Slater OEIC Interim Report

For the six month period ended 31 October 2023 (Unaudited)

Slater Investments Limited

Directory

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***Authorised and regulated by the Financial Conduct Authority.**

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Authorised Status and General Information

Authorised status

Slater OEIC is an investment company with variable capital (ICVC) incorporated under the Open Ended Investment Company (OEIC) Regulations 2001. It is a UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and is an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with the registration number IC000910 and is authorised and regulated by the Financial Conduct Authority with effect from 22 August 2011. The shareholders are not liable for the debts of the Company.

The sub-funds of the Company are segregated by law under the Protected Cell Regime. In the event that one sub fund in the Company is unable to meet its liabilities, the assets of another sub-fund within the Company will not be used to settle these liabilities.

The Company currently has one sub-fund, the Slater Income Fund (the "Fund").

Investment objective

The investment objective of the Fund is to produce an attractive and increasing level of income while additionally seeking long term capital growth by investing predominantly in the shares of UK listed companies across the full range of market capitalisations, including those listed on the Alternative Investment Market (AIM). From time to time the Fund may also hold the shares of companies listed overseas as well as cash, money market instruments, the units of collective investment schemes, bonds and warrants as permitted by the rules applicable to UCITS schemes and the Prospectus. It is intended that the assets of the Fund will be managed so that it is eligible for quotation in the Investment Association's UK Equity Income sector. The Fund has powers to borrow as specified in the FCA Collective Investment Schemes Sourcebook and may use derivatives for hedging and efficient portfolio management purposes only.

Rights and terms attaching to each share class

Each share of each class represents a proportional entitlement to the assets of the Fund. The allocation of income and taxation and the rights of each share in the event the Fund is wound up are on the same proportional basis.

Value for Money Assessment

Slater Investments Limited's latest Value for Money Assessment can be found at https://www.slaterinvestments.com/value-assessment-report/.

Authorised Corporate Director's Statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

Mark Slater
Director

Slater Investments Limited.
22 December 2023

Fund Manager's Report

Report for the half year to 31 October 2023

Performance	Six Months	1 Year	3 Years	5 Years	Since Launch*
Slater Income Fund P Inc share class	-5.39%	+1.11%	+42.21%	+15.74%	+145.51%
Investment Association (IA) OE UK Equity Income	-6.04%	-4.57%	+35.90%	+14.21%	+124.03%

*A unit class launched 19 September 2011

Objective

The investment objective of the Fund is to produce an attractive and increasing level of income whilst additionally seeking long term capital growth through investing predominantly in shares of United Kingdom (UK) listed equities.

We seek to achieve a consistent performance by broadly dividing the Fund into three complementary categories – growth companies with attractive yields; dividend stalwarts with earnings pointing upwards; and high yielders with more cyclical upside. In all three categories we are looking to invest across the market capitalisation spectrum.

Fund Performance

During the period the Slater Income Fund declined -5.39% on a total return basis, which compared to the IA United Kingdom (UK) Equity Income sector average of -6.04%. The Fund ranked in the second quartile of its peer group.

Income

In June 2023 and September 2023, the Fund paid quarterly dividends amounting to 4.7198p in total. This was up an inflation-busting +28% year-on-year, flattered by the Fund's dividends falling -17% in the first half of 2022. Looking across this valley, the dividend growth over the two years since October 2021 is a more sensible +6.4%.

Fund Manager's Report (Continued)

Report for the half year to 31 October 2023

Income (Continued)

This observed volatility in the Fund’s dividends is unusual. It probably is an echo of the dividend cuts announced in the wake of the Covid-induced lockdowns in 2020 and the subsequent restoration of dividends as the economy unlocked in 2021. There is a long-time lag between a company’s board making an announcement about their dividend intentions, those dividends being paid to shareholders such as the Slater Income Fund, and a further lag before the Fund in turn pays out dividends to its holders.

At the end of October 2023, the running yield of the Slater Income Fund was 5.82%, usefully ahead of the yield of the UK stock market of 3.95%. These are both calculated by comparing dividends paid over the last twelve months to the price at the end of October 2023.

(Please note that rates and yields refer to the P Inc share class. Other share classes will vary modestly).

Market Commentary

It has been an undeniably difficult six months for UK equities. On a capital only basis, the main market index was down -7.7%, with more pain being felt lower down the market cap spectrum. European markets fared little better and China was somewhat worse. American equities continued to be the biggest and brightest star in the equity firmament, with continued strength in their tech-heavy indices, where enthusiasm for all things related to artificial intelligence (AI) seems to be driving rather unintelligently artificial share prices.

Equity markets continue to be overshadowed by rapid developments in bond markets as the era of “free money” and zero interest rate policies moves ever further into the rear-view mirror. Central Banks continued to hike base rates to stamp down on rampant inflation. The Bank of England hiked rates three times during the six months under review, taking base rates to 5.25%. The whole yield curve has shifted upwards, with the 10-year gilt yield rising from 3.8% to 4.7% over the same period. This reflects the new consensus that interest rates will be “higher for longer”. Probably not much higher than they are now, but those who came into 2023 expecting rate cuts are being sorely disappointed. The medicine of higher rates does, at least, seem to be working.

Fund Manager's Report (Continued)

Report for the half year to 31 October 2023

Market Commentary (Continued)

Inflation is not running away but it is still too high. UK Consumer Price Index (CPI) inflation for September 2023 came in at 6.7% year on-year, annoyingly unchanged on August 2023 number, but still down on the double-digit rates of March 2023. This is somewhat worse than both the United States (US) at 3.7% and Europe at 4.3%, where declines are more evident. The Bank of England does not see UK CPI inflation returning to its target of 2% until the last quarter of 2025.

Turbulent geopolitics continue to act as a headwind for equity markets. Whilst US-Sino relationships may be thawing slightly, the war in Ukraine rumbles on and Russia may actually be "winning". Even these horrors were overshadowed by an outbreak of slaughter in the Middle East, with Gaza and Israel at each other's throats. That equities have not been worse, and oil has not been better ("only" up 7% over the six months) suggests that markets do not think this dispute will escalate enormously, nor pull in other regional actors.

Growth Companies - Major Contributors and Detractors

The UK's largest quoted law firm, **DWF** announced a recommended cash offer of 100p a share from a vehicle backed by Inflexion, a mid-market private equity firm. Whilst this sent the shares up +53% over the period, which contributed +0.69% to the value of the Slater Income Fund, the bid has only taken the shares back to where they traded under their own steam in July 2022. The take-out multiples are extremely ungenerous: the price equates to a forward price-to-earnings ratio (P/E) of just over 8x and a prospective dividend yield of over 6%. Whilst our dissatisfaction was lodged it did not change the course of events. One hundred and seven DWF Partners and Senior Employees, holding just under 40% of the total equity, signed up for the scheme and that was that. They will be laughing all the way to the bank.

XPS Pensions continues to trade very strongly, posting revenue growth in their first half to end September 2023 of 23%, of which 19% was organic. This is rather more than might be expected from the relatively dusty business of actuarial and investment consulting for pension funds. XPS benefits from a steady cadence of regular work, driven by regulatory requirements.

Fund Manager's Report (Continued)

Report for the half year to 31 October 2023

Growth Companies - Major Contributors and Detractors

(XPS Pensions Continued) The company has enjoyed excellent pricing power on this work, happily passing on inflationary price increases without too much resistance. On top of this, XPS is enjoying a flurry of additional project work as the flux in bond markets has dramatic consequences for the funding position of pension funds, generally for the better, occasioning the need for further calculations and advice. The shares gained +32% over the period, making it the biggest single positive contributor to the Slater Income Fund's bottom line, adding +1.21%. The holding has grown in size and is now the second largest in the Fund, with a 5% weighting. Although the shares have re-rated modestly as their charms have become more widely appreciated, they still offer a prospective dividend yield of 4.3% and should be able to grow their dividends by 8% to 9% per annum.

Ten Entertainment, the operator of 51 bowling and family entertainment centres across the UK, announced solid interim results, demonstrating that last year's strength was not just a one-off boost from the Covid unlock. The group strives to deliver value for money for customers and bowling prices are still the same as 2019. Not many other leisure businesses are able to say that. The group opened three new centres in their first half, with one more lined up before the end of the year. The outlook statement pointed to strong trading over the summer, helped by rainy weather.

The shares rose +11% during the period under review, which added +0.38% to the value of the Slater Income Fund. The shares continue to look good value on a single digit P/E multiple and a prospective dividend yield of 4.0%. The dividend should grow at double-digit percentages for each of the next three years. This definitely counts as "good and growing income".

Shares in the UK's largest pawnbroker **H&T** rose by +7% but as this is one of the larger holdings in the Fund, this translated into a +0.36% contribution to its total value. The firm posted excellent interim results, with profit before tax growing by 31%, fired by a 14% increase in the pledge book and strong retail sales. The interim dividend was up 30% year-on-year, making it one of the fastest growing dividends in the Fund. Yet the shares continue to trade on a single digit P/E multiple and a prospective yield of 4.3%.

Maintel, the communications provider, last paid a dividend in 2019. New management seem to be getting to grips with the business. The shares bounced +35%, adding +0.20% to the value of the Fund. This is a welcome turn of events, but the company still has high levels of debt and the prospects for dividends continue to look quite bleak. The Fund took the opportunity to sell the bounce.

Fund Manager's Report (Continued)

Report for the half year to 31 October 2023

With grotty asset markets and continued net outflows across the industry, it has been a bad period for listed fund management companies, of which the Slater Income Fund has four. **Premier Miton** shares fell -44% as they cut their interim dividend and were insufficiently clear about the prospects for the final dividend. **Liontrust Asset Management** fell -35%, upsetting the market for having a tilt at the Swiss firm GAM, then punished again by the market when this attempt failed. The Fund bought more.

Polar Capital fell -15%, which by comparison feels like victory but still hurt. City of London Investment Group fell -23%. Collectively, these four stocks detracted - 1.23% from the value of the Slater Income Fund. All of these stocks now trade on double-digit dividend yields but from dividends that are now poorly covered. These businesses are all highly operationally geared, so much depends on the direction of markets from here. The Fund sold out of **City of London Investment Group**, where management change is unsettling and the scope for growth in dividends on a medium-term basis is perhaps the weakest.

R&Q Insurance, formerly known as Randall & Quilter, continued to be a thorn in the Fund's side, falling -81%, which detracted -0.94% from its value, making it the biggest detractor over the period. The company had announced what seemed like a sensible plan to separate its high growth fronting business, Accredited, from its more fraught long-tail legacy insurance business. This apparent progress evaporated when the executives proposed to sell Accredited at a low price, and sail off with it to its new owners, leaving the owners of the PLC to soldier on with the rump. The market reaction to this proposal has been brutally bad.

Fund Manager's Report (Continued)

Report for the half year to 31 October 2023

Shares in **St James's Place** nearly halved in the period, costing the Slater Income Fund -0.69%. As an asset gatherer, some of their plight is similar to that of the fund management firms discussed above: poor markets and weak inflows (but at least still positive in St James's case). This was compounded by the firm announcing changes to its charging structure, including the removal of exit charges, to conform with the spirit of the new Consumer Duty regulations. The financial impact on shareholder cashflows is not that material in total, but the cashflows are re-profiled and now back-end loaded. The years to 2026 will see three successive declines in earnings and dividends, before a period of super-normal growth from 2027. This is clearly not aligned with the Slater Income Fund's mantra of seeking "good and growing income". Additionally, there are risks that the changes will disturb the success of their business model. End customers will actually be marginally better off under these changes but, perversely, might not feel like it, now that charges are unbundled and there is a more visible cost for initial advice. Meanwhile, the partners and advisers in the firm will see their remuneration chipped and will certainly have to work harder for their money, with more of their share coming from ongoing advice rather than initial charges. Shortly after the end of the period under review, the Slater Income Fund sold its shares.

STV shares had a torrid time, falling -26%, costing the Slater Income Fund -0.68%. Their interim results, posted in September 2023, showcased the success of their diversification strategy, with 60% of revenues now coming from beyond TV broadcasting, but also highlighted the burning need for this strategy, with TV advertising revenue down -14% year-on-year. The acquisition of Greenbird gives STV further strength in production but linear TV advertising generates a higher margin. So, sales were up 21% but operating profit was down by a third. The dividend was held steady and is still nearly two times covered by earnings, generating a dividend yield of 5.8%. The outlook for the second half is a little brighter and the company is forecast to be back to bottom line profit (and dividend) growth in 2024. Linear TV is still an attractive medium for advertisers and STV retains a very dominant position in Scotland. Not all of the current slowdown in advertising is structural; some reflects generalised belt tightening. The stock market is struggling to price the longevity of traditional media and the transition to new revenue streams. The prospective P/E multiple of 6.0x implies the company does not make it to the end of the decade which seem excessively harsh.

Fund Manager's Report (Continued)

Report for the half year to 31 October 2023

Dividend Stalwarts - Major Contributors and Detractors

The UK High Street banks have seen a recovery in their profitability as interest rates have normalised. In the long years since the credit crunch their balance sheets have been restored, leaving them with strong capital positions. Yet, they remain under intense regulatory supervision which has supressed their appetite for lending. So, the buy case now is that these are utility-esque businesses, able to support good distributions to shareholders. This is the reason why the Slater Income Fund has a holding in both **NatWest** and **Lloyds Banking**. Both performed badly in the six months under review. NatWest's shares fell -32%, Lloyds Banking -17%, cumulatively detracting - 1.26% from the value of the Slater Income Fund.

Both banks are, not before time, starting to pass on rising interest rates to their depositors, putting some pressure on liability margins. But there is absolutely no sign of the depositor flight that caused problems for regional banks in America. Admittedly, there is also competition on the asset side of the balance sheet, particularly in a slowing mortgage market. So, expectations for net interest margins have been tweaked down. But bad debts remain very benign and so capital generation remains strong. There is nowhere for this capital to go apart from back to shareholders in the form of dividends, probably with buybacks on top. NatWest now trades on a prospective dividend yield of 9.5% and Lloyds Banking 6.7%, both from well covered dividends. Financial risks seem very overstated.

However, it is fair to say that both banks remain political footballs, especially NatWest where His Majesty's Treasury is still the largest shareholder, with additional spice from the brouhaha surrounding Mr Farage's Coutts account.

Rising interest rates are something of a double whammy for property companies, driving up cap rates (and so reducing net asset values) whilst also increasing the cost of their debt. **Urban Logistics REIT**, the owner of single-occupier industrial and logistics properties, was caught up in this maelstrom. Their shares fell -26%, which detracted -0.44% from the value of the Slater Income Fund. There was, however, relatively little news out from the company during this period. A trading statement in July 2023 stated that occupier demand was still strong, and whilst the company had suffered from one of its tenants going into administration (Tufnell's) these properties had largely been reassigned on the same terms. Meanwhile the company has been busy terming out its own debt, at an all-in cost of 4.2%, and an average duration of 6 years.

Fund Manager's Report (Continued)

Report for the half year to 31 October 2023

Cyclical Companies - Major Contributors and Detractors

Shares in **Morgan Sindall**, the construction and regeneration group, continued their renaissance, after falling nearly -40% in calendar 2022. In the six months to October 2023, they gained +11%, which added +0.25% to the value of the Slater Income Fund. The company reported their interim results in August 2023, with the first half of the year revenues up 14% to £1.9 billion and their order book swelling +7% to a healthy £9.1 billion. The divisional detail was a bit of a curate’s egg (fantastic in Fit Out, good in Construction and in Infrastructure, but a slowdown in Partnership Housing and losses in Property Services) but diversification has always been their watchword. The balance sheet is rock solid with £263 million of net cash. The interim dividend was increased by 9%. The shares still look very good value on a prospective P/E of 8.5x and a dividend yield of 5.3%, from a dividend that is more than twice covered by earnings.

Ecora Resources, the mining royalty firm, saw its shares fall -28%, which detracted -0.47% from the value of the Slater Income Fund. The business is in the process of repositioning itself around future facing metals, such as copper, cobalt and nickel, that have an essential role to play in the energy transition and greater electrification. The firm has an exciting pipeline of projects but there is arguably a lack of immediate gratification The long-run free cash flows, which will be generated for decades to come (in turn supporting a generous dividend) are arguably being underappreciated by the stock market currently.

The Slater Income Fund holds about 15% in Oil & Gas shares. This should have been straightforwardly good news in a period of oil price strength, but it turned out to be more complicated than that. **Shell**, the Fund’s largest holding, performed as might have been expected, their shares rising +8%, adding a welcome +0.56% to the value of the Fund. **BP**, also a top ten holding in the Fund, was unusually divergent from its larger rival, falling -6% which detracted -0.15% from the bottom line. The sudden departure of BP’s seemingly prolifically promiscuous Chief Executive Officer (CEO) cannot have helped. As this is the third CEO in living memory to be summarily ejected from the top job at BP, it does raise questions about the culture at the firm. The outgoing CEO had positioned BP to be the most front-footed of all the oil majors about embracing net zero. It will be interesting to see if there is a change in tone when a new person takes the helm

Fund Manager's Report (Continued)

Report for the half year to 31 October 2023

Cyclical Companies - Major Contributors and Detractors (Continued)

Outside these two “super majors”, the Fund did very badly from its holdings in smaller Oil & Gas shares. **Diversified Energy** and **i3 Energy**, who both produce gas from onshore wells in North America, fell -29% and - 39% respectively, which between them reduced the value of the Slater Income Fund by -1.08%. North American gas prices continue to be very weak because local supply exceeds local demand.

The cure for this will be the development of more export capacity, taking gas to Europe – where there is a move away from Russian piped gas – and to Asia, where there is a move away from coal. Transporting American gas requires the development of liquefied natural gas (LNG) infrastructure: cooling and liquefaction terminals on the North American coastline, the availability of LNG tankers to transport the liquefied gas, and regasification terminals in destination markets, close to domestic pipelines. All this takes time, but both the political will and the sheer financial opportunity makes it highly compelling. To be clear, neither Diversified Energy nor i3 Energy are involved in building this LNG infrastructure and it is quite possible that none of their molecules ever get frozen and put on a boat, but opening up export markets will ease the gas glut and be massively beneficial for their pricing. In the meantime, both shares have highly satisfactory dividend yields. Diversified Energy offers a prospective dividend yield of 20% (yes, 20%!) and i3 Energy 9.7%.

Staying in the oil patch, **Energean** shares fell -31%, costing the Slater Income Fund -0.45%. Energean has developed the enormous Karish gas field, the hard work has all been done and customer contracts have been signed to take gas under long-term contracts for the next 16 years. The hitch is that the Karish field is located in the Eastern Mediterranean, otherwise known as Offshore Israel. Say no more.

Acquisitions and Disposals

The Fund exited six holdings and added one new name, ending the period with forty holdings.

Midwich is a distributor of specialist audio visual systems to the trade market. In June 2023, the company came to the stock market with a placing of new shares to finance the acquisition of SFM, an established player in Canda. The Slater Income Fund participated in this placing, acquiring new shares at 425p. The group operates in steadily growing markets, is gaining share within those markets and then supplementing this further with bolt-on acquisitions. This should, in total, support high single-digit growth in both revenues and profits and feed an attractive dividend stream. For much of its quoted existence, Midwich has traded on around 20x earnings. It is now available on about half that.

Fund Manager's Report (Continued)

Report for the half year to 31 October 2023

Acquisitions and Disposals (Continued)

The Fund added to its holding in **Liontrust Asset Management** on weakness. The Fund also added to its holdings in **Arbuthnot Banking** and **GSK**.

The holding in **Palace Capital** was trimmed on strength.

The Slater Income Fund saw two holdings succumb to takeovers: **Sureserve** and **DWF**. The Fund also exited **Maintel** and **City of London Investment Group**, as discussed above. Additionally, the Fund sold out of **Regional REIT**, the office landlord, and **Duke Royalty**, the alternative finance provider. In both case the dividend yields are high, but precarious.

Outlook

Most market practitioners seem happy to agree that the UK stock market is unusually cheap, both on an absolute and relative basis. This has plainly not been enough to make it go up. Being cheap, on its own, is not enough, it seems. So, what might actually help get shares moving?

Firstly, there is likely to be continued takeover activity. The fact that participants outside the stock market are seeing great value in the stock market is part of the price discovery process. That some takeover approaches are now being seen as “cheeky”, even at a 30% premium to the screen price, is heartening.

Secondly, interest rates will stabilise. The Governor of the Bank of England says it is far too early to be thinking about cuts to base rates, but that might not matter. No longer rising may be enough to ignite share prices. The cost of money impacts pretty much every major purchasing and investment decision, both for consumers and corporates. Having some clarity about the cost of money should encourage economic actors to stop sitting on their hands.

Finally, there is some hope of stock market reform. The Chancellor is attempting to steer the large defined contribution workplace pension schemes into having more exposure to smaller, early-stage companies. This is a welcome change from the previous direction of travel where defined benefit schemes and insurance firms have been corralled into holding ever more bonds. These proposals could generate long-term structural demand for UK equities.

Fund Manager's Report (Continued)

Report for the half year to 31 October 2023

Outlook (Continued)

Even with these three factors as potential tailwinds, market timing remains something of a mugs' game. Instead, the focus of the Fund remains on more "bottom-up" factors, searching out those companies most likely to provide a good yield and to grow their dividends over the medium term. This dividend growth is the surest path to rising share prices, with or without a re-rating.

Slater Investments Limited.
22 December 2023

Fund Manager's Report (Continued)

Distributions (pence per share)

	Year 2023	Year 2022	Year 2021	Year 2020
Class A Income				
Net income paid 31 March	1.0934	1.3643	0.8998	1.0743
Net income paid 30 June	2.6334	2.0431	2.8447	1.3672
Net income paid 30 September	1.7301	1.3992	1.3226	0.9819
Net income paid 31 December	*2.2550	2.1484	1.6940	1.1529
Class A Accumulation				
Net income paid 31 March	1.5143	1.7968	1.1304	1.2988
Net income paid 30 June	3.6672	2.7150	3.5986	1.6644
Net income paid 30 September	2.4541	1.8841	1.7069	1.2082
Net income paid 31 December	*3.2403	2.9224	2.2062	1.4328
Class B Income				
Net income paid 31 March	1.1578	1.4353	0.9418	1.1186
Net income paid 30 June	2.7867	2.1523	2.9809	1.4256
Net income paid 30 September	1.8329	1.4748	1.3879	1.0234
Net income paid 31 December	*2.3928	2.2678	1.7797	1.2051
Class B Accumulation				
Net income paid 31 March	1.5988	1.8877	1.1821	1.3513
Net income paid 30 June	3.8773	2.8562	3.7666	1.7340
Net income paid 30 September	2.5983	1.9845	1.7889	1.2592
Net income paid 31 December	*3.4362	3.0813	2.3147	1.4964
Class P Income				
Net income paid 31 March	1.1818	1.4596	0.9554	1.1320
Net income paid 30 June	2.8465	2.1904	3.0257	1.4437
Net income paid 30 September	1.8733	1.5027	1.4097	1.0408
Net income paid 31 December	*2.4474	2.3124	1.8086	1.2218
Class P Accumulation				
Net income paid 31 March	1.6307	1.9205	1.1993	1.3676
Net income paid 30 June	3.9572	2.9079	3.8247	1.7561
Net income paid 30 September	2.6532	2.0216	1.8178	1.2759
Net income paid 31 December	*3.5111	3.1406	2.3533	1.5173

*These are based on estimated figures

Fund Manager's Report (Continued)

Material portfolio changes
For the six month period ended 31 October 2023

Major Purchases	Cost (£)	Major Sales	Proceeds (£)
Midwich Group	1,168,750	Sureserve	5,018,751
Liontrust Asset Management	459,161	DWF	1,358,000
GSK	260,517	Maintel	501,885
Arbuthnot Banking	97,079	Regional REIT	468,819
		City of London Investment Group	452,558
		Palace Capital	428,924
		Duke Royalty	333,837
Total purchases for the period	**1,985,507**	**Total sales for the period**	**8,562,774**

Enviromental, Social and Governance ("ESG") Report

Report for the period to 31 October 2023

Introduction

Slater Investments integrates ESG factors into its investment process to help manage risks and identify new opportunities. The ESG Committee works closely with the Company's Investment Committee to ensure that ESG based investment analysis, alongside active and engaged stewardship, is embedded in the Company's investment process and subsequent ongoing monitoring.

For evaluating all potential and existing investments, the ESG Committee uses the Company's internal ESG investment standards, which combine the International Sustainability Standards Board's sustainability-related disclosure standards, the UN Sustainable Development Goals, an ESG materiality framework, and recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") on climate-related risks and opportunities as a starting point to understand the potential risks a company may face and to determine materiality.

The primary focus of the ESG Committee is to pre-emptively monitor ESG risks that may emerge and threaten the price-earnings ratio or earnings growth prospects of Slater Investments' investee companies. The ESG Committee regularly collaborates with investee companies, offering advice on how they can improve their ESG practices.

We seek a high standard of corporate governance from the companies in which we invest. Slater Investments believes governance is the most important of the three ESG pillars. Without effective governance, there is limited prospect of positive ESG developments and little likelihood of beneficial engagement.

For the third year in a row, Slater Investments is proud to be a successful signatory of the Financial Reporting Council's UK's Stewardship Code ("Code"). This demonstrates our commitment to embedding sustainability and ESG endeavours throughout both our investment process and the way we run our business. The Code sets high standards for asset managers and holds us accountable to 12 principles covering a range of stewardship activities and outcomes. Our latest report is available on our website.

Since September 2019, Slater Investments has been a voluntary member of the United Nations-supported Principles for Responsible Investment ("PRI"), an organisation committed to responsible investment. As part of our commitment to the PRI, we fully integrate screening and monitoring of ESG issues into our investment process.

Enviromental, Social and Governance ("ESG") Report (Continued)

Report for the period to 31 October 2023

Introduction (Continued)

We produced our first full PRI report in 2021 and we continue to report annually against the Principles. Our latest Transparency Report can be found on our website.

During 2022, the Fund was categorised as Article 8 under the Sustainable Finance Disclosure Regulation (“SFDR”). SFDR requires fund managers to disclose information on various ESG indicators to investors. Reporting against the SFDR framework requires the integration of sustainability risks in fund managers’ investment decision-making processes and provides transparency on sustainability within financial markets in a standardised format. Additional information can be found in Appendix 6 of the Fund’s Prospectus.

The periodic disclosures, as required under Article 11 of SFDR, are set out in the Appendix I to this Report.

Additionally, for the first time in respect of the Fund, Slater Investments has taken the initiative and will also be voluntarily reporting in line with the FCA’s TCFD-aligned disclosures for asset managers and owners. Although Slater Investments Limited currently does not currently fall within scope of the FCA’s mandatory reporting requirements, the Company recognises that investments within the Fund could have an impact on climate change and equally, climate change could influence the performance of investments in the Fund. The Company’s view is that it is important to let investors know about potential risk the investments face and has chosen to make TCFD period disclosures.

The periodic disclosures, as required under the TCFD are set out in the Appendix II to this Report.

Engagement

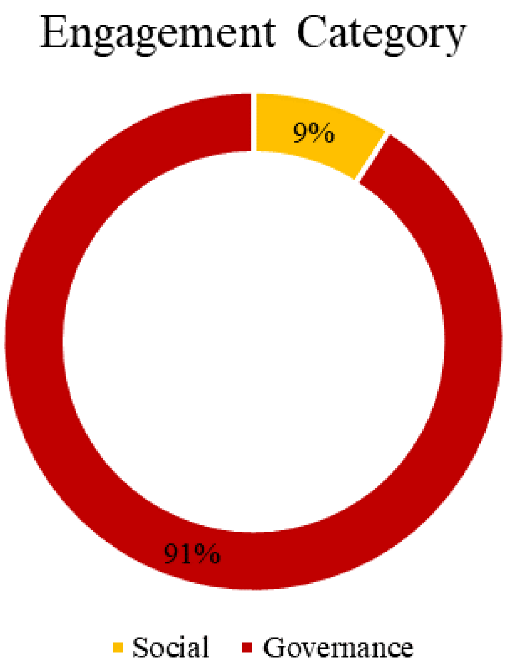
As part of our commitment to transparency, accuracy, and ongoing improvements, we revised our engagement metrics and definitions earlier this year. We refined how we define ‘engagements’ to be more focussed on those proactive interactions with investee companies where the primary aim is to pursue objectives predefined by the ESG Committee. This is important in distinguishing between meetings with companies where the topic of ESG is discussed and we may have input and offer guidance, but it is not the primary, predefined objective of the interaction. This change provides a more precise reflection of how we are engaging with companies.

Enviromental, Social and Governance ("ESG") Report (Continued)

Report for the period to 31 October 2023

Engagement (Continued)

Slater Investments engaged with company representatives of investee companies of the Slater Income Fund on 11 separate occasions during the 6 months leading to 31 October 2023.



We continue to engage with the Chair of the Audit & Risk Committee ("Chair") for all the companies where we hold material positions as part of our thematic engagement. Our intention is to examine each investee company's risks to understand how they are discussed at the Board level and how much time the Board spends reviewing these risks.

In June 2023, we met the Chair of the Audit Committee at Hollywood Bowl Plc ("Hollywood Bowl"). In May 2022, Hollywood Bowl received a query from the UK Financial Reporting Council ("FRC") regarding the presentation of rent concessions & classification of cash flows in the 2021 Annual Report & Accounts ("R&A"). Following the late publication of the R&A together with the FRC query, we conveyed our concerns to the Chair. Despite the relatively low-level impact of the amendments, there was an acknowledgment of the FRC's detailed investigation, and overall, the Committee was content with the outcome of the review. We also expressed concerns over the use of KPMG as the group's auditor as KPMG has had a number of audit issues with listed companies in recent months. The Chair noted that the relationship with KPMG has improved, especially with the change in the audit partner. Overall, current satisfaction with the auditor was expressed with the view that an auditor tender will take place no later than FY2026. We will continue to monitor this situation going forward.

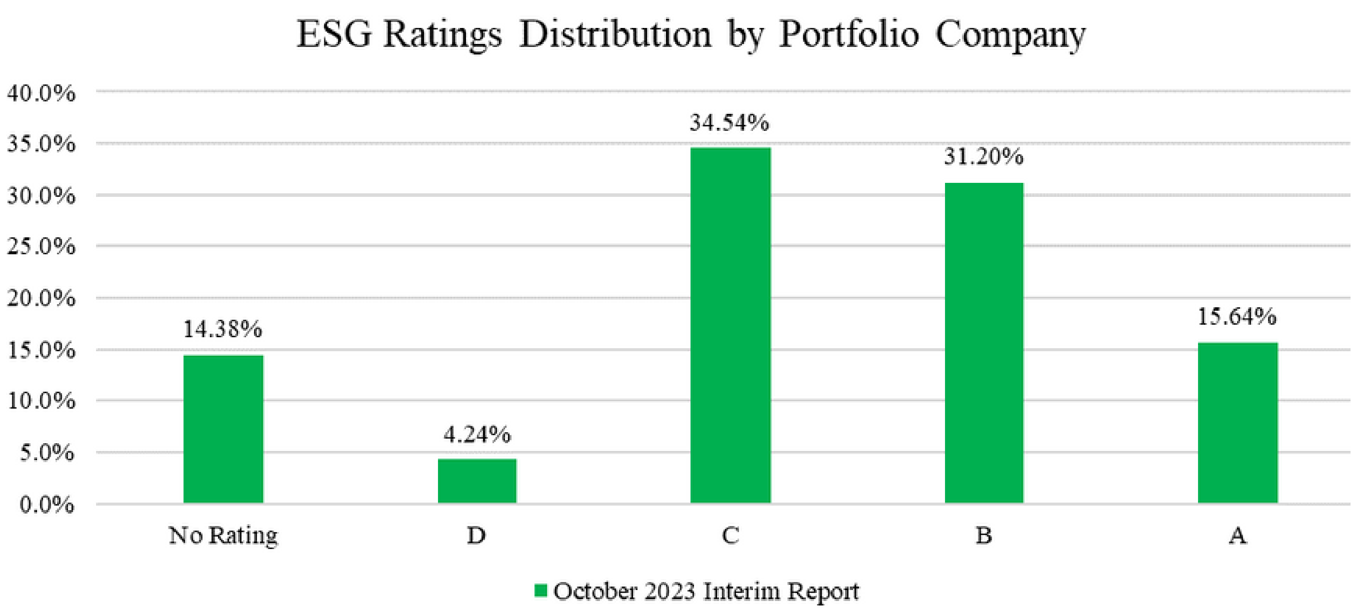
Enviromental, Social and Governance ("ESG") Report (Continued)

Report for the period to 31 October 2023

Engagement (Continued)

In June 2023, we met with the Chair of the Remuneration Committee of Palace Capital Plc ("Palace Capital"). The company was proposing to implement a new remuneration structure, and reached out to us to discuss the new structure which has the aim of distributing gains from the sale of assets to executives whilst also benefiting shareholders. It is the intention that this new structure will replace the current Long-Term Incentive Plan. The Board of Palace Capital continue to pursue their disposal plan for company assets, and we discussed mechanisms to return capital back to shareholders, with a stated preference for share buybacks rather than a special dividend. The status of this engagement is ongoing.

In September 2023, we met with the Senior Independent Director ("SID") of Liontrust Asset Management Plc ("Liontrust"). The subject of discussion included the long tenure of the company's Chairman, Board changes and the use of nil-cost options in remuneration policies. Earlier in the year, two Liontrust directors had resigned citing the Chairman's 12-year tenure. Under the UK's Corporate Governance Code, which the company applies in part, it recommends that the tenure limit for Chairs of Boards should be limited to nine years. In response to not being aligned with the Code, the Board undertook a review of the Chairman's tenure led by the SID to help reduce shareholder concerns. The SID explained that the decision to keep the Chair came after Liontrust made two acquisitions in quick succession and as the Board underwent changes, it was important to keep him for continuity during the period. Following this we decided to vote in favour of the Chairman at the company's September 2023 AGM and will continue to monitor the situation going forward.



Enviromental, Social and Governance ("ESG") Report (Continued)

Report for the period to 31 October 2023

Engagement (Continued)

The chart above illustrates the distribution of the ESG ratings of the Fund’s investee companies as of 31 October 2023.

In our previous reports, we assessed and presented companies' ESG scores using a rating system, ranging from A to D. These ratings were assigned to each company independently, and we provided the percentage distribution of companies in each rating category, such as 20% with A ratings, 10% with B ratings, 30% with C ratings, and 30% with D ratings.

In our updated approach, we have transitioned to a more nuanced method of evaluating and presenting ESG scores. Instead of assigning static ratings, we now base the presentation on the weight of each company held at fund level. This means that the percentage distribution of ESG scores now reflects the composition of our portfolio, providing a more accurate representation of the impact of these scores on our overall holdings. For instance, we now show what percentage of our portfolio is allocated to companies with A ESG scores, B scores, C scores, and D scores. This approach allows for a more comprehensive understanding of the Fund's ESG exposure and how it aligns with our sustainability goals.

This updated method enhances the transparency and relevance of our ESG reporting, ensuring that our stakeholders have better insight into the significance of these scores in the context of the Company’s investment portfolio.

Voting

Exercising our voting rights is the most powerful tool we have. It is the most definitive way in which we can hold companies accountable. All proxy votes for our investee companies are assessed by the ESG Committee. We do not subscribe to, nor do we receive, voting recommendations from third-party voting services, though we do however listen to them and consider their recommendations in instances where they engage with us.

Enviromental, Social and Governance ("ESG") Report (Continued)

Report for the period to 31 October 2023

Voting (Continued)

The below table gives a summary of all of Slater Investments's voting instructions across the Fund's portfolio companies during the six months to 31 October 2023

Meetings	
Total number of meetings voted at	30
Total number of resolutions voted on	447
Number of resolutions where we voted with management	318
Number of resolutions where we voted against management	129
Number of resolutions where we abstained	0
Number of resolutions where we voted against our voting policy	1

Of Slater Investments' votes against management recommendations:

- 32.56% related to the disapplication of pre-emptive rights;
- 23.26% related to (Non-)Executive Director remuneration;
- 19.36% related to the power for Directors to allot shares;
- 11.63% related to the (re-)election of (Non-)Executive Directors;
- 8.53% related to the request to make political donations; and
- 2.33% related to amendments of Articles of Association.
- 1.55% related to Long Term Incentive Plans
- 0.78% related to Employee (ex Director) Remuneration

There was one notable meeting during the quarter where Slater Investments voted against its Voting Policy in favour of authorising Directors to allot shares and for the disapplication of pre-emption rights.

The resolution was considered at a general meeting in connection with the proposed acquisition of GAM Holding AG by Liontrust. We considered the issuance and accompanying use of proceeds section to be in the best interest of shareholders and therefore voted in favour of the respective resolution, which was against our Voting Policy.

- Liontrust Asset Management Plc – Authority to allot shares (link)

Our up-to-date Voting Policy can be found on our website, along with a complete archive of our voting history.

Slater Investments Limited.
December 2023

Fund Information

Price and distribution record

Income shares (Class A and B) were first offered at 100p on 19 September 2011. On 31 December 2012 Class P shares became available for purchase. Accumulation shares (Class A, B, and P) became available for purchase on 30 November 2015.

Financial year to	Highest price	Lowest price	Net income per share
Class A Income			
30 April 2020	158.51p	89.82p	5.9726p
30 April 2021	145.31p	106.83p	5.8793p
30 April 2022	158.57p	138.21p	6.4240p
30 April 2023	152.58p	131.75p	7.2750p
30 April 2024*	140.93p	127.64p	3.9851p
Class A Accumulation			
30 April 2020	191.64p	109.34p	7.1538p
30 April 2021	183.82p	132.19p	7.3700p
30 April 2022	208.85p	183.09p	8.4248p
30 April 2023	205.47p	179.60p	9.9880p
30 April 2024*	199.87p	185.55p	5.6944p
Class B Income			
30 April 2020	165.14p	93.66p	6.2138p
30 April 2021	152.35p	111.75p	6.1512p
30 April 2022	166.91p	145.58p	6.7552p
30 April 2023	160.72p	139.40p	7.6871p
30 April 2024*	149.15p	135.53p	4.2257p
Class B Accumulation			
30 April 2020	199.48p	113.92p	7.4378p
30 April 2021	192.50p	137.83p	7.7043p
30 April 2022	219.51p	191.79p	8.8475p
30 April 2023	216.27p	189.47p	10.5419p
30 April 2024*	211.44p	196.90p	6.0346p
Class P Income			
30 April 2020	167.16p	94.84p	6.2858p
30 April 2021	154.67p	113.34p	6.2437p
30 April 2022	169.77p	148.12p	6.8683p
30 April 2023	163.72p	142.23p	7.8434p
30 April 2024*	152.40p	138.70p	4.3207p
Class P Accumulation			
30 April 2020	201.94p	115.37p	7.5239p
30 April 2021	195.52p	139.65p	7.8172p
30 April 2022	223.51p	194.83p	8.9995p
30 April 2023	220.61p	193.17p	10.7501p
30 April 2024*	215.85p	201.26p	6.1643p

* six month period to 31 October 2023

Fund Information (Continued)

Number of shares in issue/Net asset value per share

	Net asset value of scheme property	Number of shares in Issue	Net asset value per share
Class A Income			
30 April 2020	£1,518,601	1,346,349	112.79p
30 April 2021	£1,627,998	1,157,560	140.64p
30 April 2022	£1,470,329	966,814	152.08p
30 April 2023	£1,437,712	1,024,299	140.36p
31 October 2023	£584,478	462,667	126.33p
Class A Accumulation			
30 April 2020	£472,577	339,577	139.17p
30 April 2021	£734,980	404,973	181.49p
30 April 2022	£911,278	443,825	205.32p
30 April 2023	£851,627	427,821	199.06p
31 October 2023	£465,749	251,273	185.36p
Class B Income			
30 April 2020	£11,495,482	9,781,900	117.52p
30 April 2021	£11,544,802	7,828,322	147.47p
30 April 2022	£5,448,794	3,420,571	159.29p
30 April 2023	£2,724,862	1,834,330	148.55p
31 October 2023	£1,111,299	828,027	134.21p
Class B Accumulation			
30 April 2020	£5,005,450	3,472,419	144.15p
30 April 2021	£3,551,617	1,868,474	190.08p
30 April 2022	£3,876,902	1,803,698	214.94p
30 April 2023	£3,792,144	1,800,822	210.58p
31 October 2023	£3,537,881	1,797,809	196.79p
Class P Income			
30 April 2020	£60,552,704	50,747,480	119.32p
30 April 2021	£42,968,481	28,696,736	149.73p
30 April 2022	£38,471,976	23,611,639	162.94p
30 April 2023	£42,183,972	27,793,441	151.78p
31 October 2023	£35,831,715	26,081,183	137.39p
Class P Accumulation			
30 April 2020	£13,929,350	9,589,368	145.26p
30 April 2021	£17,821,458	9,230,083	193.08p
30 April 2022	£31,206,644	14,170,911	220.22p
30 April 2023	£26,412,424	12,286,521	214.97p
31 October 2023	£23,629,991	11,746,015	201.17p

Fund Information (Continued)

Ongoing charges

	Class A Income	Class B Income	Class P Income
30 April 2023	1.57%	1.11%	0.82%
31 October 2023	1.77%	1.14%	0.84%

	Class A Accumulation	Class B Accumulation	Class P Accumulation
30 April 2023	1.58%	1.08%	0.83%
31 October 2023	1.70%	1.08%	0.83%

The ongoing charge figure is based on expenses for the year. This figure may vary from year to year. It excludes:

- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment scheme.

Synthetic risk and reward indicator

Lower risk ←→ Higher risk

Typically lower rewards — Typically higher rewards

1	2	3	4	5	6	7

The risk and reward indicator above aims to provide you with an indication of the overall risk and reward profile of the Fund. It is calculated based on the volatility of the Fund using weekly historic returns over the last five years. If five years data is not available for a fund, the returns of a representative portfolio are used.

This Fund has been measured as 6 because it has experienced high volatility historically.

Portfolio Statement

As at 31 October 2023

Holding or nominal value		Bid value £	Percentage of total net assets 31 Oct'23 %	30 Apr'23 %
	ASSET MANAGEMENT & CUSTODY BANKS			
200,000	Liontrust Asset Management	1,118,000	1.72	
205,000	Polar Capital	853,825	1.31	
835,000	Premier Miton	425,850	0.65	
65,000	Rathbones	973,700	1.49	
100,000	St James's Place	639,400	0.98	
1,550,000	XPS Pensions	3,255,000	5.00	
	Total Asset Management & Custody Banks	7,265,775	11.15	10.13
	BROADCASTING			
861,856	STV	1,568,578	2.40	
	Total Broadcasting	1,568,578	2.40	2.73
	BUILDING PRODUCTS			
675,000	Norcros	948,375	1.46	
	Total Building Products	948,375	1.46	1.61
	CONSTRUCTION & ENGINEERING			
85,000	Morgan Sindall	1,598,000	2.45	
	Total Construction & Engineering	1,598,000	2.45	1.86
	CONSUMER FINANCE			
573,521	H&T	2,798,782	4.30	
	Total Consumer Finance	2,798,782	4.30	3.39
	DISTRIBUTORS			
535,000	Ultimate Products	642,000	0.99	
	Total Distributors	642,000	0.99	0.95
	DIVERSIFIED BANKS			
130,495	Arbuthnot Banking	1,141,831	1.75	
4,500,000	Lloyds Banking	1,796,850	2.76	
780,000	NatWest	1,389,570	2.13	
97,000	Secure Trust Bank	591,700	0.91	
	Total Diversified Banks	4,919,951	7.55	7.70

Portfolio Statement (Continued)

As at 31 October 2023

Holding or nominal value		Bid value £	Percentage of total net assets 31 Oct'23 %	30 Apr'23 %
	DIVERSIFIED FINANCIAL SERVICES			
1,350,000	M&G	2,675,025	4.10	
	Total Diversified Financial Services	2,675,025	4.10	4.77
	DIVERSIFIED METALS & MINING			
900,000	Capital	705,600	1.08	
26,000	Rio Tinto	1,366,040	2.10	
	Total Diversified Metals & Mining	2,071,640	3.18	2.83
	ELECTRIC UTILITIES			
150,000	SSE	2,447,250	3.76	
	Total Electric Utilities	2,447,250	3.76	3.56
	FOOD RETAIL			
832,109	Tesco	2,243,366	3.44	
	Total Food Retail	2,243,366	3.44	3.02
	INDUSTRIAL REITS			
1,010,000	Urban Logistics REIT	1,048,380	1.61	
	Total Industrial REITs	1,048,380	1.61	1.84
	INTEGRATED OIL & GAS			
540,000	BP	2,713,500	4.16	
173,000	Shell	4,577,580	7.03	
	Total Integrated Oil & Gas	7,291,080	11.19	9.21
	LEISURE FACILITIES			
635,000	Hollywood Bowl	1,584,325	2.43	
700,000	Ten Entertainment	2,030,000	3.12	
	Total Leisure Facilities	3,614,325	5.55	4.31
	LIFE & HEALTH INSURANCE			
725,000	Chesnara	1,830,625	2.81	
1,250,000	Legal & General	2,637,500	4.05	
250,000	Phoenix Group	1,134,500	1.74	
	Total Life & Health Insurance	5,602,625	8.60	8.29

Portfolio Statement (Continued)

As at 31 October 2023

Holding or nominal value		Bid value £	Percentage of total net assets 31 Oct'23 %	30 Apr'23 %
	OIL & GAS EXPLORATION & PRODUCTION			
1,600,000	Diversified Energy	1,069,600	1.64	
100,000	Energean	852,000	1.31	
6,250,000	i3 Energy	766,250	1.18	
	Total Oil & Gas Exploration & Production	2,687,850	4.13	5.17
	PHARMACEUTICALS			
158,500	GSK	2,309,979	3.55	
	Total Pharmaceuticals	2,309,979	3.55	2.61
	PUBLISHING			
1,000,000	Reach	762,500	1.17	
	Total Publishing	762,500	1.17	1.09
	REAL ESTATE OPERATING COMPANIES			
550,000	Palace Capital	1,199,000	1.84	
	Total Real Estate Operating Companies	1,199,000	1.84	2.68
	REINSURANCE			
1,405,549	R&Q Insurance Holdings	157,421	0.23	
	Total Reinsurance	157,421	0.23	1.10
	STEEL			
1,225,000	Ecora Resources	1,052,275	1.61	
	Total Steel	1,052,275	1.61	1.89
	TECHNOLOGY DISTRIBUTORS			
275,000	Midwich Group	1,034,000	1.59	
	Total Technology Distributors	1,034,000	1.59	0.45
	TOBACCO			
62,500	British American Tobacco	1,533,438	2.35	
130,038	Imperial Brands	2,276,965	3.49	
	Total Tobacco	3,810,403	5.84	5.66

Portfolio Statement (Continued)

As at 31 October 2023

Holding or nominal value		Bid value £	Percentage of total net assets 31 Oct'23 %	30 Apr'23 %
	TRANSACTION & PAYMENT PROCESSING SERVICES			
888,889	Fonix Mobile	1,733,334	2.66	
	Total Transaction & Payment Processing Services	1,733,334	2.66	9.76
	Portfolio of investments	61,481,914	94.35	96.61
	Net current assets on capital account	3,679,199	5.65	3.39
	Net assets	65,161,113	100.00	100.00

Portfolio transactions for the six months ended 31 October 2023 The investments of the Fund have been valued using bid market values ruling on international stock exchanges at 12 noon on 31 October 2023, being the last valuation point of the period. Market value is defined by the SORP as fair value which is generally the bid value of each security. Where applicable investments are valued to exclude accrued income. Where a stock is unlisted or where there is an illiquid market, a valuation for this stock has been obtained from market makers where possible, and suspended stocks are normally valued at their suspension price. However, where the ACD believes that these prices do not reflect a fair value, or where no reliable price exists for a security, it is valued at a price which in the opinion of the ACD reflects a fair and reasonable price for that investment.

	£
Total purchases, including transaction charges	1,985,507
Total sales proceeds, net of transaction charges	8,562,774

Interim Financial Statements (unaudited)

For the six months ended 31 October 2023

Statement of total return

	31 October 2023		31 October 2022	
	£	£	£	£
Income				
Net capital losses		(6,737,323)		(9,624,265)
Revenue	2,155,867		2,049,519	
Expenses	(317,394)		(361,529)	
Net revenue before taxation	1,838,473		1,687,990	
Taxation	-		-	
Net revenue after taxation		1,838,473		1,687,990
Total (deficit)/return before distributions		(4,898,850)		(7,936,275)
Distributions		(2,140,379)		(2,030,671)
Change in net assets attributable to shareholders from investment activities		(7,039,229)		(9,966,946)

Statement of changes in net assets attributable to shareholders

	31 October 2023		31 October 2022	
	£	£	£	£
Opening net assets attributable to shareholders		*77,402,741		**81,385,923
Amounts receivable on issue of shares	3,444,673		11,729,160	
Amounts payable on cancellation of shares	(9,520,754)		(4,534,102)	
Amounts payable on share class conversions	(1,403)		-	
Dilution Adjustment	5,632		26,105	
		(6,071,852)		7,221,163
Change in net assets attributable to shareholders from investment activities (see above)		(7,039,229)		(9,966,946)
Retained distributions on accumulation shares		869,453		891,074
Closing net assets attributable to shareholders		65,161,113		79,531,214

*As at 30 April 2023
**As At 30 April 2022

Interim Financial Statements (unaudited) (Continued)

For the six months ended 31 October 2023

Balance Sheet

	31 October 2023		30 April 2023	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		61,481,914		74,797,260
Current Assets				
Debtors	273,509		837,428	
Cash and cash equivalents	4,184,590		2,763,618	
Total other assets		4,458,099		3,601,046
Total assets		65,940,013		78,398,306
LIABILITIES				
Creditors				
Distribution payable on income shares	668,565		869,245	
Other creditors	110,335		126,320	
Total liabilities		778,900		995,565
Net assets attributable to shareholders		65,161,113		77,402,741

Notes to the interim financial statements

Basis of preparation

The financial statements have been prepared in compliance with FRS102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014.

The financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value.

Interim Financial Statements (unaudited) (Continued)

For the six months ended 31 October 2023

Notes to the interim financial statements (Continued)

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2023 and are described in those annual financial statements.

Appendix I

SFDR Periodic Report

Product Name: Slater Income Fund (the "Fund")
Legal Entity Identifier: 213800ZG4XQFOOLUNE54

Did this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

This investment product effectively promotes Environmental and Social Characteristics by methodically integrating ESG research into the Fund's investment approach. The primary aim of our ESG considerations is to preserve and enhance the value of the Fund's investments. During the reporting period, Slater Investments identified material risks and opportunities for the Fund's investments, which were consistently evaluated. In addition, ESG reviews and sustainability impact reviews were conducted for new companies entering the Fund throughout the reporting period. Furthermore, we measure principal adverse impact indicators on a quarterly basis, which are subject to oversight by the ESG Committee.

The Fund also adheres to the environmental and social characteristics by assessing the extent to which investee companies comply with relevant legislation and internationally recognised standards. This process serves as a crucial aspect of Slater Investments's investment approach.

Appendix I (Continued)

How did the sustainability indicators perform?

Sustainability Indicators	Details	Metric
Companies which have set or committed to Science Based Target % of AUM excluding cash	Has the company set targets or objectives to be achieved on emission reduction?	72%
UN Global Compact/ norms breach assessment	Does the company violate any of the UN Global Compact Ten Principles	8*
Portfolio Weighted Average Refinitiv ESG Rating excluding cash		61.0 (B)

* Although eight companies violated at least one of the UN Global Compact Ten Principles, these violations did not pose a significant financial risk to the respective companies. However, such violations have resulted in unnecessary reputational harm. Slater Investments continues to monitor these companies.

- **And compared to previous periods.**

From the previous period the Fund reported the following

Sustainability Indicators	Details	Metric
Companies which have set or committed to Science Based Target % of AUM, excluding cash	Has the company set targets or objectives to be achieved on emission reduction?	71%
UN Global Compact/Norms breach assessment	Does the company violate any of the UN Global Compact Ten Principles	7*
Portfolio Weighted Average Refinitiv ESG Rating excluding cash		58 (B-)

There has been a slight increase in the share of companies in the portfolio which have set targets for net zero or emission reduction. We have also seen an overall increase in the portfolio weighted average Refinitiv ESG rating. Unfortunately, we have seen an increase from 7 to 8 companies violating one of the UN Global Compact Ten Principles.

- **What were the objectives of the sustainable investments that the financial product partially made, and how did the sustainable investment contribute to such objectives?**

Slater Investments does not currently classify any investment as sustainable investments.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable – see above.

Appendix I (Continued)

How did this financial product consider principal adverse impacts ("PAIs") on sustainability factors?

Slater Investments considers PAIs on sustainability factors on behalf of the Fund by:

- regularly monitoring the PAIs across the Fund on a quarterly basis. This monitoring data is presented and discussed in Slater Investments's ESG Committee;
- incorporating PAI data into engagement with investee companies;
- evaluating PAIs of new investment in the Fund as part of wider ESG research of companies.

<table>
<tr><th colspan="4">Indicators applicable to investments in investee companies</th></tr>
<tr><th colspan="2">Adverse sustainability indicator</th><th>Metric</th><th>Impact 2023</th></tr>
<tr><th colspan="4">Climate and other environment-related indicators</th></tr>
<tr><td rowspan="10">Greenhouse gas emissions (GHG)</td><td rowspan="4">GHG Emissions</td><td>GHG Emissions - Scope 1 (shown in thousands)</td><td>5,488 Tonnes</td></tr>
<tr><td>GHG Emissions - Scope 2 (shown in thousands)</td><td>899 Tonnes</td></tr>
<tr><td>GHG Emissions - TOTAL (shown in thousands)</td><td>6,388 Tonnes</td></tr>
<tr><td>GHG Emissions - Scope 3 (shown in thousands)</td><td>9,640 Tonnes</td></tr>
<tr><td>Carbon Footprint</td><td>Carbon Footprint</td><td>58 CO2e/£M</td></tr>
<tr><td>GHG Intensity of Investee Companies</td><td>GHG intensity of investee companies</td><td>70.1 CO2e/£M</td></tr>
<tr><td>Exposure to companies active in the fossil fuel sector</td><td>Share of investments in companies active in the fossil fuel sector</td><td>15%</td></tr>
<tr><td>Share of non-renewable energy consumption and production</td><td>Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage</td><td>12%</td></tr>
<tr><td>Energy consumption intensity per high impact climate sector</td><td>Energy consumption in gigawatt hours (GWh) per £million of revenue of investee companies, per high impact climate sector</td><td>761 GWh/£M</td></tr>
</table>

Appendix I (Continued)

Biodiversity	Activities negatively affecting biodiversity areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	36%
Water	Emissions of water	Tonnes of emissions to water generated by investee companies per £million invested, expressed as a weighted average.	0.00 Tonnes/£M
Waste	Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per £million invested, expressed as a weighted average	0.31 Tonnes/£M
Social and employee, respect for human rights, anti-corruption and anti-bribery matters			
Social and Employee matters	Violations of UN Global Compact (UNGC) principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	26%
	Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	70%
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	31
	Board gender diversity	Average ratio of female to male board members in investee companies	31
	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%

Appendix I (Continued)

Other Environmental Matters			
Emissions	Emissions of ozone depletion substances	Tonnes of inorganic pollutants equivalent per £million invested, expressed as a weighted average	0 Tonnes/£M
	Emissions of inorganic pollutants	Tonnes of air pollutants equivalent per £million invested, expressed as a weighted average	133 Tonnes/£M
	Investments in companies without carbon reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement.	28%
Water, waste and material emissions	Investments in producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	0%
Other Social Matters			
Social and employee matters	Insufficient Whistle-blower Protection (%)	Share of investments in entities without policies on the protection of whistle-blowers	30%
	Lack of a supplier code of conduct (%)	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	51%
Human rights	Lack of Human Rights Policy (%)	Share of investments in entities without a human rights policy	16%
	Lack of Anti-Corruption/Bribery Policy (%)	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the UN Convention against Corruption	30%

Appendix I (Continued)

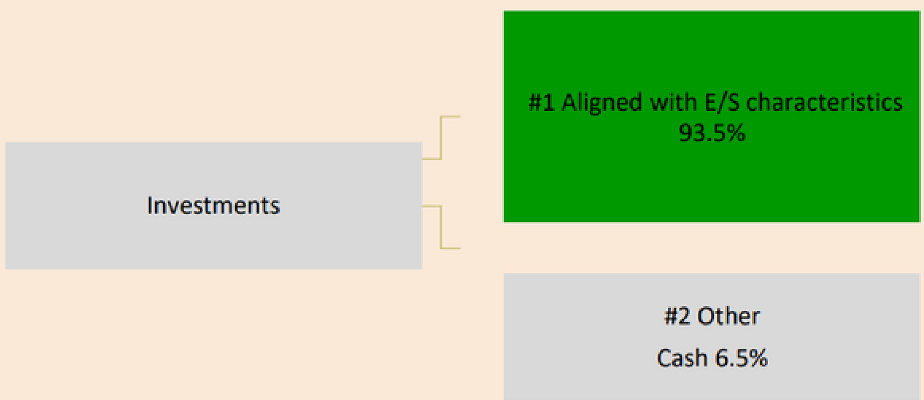
What were the top investments of this financial product?

Name	GICS Sub Industry	% Asset	Country
Shell PLC	Integrated Oil & Gas	6.97%	UK
XPS Pensions Group PLC	Asset Management & Custody Banks	4.94%	UK
H & T Group PLC	Consumer Finance	4.24%	UK
BP PLC	Integrated Oil & Gas	4.13%	UK
M&G PLC	Diversified Financial Services	4.06%	UK
Legal & General Group PLC	Life & Health Insurance	4.00%	UK
SSE PLC	Electric Utilities	3.70%	UK
GSK plc	Pharmaceuticals	3.48%	UK
Imperial Brands PLC	Tobacco	3.47%	UK
Tesco PLC	Food Retail	3.40%	UK
Ten Entertainment Group PLC	Leisure Facilities	3.05%	UK
Chesnara PLC	Life & Health Insurance	2.78%	UK
Lloyds Banking Group PLC	Diversified Banks	2.73%	UK
Fonix Mobile PLC	Transaction & Payment Processing Services	2.68%	UK
Hollywood Bowl Group PLC	Leisure Facilities	2.42%	UK

Source: Slater Investments. Weighting above are from mid prices on the 31st of October

What was the proportion of sustainability-related investments?

- **What was the asset allocation?**



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Appendix I (Continued)

- **In which economic sector were the investments made?**

Investments are made in various economic sectors. The top five as of 31th October 2023 and using the GICS Sub Industry are shown in the table below:

Sub Industry	% Assets
Integrated Oil & Gas	11.09%
Asset Management & Custody Banks	11.02%
Life & Health Insurance	8.49%
Diversified Banks	7.50%
Tobacco	5.79%

Source: Slater Investments. Weighting above are from mid prices on the 31st of October

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy**

Not applicable. The Fund does not commit to making a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

What was the share of investments made in transitional and enabling activities

Not applicable. The Fund does not commit to making a minimum proportion of investments in transitional and enabling activities.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods**

Not Applicable. The Fund does not commit to making investments in companies that are aligned with the EU Taxonomy.

Appendix I (Continued)

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 100%. These investments may be aligned with the EU Taxonomy, but the Investment Manager is not currently in a position to specify the exact proportion of the financial product's underlying investments as calculated according to the EU Taxonomy. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

What was the share of socially sustainable investments?

Not applicable. None of the investments are currently classified as socially sustainable investments.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Cash is included under "#2 Other".

What action has been taken to meet the environmental and/or social characteristics during the reference period

As mentioned in our response to "To what extent were the environmental and/or social characteristics promoted by this financial product met?", the Fund promoted environmental and social characteristics during the reference period under review:

- ESG is integrated in the Investment Process.
- Adherance to good governance.

How did the financial product perform compared to the reference benchmark

No reference benchmark has been used for the Fund for the purpose of attaining E/S characteristics.

- **How does the reference benchmark differ from a broad market index?**

Not applicable.

Appendix I (Continued)

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable.

- **How did this financial product perform compared with the reference benchmark?**

Not applicable.

- **How did this financial product perform compared with the broad market index?**

Not applicable.

Appendix II

TCFD Periodic Climate related Financial Disclosures

Slater Income Fund (the "Fund")

This report is based on the recommendations set out by the Task Force on Climate-Related Financial Disclosures (TCFD), a global organisation formed to develop a set of recommended climate-related disclosures that companies and financial institutions can use to better inform investors, shareholders and the public of their climate-related financial risks.

Risk Management

Climate risks

As long-term investors, climate-related risks and opportunities are considered over the short, medium and long term across the Fund's holdings. Sector analysis is a key part of this.

There are two main types of climate-related risks: physical and transition risk. Dealing with each risk in turn:

Physical climate risks are either acute or chronic. Acute risks include heatwaves, droughts, wildfires, and flooding. Chronic risks are driven by longer term shifts in climate patterns like sea level rise, and higher average temperature. These threats come in two forms: idiosyncratic and systemic risks. Idiosyncratic risks are more specific and localized, affecting individual assets or companies. This could be a company heavily dependent on a specific geographic location. Systemic risks are risks that affect the entire financial system or a significant portion of it. Sea level rise, widespread temperature increases, or large-scale natural disasters can have systemic implications.

Transition risks are the potential costs to society of shifting to a low carbon economy to mitigate climate change. They arise primarily from policy change and level of technological adoption, but also from market developments such as changes in consumer preferences.

Both the physical effects of climate change and the transition to a low-carbon economy are sources of financial risks and have the potential to affect a company's profitability if exposed to these risks.

Appendix II (Continued)

Climate risks (Continued)

Both types of risk are not mutually exclusive, which means a company can be exposed to and impacted by both. Identifying these risks involves a thorough analysis of various aspects of a company's operations, supply chain, and overall business strategy. This involves evaluation of regulatory and policy risks, assessing transition risk & considering reputational risk. Once climate related risks are identified, these considerations are integrated into the investment process.

Scenario Analysis

To understand how physical and transition risks could affect different sectors in the future, we make use of the Paris Agreement Capital Transition Assessment (PACTA). This is done on a quarterly basis, and this helps Slater Investments to assess the resilience of our investment strategy under a range of scenarios. Through the assessment the following question are answered.

- what proportion of the Fund's holdings are invested in climate-related sectors?
- do the production plans of the companies in the Fund's holdings tally with climate scenarios which comply with the Paris Agreement?
- which companies in Fund's holdings significantly influence the results?
- to what level of risk is the asset value of the Fund's holdings exposed in various transition scenarios?

Climate Metrics for the Fund Investments

Slater Investments uses the following metrics to measure the collective carbon impact of the Fund's holdings, calculated according to TCFD standards, which in turn are based on the internationally accepted GHG Protocol. The GHG Protocol, is a set of accounting and reporting standards for greenhouse gas (GHG) emissions. It is one of the most widely used frameworks globally for businesses and governments to understand, quantify, and manage their greenhouse gas emissions.

Scope 1 Carbon Emission: Direct emissions from sources that are owned or controlled by the entity. This includes emissions from combustion of fossil fuels, on-site industrial processes, and transportation owned or controlled by the organisation.

Appendix II (Continued)

Climate Metrics for the Fund Investments (Continued)

Scope 2 Carbon Emission: Indirect emissions from the generation of purchased energy, such as electricity, heating, and cooling. These emissions occur outside the organisation's boundaries but result from activities that support its operations.

Scope 3 Carbon Emission: the result of activities from assets not owned or controlled by the organisation, but that the organisation indirectly affects in its value chain.

Monitoring and managing Scope 1 and 2 emissions helps organisations understand their direct and indirect contributions to greenhouse gas emissions. This approach might not account for all emissions associated with a product or service, as it doesn't consider the entire supply chain.

Disclosure of Scope 3 emissions under TCDF is currently voluntary. Calculating Scope 3 emissions can be difficult because they are generated by third parties (e.g., a supply chain partner) for which the reporting company has limited visibility or control. We currently refrain from publishing this data. We will reevaluate our position on Scope 3 emission disclosures as the calculation methodologies in this area continue to evolve and become more standardised.

Total Carbon Emissions: The sum of all greenhouse gas emissions, typically measured in carbon dioxide equivalent (CO_2e), produced directly or indirectly by an entity.

Total carbon emissions offer a holistic view of the environmental impact of an organisation, considering both direct and indirect sources. This metric might oversimplify the analysis, and specific details about the sources and types of emissions may be lost.

Total Carbon Footprint: The total amount of greenhouse gases, measured in CO_2e, that are directly and indirectly associated with an activity, product, or organisation.

The carbon footprint provides a comprehensive measure of the environmental impact, considering emissions throughout the entire life cycle of products and services. Calculating a total carbon footprint requires extensive data, and some emissions factors may be estimates, introducing uncertainties into the results.

Weighted Average Carbon Intensity (WACI): The average amount of greenhouse gas emissions per unit of output, activity, or economic value, often expressed as CO2e per unit.

Appendix II (Continued)

Climate Metrics for the Fund Investments (Continued)

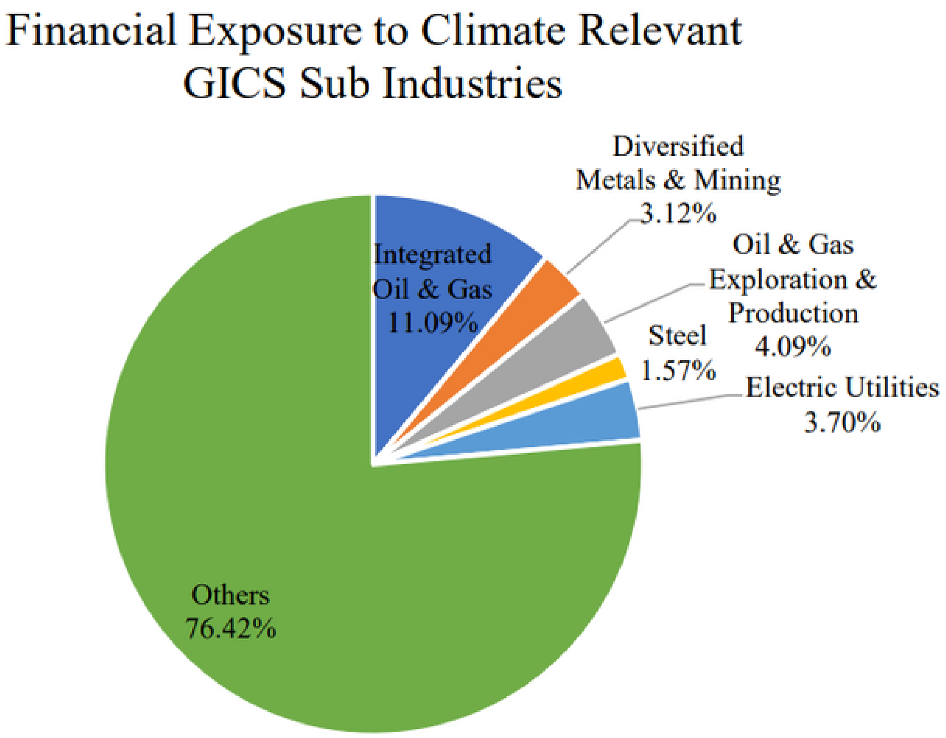
This metric helps assess the efficiency of resource use in relation to emissions, providing insights into the carbon efficiency of different activities or products. The accuracy of this metric depends on the availability and accuracy of data. Additionally, variations in emissions factors for different activities can affect the reliability of comparisons.

High Impact Sub Industry: This refers to industries or economic sectors that are particularly vulnerable to the effects of climate change or have a significant impact on climate change through their greenhouse gas emissions. Identifying high-impact sectors is crucial for assessing climate-related risks and implementing strategies to mitigate or adapt to these risks.

The results of our analysis are as follows:

Climate Metric	Unit Of Measurement	Coverage	2023 Amount
Scope 1 Carbon Emission	tCO2e -shown in thousands	79.42%	5488.4
Scope 2 Carbon Emission	tCO2e -shown in thousands	79.68%	899.3
Total Carbon Emissions	tCO2e -shown in thousands	79.42%	6705.4
Carbon Footprint	tCO2e/£m Invested	79.42%	58.1
WACI	tCO2e/£m Revenue	79.42%	72.2
High Impact Sector		100.00%	23.6%

What proportion of the Fund's holdings are invested in climate-related GICS Sub Industries?



Appendix II (Continued)

What proportion of the Fund's holdings are invested in climate-related GICS Sub Industries? (Continued)

GICS Sub Industry	WACI tCo2e/£M Revenue	Contribution to Portfolio WACI%	Asset Holding £M	Asset Exposure
Integrated Oil & Gas	17.2	23.8%	£7,291,080	11.09%
Diversified Metals & Mining	10.0	13.8%	£2,071,640	3.12%
Oil & Gas Exploration & Production	17.6	24.3%	£2,687,850	4.09%
Steel	0.0	0.0%	£1,052,275	1.57%
Electric Utilities	20.0	27.7%	£2,447,250	3.70%

Source: Slater Investments. Weighting above are from mid prices on the 31st of October

Explanation of GICS Sub-Industry

Integrated Oil & Gas

This sub-industry comprises integrated oil companies engaged in the exploration & production of oil and gas, as well as at least one other significant activity in either refining, marketing and transportation, or chemical production.

Climate change poses a challenge for integrated oil and gas companies. There is the potential risk of reduced demand for fossil fuels as countries transition to cleaner energy sources. Additionally, there are physical risks associated with the operational sites being vulnerable to extreme weather events, such as hurricanes and rising sea levels.

Government policies, global initiatives to reduce carbon emissions, advancements in renewable energy technologies, and increasing public awareness about climate change are major drivers impacting this sector.

Diversified Metals & Mining

This sub-industry comprises companies engaged in the diversified production or extraction of metals and minerals not classified elsewhere. It excludes iron ore mining, bauxite mining and coal mining.

Appendix II (Continued)

Diversified Metals & Mining (Continued)

The mining industry is vulnerable to climate change due to its dependence on water resources, energy intensive operations, and exposure to extreme weather events. Changes in precipitation patterns and water scarcity can affect mining operations. The transition to a low-carbon economy relies on technologies that use certain minerals, including cobalt, lithium, and rare earth elements. These minerals are essential for the production of electric vehicles, energy storage systems, and renewable energy infrastructure.

Regulatory measures promoting sustainable mining practices, demand for minerals in renewable energy technologies, and the need for resource efficiency are key drivers impacting this sector.

Steel

This sub-industry comprises producers of iron and steel and related products, including metallurgical (coking) coal mining used for steel production.

The steel industry is energy-intensive and contributes significantly to carbon emissions. Climate change policies advocating for carbon reduction may impact the industry's operational costs and demand for traditional steel. However, the transition to renewable energy and innovative production methods might offer opportunities for more sustainable steel production.

Environmental regulations, the push for sustainable practices, advancements in green steel production technologies, and market demand for low-carbon products are key drivers impacting this sector.

Oil & Gas Exploration & Production

This sub-industry comprises companies engaged in the exploration and production of oil and gas not classified elsewhere.

Similar to the integrated oil and gas sub-industry, exploration and production companies face challenges from both a reduction in demand for fossil fuels and physical risks to their infrastructure. Climate related events like hurricanes, floods, and extreme temperatures can disrupt operations and impact the lifespan of oil and gas fields.

Appendix II (Continued)

Oil & Gas Exploration & Production (Continued)

Global efforts to decarbonise, regulatory changes, technological advancements in clean energy, and investor pressure for sustainable practices are major drivers influencing this sector.

Electric Utilities

This sub-industry comprises companies which produce or distribute electricity and includes both nuclear and non-nuclear facilities.

Electric utilities face the challenge of transitioning from fossil fuel-based power generation to renewable energy sources. This transition involves risks associated with stranded assets, changes in energy demand patterns, and the need for significant infrastructure upgrades to accommodate renewable energy integration.

Government policies supporting renewable energy, advancements in energy storage, public demand for cleaner energy, and financial incentives for green investments are major drivers influencing the electric utilities sector.

Product Scenario Alignment

Expressing the likely implied temperature increase linked to the Fund's holdings is inherently intricate. This rapidly evolving metric involves numerous assumptions. Although guidance on calculating this forward-looking indicator is continually improving, we currently refrain from publishing this data. Doing so could pose a risk of potential misinformation and would be heavily qualified. The data would only serve as an indication of a range of potential temperature increases and associated scenarios, given the uncertainty of forecasts for the global economy's decarbonisation.

Our intention is to release the implied temperature rise (ITR) of the Fund’s holdings in subsequent years. This will occur once we have developed a methodology which accurately represents the most likely future decarbonisation pathway. This pathway will be tailored to a representative basket of assets for the Fund, considering factors such as its sector, asset class, investee company-specific projected decarbonisation pathways, and other pertinent carbon intensity data, including progress against emission reduction initiatives.

Appendix II (Continued)

Climate Value at Risk

We are currently assessing the reliability of Climate Value at Risk (Climate VaR) as a metric to gauge potential financial losses for a portfolio company due to climate change. Our intention is to incorporate this measure into future TCFD reporting. However, we aim to do so only when we are confident in the adequacy and quality of the data. Additionally, we are committed to a comprehensive understanding of the metric's potential limitations and weaknesses to present data in a manner that is both accurate and appropriate. This involves carefully determining the indicator's suitable time horizon and ensuring that the chosen scenarios accurately represent the potential impact without causing misinterpretation. Once these evaluations are completed, we will publish the metric as part of our ongoing commitment to transparent and informed climate-related financial reporting.

Data sources

We have incorporated data from Thomson Reuters Eikon or its affiliates or information providers. Although Slater Investments gathers information from sources we consider reliable, Thomson Reuters Eikon does not warrant or guarantee the originality, accuracy, and/or completeness of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose.

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