

# **THE DISCOVERY FUND**

**(Sub-funds Discovery Balanced Fund, Discovery Growth Fund  
and Discovery Cautious Fund)**

**Annual Report and Financial Statements  
For the year ended 31 January 2025**

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## COMPANY OVERVIEW

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### **Type of Company:**

The Company is an investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC000365. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes Sourcebook ("COLL") issued by the FCA. Each Sub-fund would be a UCITS scheme if they had separate authorisation orders.

The Company has currently three Sub-funds available for investment, Discovery Balanced Fund, Discovery Growth Fund and Discovery Cautious Fund.

Shareholders are not liable for the debts of the Company.

A shareholder is not liable to make any further payment to the Company after they have paid the price on the purchase of the shares.

## STATEMENT OF THE AUTHORISED FUND MANAGER'S (AFM's) RESPONSIBILITIES

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The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Fund Manager to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company at the end of the financial year and its net revenue and net capital gains for the year. In preparing these financial statements the Authorised Fund Manager is required to:

- > comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.
- > select suitable accounting policies and then apply them consistently;
- > make judgements and estimates that are reasonable and prudent;
- > prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Fund Manager is required to keep proper accounting records and to manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus. The Authorised Fund Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## AUTHORISED FUND MANAGER'S STATEMENT

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In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook, we hereby certify the annual report.

Jonathan W. Sim MA CA

Jonathan M. Child CA

On behalf of Valu-Trac Investment Management Limited  
Authorised Fund Manager

Date:

## STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE DISCOVERY FUND

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### For the year ended 31 January 2025

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

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

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

The Depositary must ensure that:

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

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

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

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the Investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited  
10 February 2025

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE DISCOVERY FUND (SUB-FUNDS DISCOVERY BALANCED FUND, DISCOVERY GROWTH FUND AND DISCOVERY CAUTIOUS FUND)**

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**Opinion**

We have audited the financial statements of The Discovery Fund ('the Company') for the year ended 31 January 2025, which comprise the Statements of Total Return, Statements of Changes in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > Give a true and fair view of the financial position of the Company as at 31 January 2025 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended;
- > Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook (COLL Rules) of the Financial Conduct Authority and the Instrument of Incorporation.

**Basis for Opinion**

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

**Conclusions Relating to Going Concern**

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

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

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

**Other Information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Authorised Fund Manager 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.

**Opinion on Other Matters Prescribed by the COLL Regulations**

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

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

**Responsibilities of the Authorised Fund Manager**

As explained more fully in the Authorised Fund Manager's responsibilities statement set out on page 2, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

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

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

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

- > Management override of controls; and
- > the completeness and classification of special dividends between revenue and capital.

**Auditor Responsibilities for the Audit of the Financial Statements (Continued)**

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

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

- > Reviewing the level of and reasoning behind the Company's procurement of legal and professional services;
- > Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Fund Manager in its calculation of accounting estimates for potential management bias;
- > Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies' dividend payments;
- > Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook, and its Prospectus;
- > Completion of appropriate checklists and use of our experience to assess the Company's compliance with the IA Statement of Recommended Practice for Authorised Funds; and
- > Agreement of the financial statement disclosures to supporting documentation.

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

**Use of Our Report**

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

Johnston Carmichael LLP  
Chartered Accountants  
Statutory Auditor  
Elgin, United Kingdom

Date



## ACCOUNTING POLICIES

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### For the year ended 31 January 2025

The principal accounting policies, which have been applied in both the current and prior year, are set out below:

- (a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.
- (b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The AFM believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.
- (c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis. For Discovery Balanced Fund and Discovery Cautious Fund, all expenses are then reallocated to capital, net of any tax effect for distribution purposes.
- (d) Distributions on equities and collectives are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. Rebates received from the Investment Manager are accrued and allocated to revenue. For Discovery Balanced Fund and Discovery Cautious Fund, Investment Manager rebates are then reallocated to capital, net of any tax effect for distribution purposes. Rebate income from underlying holdings is recognised on an accruals basis and is allocated to revenue or capital which is determined by the allocation of the expenses in the underlying funds. Excess Reportable Income is recognised once reported by the relevant funds. Equalisation on distributions from collectives is treated as capital. All equalisation on distributions from collectives is then reallocated to revenue, for distribution purposes.
- (e) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.
- (f) Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case. Where the receipt of a special dividend results in a significant reduction in the capital value or where the distribution arises from an underlying capital event such as a merger or disposal these would typically be deemed as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividend would typically be recognised as revenue. Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.
- (g) The listed investments of the Sub-funds have been valued at bid market prices at the closing valuation point at 12 noon on 31 January 2025. Unlisted collectives are valued at the closing bid price for dual-priced funds and the closing single price for single priced funds. Unlisted or suspended investments are valued by the AFM considering where appropriate, latest dealing prices, valuations from reliable sources, financial performance, and other relevant factors..
- (h) All transactions in foreign currencies are converted into Sterling at the rate of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at 12 noon on 31 January 2025.
- (i) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.  
  
Deferred tax assets are recognised only to the extent that the AFM considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (j) In certain circumstances the AFM may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Sub-funds, is intended to cover dealing spread on assets bought and sold and certain charges such as applicable dealing taxes and brokers commission not included in the mid-market value of the Sub-funds used for Net Asset Value (NAV) calculations, which could have a diluting effect on the performance of the Sub-funds.

## ACCOUNTING POLICIES (Continued)

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- (k) Discovery Balanced Fund and Discovery Cautious Fund currently issue Accumulation & Income shares while Discovery Growth Fund currently issues Accumulation shares. Discovery Balanced Fund and Discovery Cautious Fund go ex dividend quarterly and Discovery Growth goes ex dividend annually. The Sub-funds pay any income available to the shareholder two months in arrears, as a dividend distribution. Any revenue deficit at the year end is funded from capital.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or if it no longer exists the AFM). Application to claim distributions that have not been paid should be made to the AFM before this six year period has elapsed.

For the treatment of expenses revert to policy 'c' and special dividends revert to policy 'f'.

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. 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.

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	Discovery Balanced Fund
<b>Size of Sub-fund</b>	£87,731,410
<b>Launch date</b>	21 March 2005
<b>Sub-fund objective and policy</b>	<p>The objective of the Sub-fund is to provide returns through a combination of capital growth and income over a market cycle (5 years).</p> <p>The Sub-fund will primarily gain exposure indirectly via eligible collective investment schemes and other collective investment vehicles (for example, investment companies, exchange traded funds) to a range of eligible assets such as transferable securities (shares (including investment trusts), debentures, government and public securities, warrants or certificates representing certain securities), money market instruments, deposits, cash, property and commodities to provide diversification. The Sub-fund may also invest directly in such eligible assets (excluding property and commodities). Derivatives will be used only for the purpose of Efficient Portfolio Management.</p> <p>The Sub-fund will be constructed based on the Investment Manager's assessment of the broader economic outlook as well as the absolute and relative attractiveness of different asset classes. This analysis, combined with the view on the potential risk profile and relative risk-adjusted returns of asset classes will determine the current asset allocation of the Sub-fund.</p> <p>Typically, the Sub-fund is likely to have a balanced exposure to underlying equities and commodities, on the one hand, and underlying cash, fixed interest and property assets on the other.</p> <p>The Investment Manager will use a wide range of assets and asset classes to provide a diversified investment approach and will actively alter the weights of the component parts where necessary with a view to achieving the investment objective. The Sub-fund might have the ability to be fully invested in one class of asset, but in reality, due to creating a diversified investment solution, it will be exposed to numerous managers, geographies, asset classes and styles.</p>
<b>Performance comparator</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA Mixed Investment 40-85% Shares, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	31 January, 30 April, 31 July and 31 October
<b>Distribution dates</b>	31 March, 30 June, 30 September and 31 December
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

**SUB-FUND OVERVIEW (Continued)****Share class information**

Share class	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Monthly savings available	Minimum redemption	Initial charge
A Sterling Net Income Shares*	£3,000	£1,000	£3,000	Yes	£1,000	5%
A Sterling Net Accumulation Shares*	£3,000	£1,000	£3,000	Yes	£1,000	5%
B Sterling Net Income Shares	£3,000	£1,000	£3,000	Yes	£1,000	0%
B Sterling Net Accumulation Shares	£3,000	£1,000	£3,000	Yes	£1,000	0%
C Sterling Net Income Shares**	£5,000,000	£500,000	£5,000,000	Yes	£500,000	0%
C Sterling Net Accumulation Shares**	£5,000,000	£500,000	£5,000,000	Yes	£500,000	0%
US \$ Net Accumulation Shares***	\$5,000	\$1,500	\$5,000	Yes	\$1,500	5%
Euro Net Accumulation Shares***	€ 5,000	€ 1,500	€ 5,000	Yes	€ 1,500	5%

\* A Class shares closed since 12 June 2023

\*\* C Class shares are available only to investors with a separate arrangement with the AFM or the Investment Manager.

\*\*\* Share class currently inactive

**Annual management charges**

£53,431 per annum<sup>^^</sup> plus:

A variable fee based on the Net Asset Value of the Sub-fund as follows

- Up to £100 million – 1.5 bps (0.015%) per annum
- £100 million to £250 million – 0.75 bps (0.0075%) per annum
- £250 million to £500 million – 0.50 bps (0.0050%) per annum
- thereafter – 0.25 bps (0.0025%) per annum

Plus:

B Shares - 0.70%

C Shares - 0.40%

US \$ & Euro Shares - 1.55%

The above percentages being a percentage of the Net Asset Value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

<sup>^^</sup> The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year (from 1 January 2024). In the event of negative inflation, the fixed element of the fee will remain unchanged.

**Investment Manager rebate**

The Investment Manager of the Sub-fund had undertaken to absorb any costs that would otherwise cause the C shares to have ongoing charges in excess of 0.80%. This rebate arrangement ceased on 03 March 2023.

## INVESTMENT MANAGER'S REVIEW

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In the year to end of January 2025, the unit price of the Discovery Balanced fund (as measured by the C Accumulation unit) grew by 10.82%, 1.85% behind a generally accepted peer group average (which is an amalgam of "managed" investment funds that invest across the asset classes (such as equities, fixed income, commodities, alternative assets, property and so on) although the sector is limited to have between 40% and 85% of the assets in equities). The sector is known as the Mixed Investment 40% to 85% Shares sector. This underperformance was largely a result of the highly concentrated nature of returns over the period, specifically in relation to US equities and the Magnificent Seven.

The portfolio is managed using the "fund of funds" approach which instead of investing directly in the shares or debt of companies such as Marks & Spencer, Apple, ITV, BMW, Sony, Proctor & Gamble, BP or any stock market listed company on any of the global stock exchanges, the manager invests in mutual funds – those offered by companies such as Invesco, Jupiter, M&G or Aviva. A typical "mutual fund" portfolio might contain shares of 50-100 underlying companies; a typical "fund of funds" portfolio might contain 15-30 funds. Therefore, do not be too concerned when looking at what looks like a relatively small "stock list". In reality, a fund of funds portfolio is much more diversified than a typical mutual fund.

A great advantage of investing in a fund of funds portfolio is the benefit of diversification – each investment manager included in the fund can invest in different assets and asset classes – equity, debt, or property for instance. Further to this, the manager can dive deeper into different sub sectors – market capitalisation, term of debt, quality of debt, streams of income and so on which allows further diversification. Another advantage to this is "managing the manager" – the investment manager that runs a fund. The role of a fund of funds manager is to balance and blend styles to deliver a portfolio that meets with the investment objectives.

At the start of the period the number of holdings in the portfolio was 32 and this remained at the end of the period (although one holding is now at de minimis levels following a corporate action). At a high level, the broad asset weighting in the portfolio remained largely the same (the equity weighting increased from 63% to 64%), however, there was a meaningful increase in the passive weighting (rising from 37% to 42% including cash) which will have helped to reduce the overall OCF of the fund, as well as potentially reducing the number of trades which are required on an ongoing basis.

We believe the changes to the portfolio make-up and the introduction of new passive holdings will set the portfolio in good stead looking forward and barring further significant political and/or economic upheaval we are confident portfolio activity going forward is likely to be more muted compared to the past twelve-month period.

James Kempster  
Fund Manager  
Hawksmoor Investment Management Limited  
06 March 2025

## PERFORMANCE RECORD

### Financial Highlights

		Period 01 February 2023 to 12 June 2023^	Year ended 31 January 2023
<b>A Sterling Net Income</b>			
Changes in net assets per share		GBP	GBP
Opening net asset value per share		108.8299	117.8610
Return before operating charges		(0.2402)	(3.9935)
Operating charges (note 1)		(0.8138)	(2.1989)
Return after operating charges *		(1.0540)	(6.1924)
Distributions on income shares		(1.2795)	(2.8387)
Closing net asset value per share		106.4964	108.8299
*after direct transactions costs of:		-	-
Performance			
Return after charges		(0.97%)	(5.25%)
Other information			
Closing net asset value		-	£663,281
Closing number of shares		-	609,466
Operating charges (note 2)		2.09%	1.94%
Direct transaction costs		0.00%	0.00%
Prices			
Highest share price		111.0886	119.9224
Lowest share price		105.4741	101.7233

^Share class closed on 12 June 2023 following mandatory conversion of shares

		Period 01 February 2023 to 12 June 2023^	Year ended 31 January 2023
<b>A Sterling Net Accumulation</b>			
Changes in net assets per share		GBP	GBP
Opening net asset value per share		202.2555	213.1043
Return before operating charges		(0.4542)	(6.8198)
Operating charges (note 1)		(1.5213)	(4.0290)
Return after operating charges *		(1.9755)	(10.8488)
Closing net asset value per share		200.2800	202.2555
Retained distributions on accumulated shares		2.3778	5.1895
*after direct transactions costs of:		-	-
Performance			
Return after charges		(0.98%)	(5.09%)
Other information			
Closing net asset value		-	£1,566,449
Closing number of shares		-	774,490
Operating charges (note 2)		2.09%	1.94%
Direct transaction costs		0.00%	0.00%
Prices			
Highest share price		206.4520	216.8316
Lowest share price		196.3573	187.1143

^Share class closed on 12 June 2023 following mandatory conversion of shares

**PERFORMANCE RECORD (Continued)**
**Financial Highlights (Continued)**

		Year ended 31 January 2025	Year ended 31 January 2024	Year ended 31 January 2023
<b>B Sterling Net Income</b>				
Changes in net assets per share		GBP	GBP	GBP
	Opening net asset value per share	119.5681	118.4659	127.3306
	Return before operating charges	14.0219	6.0347	(4.3242)
	Operating charges (note 1)	(1.6108)	(1.5948)	(1.4625)
	Return after operating charges *	12.4111	4.4399	(5.7867)
	Distributions on income shares	(3.7344)	(3.3377)	(3.0780)
	Closing net asset value per share	128.2448	119.5681	118.4659
	*after direct transactions costs of:	-	-	-
Performance				
	Return after charges	10.38%	3.75%	(4.54%)
Other information				
	Closing net asset value	£2,694,558	£3,184,753	£2,849,282
	Closing number of shares	2,101,105	2,663,547	2,405,150
	Operating charges (note 2)	1.30%	1.34%	1.19%
	Direct transaction costs	0.00%	0.00%	0.00%
Prices				
	Highest share price	129.2315	120.9565	129.5656
	Lowest share price	118.9023	111.9571	110.4816
<b>B Sterling Net Accumulation</b>				
Changes in net assets per share		GBP	GBP	GBP
	Opening net asset value per share	163.8095	157.7259	164.9428
	Return before operating charges	19.4124	8.2379	(5.2970)
	Operating charges (note 1)	(2.2411)	(2.1543)	(1.9199)
	Return after operating charges *	17.1713	6.0836	(7.2169)
	Closing net asset value per share	180.9808	163.8095	157.7259
	Retained distributions on accumulated shares	5.1735	4.4894	4.0312
	*after direct transactions costs of:	-	-	-
Performance				
	Return after charges	10.48%	3.86%	(4.37%)
Other information				
	Closing net asset value	£2,925,307	£3,308,925	£2,431,263
	Closing number of shares	1,616,363	2,019,983	1,541,448
	Operating charges (note 2)	1.30%	1.34%	1.19%
	Direct transaction costs	0.00%	0.00%	0.00%
Prices				
	Highest share price	180.9808	164.9673	167.8381
	Lowest share price	162.8973	152.3169	145.5914

**PERFORMANCE RECORD (Continued)**
**Financial Highlights (Continued)**

		Year ended 31 January 2025	Year ended 31 January 2024	Year ended 31 January 2023
<b>C Sterling Net Income</b>				
Changes in net assets per share		GBP	GBP	GBP
	Opening net asset value per share	113.3105	111.9207	119.7605
	Return before operating charges	13.3137	5.7182	(4.0177)
	Operating charges (note 1)	(1.1761)	(1.1712)	(0.9267)
	Return after operating charges *	12.1376	4.5470	(4.9444)
	Distribution on income shares	(3.5439)	(3.1572)	(2.8954)
	Closing net asset value per share	121.9042	113.3105	111.9207
	*after direct transactions costs of:	-	-	-
Performance				
	Return after charges	10.71%	4.06%	(4.12%)
Other information				
	Closing net asset value	£709,120	£885,855	£839,824
	Closing number of shares	581,702	781,794	750,374
	Operating charges (note 2)	1.00%	1.04%	0.80%
	Direct transaction costs	0.00%	0.00%	0.00%
Prices				
	Highest share price	122.8335	114.5988	121.8676
	Lowest share price	112.6934	106.0175	104.2531
<b>C Sterling Net Accumulation</b>				
Changes in net assets per share		GBP	GBP	GBP
	Opening net asset value per share	141.1755	135.5162	141.0906
	Return before operating charges	16.7618	7.0981	(4.4680)
	Operating charges (note 1)	(1.4881)	(1.4388)	(1.1064)
	Return after operating charges *	15.2737	5.6593	(5.5744)
	Closing net asset value per share	156.4492	141.1755	135.5162
	Retained distributions on accumulated shares	4.4651	3.8619	3.4653
	*after direct transactions costs of:	-	-	-
Performance				
	Return after charges	10.82%	4.18%	(3.95%)
Other information				
	Closing net asset value	£81,434,924	£80,523,677	£86,251,087
	Closing number of shares	52,051,992	57,037,979	63,646,331
	Operating charges (note 2)	1.00%	1.04%	0.80%
	Direct transaction costs	0.00%	0.00%	0.00%
Prices				
	Highest share price	156.4492	142.1396	143.5730
	Lowest share price	140.4067	131.1643	124.9421



## PERFORMANCE RECORD (Continued)

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### Financial Highlights (Continued)

1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the open-ended funds the Sub-fund holds. Note, the 2023 and 2022 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

### Risk Profile

Based on past data, the Sub-fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 January 2024: ranked 5). The Sub-fund is ranked 5 because monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 31 January 2025

Holding	Value £	% of net assets
<b>Collective Investment Scheme (31.01.2024: 91.60%)</b>		
2,921,857 AI Multi-Strategy Target Return Fund	4,170,367	4.74%
4,460,000 Artemis High Income Fund	3,332,512	3.80%
559,000 AXA Framlington Health Fund	2,536,742	2.89%
107,000 Baillie Gifford Japanese Fund	1,777,270	2.03%
2,062,487 Fidelity Emerging Markets Fund	2,452,297	2.80%
1,417,000 First Sentier Global Listed Infrastructure Fund	3,425,598	3.90%
652,500 Fundsmith Equity Fund	4,417,686	5.04%
592,000 HSBC American Index Fund	6,393,600	7.29%
400,000 HSBC European Index Fund	3,476,400	3.96%
5,485,000 HSBC FTSE 100 Index Fund	7,794,185	8.88%
2,515,000 iShares Overseas Corporate Bond Index Fund	4,252,241	4.85%
682,000 iShares Pacific Ex Japan Equity Tracker Fund	3,378,061	3.85%
4,721,703 Jupiter Strategic Bond Fund	2,498,725	2.85%
3,667,000 Legal & General UK Mid Cap Index Fund	2,486,593	2.83%
5,340,000 Legal & General All Stocks Gilt Index Fund	4,953,918	5.65%
1,510,000 Liontrust European Dynamic Fund	1,767,638	2.01%
514,000 Liontrust Special Situations Fund	2,560,388	2.92%
628,000 Man GLG Japan CoreAlpha Professional Fund	1,828,108	2.08%
3,068,000 M&G Emerging Markets Bond Fund	3,316,508	3.78%
2,244,906 M&G Global Dividend Fund	3,596,788	4.10%
2,577,000 Royal London Short Duration Credit Fund	2,525,718	2.88%
252,966 Rathbone Income Fund	2,528,728	2.88%
1,730,000 Schroder US Smaller Companies Fund	3,693,550	4.21%
2,253,618 Schroder Recovery Fund	1,761,201	2.01%
1,700,000 WS Ruffer Diversified Return Fund	1,674,840	1.92%
	82,599,662	94.15%
<b>Investments Trusts (31.01.2024: 3.94%)</b>		
9,741 Blackstone Loan Financing Ltd <sup>^</sup>	-	0.00%
1,657,500 Cordiant Digital Infrastructure Ltd	1,372,410	1.56%
	1,372,410	1.56%
<b>Real Estate Investment Trusts (31.01.2024: 0.91%)</b>		
1,170,000 Alternative Income REIT PLC	772,200	0.89%
	772,200	0.89%
<b>Portfolio of investments (31.01.2024: 96.45%)</b>	<b>84,744,272</b>	<b>96.60%</b>
<b>Net other assets (31.01.2024: 3.55%)</b>	<b>2,987,138</b>	<b>3.40%</b>
	<b>87,731,410</b>	<b>100.00%</b>

<sup>^</sup>Holding was suspended on 15 January 2025 through a Special Resolution that the Company should be summarily wound up. The Sub-fund's interest was compulsory repurchased on 16 January 2025 and any remaining assets of the Company will be distributed to the shareholders which is hoped to be completed by 30 June 2025.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the year (note 14)</b>	<b>32,319,140</b>
M&G Global Dividend Fund	3,370,872
HSBC European Index Fund	3,250,400
Fidelity Emerging Markets Fund	2,831,840
AXA Framlington Health Fund	2,679,040
Jupiter Strategic Bond Fund	2,639,385
Legal & General UK Mid Cap Index Fund	2,028,734
M&G Emerging Markets Bond Fund	2,015,370
Fundsmith Equity Fund	1,944,536
IShares Pacific Ex Japan Equity Tracker Fund	1,772,187
Schroder Recovery Fund	1,767,780
Various other purchases	8,018,996

	£
<b>Total sales for the year (note 14)</b>	<b>39,932,393</b>
M&G Global Dividend Fund	3,684,172
Invesco European Equity Fund	3,623,817
Hipgnosis Songs Fund Ltd	2,821,555
Jupiter Strategic Bond Fund	2,756,880
Stewart Investors Worldwide All Cap Fund	2,680,284
Fidelity Emerging Markets Fund	2,633,450
Schroder Recovery Fund	2,618,940
HSBC FTSE 100 Index Fund Income	1,879,625
First Sentier Gbl Listed Infrastructure	1,772,078
Jupiter European Fund	1,758,005
Various other sales	13,703,587

The above represents all the purchases and sales during the year.

## STATEMENT OF TOTAL RETURN

For the year ended 31 January

		2025	2024
	Notes	£	£
Income			
Net capital gains	2	7,350,190	1,591,099
Revenue	3	2,388,557	2,361,454
Expenses	4	(502,052)	(499,284)
Interest payable and similar charges	6	(12,551)	(11,907)
Net revenue before taxation		1,873,954	1,850,263
Taxation	5	(122,559)	(318)
Net revenue after taxation		1,751,395	1,849,945
Total return before distributions		9,101,585	3,441,044
Finance costs: distributions	6	(2,652,026)	(2,593,564)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>6,449,559</b>	<b>847,480</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January

	2025	2024
	£	£
<b>Opening net assets attributable to shareholders</b>	87,833,270	94,545,657
Amounts receivable on creation of shares	7,281,532	4,887,667
Amounts payable on cancellation of shares	(16,332,642)	(14,867,478)
Dividends reinvested	2,499,691	2,419,944
Changes in net assets attributable to shareholders from investment activities (see above)	6,449,559	847,480
<b>Closing net assets attributable to shareholders</b>	<b>87,731,410</b>	<b>87,833,270</b>

## BALANCE SHEET

As at		31.01.2025		31.01.2024	
	Notes	£	£	£	£
<b>ASSETS</b>					
Investment assets			84,744,272		84,722,670
<b>Current assets</b>					
Debtors	7	700,813		112,538	
Cash and bank balances	8	<u>2,540,677</u>		<u>3,213,261</u>	
<b>Total current assets</b>			<u>3,241,490</u>		<u>3,325,799</u>
<b>Total assets</b>			87,985,762		88,048,469
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Distribution payable on income shares		(26,532)		(18,364)	
Creditors	9	<u>(227,820)</u>		<u>(196,835)</u>	
<b>Total current liabilities</b>			<u>(254,352)</u>		<u>(215,199)</u>
<b>Net assets attributable to shareholders</b>			87,731,410		87,833,270

## NOTES TO THE FINANCIAL STATEMENTS

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### 1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on pages 7 to 8.

### 2 Net capital gains

	2025	2024
	£	£
The net capital gains comprise:		
Non-derivative securities gains	7,394,087	1,599,136
Currency (losses)	(43,832)	(6,732)
Rebates from underlying holdings	-	153
Transaction charges (custodian)	(65)	(1,458)
Total net capital gains	7,350,190	1,591,099

### 3 Revenue

	2025	2024
	£	£
Non-taxable dividends	1,188,888	1,402,347
Interest on non-derivative securities	956,896	830,316
Property income distributions (PIDs)	70,493	71,312
Bank interest	172,280	53,043
Investment Manager rebate	-	4,436
Total revenue	2,388,557	2,361,454

### 4 Expenses

	2025	2024
	£	£
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	446,093	437,304
	446,093	437,304
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	26,422	32,397
Safe custody fee	8,995	10,846
	35,417	43,243
<b>Other expenses:</b>		
Audit fee	9,216	8,848
Other expenses	11,326	9,889
	20,542	18,737
Total expenses	502,052	499,284

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 Taxation

	2025 £	2024 £
<b>(a) Analysis of charge in the year</b>		
Overseas withholding tax	-	318
Corporation tax	122,559	-
Total tax charge for the year (note 5b)	122,559	318

#### **(b) Factors affecting current tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2024: 20.00%) The differences are explained below:

Net revenue before UK corporation tax	1,873,954	1,850,263
Corporation tax at 20.00% (2024: 20.00%)	374,791	370,053
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(237,779)	(280,470)
Tax effect on rebates in capital	-	31
Excess management expenses (utilised)	(14,453)	(89,614)
Overseas withholding tax	-	318
Total tax charge for the year (note 5a)	122,559	318

#### **(c) Provision for deferred taxation**

At 31 January 2025 there is a potential deferred tax asset of £Nil (31 January 2024: £14,453) in relation to surplus management expenses.

### 6 Finance costs

	2025 £	2024 £
Interim dividend distributions	1,929,263	2,148,444
Final dividend distribution	678,772	394,728
	2,608,035	2,543,172
Add: Revenue deducted on cancellation of shares	82,551	69,875
Deduct: Revenue received on issue of shares	(38,560)	(19,483)
<b>Net distribution for the year</b>	2,652,026	2,593,564
Interest payable and similar charges	12,551	11,907
<b>Total finance costs</b>	2,664,577	2,605,471
<b>Reconciliation of distributions</b>		
Net revenue after taxation	1,751,395	1,849,945
Equalisation from collectives allocated to revenue	430,969	300,381
Expenses paid from capital (net of rebate)	502,052	494,848
Relief on expenses allocated to capital	(100,410)	(98,970)
Balance brought forward	(30,505)	16,855
Balance carried forward	98,525	30,505
<b>Net distribution for the year</b>	2,652,026	2,593,564

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>7 Debtors</b>	<b>31.01.2025</b>	<b>31.01.2024</b>
	<b>£</b>	<b>£</b>
Amounts receivable on creation of shares	23,693	20,788
Amounts receivable on unsettled trades	375,752	-
Accrued income:		
Non-taxable dividends receivable	172,148	34,317
Interest on non-derivative securities receivable	129,152	57,297
Prepayments	68	136
Total debtors	<u>700,813</u>	<u>112,538</u>

<b>8 Cash and bank balances</b>	<b>31.01.2025</b>	<b>31.01.2024</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	<u>2,540,677</u>	<u>3,213,261</u>

<b>9 Creditors</b>	<b>31.01.2025</b>	<b>31.01.2024</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellation of shares	46,056	133,847
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge payable	36,734	39,440
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fees	2,628	2,893
Safe custody and other custodian charges	<u>7,801</u>	<u>8,355</u>
	10,429	11,248
Corporation tax payable	122,560	-
Other accrued expenses	<u>12,041</u>	<u>12,300</u>
Total creditors	<u>227,820</u>	<u>196,835</u>



# 10 Risk management policies

In pursuing its investment objective as stated on page 9, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

## Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2025 would have increased/decreased by £8,474,427 (31 January 2024: £8,472,267).

## Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is partly invested in collective investment schemes that are registered overseas and funds that invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

A portion of the net assets of the Sub-fund is denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.01.2025	31.01.2024	31.01.2025	31.01.2024	31.01.2025	31.01.2024
Sterling	2,987,127	3,101,617	84,744,272	84,343,303	87,731,399	87,444,920
USD	5	8,435	-	-	5	8,435
Euros	6	548	-	379,367	6	379,915
Total	2,987,138	3,110,600	84,744,272	84,722,670	87,731,410	87,833,270

If foreign currency rates at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2025 would have increased/decreased by £1 (31 January 2024: £38,835).

**10 Risk management policies (Continued)**

**Interest rate risk**

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the fund on a regular basis. In addition any cash deposits in the Sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

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

	31.01.2025	31.01.2024
	£	£
Financial assets floating rate	2,540,677	3,213,261
Financial assets interest bearing instruments	20,879,622	19,588,315
Financial assets non-interest bearing instruments	64,565,463	65,246,893
Financial liabilities floating rate	-	-
Financial liabilities non-interest bearing instruments	(254,352)	(215,199)
	<b>87,731,410</b>	<b>87,833,270</b>

At 31 January 2025, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £6,352 (31 January 2024: £8,033).

**Liquidity risk**

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

**Credit risk**

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the AFM as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions and debt securities. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

**Fair value disclosure**

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

	31.01.2025		31.01.2024	
Valuation Technique	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Unadjusted quoted price in an active market for an identical instrument	2,145	-	4,261	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	82,599	-	80,462	-
Level 3: Valuation techniques using unobservable inputs. *	-	-	-	-
Total	84,744	-	84,723	-

\* Blackstone loan financing PLC - was suspended on 15 January 2025 through a Special Resolution that the Company should be summarily wound up. The Sub-fund's interest was compulsory repurchased on 16 January 2025 and remaining assets of the Company will be distributed to the shareholders which is hoped to be completed by 30 June 2025.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 11 Shares held

	Class B	
Shares Held	Income	Accumulation
<b>Opening shares at 01.02.2024</b>	<b>2,663,547</b>	<b>2,019,983</b>
Shares issued during the year	26,478	12,667
Shares cancelled during the year	(588,920)	(416,288)
Shares converted during the year	-	-
<b>Closing shares as at 31.01.2025</b>	<b>2,101,105</b>	<b>1,616,363</b>

  

	Class C	
Shares Held	Income	Accumulation
<b>Opening shares at 01.02.2024</b>	<b>781,794</b>	<b>57,037,979</b>
Shares issued during the year	21,042	4,884,244
Shares cancelled during the year	(223,682)	(9,868,217)
Shares converted during the year	2,547	(2,014)
<b>Closing shares as at 31.01.2025</b>	<b>581,702</b>	<b>52,051,992</b>

### 12 Contingent assets and liabilities

At 31 January 2025, the Sub-fund had no contingent liabilities or commitments (31 January 2024: £nil).

### 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 January 2025. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share Class	Price at 31 January 2025	Price at 29 May 2025
B Sterling Net Income	128.2448p	125.3067p
B Sterling Net Accumulation	180.9808p	177.7555p
C Sterling Net Income	121.9042p	119.2277p
C Sterling Net Accumulation	156.4492p	153.8106p

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 14 Direct transaction costs

	2025		2024	
	£	%	£	%
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs	32,319,140		37,271,754	
Commissions	-	0.00%	-	0.00%
Taxes & Levies	-	0.00%	-	0.00%
Total purchase costs	-	0.00%	-	0.00%

Total purchases including transaction costs

32,319,140	17,533,069
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	2025		2024	
	£	%	£	%
<b>Analysis of total sale costs</b>				
Sales in the year before transaction costs	39,932,393		41,184,625	
Commissions	0	(0.00%)	(13)	(0.00%)
Taxes & Levies	0	(0.00%)	(1)	(0.00%)
	0	(0.00%)	(14)	(0.00%)

Total sales net of transaction costs	39,932,393	41,184,611
--------------------------------------	------------	------------

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

	2025	% of average	2024	% of average
	£	net asset value	£	net asset value
Commissions	-	0.00%	43	0.00%
Taxes & Levies	-	0.00%	3	0.00%
	-	0.00%	46	0.00%

### 15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 January 2025 is 0.08% (31 January 2024: 0.16%).

### 16 Related Party transactions

Valu-Trac Investment Management Limited, as AFM is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9. Amounts received from the AFM and its associates are disclosed in note 3.

## DISTRIBUTION TABLES

### Q1 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 February 2024

Group 2: Shares purchased 01 February 2024 to 30 April 2024

Payment date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
28.06.2024	group 1	A Sterling Net Income*	-	-	-	1.2795p
28.06.2024	group 2	A Sterling Net Income*	-	-	-	1.2795p
28.06.2024	group 1	A Sterling Net Accumulation*	-	-	-	2.3778p
28.06.2024	group 2	A Sterling Net Accumulation*	-	-	-	2.3778p
28.06.2024	group 1	B Sterling Net Income	0.7437p	-	0.7437p	1.3938p
28.06.2024	group 2	B Sterling Net Income	0.0320p	0.7117p	0.7437p	1.3938p
28.06.2024	group 1	B Sterling Net Accumulation	1.0189p	-	1.0189p	1.8558p
28.06.2024	group 2	B Sterling Net Accumulation	0.5090p	0.5099p	1.0189p	1.8558p
28.06.2024	group 1	C Sterling Net Income	0.7049p	-	0.7049p	1.3173p
28.06.2024	group 2	C Sterling Net Income	0.1150p	0.5899p	0.7049p	1.3173p
28.06.2024	group 1	C Sterling Net Accumulation	0.8783p	-	0.8783p	1.5950p
28.06.2024	group 2	C Sterling Net Accumulation	0.1992p	0.6791p	0.8783p	1.5950p

\*Share clas closed 12 June 2023

### Q2 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 May 2024

Group 2: Shares purchased 01 May 2024 to 31 July 2024

Payment date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
30.09.2024	group 1	A Sterling Net Income*	-	-	-	-
30.09.2024	group 2	A Sterling Net Income*	-	-	-	-
30.09.2024	group 1	A Sterling Net Accumulation*	-	-	-	-
30.09.2024	group 2	A Sterling Net Accumulation*	-	-	-	-
30.09.2024	group 1	B Sterling Net Income	1.1501p	-	1.1501p	0.7143p
30.09.2024	group 2	B Sterling Net Income	0.0154p	1.1347p	1.1501p	0.7143p
30.09.2024	group 1	B Sterling Net Accumulation	1.5851p	-	1.5851p	0.9623p
30.09.2024	group 2	B Sterling Net Accumulation	0.6320p	0.9531p	1.5851p	0.9623p
30.09.2024	group 1	C Sterling Net Income	1.0910p	-	1.0910p	0.6756p
30.09.2024	group 2	C Sterling Net Income	0.0025p	1.0885p	1.0910p	0.6756p
30.09.2024	group 1	C Sterling Net Accumulation	1.3675p	-	1.3675p	0.8278p
30.09.2024	group 2	C Sterling Net Accumulation	0.2125p	1.1550p	1.3675p	0.8278p

\*Share clas closed 13 June 2023

**DISTRIBUTION TABLES (Continued)****Q3 Interim distributions in pence per share**

Group 1: Shares purchased prior to 01 August 2024

Group 2: Shares purchased 01 August 2024 to 31 October 2024

Payment date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
31.12.2024	group 1	B Sterling Net Income	0.8408p	-	0.8408p	0.6901p
31.12.2024	group 2	B Sterling Net Income	0.0967p	0.7441p	0.8408p	0.6901p
31.12.2024	group 1	B Sterling Net Accumulation	1.1695p	-	1.1695p	0.9355p
31.12.2024	group 2	B Sterling Net Accumulation	0.4574p	0.7121p	1.1695p	0.9355p
31.12.2024	group 1	C Sterling Net Income	0.7982p	-	0.7982p	0.6533p
31.12.2024	group 2	C Sterling Net Income	0.1940p	0.6042p	0.7982p	0.6533p
31.12.2024	group 1	C Sterling Net Accumulation	1.0097p	-	1.0097p	0.8053p
31.12.2024	group 2	C Sterling Net Accumulation	0.5289p	0.4808p	1.0097p	0.8053p

**Final distributions in pence per share**

Group 1: Shares purchased prior to 01 November 2024

Group 2: Shares purchased 01 November 2024 to 31 January 2025

Payment date	Unit Type	Share Class	Net Revenue 2025	Equalisation 2025	Distribution 2025	Distribution 2024
31.03.2025	group 1	B Sterling Net Income	0.9998p	-	0.9998p	0.5395p
31.03.2025	group 2	B Sterling Net Income	0.0268p	0.9730p	0.9998p	0.5395p
31.03.2025	group 1	B Sterling Net Accumulation	1.4000p	-	1.4000p	0.7358p
31.03.2025	group 2	B Sterling Net Accumulation	0.3828p	1.0172p	1.4000p	0.7358p
31.03.2025	group 1	C Sterling Net Income	0.9498p	-	0.9498p	0.5110p
31.03.2025	group 2	C Sterling Net Income	0.9498p	-	0.9498p	0.5110p
31.03.2025	group 1	C Sterling Net Accumulation	1.2096p	-	1.2096p	0.6338p
31.03.2025	group 2	C Sterling Net Accumulation	0.4536p	0.7560p	1.2096p	0.6338p

## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	Discovery Growth Fund
<b>Size of Sub-fund</b>	£37,619,535
<b>Launch date</b>	23 October 2006
<b>Sub-fund objective and policy</b>	<p>The objective of the Sub-fund is to provide capital growth over a market cycle (5 years).</p> <p>The Sub-fund will primarily gain exposure indirectly via eligible collective investment schemes and other collective investment vehicles (for example, investment companies, exchange traded funds) to a range of eligible assets such as transferable securities (shares (including investment trusts), debentures, government and public securities, warrants or certificates representing certain securities), money market instruments, deposits, cash, property and commodities to provide diversification. The Sub-fund may also invest directly in such eligible assets (excluding property and commodities). Derivatives will be used only for the purpose of Efficient Portfolio Management.</p> <p>The Sub-fund will be constructed based on the Investment Manager's assessment of the broader economic outlook as well as the absolute and relative attractiveness of different asset classes. This analysis, combined with the view on the potential risk profile and relative risk-adjusted returns of asset classes will determine the current asset allocation of the Sub-fund.</p> <p>Typically, the Sub-fund is likely to have greater exposure to higher risk assets such as underlying equities and commodities with a view to achieving higher growth, and less exposure to underlying cash, fixed interest and property assets, than other funds in the range.</p> <p>The Investment Manager will use a wide range of assets and asset classes to provide a diversified investment approach and will actively alter the weights of the component parts where necessary with a view to achieving the investment objective. The Sub-fund might have the ability to be fully invested in one class of asset, but in reality, due to creating a diversified investment solution, it will be exposed to numerous managers, geographies, asset classes and styles.</p>
<b>Benchmark</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Fund's performance, investors may find it useful to compare the Fund against the performance of the IA Flexible Investment sector, which serves as a method of comparing the Fund's performance with other funds which have broadly similar characteristics.</p>
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	31 January
<b>Distribution dates</b>	31 March
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

**SUB-FUND OVERVIEW (Continued)****Share class information**

Share class	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Monthly savings available	Minimum redemption	Initial charge
<b>A Sterling Net Accumulation Shares*</b>	£3,000	£1,000	£3,000	Yes	£1,000	5%
<b>B Sterling Net Accumulation Shares</b>	£3,000	£1,000	£3,000	Yes	£1,000	0%
<b>C Sterling Net Accumulation Shares**</b>	£5,000,000	£500,000	£5,000,000	Yes	£500,000	0%
<b>US \$ Net Accumulation Shares</b>	\$5,000	\$1,500	\$5,000	Yes	\$1,500	5%
<b>Euro Net Accumulation Shares***</b>	€ 5,000	€ 1,500	€ 5,000	Yes	€ 1,500	5%

\* A Class shares closed since 12 June 2023

\*\* C Class shares are available only to investors with a separate arrangement with the AFM or the Investment Manager.

\*\*\* Share class currently inactive.

**Annual management charges**

£53,431 per annum<sup>^^</sup> plus:

A variable fee based on the Net Asset Value of the Sub-fund as follows

- Up to £100 million – 1.5 bps (0.015%) per annum
- £100 million to £250 million – 0.75 bps (0.0075%) per annum
- £250 million to £500 million – 0.50 bps (0.0050%) per annum
- thereafter – 0.25 bps (0.0025%) per annum

Plus:

B Shares - 0.70%

C Shares - 0.40%

US \$ & Euro Shares - 1.55%

The above percentages being a percentage of the Net Asset Value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

<sup>^^</sup> The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year (from 1 January 2024). In the event of negative inflation, the fixed element of the fee will remain unchanged.

**Investment Manager rebate**

The Investment Manager of the Sub-fund had undertaken to absorb any costs that would otherwise cause the C shares to have ongoing charges in excess of 0.80%. This rebate arrangement ceased on 03 March 2023.



## INVESTMENT MANAGER'S REVIEW

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In the year to end of January 2025, the unit price of the Discovery Growth fund (as measured by the C Accumulation unit) grew by 10.31%, 3.04% behind a generally accepted peer group average (which is an amalgam of "managed" investment funds that invest across the asset classes but with a focus on equities). The sector is known as the Flexible Investment sector. This underperformance was largely a result of the highly concentrated nature of returns over the period, specifically in relation to US equities and the Magnificent Seven.

The portfolio is managed using the "fund of funds" approach which instead of investing directly in the shares or debt of companies such as Marks & Spencer, Apple, ITV, BMW, Sony, Proctor & Gamble, BP or any stock market listed company on any of the global stock exchanges, the manager invests in mutual funds – those offered by companies such as Invesco, Jupiter, M&G or Aviva. A typical "mutual fund" portfolio might contain shares of 50-100 underlying companies; a typical "fund of funds" portfolio might contain 15-30 funds. Therefore, do not be too concerned when looking at what looks like a relatively small "stock list". In reality, a fund of funds portfolio is much more diversified than a typical mutual fund.

A great advantage of investing in a fund of funds portfolio is the benefit of diversification – each investment manager included in the fund can invest in different assets and asset classes – equity, debt, or property for instance. Further to this, the manager can dive deeper into different sub sectors – market capitalisation, term of debt, quality of debt, streams of income and so on which allows further diversification. Another advantage to this is "managing the manager" – the investment manager that runs a fund. The role of a fund of funds manager is to balance and blend styles to deliver a portfolio that meets with the investment objectives.

At the start of the period the number of holdings in the portfolio was 27 and this remained at the end of the period. At a high level, the broad asset weighting in the portfolio remained largely the same (the equity weighting increased from 77% to 78%), however, there was a meaningful increase in the passive weighting (rising from 32% to 36%) which will have helped to reduce the overall OCF of the fund, as well as potentially reducing the number of trades which are required on an ongoing basis.

We believe the changes to the portfolio make-up and the introduction of new passive holdings will set the portfolio in good stead looking forward and barring further significant political and/or economic upheaval we are confident portfolio activity going forward is likely to be more muted compared to the past twelve-month period.

James Kempster  
Fund Manager  
Hawksmoor Investment Management Limited  
06 March 2025

## PERFORMANCE RECORD

### Financial Highlights

	Period 01 February 2023 to 12 June 2023^	Year ended 31 January 2023
<b>A Sterling Net Accumulation</b>		
Changes in net assets per share	GBp	GBp
Opening net asset value per share	164.7502	170.3867
Return before operating charges	1.3091	(2.2349)
Operating charges (note 1)	(1.3523)	(3.4016)
Return after operating charges *	(0.0432)	(5.6365)
Closing net asset value per share	164.7070	164.7502
Retained distributions on accumulation shares	-	0.1284
*after direct transactions costs of:	-	-
Performance		
Return after charges	(0.03%)	(3.31%)
Other information		
Closing net asset value	-	£101,010
Closing number of shares	-	61,311
Operating charges (note 2)	2.27%	2.03%
Direct transaction costs	0.00%	0.00%
Prices		
Highest share price	169.0911	174.8466
Lowest share price	158.8065	151.6360

^Share class closed on 12 June 2023 following mandatory conversion of shares.

	Year ended 31 January 2025	Year ended 31 January 2024	Year ended 31 January 2023
<b>B Sterling Net Accumulation</b>			
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	200.2814	189.3845	194.3954
Return before operating charges	23.1438	13.8584	(2.5547)
Operating charges (note 1)	(3.1541)	(2.9615)	(2.4562)
Return after operating charges *	19.9897	10.8969	(5.0109)
Closing net asset value per share	220.2711	200.2814	189.3845
Retained distributions on accumulation shares	3.1210	4.0772	1.5517
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	9.98%	(5.75%)	2.58%
Other information			
Closing net asset value	£1,855,924	£1,819,154	£1,680,352
Closing number of shares	842,564	908,299	887,270
Operating charges (note 2)	1.50%	1.52%	1.28%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	220.2711	201.0400	199.5288
Lowest share price	199.9449	182.7363	173.9202

**PERFORMANCE RECORD (Continued)**
**Financial Highlights (Continued)**

	Year ended 31 January 2025	Year ended 31 January 2024	Year ended 31 January 2023
<b>C Sterling Net Accumulation</b>			
Changes in net assets per share	GBp	GBp	GBp
Opening net asset value per share	164.7837	155.9119	158.5505
Return before operating charges	19.0709	10.7960	(1.3808)
Operating charges (note 1)	(2.0794)	(1.9242)	(1.2578)
Return after operating charges *	16.9915	8.8718	(2.6386)
Closing net asset value per share	181.7752	164.7837	155.9119
Retained distributions on accumulated shares	3.0938	3.2704	2.7023
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	10.31%	(5.69%)	1.66%
Other information			
Closing net asset value	£35,745,313	£32,324,557	£33,457,576
Closing number of shares	19,664,574	19,616,361	21,459,289
Operating charges (note 2)	1.20%	1.20%	0.80%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	181.7752	165.3685	162.7355
Lowest share price	164.5095	150.5223	142.9752
<b>US \$ Net Accumulation</b>			
Changes in net assets per share	USDc	USDc	USDc
Opening net asset value per share	202.7016	187.8524	211.4894
Return before operating charges	18.4699	19.4773	(19.3840)
Operating charges (note 1)	(4.9227)	(4.6281)	(4.2530)
Return after operating charges	13.5472	14.8492	(23.6370)
Closing net asset value per share	216.2488	202.7016	187.8524
Retained distributions on accumulation shares	1.3085	2.4786	-
*after direct transactions costs of:	-	-	-
Performance			
Return after charges	6.68%	(7.90%)	(11.18%)
Other information			
Closing net asset value	\$31,805	\$29,813	\$27,629
Closing number of shares	14,708	14,708	14,708
Operating charges (note 2)	2.35%	2.37%	2.13%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	226.7669	204.8441	219.6759
Lowest share price	200.1822	177.8863	156.2351

## PERFORMANCE RECORD (Continued)

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1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the open-ended funds the Sub-fund holds. Note, the 2023 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

### **Risk Profile**

Based on past data, the Sub-fund is ranked a 5 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 January 2024: ranked 5). The Sub-fund is ranked 5 because monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 31 January 2025

Holding	Value £	% of net assets
<b>Collective Investment Scheme (31.01.2024: 95.01%)</b>		
976,196 AI Multi-Strategy Target Return	1,393,325	3.70%
310,750 AXA Framlington Health	1,410,184	3.75%
55,700 Baillie Gifford Japanese	1,116,228	2.97%
1,150,818 Fidelity Emerging Markets Fund	1,368,322	3.64%
443,200 First Sentier Global Listed Infrastructure	1,787,293	4.75%
243,500 Fundsmith Equity	1,842,491	4.90%
218,712 HSBC American Index	3,034,301	8.07%
100,500 HSBC European Index	1,445,190	3.84%
854,195 HSBC FTSE 100 Index Fund	2,897,431	7.70%
1,052,000 iShares Overseas Corporate Bond Index (UK)	1,778,671	4.73%
284,800 iShares Pacific Ex Japan Equity Tracker	1,410,662	3.75%
379,635 Jupiter India Fund	963,552	2.56%
2,063,000 Legal & General UK Mid Cap	1,398,920	3.72%
557,000 Legal & General All Stocks Gilt	1,041,590	2.77%
1,260,000 Liontrust European Dynamic Fund	1,474,982	3.92%
808,000 Liontrust Special Situations	1,060,823	2.82%
395,000 Man GLG Japan CoreAlpha Professional	1,149,845	3.06%
674,500 M&G Emerging Markets Bond	1,443,025	3.84%
792,269 M&G Global Dividend Fund	1,514,819	4.03%
47,731 Rathbone Income	1,058,917	2.81%
1,510,188 Royal London Corporate Bond	1,405,230	3.74%
1,046,461 Schroder Recovery Fund	1,099,831	2.92%
1,070,000 Schroder US Smaller Companies	2,312,270	6.14%
666,000 WS Ruffer Diversified Return	684,316	1.81%
	<b>36,092,218</b>	<b>95.94%</b>
<b>Investment Trusts (31.01.2024: 2.06%)</b>		
702,000 Augmentum Fintech PLC	679,536	1.81%
	<b>679,536</b>	<b>1.81%</b>
<b>Portfolio of investments (31.01.2024: 97.07%)</b>	<b>36,771,754</b>	<b>97.75%</b>
<b>Net other assets (31.01.2024: 2.93%)</b>	<b>847,781</b>	<b>2.25%</b>
	<b>37,619,535</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the year (note 14)</b>	<b>17,225,596</b>
M&G Global Dividend Fund	1,502,729
Royal London Corporate Bond Fund	1,481,964
Fidelity Emerging Markets Fund	1,443,563
Liontrust European Dynamic Fund	1,379,601
HSBC European Index Fund	1,365,209
Jupiter India Fund	1,115,671
Schroder Recovery Fund	1,087,872
Rathbone Income	1,043,668
Jupiter European Fund	1,036,499
M&G Emerging Markets Bond Fund	787,936
Various other purchases	4,980,884

	£
<b>Total sales for the year (note 14)</b>	<b>17,268,676</b>
Invesco European Equity Fund	1,720,561
M&G Global Dividend Fund	1,477,383
Royal London Corporate Bond Fund	1,434,624
Fidelity Emerging Markets Fund	1,352,404
Jupiter India Fund	1,277,359
Jupiter European Fund	1,087,665
Stewart Investors Worldwide All Cap Fund	1,068,905
Jupiter European Fund	1,018,411
Schroder Recovery Fund	1,004,860
Rathbone Income Fund	973,356
Various other sales	4,853,148

The above represents all the purchases and sales during the year.

## STATEMENT OF TOTAL RETURN

For the year ended 31 January

		2025	2024
	Notes	£	£
Income			
Net capital gains	2	3,065,249	1,301,692
Revenue	3	709,365	809,779
Expenses	4	(250,334)	(225,367)
Interest payable and similar charges	6	(3,504)	(3,552)
Net revenue before taxation		455,527	580,860
Taxation	5	-	-
Net revenue after taxation		455,527	580,860
Total return before distributions		3,520,776	1,882,552
Finance costs: distributions	6	(647,246)	(706,711)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>2,873,530</b>	<b>1,175,841</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January

	2025	2024
	£	£
<b>Opening net assets attributable to shareholders</b>	34,151,111	35,240,781
Amounts receivable on creation of shares	6,689,700	2,551,440
Amounts payable on cancellation of shares	(6,729,646)	(5,490,768)
Dividends reinvested	634,840	673,817
Changes in net assets attributable to shareholders from investment activities (see above)	2,873,530	1,175,841
<b>Closing net assets attributable to shareholders</b>	<b>37,619,535</b>	<b>34,151,111</b>

## BALANCE SHEET

As at		31.01.2025		31.01.2024	
	Notes	£	£	£	£
<b>ASSETS</b>					
Investment assets			36,771,754		33,149,861
<b>Current assets</b>					
Debtors	7	40,467		68,648	
Cash and bank balances	8	870,534		985,199	
<b>Total current assets</b>			911,001		1,053,847
<b>Total assets</b>			37,682,755		34,203,708
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	8	-		(12)	
Creditors	9	(63,220)		(52,585)	
<b>Total current liabilities</b>			(63,220)		(52,597)
<b>Net assets attributable to shareholders</b>			37,619,535		34,151,111



## NOTES TO THE FINANCIAL STATEMENTS

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### 1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on pages 7 to 8.

### 2 Net capital gains

	2025	2024
	£	£
The net capital gains comprise:		
Non-derivative securities gains	3,066,469	1,301,355
Currency gains/(losses)	4	(12)
Rebates from underlying holdings	-	(238)
Transaction charges (custodian)	(1,224)	587
Total net capital gains	3,065,249	1,301,692

### 3 Revenue

	2025	2024
	£	£
Non-taxable dividends	443,848	531,378
Interest on non-derivative securities	226,158	252,593
Bank interest	39,300	20,853
Investment Manager rebate	59	4,955
Total revenue	709,365	809,779

### 4 Expenses

	2025	2024
	£	£
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	212,903	189,521
	212,903	189,521
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	18,004	17,996
Safe custody fee	3,655	4,396
	21,659	22,392
<b>Other expenses:</b>		
Audit fee	9,216	8,848
Other expenses	6,556	4,606
	15,772	13,454
Total expenses	250,334	225,367

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 Taxation

	2025 £	2024 £
<b>(a) Analysis of charge in the year</b>		
UK corporation tax	-	-
Total tax charge for the year (note 5b)	-	-
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2024: 20.00%). The differences are explained below:		
Net revenue before UK corporation tax	455,527	580,860
Corporation tax at 20.00% (2024: 20.00%)	91,105	116,172
<u>Effects of:</u>		
Revenue not subject to taxation	(88,770)	(106,275)
Tax effect on rebates in capital	-	(48)
Excess management expenses utilised	(2,335)	(9,849)
Total tax charge for the year (note 5a)	-	-

### (c) Provision for deferred taxation

At 31 January 2025 there is a potential deferred tax asset of £129,967 (31 January 2024: £135,375) in relation to surplus management expenses.

### 6 Finance costs

	2025 £	2024 £
Final dividend distribution	634,840	678,848
Amendment to prior period distribution	-	(5,031)
	634,840	673,817
Add: Revenue deducted on cancellation of shares	64,908	68,155
Deduct: Revenue received on issue of shares	(52,502)	(35,261)
<b>Net distribution for the year</b>	647,246	706,711
Interest payable and similar charges	3,504	3,552
<b>Total finance costs</b>	650,750	710,263
<b>Reconciliation of distributions</b>		
Net revenue after taxation	455,527	580,860
Equalisation from collectives allocated to revenue	191,603	112,153
Balance brought forward	116	13,814
Balance carried forward	-	(116)
<b>Net distribution for the year</b>	647,246	706,711

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>31.01.2025</b>	<b>31.01.2024</b>
	<b>£</b>	<b>£</b>
Amounts receivable on creation of shares	40,399	59,999
Accrued income:		
Non-taxable dividends receivable	-	8,513
Prepayments	68	136
Total debtors	<u>40,467</u>	<u>68,648</u>
 <b>8 Cash and bank balances</b>	 <b>31.01.2025</b>	 <b>31.01.2024</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	870,534	985,199
Bank overdraft	<u>-</u>	<u>(12)</u>
 <b>9 Creditors</b>	 <b>31.01.2025</b>	 <b>31.01.2024</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellation of shares	28,287	18,066
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge payable	18,311	18,055
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depository fees	1,529	1,623
Safe custody and other custodian charges	<u>4,448</u>	<u>3,383</u>
	5,977	5,006
Other accrued expenses	1,776	3,380
Audit Fee accrued	<u>8,869</u>	<u>8,078</u>
Total creditors	<u>63,220</u>	<u>52,585</u>

**10 Risk management policies****Market price risk**

In pursuing its investment objective as stated on page 29, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2025 would have increased/decreased by £3,677,175 (31 January 2024: £3,314,986).

**Foreign currency risk**

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is partly invested in collective investment schemes that are registered overseas and funds that invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

A portion of the net assets of the Sub-fund is denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.01.2025	31.01.2024	31.01.2025	31.01.2024	31.01.2025	31.01.2024
Sterling	847,781	1,000,319	36,771,754	33,149,861	37,619,535	34,150,180
Euro	-	931	-	-	-	931
Total	847,781	1,001,250	36,771,754	33,149,861	37,619,535	34,151,111

10 Risk management policies (Continued)

**Interest rate risk**

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the fund on a regular basis. In addition any cash deposits in the Sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

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

	31.01.2025	31.01.2024
	£	£
Financial assets floating rate	870,534	985,199
Financial assets interest bearing instruments	5,668,516	4,235,813
Financial assets non-interest bearing instruments	31,143,705	28,982,696
Financial liabilities floating rate	-	(12)
Financial liabilities non-interest bearing instruments	(63,220)	(52,585)
	<b>37,619,535</b>	<b>34,151,111</b>

At 31 January 2025, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £2,176 (31 January 2024: £2,463).

**Maturity of financial liabilities**

The financial liabilities of the Sub-fund as at 31 January 2025 are payable either within one year or on demand.

**Liquidity risk**

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

**Credit risk**

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the AFM as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions and debt securities. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

**Fair value disclosure**

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

- Level 1: Unadjusted quoted price in an active market for an identical instrument;
- Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
- Level 3: Valuation techniques using unobservable inputs.

	31.01.2025		31.01.2024	
Valuation Technique	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	680	-	702	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	36,092	-	32,448	-
Total	36,772	-	33,150	-

**11 Shares held**

**Shares Held - B Sterling Net Accumulation**

<b>Opening shares at 01.02.2024</b>	<b>908,299</b>
Shares issued during the year	532,622
Shares cancelled during the year	(598,357)
Shares converted during the year	
<b>Closing shares as at 31.01.2025</b>	<b>842,564</b>

**Shares Held - C Sterling Net Accumulation**

<b>Opening shares at 01.02.2024</b>	<b>19,616,361</b>
Shares issued during the year	3,228,394
Shares cancelled during the year	(3,180,181)
Shares converted during the year	
<b>Closing shares as at 31.01.2025</b>	<b>19,664,574</b>

**Shares Held - US \$ Net Accumulation**

<b>Opening shares at 01.02.2024</b>	<b>14,708</b>
Shares issued during the year	-
Shares cancelled during the year	-
Shares converted during the year	-
<b>Closing shares as at 31.01.2025</b>	<b>14,708</b>

**12 Contingent assets and liabilities**

At 31 January 2025, the Sub-fund had no contingent liabilities or commitments (31 January 2024: £nil).

**13 Post balance sheet events**

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 January 2025. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

<b>Share Class</b>	<b>Price at 31 January 2025</b>	<b>Price at 29 May 2025</b>
B Sterling Net Accumulation	220.2711p	214.5281p
C Sterling Net Accumulation	181.7752p	177.2071p
US \$ Net Accumulation	216.2488c	228.0296c

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 14 Direct transaction costs

	2025	%	2024	%
	£		£	
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs	17,225,596		37,271,754	
Commissions	-	0.00%	-	0.00%
Taxes & levies	-	0.00%	-	0.00%
Total purchase costs	-	0.00%	-	0.00%
Total purchases including transaction costs	17,225,596		37,271,754	
	2025	%	2024	%
	£		£	
<b>Analysis of total sale costs</b>				
Sales in the year before transaction costs	17,268,676		41,184,625	
Commissions	-	(0.00%)	(13)	(0.00%)
Taxes & levies	-	(0.00%)	(1)	(0.00%)
Total sale costs	-	(0.00%)	(14)	(0.00%)
Total sales net of transaction costs	17,268,676		41,184,611	

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

	2025	% of average net asset value	2024	% of average net asset value
	£		£	
Commissions	-	0.00%	13	0.00%
Taxes & Levies	-	0.00%	1	0.00%
	-	0.00%	14	0.00%

### 15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 January 2025 is 0.04% (31 January 2024: 0.10%).

### 16 Related party transactions

Valu-Trac Investment Management Limited, as AFM is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9. Amounts received from the AFM and its associates are disclosed in note 3.

## DISTRIBUTION TABLES

### Final distributions in pence per share

Group 1: Shares purchased prior to 01 February 2024

Group 2: Shares purchased 01 February 2024 to 31 January 2025

Payment date	Unit Type	Share Class	Net Revenue 2025	Equalisation 2025	Distribution 2025	Distribution 2024
31.03.2025	group 1	A Sterling Net Accumulation*	-	-	-	-
31.03.2025	group 2	A Sterling Net Accumulation*	-	-	-	-
31.03.2025	group 1	B Sterling Net Accumulation	3.1210p	-	3.1210p	4.0772p
31.03.2025	group 2	B Sterling Net Accumulation	2.8117p	0.3093p	3.1210p	4.0772p
31.03.2025	group 1	C Sterling Net Accumulation	3.0938p	-	3.0938p	3.2704p
31.03.2025	group 2	C Sterling Net Accumulation	1.5726p	1.5212p	3.0938p	3.2704p
31.03.2025	group 1	US \$ Net Accumulation	1.0545p	-	1.0545p	1.9540p
31.03.2025	group 2	US \$ Net Accumulation	1.0545p	-	1.0545p	1.9540p

\*Share class closed 13 June 2023



## SUB-FUND OVERVIEW

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<b>Name of Sub-fund</b>	Discovery Cautious Fund
<b>Size of Sub-fund</b>	£50,404,985
<b>Launch date</b>	27 March 2019
<b>Sub-fund objective and policy</b>	<p>The objective of the Sub-fund is to provide returns through a combination of capital growth and income over a market cycle (5 years).</p> <p>The Sub-fund will primarily gain exposure indirectly via eligible collective investment schemes and other collective investment vehicles (for example, investment companies, exchange traded funds) to a range of eligible assets such as transferable securities (shares (including investment trusts), debentures, government and public securities, warrants or certificates representing certain securities), money market instruments, deposits, cash, property and commodities to provide diversification. The Sub-fund may also invest directly in such eligible assets (excluding property and commodities). Derivatives will be used only for the purpose of Efficient Portfolio Management.</p> <p>The Sub-fund will be constructed based on the Investment Manager's assessment of the broader economic outlook as well as the absolute and relative attractiveness of different asset classes. This analysis, combined with the view on the potential risk profile and relative risk-adjusted returns of asset classes will determine the current asset allocation of the Sub-fund.</p> <p>Typically, the Sub-fund is likely to take a cautious approach and have greater exposure to underlying cash, fixed interest and property assets, and less exposure to underlying equities and commodities, than other funds in the range.</p> <p>The Investment Manager will use a wide range of assets and asset classes to provide a diversified investment approach and will actively alter the weights of the component parts where necessary with a view to achieving the investment objective. The Sub-fund might have the ability to be fully invested in one class of asset, but in reality, due to creating a diversified investment solution, it will be exposed to numerous managers, geographies, asset classes and styles.</p>
<b>Benchmark</b>	<p>The Sub-fund is not managed to or constrained by a benchmark, and nor does the AFM use a benchmark in order to assess performance.</p> <p>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.</p> <p>In order to assess the Sub-fund's performance, investors may find it useful to compare the Sub-fund against the performance of the IA Mixed Investment 20-60% Shares, which serves as a method of comparing the Sub-fund's performance with other funds which have broadly similar characteristics.</p>
<b>Authorised Fund Manager (AFM)</b>	Valu-Trac Investment Management Limited
<b>Ex-distribution dates</b>	31 January, 30 April, 31 July and 31 October
<b>Distribution dates</b>	31 March, 30 June, 30 September and 31 December
<b>Individual Savings Account (ISA)</b>	The Sub-fund is a qualifying investment for inclusion in an ISA.

## SUB-FUND OVERVIEW (Continued)

### Share class information

Share class	Minimum initial subscription	Minimum subsequent investment	Minimum holding	Monthly savings available	Minimum redemption	Initial charge
<b>B Sterling Net Income Shares</b>	£3,000	£1,000	£3,000	Yes	£1,000	0%
<b>B Sterling Net Accumulation Shares</b>	£3,000	£1,000	£3,000	Yes	£1,000	0%
<b>C Sterling Net Income Shares**</b>	£5,000,000	£500,000	£5,000,000	Yes	£500,000	0%
<b>C Sterling Net Accumulation Shares**</b>	£5,000,000	£500,000	£5,000,000	Yes	£500,000	0%
<b>D Sterling Net Accumulation Shares</b>	£8,000,000	£1,000,000	£8,000,000	Yes	£1,000	0%
<b>US \$ Net Accumulation Shares***</b>	\$5,000	\$1,500	\$5,000	Yes	\$1,500	5%
<b>Euro Net Accumulation Shares***</b>	€ 5,000	€ 1,500	€ 5,000	Yes	€ 1,500	5%

\* A Class shares closed to investment since 12 June 2023

\*\* C Class shares are available only to investors with a separate arrangement with the AFM or the Investment Manager.

\*\*\* Share class currently inactive.

**Annual management charges** £53,431 per annum<sup>^^</sup> plus:

A variable fee based on the Net Asset Value of the Sub-fund as follows

- Up to £100 million – 1.5 bps (0.015%) per annum
- £100 million to £250 million – 0.75 bps (0.0075%) per annum
- £250 million to £500 million – 0.50 bps (0.0050%) per annum
- thereafter – 0.25 bps (0.0025%) per annum

Plus:

- B Shares - 0.70%
- C Shares - 0.40%
- D Shares - 0.25%
- US \$ & Euro Shares - 1.55%

The above percentages being a percentage of the Net Asset Value of the Sub-fund attributable to the relevant class (plus VAT if applicable).

<sup>^^</sup> The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year (from 1 January 2024). In the event of negative inflation, the fixed element of the fee will remain unchanged.

### Investment Manager rebate

The Investment Manager of the Sub-fund had undertaken to absorb any costs that would otherwise cause the C shares to have ongoing charges in excess of 0.80%. This rebate arrangement ceased on 03 March 2023.

## INVESTMENT MANAGER'S REVIEW

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In the year to end of January 2025, the unit price of the Discovery Cautious fund (as measured by the C Accumulation unit) grew by 7.62%, 1.42% behind a generally accepted peer group average (which is an amalgam of "managed" investment funds that invest across the asset classes (such as equities, fixed income, commodities, alternative assets, property and so on) although the sector is limited to have between 20% and 60% of the assets in equities). The sector is known as the Mixed Investment 20% to 60% Shares sector. This underperformance was largely a result of the highly concentrated nature of returns over the period, specifically in relation to US equities and the Magnificent Seven.

The portfolio is managed using the "fund of funds" approach which instead of investing directly in the shares or debt of companies such as Marks & Spencer, Apple, ITV, BMW, Sony, Proctor & Gamble, BP or any stock market listed company on any of the global stock exchanges, the manager invests in mutual funds – those offered by companies such as Invesco, Jupiter, M&G or Aviva. A typical "mutual fund" portfolio might contain shares of 50-100 underlying companies; a typical "fund of funds" portfolio might contain 15-30 funds. Therefore, do not be too concerned when looking at what looks like a relatively small "stock list". In reality, a fund of funds portfolio is much more diversified than a typical mutual fund.

A great advantage of investing in a fund of funds portfolio is the benefit of diversification – each investment manager included in the fund can invest in different assets and asset classes – equity, debt, or property for instance. Further to this, the manager can dive deeper into different sub sectors – market capitalisation, term of debt, quality of debt, streams of income and so on which allows further diversification. Another advantage to this is "managing the manager" – the investment manager that runs a fund. The role of a fund of funds manager is to balance and blend styles to deliver a portfolio that meets with the investment objectives.

At the start of the period the number of holdings in the portfolio was 27 and this reduced to 26 at the end of the period. At a high level, the broad asset weighting in the portfolio remained the same, however, there was a notable shift towards passive holdings (rising from 37% to 47% including cash) which will have helped to reduce the overall OCF of the fund, as well as potentially reducing the number of trades which are required on an ongoing basis.

We believe the changes to the portfolio make-up and the introduction of new passive holdings will set the portfolio in good stead looking forward and barring further significant political and/or economic upheaval we are confident portfolio activity going forward is likely to be more muted compared to the past twelve-month period.

James Kempster  
Fund Manager  
Hawksmoor Investment Management Limited  
06 March 2025

## PERFORMANCE RECORD

### Financial Highlights

<b>C Sterling Net Income</b>		<b>Year ended 31 January 2025</b>	<b>Year ended 31 January 2024</b>	<b>Year ended 31 January 2023</b>
Changes in net assets per share	GBp	GBp	GBp	
Opening net asset value per share	98.5152	97.5474	103.9245	
Return before operating charges	8.3963	4.5046	(3.2889)	
Operating charges (note 1)	(0.9947)	(1.0489)	(0.8059)	
Return after operating charges *	7.4016	3.4557	(4.0948)	
Distributions on income shares	(3.4829)	(2.4879)	(2.2823)	
Closing net asset value per share	102.4339	98.5152	97.5474	
*after direct transactions costs of:		-	-	-
Performance				
Return after charges	7.51%	3.54%	(3.94%)	
Other information				
Closing net asset value	£477,438	£477,354	£575,432	
Closing number of shares	466,093	484,548	589,899	
Operating charges (note 2)	0.99%	1.07%	0.80%	
Direct transaction costs	0.00%	0.00%	0.00%	
Prices				
Highest share price	103.0735	99.4429	105.3283	
Lowest share price	98.1532	93.2247	91.8250	

<b>C Sterling Net Accumulation</b>		<b>Year ended 31 January 2025</b>	<b>Year ended 31 January 2024</b>	<b>Year ended 31 January 2023</b>
Changes in net assets per share	GBp	GBp	GBp	
Opening net asset value per share	108.5555	104.7494	109.1433	
Return before operating charges	9.3829	4.9473	(3.5383)	
Operating charges (note 1)	(1.1156)	(1.1412)	(0.8556)	
Return after operating charges *	8.2673	3.8061	(4.3939)	
Closing net asset value per share	116.8228	108.5555	104.7494	
Retained distributions on accumulation shares	3.6087	2.6976	2.4201	
*after direct transactions costs of:		-	-	-
Performance				
Return after charges	7.62%	3.63%	(4.03%)	
Other information				
Closing net asset value	£41,627,650	£41,238,667	£46,741,953	
Closing number of shares	35,633,152	37,988,573	44,622,641	
Operating charges (note 2)	0.99%	1.07%	0.80%	
Direct transaction costs	0.00%	0.00%	0.00%	
Prices				
Highest share price	116.8228	108.9843	110.6176	
Lowest share price	108.1565	101.3860	97.4789	

**PERFORMANCE RECORD (Continued)****Financial Highlights (Continued)**

<b>D Sterling Net Accumulation</b>		<b>Year ended 31 January 2025</b>	<b>Year ended 31 January 2024</b>	<b>Year ended 31 January 2023</b>
Changes in net assets per share	GBp			
Opening net asset value per share	112.1290	108.0401	112.4104	
Return before operating charges	9.6966	5.1017	(3.5987)	
Operating charges (note 1)	(0.9785)	(1.0128)	(0.7716)	
Return after operating charges *	8.7181	4.0889	(4.3703)	
Closing net asset value per share	120.8471	112.1290	108.0401	
Retained distributions on accumulation shares	4.0182	2.7842	2.4959	
*after direct transactions costs of:	-	-	-	
Performance				
Return after charges	7.78%	3.78%	(3.89%)	
Other information				
Closing net asset value	£8,293,364	£8,373,244	£8,264,611	
Closing number of shares	6,862,693	7,467,507	7,649,577	
Operating charges (note 2)	0.84%	0.92%	0.70%	
Direct transaction costs	0.00%	0.00%	0.00%	
Prices				
Highest share price	120.8471	112.5586	113.9299	
Lowest share price	111.7238	104.6353	100.4937	

1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.

2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the open-ended funds the Sub-fund holds. Note, the 2023 and 2022 operating charges percentage also includes the underlying costs of investment trusts as per regulatory and Industry guidance issued in 2020, this was later changed to exclude underlying costs of investment trusts in December 2023.

**Risk Profile**

Based on past data, the Sub-fund is ranked a 4 on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 January 2024: ranked 4). The Sub-fund is ranked 4 because monthly historical performance data indicates that average rises and falls in market prices would have occurred historically.

## PORTFOLIO STATEMENT

As at 31 January 2025

Holding	Value £	% of net assets
<b>Collective Investments Scheme (31.01.2024: 91.71%)</b>		
2,065,557 AI Multi-Strategy Target Return	2,948,169	5.85%
3,295,000 Artemis High Income	2,462,024	4.88%
811,000 Fidelity Emerging Markets Fund	964,279	1.91%
803,000 Fidelity Index Japan	1,583,757	3.14%
633,000 First Sentier Gbl Listed Infr	1,530,278	3.04%
230,000 Fundsmith Equity	1,557,192	3.09%
249,300 HSBC American Index	2,692,440	5.34%
294,500 HSBC European Index Fund	2,559,500	5.08%
2,882,000 HSBC FTSE 100 Index Fund	4,095,322	8.12%
1,483,000 iShares Overseas Corporate Bond Index (UK)	2,507,385	4.97%
200,000 iShares Pacific Ex Japan Equity Tracker	990,634	1.97%
2,761,029 Jupiter Strategic Bond	1,461,137	2.90%
2,016,000 Legal & General Global Inflation Linked Bond	983,002	1.95%
3,150,000 Legal & General All Stocks Gilt Index	2,922,255	5.80%
199,000 Liontrust Special Situations Fund	991,279	1.97%
2,504,487 M&G Global Macro Bond Fund Sterling Class	2,008,097	3.98%
1,359,000 M&G Emerging Markets Bond GBP	1,469,079	2.91%
1,326,143 M&G Global Dividend Fund	2,124,747	4.22%
149,500 Rathbone Income	1,494,447	2.96%
2,024,000 Royal London Short Duration Credit	1,983,722	3.94%
3,196,000 Royal London Corporate Bond	2,973,878	5.90%
1,338,890 Schroder Recovery Fund	1,046,343	2.08%
508,500 Schroder US Smaller Companies	1,085,648	2.15%
15,650 Vanguard UK Long Duration Gilt Index	1,443,353	2.86%
989,000 WS Ruffer Diversified Return	974,363	1.93%
	<b>46,852,327</b>	<b>92.94%</b>
<b>Investment Trusts (31.01.2024: 1.25%)</b>		
696,635 Tufton Oceanic Assets Ltd	651,197	1.29%
	<b>651,197</b>	<b>1.29%</b>
<b>Portfolio of investments (31.01.2024: 92.96%)</b>	<b>47,503,524</b>	<b>94.23%</b>
<b>Net other assets (31.01.2024: 7.04%)</b>	<b>2,901,461</b>	<b>5.77%</b>
	<b>50,404,985</b>	<b>100.00%</b>

## SUMMARY OF MATERIAL PORTFOLIO CHANGES

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	£
<b>Total purchases for the year (note 14)</b>	<b>22,832,048</b>
HSBC European Index Fund	2,433,737
M&G Global Dividend Fund	2,039,329
M&G Global Macro Bond Fund	2,036,398
Legal & General All Stocks Gilt Index Fund	1,769,803
Vanguard UK Long Duration Gilt Index Fund	1,619,356
Rathbone Income Fund	1,575,379
Fidelity Index Japan Fund	1,553,725
Jupiter Strategic Bond Fund	1,535,103
Schroder Recovery Fund	1,081,530
Fidelity Emerging Markets Fund	1,066,885
Various other purchases	6,120,803
	£
<b>Total sales for the year (note 14)</b>	<b>24,508,509</b>
M&G Global Dividend Fund	2,235,472
Man GLG Japan CoreAlpha Professional Fund	2,113,175
M&G Global Macro Bond Fund	2,036,398
Jupiter Strategic Bond Fund	1,695,417
Legal & General All Stocks Gilt Index Fund	1,678,912
Allianz Strategic Bond Fund	1,547,294
Invesco European Equity Fund	1,529,276
Rathbone Income Fund	1,528,978
HSBC FTSE 100 Index Fund	1,333,628
Schroder Recovery Fund	1,081,530
Various other sales	7,728,429

The above represents all the purchases and sales during the year.

## STATEMENT OF TOTAL RETURN

For the year ended 31 January

		2025	2024
	Notes	£	£
Income			
Net capital gains	2	2,595,002	777,575
Revenue	3	1,554,479	1,477,229
Expenses	4	(292,904)	(290,107)
Interest payable and similar charges	6	(3,136)	(2,560)
Net revenue before taxation		1,258,439	1,184,562
Taxation	5	(130,986)	(99,462)
Net revenue after taxation		1,127,453	1,085,100
Total return before distributions		3,722,455	1,862,675
Finance costs: distributions	6	(1,750,224)	(1,350,579)
<b>Changes in net assets attributable to shareholders from investment activities</b>		<b>1,972,231</b>	<b>512,096</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 January

	2025	2024
	£	£
<b>Opening net assets attributable to shareholders</b>	50,090,050	55,480,787
Amounts receivable on creation of shares	3,448,712	1,126,798
Amounts payable on cancellation of shares	(6,825,465)	(8,345,564)
Dividends reinvested	1,719,457	1,315,933
Changes in net assets attributable to shareholders from investment activities (see above)	1,972,231	512,096
<b>Closing net assets attributable to shareholders</b>	<b>50,404,985</b>	<b>50,090,050</b>



**BALANCE SHEET**

As at		31.01.2025		31.01.2024	
	Notes	£	£	£	£
<b>ASSETS</b>					
Investment assets			47,503,524		46,567,802
<b>Current assets</b>					
Debtors	7	186,233		99,405	
Cash and bank balances	8	<u>3,099,882</u>		<u>3,594,481</u>	
<b>Total current assets</b>			<u>3,286,115</u>		<u>3,693,886</u>
<b>Total assets</b>			50,789,639		50,261,688
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Distribution payable on income shares		(3,608)		(2,597)	
Creditors	9	<u>(381,046)</u>		<u>(169,041)</u>	
<b>Total current liabilities</b>			<u>(384,654)</u>		<u>(171,638)</u>
<b>Net assets attributable to shareholders</b>			50,404,985		50,090,050

## NOTES TO THE FINANCIAL STATEMENTS

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### 1 Accounting policies

The principal accounting policies, which have been applied in both the current and prior year, are set out on pages 7 to 8.

### 2 Net capital gains

	2025	2024
The net capital gains comprise:	£	£
Non-derivative securities gains	2,594,941	782,113
Currency gains/(losses)	183	(3,651)
Transaction charges (custodian)	(122)	(887)
Total net capital gains	<u>2,595,002</u>	<u>777,575</u>

### 3 Revenue

	2025	2024
	£	£
Non-taxable dividends	603,508	690,003
Interest on non-derivative securities	775,013	749,803
Bank interest	175,958	35,442
Investment Manager rebate	-	1,981
Total revenue	<u>1,554,479</u>	<u>1,477,229</u>

### 4 Expenses

	2025	2024
	£	£
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge	253,601	247,510
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fee	18,318	17,175
Safe custody fee	4,986	6,651
	<u>23,304</u>	<u>23,826</u>
<b>Other expenses:</b>		
Audit fee	9,216	8,848
Other expenses	6,783	9,923
	<u>15,999</u>	<u>18,771</u>
Total expenses	<u>292,904</u>	<u>290,107</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 Taxation

	2025 £	2024 £
<b>(a) Analysis of charge in the year</b>		
Overseas withholding tax	-	550
UK corporation tax	130,986	98,912
Total tax charge for the year (note 5b)	130,986	99,462

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2024: 20.00%)

The differences are explained below:

Net revenue before UK corporation tax	1,258,439	1,184,562
Corporation tax at 20.00% (2024: 20.00%)	251,688	236,912
<b>Effects of:</b>		
Revenue not subject to taxation	(120,702)	(138,000)
Overseas withholding tax	-	550
Total tax charge for the year (note 5a)	130,986	99,462

#### (c) Provision for deferred taxation

At 31 January 2025 there is no potential deferred tax asset or liability (31 January 2024: £Nil).

### 6 Finance costs

	2025 £	2024 £
Interim dividend distributions	1,357,844	1,058,575
Final dividend distribution	378,017	271,013
	1,735,861	1,329,588
Add: Revenue deducted on cancellation of shares	42,630	25,086
Deduct: Revenue received on issue of shares	(28,267)	(4,095)
<b>Net distribution for the year</b>	1,750,224	1,350,579
Interest payable and similar charges	3,136	2,560
<b>Total finance costs</b>	1,753,360	1,353,139
<b>Reconciliation of distributions</b>		
Net revenue after taxation	1,127,453	1,085,100
Equalisation from collectives allocated to revenue	271,647	119,732
Expenses paid from capital (net of rebate)	292,904	288,126
Relief on expenses allocated to capital	(58,581)	(57,625)
Balance brought forward	76,059	(8,695)
Balance carried forward	40,742	(76,059)
<b>Net distribution for the year</b>	1,750,224	1,350,579

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>7 Debtors</b>	<b>31.01.2025</b>	<b>31.01.2024</b>
	<b>£</b>	<b>£</b>
Accrued income:		
Non-taxable dividends receivable	103,615	31,533
Interest on non-derivative securities receivable	82,594	67,780
Prepayments	24	92
Total debtors	186,233	99,405
<b>8 Cash and bank balances</b>	<b>31.01.2025</b>	<b>31.01.2024</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	3,099,882	3,594,481
<b>9 Creditors</b>	<b>31.01.2025</b>	<b>31.01.2024</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellation of shares	211,521	29,646
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager, and agents of either of them:</b>		
Annual management charge payable	21,339	22,134
<b>Payable to the depositary, associates of the depositary, and agents of either of them:</b>		
Depositary fees	1,529	1,549
Safe custody and other custodian charges	4,343	4,857
	5,872	6,406
Other accrued expenses	2,459	3,865
Audit fee payable	8,869	8,078
UK corporation tax payable	130,986	98,912
Total creditors	381,046	169,041

# 10 Risk management policies

In pursuing its investment objective as stated on page 47, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

## Market price risk

Market price risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-fund holds. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2025 would have increased/decreased by £4,750,352 (31 January 2024: £4,656,780).

## Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is partly invested in collective investment schemes that are registered overseas and funds that invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt.

A portion of the net assets of the Sub-fund is denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Net currency assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.01.2025	31.01.2024	31.01.2025	31.01.2024	31.01.2025	31.01.2024
Sterling	2,901,461	3,509,405	46,852,327	45,941,957	49,753,788	49,451,362
Euro	-	297	-	-	-	297
US Dollars	-	12,546	651,197	625,845	651,197	638,391
Total	2,901,461	3,522,248	47,503,524	46,567,802	50,404,985	50,090,050

If foreign currency rates at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31 January 2025 would have increased/decreased by £65,120 (31 January 2024: £63,869).

**10 Risk management policies (Continued)****Interest rate risk**

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund takes on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the fund on a regular basis. In addition any cash deposits in the Sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

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

	31.01.2025	31.01.2024
	£	£
Financial assets floating rate	3,099,882	3,594,481
Financial assets interest bearing instruments	20,213,932	19,310,226
Financial assets non-interest bearing instruments	27,475,825	27,356,981
Financial liabilities floating rate	-	-
Financial liabilities non-interest bearing instruments	(384,654)	(171,638)
	<b>50,404,985</b>	<b>50,090,050</b>

At 31 January 2025, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-fund would increase or decrease by approximately £7,750 (31 January 2024: £8,986).

**Maturity of financial liabilities**

The financial liabilities of the Sub-fund as at 31 January 2025 are payable either within one year or on demand.

**Liquidity risk**

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

**Credit risk**

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the AFM as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also arises on cash held within financial institutions and debt securities. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related. Indirect credit risk arises from holdings in collectives that invest in debt securities as any default or perceived risk of default will affect the valuation of such holdings.

**Fair value disclosure**

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

	31.01.2025		31.01.2024	
Valuation Technique	Assets (£000's)	Liabilities (£000's)	Assets (£000's)	Liabilities (£000's)
Level 1: Unadjusted quoted price in an active market for an identical instrument	651	-	626	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1	46,852	-	45,942	-
Total	47,503	-	46,568	-

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 11 Shares held

Shares Held	Class C	
	Income	Accumulation
<b>Opening shares at 01.02.2024</b>	<b>484,548</b>	<b>37,988,573</b>
Shares issued during the year	26,399	3,060,845
Shares cancelled during the year	(44,854)	(5,416,266)
Shares converted during the year		
<b>Closing shares as at 31.01.2025</b>	<b>466,093</b>	<b>35,633,152</b>
<b>Shares Held - D Sterling Net Accumulation</b>		
<b>Opening shares at 01.02.2024</b>		<b>7,467,507</b>
Shares issued during the year		-
Shares cancelled during the year		(604,814)
Shares converted during the year		-
<b>Closing shares as at 31.01.2025</b>		<b>6,862,693</b>

### 12 Contingent assets and liabilities

At 31 January 2025, the Sub-fund had no contingent liabilities or commitments (31 January 2024: £nil).

### 13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 January 2025. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share Class	Price (GBp) at 31 January 2025	Price at 29 May 2025
C Sterling Net Income	102.4339p	101.0778p
C Sterling Net Accumulation	116.8228p	116.0260p
D Sterling Net Accumulation	120.8471p	120.0810p

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 14 Direct transaction costs

	2025	%	2024	%
	£		£	
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs	22,832,048		89,497,797	
Commissions	-	0.00%	-	0.00%
Taxes & Levies	-	0.00%	-	0.00%
Total purchase costs	-	0.00%	-	0.00%
Total purchases including transaction costs	22,832,048		89,497,797	

	2025	%	2024	%
	£		£	
<b>Analysis of total sale costs</b>				
Sales in the year before transaction costs	24,508,509		102,306,750	
Commissions	-	(0.00%)	(43)	(0.00%)
Taxes	-	(0.00%)	(3)	(0.00%)
Total sale costs	-	(0.00%)	(46)	(0.00%)
Total sales net of transaction costs	24,508,509		102,306,704	

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

	2025	% of average	2024	% of average
	£	net asset value	£	net asset value
Commissions	-	0.00%	43	0.00%
Taxes	-	0.00%	3	0.00%
	-	0.00%	46	0.00%

### 15 Portfolio Dealing Spread

The average portfolio dealing spread at 31 January 2025 is 0.05% (31 January 2024: 0.04%).

### 16 Related party transactions

Valu-Trac Investment Management Limited, as AFM is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the AFM and its associates are disclosed in note 4. The amounts due to the AFM and its associates at the balance sheet date are disclosed in note 9. Amounts received from the AFM and its associates are disclosed in note 3.



## DISTRIBUTION TABLES

### Q1 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 February 2024

Group 2: Shares purchased 01 February 2024 to 30 April 2024

Payment date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
28.06.2024	group 1	C Sterling Net Income	0.7265p	-	0.7265p	0.6881p
28.06.2024	group 2	C Sterling Net Income	0.3190p	0.4075	0.7265p	0.6881p
28.06.2024	group 1	C Sterling Net Accumulation	0.8006p	-	0.8006p	0.7390p
28.06.2024	group 2	C Sterling Net Accumulation	0.0904p	0.7102	0.8006p	0.7390p
28.06.2024	group 1	D Sterling Net Accumulation	0.8270p	-	0.8270p	0.7624p
28.06.2024	group 2	D Sterling Net Accumulation	0.8270p	-	0.8270p	0.7624p

### Q2 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 May 2024

Group 2: Shares purchased 01 May 2024 to 31 July 2024

Payment date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
30.09.2024	group 1	C Sterling Net Income	1.1059p	-	1.1059p	0.6167p
30.09.2024	group 2	C Sterling Net Income	0.1232p	0.9827p	1.1059p	0.6167p
30.09.2024	group 1	C Sterling Net Accumulation	1.2275p	-	1.2275p	0.6669p
30.09.2024	group 2	C Sterling Net Accumulation	0.1773p	1.0502p	1.2275p	0.6669p
30.09.2024	group 1	D Sterling Net Accumulation	1.2685p	-	1.2685p	0.6882p
30.09.2024	group 2	D Sterling Net Accumulation	1.2685p	-	1.2685p	0.6882p

### Q3 Interim distributions in pence per share

Group 1: Shares purchased prior to 01 August 2024

Group 2: Shares purchased 01 August 2024 to 31 October 2024

Payment date	Unit Type	Share Class	Net Revenue 2024	Equalisation 2024	Distribution 2024	Distribution 2023
31.12.2024	group 1	C Sterling Net Income	0.8764p	-	0.8764p	0.6472p
31.12.2024	group 2	C Sterling Net Income	0.1279p	0.7485p	0.8764p	0.6472p
31.12.2024	group 1	C Sterling Net Accumulation	0.9834p	-	0.7044p	0.7044p
31.12.2024	group 2	C Sterling Net Accumulation	0.1208p	0.5836p	0.7044p	0.7044p
31.12.2024	group 1	D Sterling Net Accumulation	1.0166p	-	1.0166p	0.7271p
31.12.2024	group 2	D Sterling Net Accumulation	1.0166p	-	1.0166p	0.7271p

### Final distributions in pence per share

Group 1: Shares purchased prior to 01 November 2024

Group 2: Shares purchased 01 November 2024 to 31 January 2025

Payment date	Unit Type	Share Class	Net Revenue 2025	Equalisation 2025	Distribution 2025	Distribution 2025
31.03.2025	group 1	C Sterling Net Income	0.7741p	-	0.7741p	0.5359p
31.03.2025	group 2	C Sterling Net Income	0.0669p	0.7072p	0.7741p	0.5359p
31.03.2025	group 1	C Sterling Net Accumulation	0.8762p	-	0.8762p	0.5873p
31.03.2025	group 2	C Sterling Net Accumulation	0.3961p	0.4801p	0.8762p	0.5873p
31.03.2025	group 1	D Sterling Net Accumulation	0.9061p	-	0.9061p	0.6065p
31.03.2025	group 2	D Sterling Net Accumulation	0.9061p	-	0.9061p	0.6065p

## INFORMATION FOR INVESTORS

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### Individual shareholders

**Income tax:** Tax-free annual dividend allowance now standing at £500 (2024/25). UK resident shareholders are now subject to new, higher rates of tax on dividend income in excess of the annual allowance. UK resident shareholders are subject to tax on dividend income in excess of the annual allowance.

**Capital gains tax:** Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £3,000 (2024/25) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

### Taxation

The Company will pay corporation tax on its profits in the Discovery Cautious Fund and the Discovery Balanced Fund for the year ended 31 January 2025. No corporation tax is payable in the Discovery Growth Fund. Capital gains within the Company will not be taxed.

### Corporate shareholders

Companies resident for tax purposes in the UK which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at prevailing rates and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

The above information on taxation is only a general summary, and shareholders should consult their own tax advisors in relation to their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

### Issue and redemption of shares

Valu-Trac Investment Management Limited is the AFM and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours between 9:00am and 5:00pm. Instructions may be given by email to the below email addresses or by sending an application form to the Registrar. Application forms are available from the Registrar.

For Discovery Balanced Fund, Discovery Growth Fund & Discovery Cautious Fund; [investorservices@valu-trac.com](mailto:investorservices@valu-trac.com).

The price of shares will be determined by reference to a valuation of the Company's net assets at 12 noon on each dealing day.

The AFM has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the AFM will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the AFM of a request for redemption.

The most recent issue and redemption prices are available from the AFM.

### Assessment of Value

The AFM conducts an assessment of value for the Sub-funds each year. The assessment of value reports are available on the AFM's website.

## INFORMATION FOR INVESTORS (Continued)

### Remuneration

The AFM is subject to a remuneration policy which meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive (UCITS) as set out in SYSC 19E of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the AFM compliance with its duty to act in the best interests of the funds it manages.

The AFM has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

The AFM is required to disclose the total remuneration it pays to its staff during the financial year, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a fund or the AFM itself. This includes executives, senior risk and compliance staff and certain senior managers.

Date: 28 May 2024	Number of staff	Fixed remuneration	Variable remuneration	Total remuneration
Senior Management and members of the governing body	9	753,640	-	753,640
Other material risk takers	4	312,684	-	312,684
All other staff	103	3,409,068	-	3,409,068
Total	116	4,475,392	-	4,475,391
Total severance payments		-	-	-

Further information is available in the AFM's Remuneration Policy document which can be obtained from [www.valu-trac.com](http://www.valu-trac.com). A paper copy of the remuneration policy is available on request from the registered office of the Authorised Fund Manager free of charge.

### Task Force on Climate-related Financial Disclosures ("TCFD") reports

The AFM is required to prepare and publish a product TCFD report for each Sub-fund along with an entity level TCFD report. The latest reports can be obtained from [https://www.valu-trac.com/administration-services/tcfd\\_reports](https://www.valu-trac.com/administration-services/tcfd_reports).

**CORPORATE DIRECTORY**

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<b>Authorised Fund Manager &amp; Registrar</b>	<p>Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 Email: <a href="mailto:discovery@valu-trac.com">discovery@valu-trac.com</a></p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
<b>Investment Manager</b>	<p>Hawksmoor Investment Management Limited 17 Dix's Field Exeter EX1 1QA</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Depository</b>	<p>NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised regulated by the Financial Conduct Authority</p>
<b>Auditor</b>	<p>Johnston Carmichael LLP Chartered Accountants Strathlossie House Kirkhill Avenue Elgin IV30 8DE</p>