Registrar

SS&C Financial Services Europe Limited
Head Office:
SS&C House,
St Nicholas Lane,
Basildon,
Essex SS15 5FS

Customer Service Centre

FundRock Partners Limited - LGT Wealth Management
PO Box 12391,
Chelmsford CM99 2EU
Telephone: 01268 445 772* (within UK only)
Outside the UK: +44 1268 445 772*
Fax: 01268 441 498
Outside the UK: +44 1268 441 498

Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London EC4A 3BZ
United Kingdom

Authorised Corporate Director ("ACD")

FundRock Partners Limited
Hamilton Centre,
Rodney Way,
Chelmsford,
England, CM1 3BY
(Authorised and regulated by the FCA and
a member of the Investment Association)

Investment Manager

LGT Wealth Management UK LLP
14 Cornhill,
London EC3V 3NR
(Authorised and regulated by the FCA)

Depository

Citibank UK Limited,
Citigroup Centre,
Canada Square,
Canary Wharf,
London E14 5LB
(Authorised by the Prudential Regulation
Authority ("PRA") and regulated by the
PRA and FCA)

* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.

