



Slater Investments Limited

# SLATER OEIC INTERIM REPORT

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For the six months ended 31 October 2024

# Directory

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## **Registered Office**

Slater Investments Limited  
Nicholas House  
3 Laurence Pountney Hill  
London  
EC4R 0EU

## **Authorised Corporate Director (ACD) and Fund Manager**

Slater Investments Limited\*  
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EC4R 0EU  
Telephone: (0207) 220 9460  
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## **Administrator, Registrar and Transfer Agent**

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18th Floor  
The Scalpel  
52 Lime Street  
London  
EC3M 7AF

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## **Custodian and Depository**

CACEIS UK Trustee & Depository Services Ltd\*  
Broadwalk House  
5 Appold Street  
London  
EC2A 2DA

## **Auditor**

Azets Audit Services Limited  
Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

\*Authorised and regulated by the Financial Conduct Authority.



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# Authorised Status and General Information

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## 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

### Slater Income Fund

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 Assessment Report

Slater Investments Limited’s latest Value Assessment Report can be found at:

[www.slaterinvestments.com/value-assessment-report](http://www.slaterinvestments.com/value-assessment-report)

# Authorised Corporate Director's Statement

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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.

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Mark Slater  
Director

SLATER INVESTMENTS LIMITED  
Date: 18 December 2024

# Fund Manager's Report

Report for the six months to 31 October 2024

Performance	Six Months	1 Year	3 Years	5 Years	Since Launch*
Slater Income Fund P (Income) share class	+0.8%	+16.4%	+11.0%	+29.0%	+161.3%
Investment Association (IA) OE UK Equity Income	+2.3%	+17.8%	+15.8%	+27.4%	+163.8%

\*A share class launch 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 rose +0.8% on a total return basis, which compared to the IA UK Equity Income sector average of +2.3%. The Fund ranked in the third quartile of this peer group.

## Income

In June 2024 and September 2024, the Fund paid quarterly dividends amounting to 5.2466p in total. This was up +11% year-on-year. At the end of October 2024, the running yield of the Slater Income Fund was 5.9%, usefully ahead of the yield of the UK stock market of 3.7%. These are both calculated by comparing dividends paid over the last twelve months to the price at the end of October 2024.

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

## Market Commentary

The air came out of the tyres of the UK stock market the closer it got to Budget Day at the end of October 2024. Since coming to power in the summer, the new government has been uncovering “black holes” in the national finances and has declared itself to be on the hunt for “broad shoulders” to tax more heavily. Having ruled out increasing income tax, national insurance and corporation tax in their manifesto, there were months of speculation as to where the hammer might fall. In the end, increases in employers’ national insurance have taken most of the strain, along with some rejigging of how the national debt is calculated. The whole protracted process has been somewhat debilitating.

# Fund Manager's Report (Continued)

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Report for the six months to 31 October 2024

## Market Commentary (continued)

On a total return basis the UK market only gained +1.8% over the six months to 31 October 24. All of that is due to income. On a capital-only basis the UK market was flat. Thank goodness for dividends.

Other European equity markets were similarly lacklustre. China, however, was a bright spot with their government announcing a number of stimulative monetary policies. Whether these can energise very weak consumer demand remains to be seen. The standout equity market continues to be the United States (US), with the S&P 500 gaining +13% and the tech-heavy NASDAQ rising +15%. This has largely been fuelled by excitement about artificial intelligence, an excitement which is now reaching quite bubbly proportions. The poster child of this enthusiasm is the chip designer Nvidia, whose market value now exceeds that of five of the G7's stock markets.

All major western Central Banks have started to cut interest rates as inflation has cooled to more normal levels. The UK base rate was cut by 0.25%, to 5.0%. Further cuts are expected. The 10-year gilt yield was volatile but ended the period roughly where it started at a smidge under 4.5%. Much the same can be said for the British pound: it briefly got as high as \$1.34 but ended the period back at \$1.29.

Commodity prices were volatile. The iron ore price ignored the Chinese stimulus and declined -12%, whilst gold rose +19%. Quite what that betokens is a subject of much conjecture but it is probably not good. The oil price was nearly as spectacular, only in the opposite direction, falling -16%. Wars in and around Israel would normally put a bid under the oil price but so far middle eastern supply chains are undisrupted. Meanwhile, the US continues to grow production to record levels. Russia, despite a plethora of Western sanctions, actually increased its estimates for oil exports for 2024. The idea of "peak oil" seems very wide of the mark.

## Major Contributors

Momentum is a powerful force in businesses and markets. Companies that are doing well often continue to do well, whilst strugglers keep struggling. This phenomenon was certainly evident amongst the holdings of the Slater Income Fund in the six months to the end of October 2024.

**XPS Pensions** was a star for the Slater Income Fund last year, written up in the Full Year Report for the 12 months to April 2024 as "a stand-out performer...their shares gaining +68% which contributed +2.66% to the Fund's bottom line". So far this year it has been more of the same. A trading statement published in October 2024 said that revenues for their first half will be up +23%, helped by strong pricing, an expanding range of services and persistently robust client demand. Their expectations for the full year were increased. The shares gained another +35% in the six months to end October 2024 which contributed a further +1.29% to the total value of the Fund. The gift that keeps on giving.

Similarly, **Morgan Sindall**, the construction and regeneration group, described at our last Full Year Report as "a great performer...[whose] shares rose +34%" continued to deliver. Current trading is now said to be "significantly ahead of previous expectations". The shares gained +65%, which contributed +1.71% to the value of the Slater Income Fund.

# Fund Manager's Report (Continued)

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Report for the six months to 31 October 2024

## Major Contributors (continued)

Mindful that momentum persists, it is a sensible old investment adage to “run your winners”. Against that, when managing a portfolio, it is necessary to avoid any single holding growing so large that the fate of one company is the only thing that matters for future fund performance. After much deliberation, the Fund top-sliced both XPS Pensions and Morgan Sindall. They both remain very significant holdings, weighing in as the Fund's fifth largest and seventh largest positions respectively.

An area where momentum has not persisted but very much changed is Tobacco. Shares in **Imperial Brands** peaked at over £40 in the summer of 2016, yet started the period under review at less than half that level. Over the recent six months, however, the shares gained +28% which added +0.85% to the Fund's bottom line. A pre close statement in October 2024 confirmed that the group expects to grow its annual dividend by +4.5%. Not bad, for a share already yielding over 6%. The group also continues to buy back its own shares at a furious rate.

**Norcros**, the supplier of bathroom products, issued a confident update pointing to continued market share gains despite weak end market demand. The shares rose +48% over the six months under review. This is perhaps more than the statement merited but the shares were trading on a very low valuation. Even after the rally they trade on a prospective price-to-earnings (PE) multiple of less than 9x. The increase in the share price added +0.88% to the value of the Slater Income Fund.

**Tesco** shares gained +16% which contributed +0.54% to the value of the Fund. Impressively, the company is gaining market share, despite having a 28% share already. Much of this is coming at the expense of Asda and Morrison which are both suffering since leaving the stock market and becoming saddled with debt under private equity-backed ownership. Tesco's “Aldi Price Match” on over 500 everyday products has served to sharpen up Tesco's value credentials and stemmed the rise of the German discounters. In early October 2024 Tesco posted strong interim results and nudged up their expectations of profits for the full year. The interims also included the notable highlight of a +10% increase in their dividend. The shares remain a top ten holding for the Slater Income Fund.

**Reach**, the owner of national and regional newspaper titles, continues to suffer declining circulation volumes but also continues to mitigate this with cover price increases and a relentless focus on costs. Meanwhile, digital revenues have stabilised as they build greater levels of customer engagement. The shares gained +25% over the six months which added +0.36% to the value of the Slater Income Fund. The shares continue to be extremely lowly rated, trading on a prospective PE of 4.3x and offer a dividend yield of over 7.5%, from a dividend more than three times covered by earnings.

## Major Detractors

The weakness in the oil price had a straight-forwardly negative impact on the share prices of **Shell** and **BP**, both of which are top ten holdings in the Slater Income Fund. Shell's shares fell by -10% and BP's by -28%. Together this detracted -1.43% from the total value of the Fund. Both companies are in a strong position to weather a weaker oil price, certainly in the short-term. BP, the larger faller, continues to emphasise that “a resilient dividend is BP's first priority” and that their “cash balance point” is at \$40/barrel (in 2021 real prices). Which is to say, that they can still pay all their bills and the dividend all the way down to that level. Balance sheets at both firms are strong and both continue to buy back their own shares.



# Fund Manager's Report (Continued)

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Report for the six months to 31 October 2024

## Major Detractors (continued)

Strategic clarity is perhaps greater at Shell whilst the new Chief Executive Officer at BP is yet to set his stall out and is expected to have the awkward task of distancing himself from some of his predecessor's more ambitious statements about the pace of the energy transition. Both shares look excellent value. Shell is on a prospective PE of 8.2x, with a prospective dividend yield of 4.1%. BP's prospective PE is 8.4x and its yield is 6.2%.

There was momentous news from **GSK** in October 2024. A settlement was reached that settled 93% of its US state court product liability cases about Zantac. This came at a cost of \$2.2 billion but with no admission of liability. This removed a cloud over the share price but instead of rallying in the resultant sunshine the shares fell -17% over the period, which detracted -0.65% from the value of the Slater Income Fund. The shares look very lowly valued on an absolute as well as a relative basis, trading on a prospective PE of 8.9x and offering a prospective dividend yield of 4.4%.

**Midwich**, a specialist distributor of audio-visual equipment, posted satisfactory interim results in early September 2024 only to issue a profit warning barely six weeks later. Hopes of an improved second half to the year have now been abandoned, with Germany highlighted as a particular area of weakness. Revenue growth for the full year is now only going to be marginal. With lower forecast profits comes lower cashflows which means the debt associated with the recent string of acquisitions will be more persistent. The shares fell by -33% which removed -0.49% from the Fund's bottom line. The shares now trade on a prospective PE of 9.4x and a prospective dividend yield of 5.9%.

**Liontrust Asset Management** continues to suffer from outflows, with another £1.1 billion heading out the door in the three months to the end of September 2024. The shares fell -28% in the six months to the end of October 2024, which reduced the value of the Slater Income Fund by -0.39%. The business is, however, not standing still. Data management has been beefed up, a new portfolio management system installed and a new Global Equities team (formerly from GAM) has been recruited. The valuation of the shares is now pitiful, on a prospective PE of 6.6x and an eye-watering yield of 16.6%. That level of yield reflects enormous scepticism from the market that the dividend will get paid. Certainly, the forecasts suggest a dividend that is only 90% covered by earnings. However, the business holds around £100 million of net cash so is perfectly capable of paying the forecast dividend if so inclined.

## Acquisitions and Disposals

The Fund's introduced five new holdings: **3i Infrastructure**, **Braemar**, **MP Evans**, **The Property Franchise Group** and **Young & Co's Brewery (Non-Voting)**. The new holdings in the Fund reflect the consistent application of the investment process which is to own shares in companies that have an attractive yield and are also capable of good dividend growth. It is worth a few words on each.

**3i Infrastructure**, whilst technically an investment trust, is very much run with an equity mentality. Its 11 businesses are not passive producers of income streams, but vibrant businesses. Collectively their investee companies spent around €400 million of capital expenditure last year to grow, or about 10% of their total asset value. This in turn has supported a steady growth rate of about 6% in 3i Infrastructure's own dividends. The shares trade on a 10% discount to its (growing) asset value and offer a 4% prospective dividend yield. This seems to offer attractive utility-esque returns in a world where most UK utilities are over indebted and to be avoided.

# Fund Manager's Report (Continued)

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Report for the six months to 31 October 2024

## Acquisitions and Disposals (continued)

**Braemar** is a shipbroking business, going back to basics after previous management explored a series of failed diversifications. The core business remains in good health and the business has net cash. The shares trade on a prospective PE of just over 8x. The prospective dividend yield is 5%. The recent interim dividend was increased by +13%. "Good and growing income" ahoy!

**MP Evans**, who just celebrated their 150th anniversary, owns and operates palm oil plantations in Indonesia. Palm oil is the world's most ubiquitous vegetable oil. Approximately half of all products found in a UK supermarket contain at least some palm oil (or palm-kernel oil), from shampoos to biscuits and cereals. MP Evans has been gently increasing their acreage, benefiting from improving yields as their trees mature and has internalised the processing of more of their own crop. These three drivers support growth in earnings and dividends. The business trades at a discount to the value of their assets and has net cash. The prospective PE is just over 10x and the prospective yield is just under 5%. The management are rightly proud of the history of growing their dividend over time and there is every reason to expect that to continue.

**The Property Franchise Group** is the UK's largest multi-brand franchisor of estate agency services, supporting a network of nearly two thousand outlets. These outlets in turn manage over 150,000 rental properties. The firm recently completed a merger with Belvoir, which nearly doubled its size. The management's confidence about their prospects can be seen in the +30% increase of the interim dividend announced in September 2024.

**Young & Co.'s Brewery** has not done any brewing for many years but owns and operates just under three hundred high quality freehold pubs in London and the South East. The shares are traded on the Alternative Investment Market and have suffered in the recent sell off on the junior market. The business has an arcane share structure with both ordinary and non-voting shares. Every entitlement between the two share classes is the same, apart from the vote. The ordinary shares are as cheap as they have been in living memory on a PE of 14x. Moreover, the non voters are on an unusually large discount to the ordinary, so they are even cheaper on a PE of less than 10x.

The Fund added to its holdings in **B&M European Retail Value S.A.** and **Midwich**.

**Secure Trust Bank** was added to and then trimmed in the period.

Several holdings were trimmed to reduce their position sizes, in many cases after making very good gains. **Fonix**, **H&T**, **Legal & General**, **Morgan Sindall**, **Phoenix**, **Shell**, **SSE** and **XPS Pensions** were each reduced but each remain an important holdings for the Fund.

The Fund took advantage of **Palace Capital's** tender offer in the period to reduce the holding further at advantageous prices.

Holdings where the prospects for dividend growth have seriously deteriorated have been sold in their entirety. **Capital**, **Ecora Resources** and **Energean** have all been exited.

**R&Q Insurance Holdings** has appointed liquidators and is now valued at zero.

The Slater Income Fund ended the period with forty-two holdings.

# Fund Manager's Report (Continued)

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Report for the six months to 31 October 2024

## Outlook

Economic growth is still slow. Interest rates are coming down but not as quickly as perhaps thought a year ago. Governments are amassing unprecedented levels of debt yet are generally failing to deliver the levels of public services that their populations feel entitled to expect. Recent elections around the world have not delivered fresh clarity. The fight against climate change has morphed into a counsel of despair. Wars rage in the Middle East, Ukraine and Africa. The future can often look murky. Perhaps even gloomy.

However, the focus at Slater Investments Ltd is on identifying and owning shares that have a wind in their sails, captained by credible people. For the Slater Income Fund in particular, the emphasis is on businesses where there is a good prospect of a solid dividend and where that dividend per share will grow over time. On that basis, the outlook is easier to discern and there are even grounds for optimism. Income availability in the UK equity market remains good and the Fund's investment process continues to ferret out great businesses where the prospects for dividend growth are bright. This last six months has seen the Fund add five new exciting holdings to the Fund, as discussed in some detail in the preceding section. Each of these should provide the Slater Income Fund with "good and growing income". This rising income stream should in turn support and promote considerable capital appreciation in the years ahead.



Slater Investments Limited  
December 2024

# Fund Manager's Report (Continued)

## Distributions (pence per share)

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Class A Income</u>				
Net income paid 31 March	1.2707	1.0934	1.3643	0.8998
Net income paid 30 June	2.8999	2.6334	2.0431	2.8447
Net income paid 30 September	1.9113	1.7301	1.3992	1.3226
Net income paid 31 December	2.0152	2.2550	2.1484	1.6940
<u>Class A Accumulation</u>				
Net income paid 31 March	1.8583	1.5143	1.7968	1.1304
Net income paid 30 June	4.2813	3.6672	2.7150	3.5986
Net income paid 30 September	2.8793	2.4541	1.8841	1.7069
Net income paid 31 December	3.0756	3.2403	2.9224	2.2062
<u>Class B Income</u>				
Net income paid 31 March	1.3498	1.1578	1.4353	0.9418
Net income paid 30 June	3.0851	2.7867	2.1523	2.9809
Net income paid 30 September	2.0356	1.8329	1.4748	1.3879
Net income paid 31 December	2.1490	2.3928	2.2678	1.7797
<u>Class B Accumulation</u>				
Net income paid 31 March	1.9730	1.5988	1.8877	1.1821
Net income paid 30 June	4.5527	3.8773	2.8562	3.7666
Net income paid 30 September	3.0647	2.5983	1.9845	1.7889
Net income paid 31 December	3.2775	3.4362	3.0813	2.3147
<u>Class P Income</u>				
Net income paid 31 March	1.3817	1.1818	1.4596	0.9554
Net income paid 30 June	3.1605	2.8465	2.1904	3.0257
Net income paid 30 September	2.0861	1.8733	1.5027	1.4097
Net income paid 31 December	2.2037	2.4474	2.3124	1.8086
<u>Class P Accumulation</u>				
Net income paid 31 March	2.0172	1.6307	1.9205	1.1993
Net income paid 30 June	4.6580	3.9572	2.9079	3.8247
Net income paid 30 September	3.1372	2.6532	2.0216	1.8178
Net income paid 31 December	3.3570	3.5111	3.1406	2.3533

# Fund Manager's Report (Continued)

## Material portfolio changes

For the six months to 31 October 2024

<b>Major Purchases</b>	<b>Cost (£)</b>	<b>Major Sales</b>	<b>Proceeds (£)</b>
3i Infrastructure	1,263,292	Energiean	886,646
The Property Franchise Group	1,185,981	XPS Pensions	869,048
MP Evans	788,886	Ecora Resources	820,251
Young & Co's Brewery (Non-Voting)	707,060	Capital	766,278
Braemar	659,426	Morgan Sindall	685,081
Secure Trust Bank	159,572	Legal & General	586,883
B&M European Value Retail S.A.	143,730	SSE	362,938
Midwich Group	97,046	Fonix	350,099
		Palace Capital	346,898
		Shell	285,646
		H&T	181,680
		Phoenix	130,434
		Secure Trust Bank	50,743
		R&Q Insurance Holdings	1,524
<b>Total purchases for the period</b>	<b>5,004,993</b>	<b>Total sales for the period</b>	<b>6,324,149</b>

# Environmental, Social and Governance (“ESG”) Report

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Report for the six months to 31 October 2024

## Introduction

Slater Investments incorporates ESG factors into its investment process to mitigate risks and uncover new opportunities. The ESG Committee collaborates closely with the Investment Committee, ensuring that ESG considerations are integrated into the investment analysis and ongoing monitoring.

The company utilises an internal ESG investment standard. This standard allows Slater Investments to incorporate global sustainability disclosures, UN Sustainable Development Goals, an ESG materiality framework, and the Task Force on Climate-Related Financial Disclosures’ (“TCFD”) recommendations.

The primary focus of the ESG Committee is to monitor preemptively ESG risks that may emerge and threaten the price-earnings ratio or earnings growth prospects of Slater Investments investee companies.

For the fourth year in a row, Slater Investments is proud to remain 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 UN-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. We produced our first full PRI report in 2021 and we continue to report against the principles. Our latest Transparency Report can be found on our [website](#).

The Slater Income Fund (the “Fund”) is categorised as an Article 8 fund 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 F of the Fund’s [Prospectus](#). The periodic disclosures, as required under Article 11 of SFDR, are set out in Appendix I to this Report.

With the introduction of the FCA’s Sustainable Disclosure Requirements (“SDR”) and the consultation to relabel SFDR Funds by the European Securities and Markets Authority, the ESG Committee has determined that the industry is grappling with complex initiatives, including SDR/SFDR and the investment labels regime in general which they believe is causing too much confusion in the market. Whilst the Fund is still aligned with the overall objectives of SFDR (and SDR) and committed to driving up standards of communications to its investors, a decision has been reached to no longer report under SFDR from 30 April 2025. Once the SDR regime has been fully implemented and further clarity provided to the industry, the Fund will then consider the labelling regime introduced by SDR. Any further changes to the Fund will be notified to investors in due course.

Last year, the Fund began reporting in line with the TCFD. By adhering to the TCFD recommendations and focusing on TCFD-aligned reporting, we are now communicating climate-related risks and opportunities to current and potential investors. This helps to ensure that investors are able to make more informed decisions about how their capital is allocated and be empowered to align their portfolios with their beliefs. Despite the changes being made to the Fund in respect of SFDR, we will continue to report under TCFD.

# Environmental, Social and Governance ("ESG") Report (Continued)

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Report for the six months to 31 October 2024

## Engagement

The ESG Committee ("Committee") defines 'engagements' as 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 the committee is engaging with companies.

Slater Investments engaged with company representatives of investee companies of the fund on 2 separate occasions during the 6 months to 31 October 2024.

In May 2024, we met with the Chair of the Remuneration Committee and the Chief Financial Officer of Liontrust Asset Management Plc ("Liontrust"). The purpose of this meeting was to discuss the company's proposed updated remuneration policy. We were dissatisfied with the proposed policy due to the increased weighting given to non financial measures, which would, if the policy were to be adopted, account for 35% of the executive directors' annual bonus. We believed that executive awards should be contingent upon meeting financial conditions and would prefer to see a minimum financial standard established before the annual bonus is awarded. Despite our dissatisfaction with the proposed remuneration policy, at the company's annual general meeting ("AGM") we took the decision to abstain rather than vote against four resolutions relating to the proposed remuneration policy, reflecting the efforts made by the Board to engage with us. Further details are included in the Voting section below.

In August 2024, we met with the Chair of STV Group Plc ("STV") to discuss two significant Board appointments, following the announcement, earlier in the year, of the Chief Executive Officer (CEO) departure from the company on 31 October 2024 and the departure, in December 2024, of the company's Senior Independent Director. The two new appointments aimed to strengthen the Board's leadership as the company continues its growth as a digital-first, content-led business. On 2 September 2024, Colin Jones joined STV's Board as an Independent Non-Executive Director and Chair of the Audit and Risk Committee. On 1 November 2024, Rufus Radcliffe will join the Board as CEO. He had previously been a member of the ITV plc Executive Committee and latterly held the position of Managing Director of Streaming, Interactive and Data, playing a key role in the acceleration of ITV's digital transformation. We discussed the selection process for the CEO and what made him the best candidate.

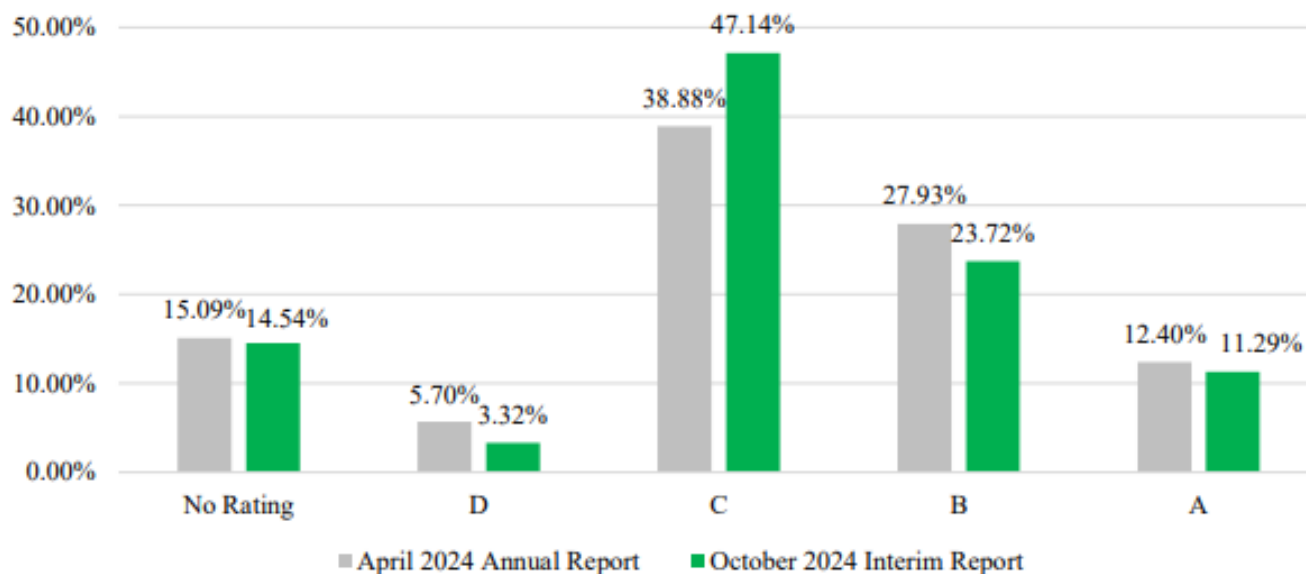
In previous Fund Reports, we outlined our engagement with STV in respect of the company's defined benefit pension funds including the use of liability driven investment strategy adopted by the pension funds and the impact on the company in funding the deficit recovery plans. We had also introduced a pension consultancy company to STV who specialised in developing innovative solutions for defined benefit pension schemes. By way of a market update, STV announced in October 2024 that, following a recent triennial valuation and a reduction in the funding deficit, the aggregate monthly cash payments committed by the company was slightly lower than under previous agreements. Given the changes on the Board, we will continue to monitor the company closely.

# Environmental, Social and Governance (“ESG”) Report (Continued)

Report for the six months to 31 October 2024

## ESG Scoring

ESG Ratings Distribution by Investee Company



Source: Refinitiv & Slater Investments

The chart above illustrates the distribution of the ESG ratings of the Fund’s investee companies as at 31 October 2024.

Over this six-month period, several changes were observed in the ratings distribution. The “No Rating” category experienced a slight decrease, moving from 15.09% to 14.54%. The “D” rating also declined, dropping from 5.70% to 3.32%. In contrast, the “C” rating saw a notable increase from 38.88% to 47.14%, indicating a shift toward this category. Meanwhile, the “B” rating decreased from 27.93% to 23.72%, and the “A” rating experienced a slight reduction from 12.40% to 11.29%. Most of the change in distributions comes from a shift in rating from Lloyds Banking Group from B- to C+.

## Voting

Exercising our voting rights is the most powerful tool we have. It is the most effective 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.

The below table gives a summary of all of Slater Investments’s voting instructions across the Fund’s investee companies during the six months to 31 October 2024.



# Environmental, Social and Governance (“ESG”) Report (Continued)

Report for the six months to 31 October 2024

Voting (continued)

Meetings	
Total number of meetings voted at	39
Total number of resolutions voted on	638
Number of resolutions where we voted with management	475
Number of resolutions where we voted against management	163
Number of resolutions where we abstained	4
Number of resolutions where we voted against our voting policy	4

Of Slater Investments’s 163 votes against management recommendations:

- 58 related to the disapplication of pre-emptive rights;
- 38 related to (Non-)Executive Director remuneration;
- 33 related to the power for Directors to allot shares;
- 19 related to the (re-)election of (Non-)Executive Directors;
- 14 related to the request to make political donations;
- 1 related to Auditors.

The votes against management recommendations ‘*related to the disapplication of pre-emptive rights*’ and ‘*related to the power for Directors to allot shares*’ were not in conjunction with a targeted capital raise but instead related to a general authority. Slater Investments does not believe Directors require such a general authority. If there is a business case, this can duly be presented to investors.

The votes against management recommendations classed as ‘*related to (Non-)Executive Director remuneration*’ occur where Slater Investments disagreed with either a company’s remuneration report or policy. The rationale for these votes mostly surrounds the use of nil-paid options. In the majority of instances where Slater Investments votes against either the remuneration report or policy, the re-election of the Chair of the Remuneration Committee, who presided over the report and/or policy, is also voted against.

Slater Investments does not support the funding of political parties or organisations.

There were four resolutions where we abstained from voting. These resolutions were at Liontrust’s [Annual General Meeting](#) (see Engagement section above). The resolutions related to approving the Remuneration Report, the proposed Remuneration (“Policy”) and Long-Term Incentive Plan (“LTIP”), and the re-election of the Chair of Remuneration Committee. Although the proposed Policy and LTIP continued to make use of nil-paid options, in the remuneration package of the executive we decided not to vote against the resolutions but instead abstained due to the efforts of the Board to engage with us.

# Environmental, Social and Governance (“ESG”) Report (Continued)

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Report for the six months to 31 October 2024

## Voting (continued)

There was one resolution proposed by shareholders during the 6-month period. This was at Shell Plc’s (“Shell”) Annual General Meeting held in May 2024. Shareholders proposed the following resolution: Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement. The resolution was aimed at reducing the emissions from fuel burnt by consumers (also known as scope 3 emissions) which account for around 95% of the company’s greenhouse gas emissions. The only way the resolution could be effective would be for Shell to change its strategy to investing in less carbon intensive sources. Slater Investments did not believe that the resolution was in the best interests of the company and shareholders, so we voted against it.

The Company’s Voting Policy can be found on its [website](#), along with a full archive of historic vote reports.

## ESG Committee

Slater Investments Limited

December 2024

# Fund Information

## Price and distribution record

Income shares (Class A and B) were first offered at 100p on 26 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 23 November 2015.

Financial year to	Highest price	Lowest price	Net income per share
<u>Class A Income</u>			
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	6.7435p
30 April 2024	144.57p	126.82p	7.2750p
30 April 2025*	149.01p	139.36p	3.9265p
<u>Class A Accumulation</u>			
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	9.0946p
30 April 2024	214.85p	185.46p	9.9880p
30 April 2025*	225.64p	212.92p	5.9549p
<u>Class B Income</u>			
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	7.1121p
30 April 2024	153.87p	134.65p	7.6871p
30 April 2025*	158.81p	148.72p	4.1846p
<u>Class B Accumulation</u>			
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	9.5797p
30 April 2024	228.58p	196.82p	10.5419p
30 April 2025*	240.34p	226.65p	6.3422p
<u>Class P Income</u>			
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	7.2467p
30 April 2024	157.66p	137.81p	7.8434p
30 April 2025*	162.81p	152.57p	5.2898p
<u>Class P Accumulation</u>			
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	9.7590p
30 April 2023	233.92p	201.18p	10.7501p
30 April 2025*	246.11p	232.02p	6.4942p

\* six month period to 31 October 2024

# 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
<u>Class A Income</u>			
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
30 April 2024	£683,232	482,130	141.71p
31 October 2024	£553,611	400,581	138.20p
<u>Class A Accumulation</u>			
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
30 April 2024	£513,961	270,774	213.46p
31 October 2024	£642,373	299,489	214.49p
<u>Class B Income</u>			
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
30 April 2024	£2,382,024	1,579,178	150.84p
31 October 2024	£2,306,976	1,563,667	147.54p
<u>Class B Accumulation</u>			
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
30 April 2024	£4,186,145	1,843,298	227.10p
31 October 2024	£4,219,589	1,843,298	228.92p
<u>Class P Income</u>			
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
30 April 2024	£33,316,341	21,557,335	154.55p
31 October 2024	£29,784,357	19,674,510	151.39p
<u>Class P Accumulation</u>			
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
30 April 2024	£24,542,617	10,560,137	232.41p
31 October 2024	£24,777,202	10,561,942	234.59p

## Fund Information (Continued)

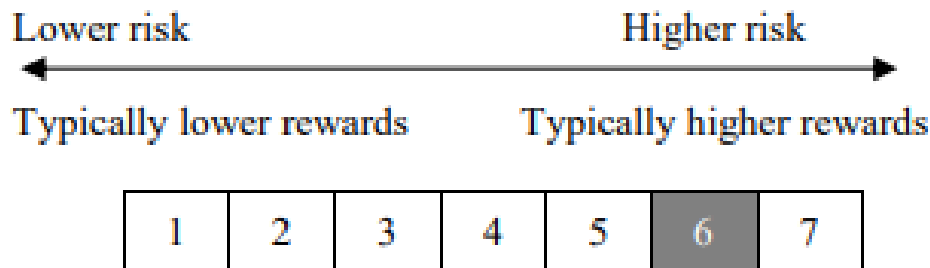
### Ongoing charges

	<u>Class A</u> <u>Income</u>	<u>Class B</u> <u>Income</u>	<u>Class P</u> <u>Income</u>
30 April 2024	1.67%	1.10%	0.84%
31 October 2024	1.61%	1.09%	0.84%
	<u>Class A</u> <u>Accumulation</u>	<u>Class B</u> <u>Accumulation</u>	<u>Class P</u> <u>Accumulation</u>
30 April 2024	1.63%	1.07%	0.83%
31 October 2024	1.57%	1.09%	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



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.

# Fund Information (Continued)

## Portfolio statement as at 31 October 2024

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'24 %	30 Apr'24 %
<b>AGRICULTURAL PRODUCTS &amp; SERVICES</b>				
90,000	MP Evans	829,800	1.33	
	Total Agricultural Products & Services	829,800	1.33	-
<b>ASSET MANAGEMENT &amp; CUSTODY BANKS</b>				
200,000	Liontrust Asset Management	970,000	1.56	
205,000	Polar Capital	978,875	1.57	
1,050,001	Premier Miton	651,001	1.05	
65,000	Rathbones	1,081,600	1.74	
720,000	XPS Pensions	2,570,400	4.13	
	Total Asset Management & Custody Banks	6,251,876	10.05	10.43
<b>BROADCASTING</b>				
861,856	STV	2,016,743	3.24	
	Total Broadcasting	2,016,743	3.24	3.11
<b>BROADLINE RETAIL</b>				
185,000	B&M European Value Retail S.A.	717,060	1.15	
	Total Broadline Retail	717,060	1.15	1.19
<b>BUILDING PRODUCTS</b>				
675,000	Norcros	1,822,500	2.93	
134,863	Genuit	631,833	1.01	
	Total Building Products	2,454,333	3.94	2.78
<b>CLOSED-ENDED INVESTMENTS</b>				
375,000	3i Infrastructure	1,200,000	1.93	
	Total Closed-Ended Investments	1,200,000	1.93	-
<b>CONSTRUCTION &amp; ENGINEERING</b>				
65,000	Morgan Sindall	2,434,250	3.91	
	Total Construction & Engineering	2,434,250	3.91	2.93
<b>CONSTRUCTION MATERIALS</b>				
210,000	Breedon	924,000	1.48	

# Fund Information (Continued)

## Portfolio statement (continued)

as at 31 October 2024

Holding or nominal value		Bid value	Percentage of total net assets	
		£	31 Oct'24	30 Apr'24
	Total Construction Materials	924,000	1.48	1.61
	<b>CONSUMER FINANCE</b>			
525,000	H&T	1,921,500	3.09	
	Total Consumer Finance	1,921,500	3.09	3.66
	<b>DISTRIBUTORS</b>			
535,000	Ultimate Products	727,600	1.17	
125,000	Inchcape	895,000	1.44	
	Total Distributors	1,622,600	2.61	2.95
	<b>DIVERSIFIED BANKS</b>			
130,495	Arbuthnot Banking	1,174,455	1.89	
4,500,000	Lloyds Banking	2,402,100	3.86	
106,027	Secure Trust Bank	583,149	0.94	
	Total Diversified Banks	4,159,704	6.69	6.62
	<b>DIVERSIFIED FINANCIAL SERVICES</b>			
1,350,000	M&G	2,617,650	4.20	
	Total Diversified Financial Services	2,617,650	4.20	4.20
	<b>DIVERSIFIED METALS &amp; MINING</b>			
26,000	Rio Tinto	1,304,160	2.09	
	Total Diversified Metals & Mining	1,304,160	2.09	4.80
	<b>ELECTRIC UTILITIES</b>			
100,000	SSE	1,761,000	2.83	
	Total Electric Utilities	1,761,000	2.83	3.05
	<b>FOOD RETAIL</b>			
660,000	Tesco	2,258,520	3.63	
	Total Food Retail	2,258,520	3.63	2.98
	<b>INDUSTRIAL REITS</b>			
1,010,000	Urban Logistics REIT	1,187,760	1.91	
	Total Industrial REITs	1,187,760	1.91	1.78
	<b>INTEGRATED OIL &amp; GAS</b>			
540,000	BP	2,033,910	3.27	

# Fund Information (Continued)

## Portfolio statement (continued)

as at 31 October 2024

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'24	30 Apr'24
135,000	Shell	3,478,950	5.59	
	Total Integrated Oil & Gas	5,512,860	8.86	10.61
<b>LEISURE FACILITIES</b>				
600,000	Hollywood Bowl	1,959,000	3.15	
	Total Leisure Facilities	1,959,000	3.15	3.12
<b>LIFE &amp; HEALTH INSURANCE</b>				
725,000	Chesnara	1,819,750	2.92	
990,000	Legal & General	2,148,300	3.45	
225,000	Phoenix Group	1,105,200	1.78	
	Total Life & Health Insurance	5,073,250	8.15	9.15
<b>MARINE PORTS &amp; SERVICES</b>				
220,000	Braemar	523,600	0.84	
	Total Marine Ports & Services	523,600	0.84	-
<b>OIL &amp; GAS EQUIPMENT &amp; SERVICES</b>				
265,000	Hunting	798,975	1.28	
	Total Oil & Gas Equipment & Services	798,975	1.28	1.45
<b>OIL &amp; GAS EXPLORATION &amp; PRODUCTION</b>				
6,250,000	i3 Energy	796,250	1.28	
	Total Oil & Gas Exploration & Production	796,250	1.28	2.72
<b>PHARMACEUTICALS</b>				
185,000	GSK	2,575,200	4.14	
	Total Pharmaceuticals	2,575,200	4.14	4.71
<b>PUBLISHING</b>				
1,000,000	Reach	923,000	1.48	
	Total Publishing	923,000	1.48	1.12
<b>REAL ESTATE OPERATING COMPANIES</b>				
411,241	Palace Capital	904,730	1.45	
290,000	The Property Franchise Group	1,276,000	2.05	
	Total Real Estate Operating Companies	2,180,730	3.50	2.05
<b>REINSURANCE</b>				
527,822	R&Q Insurance Holdings	-	-	



# Fund Information (Continued)

## Portfolio statement (continued)

as at 31 October 2024

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'24 %	30 Apr'24 %
	Total Reinsurance	-	-	0.03
	<b>RESTAURANTS</b>			
100,000	Young & Co's Brewery (Non-Voting)	622,000	1.00	
	Total Restaurants	622,000	1.00	-
	<b>TECHNOLOGY DISTRIBUTORS</b>			
305,000	Midwich Group	866,200	1.39	
	Total Technology Distributors	866,200	1.39	1.78
	<b>TOBACCO</b>			
110,000	Imperial Brands	2,570,700	4.13	
	Total Tobacco	2,570,700	4.13	3.06
	<b>TRANSACTION &amp; PAYMENT PROCESSING SERVICES</b>			
742,721	Fonix	1,782,530	2.86	
	Total Transaction & Payment Processing Services	1,782,530	2.86	3.24
	<b>Portfolio of investments</b>	59,845,251	96.08	90.81
	<b>Net current assets on capital account</b>	2,438,857	3.92	9.19
	<b>Net assets</b>	62,284,108	100.00	100.00

## Portfolio transactions for the six months ended 31 October 2024

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at 12 noon on 31 October 2024, 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	£ 5,004,993
Total sales proceeds, net of transaction charges	6,324,149

# Interim Financial Statements (Unaudited)

For the six months ended 31 October 2024

## Statement of total return

	31 October 2024		31 October 2023	
	£	£	£	£
<b>Income</b>				
Net capital losses		(918,558)		(6,737,323)
Revenue	1,804,064		2,155,867	
Expenses	(289,584)		(317,394)	
Net revenue before taxation	<u>1,514,480</u>		<u>1,838,473</u>	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>1,514,480</u>		<u>1,838,473</u>
<b>Total return/(deficit) before distributions</b>		595,922		(4,898,850)
Distributions		(1,787,409)		(2,140,379)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>(1,191,487)</u>		<u>(7,039,229)</u>

## Statement of changes in net assets attributable to shareholders

	31 October 2024		31 October 2023	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		*65,624,321		**77,402,741
Amounts receivable on issue of shares	1,375,165		3,444,673	
Amounts payable on cancellation of shares	(4,344,656)		(9,520,754)	
Amounts payable on share class conversions	-		(1,403)	
Dilution Adjustment	<u>-</u>		<u>5,632</u>	
		(2,969,491)		(6,071,852)
Change in net assets attributable to shareholders from investment activities (see above)		(1,191,487)		(7,039,229)
Retained distributions on accumulation shares		820,765		869,453
<b>Closing net assets attributable to shareholders</b>		<u>62,284,108</u>		<u>65,161,113</u>

\*As at 30 April 2024

\*\*As At 30 April 2023

# Interim Financial Statements (Unaudited) (Continued)

For the six months ended 31 October 2024

## Balance sheet

	31 October 2024		30 April 2024	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		59,845,251		62,082,512
<b>Current Assets</b>				
Debtors	252,645		2,111,149	
Cash and cash equivalents	2,829,203		3,526,559	
Total other assets		3,081,848		5,637,708
Total assets		62,927,099		67,720,220
<b>LIABILITIES</b>				
<b>Creditors</b>				
Distribution payable on income shares	475,240		743,708	
Other creditors	167,751		1,352,192	
Total liabilities		642,991		2,095,900
<b>Net assets attributable to shareholders</b>				
		62,284,108		65,624,320

## 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.

### Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2024 and are described in those annual financial statements.

# Appendix

## SFDR Periodic Report

For the six months ended 31 October 2024

**PRODUCT NAME:** Slater Income Fund (the “Fund”)

**Legal Entity Identifier:** 213800ZG4XQFOOLUNE54

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> 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 <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promoted E/S characteristics but <b>did not make any sustainable investments</b>

### 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 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.

### 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?	77.9%
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		45.6(C+)

\*Although 7 companies were in violation of 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.

# Appendix

## SFDR Periodic Report (Continued)

For the six months ended 31 October 2024

- 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?	76%
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		57 (B-)

There has been an increase in the share of companies in the portfolio which have set targets for net zero or emission reduction. We have seen an overall decline in the portfolio weighted average Refinitiv ESG rating compared to the last period. The number of companies which violated at least one of the UN Global Compact Ten Principles has remained the same.

- 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.

**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:

- incorporating PAI data into engagement with investee companies;
- evaluating PAIs of new investment in the Fund as part of wider ESG research of companies.

Indicators applicable to investments in investee companies			
Adverse sustainability indicator	Metric	Interim Report 2024	
<b>Climate and other environment-related indicators</b>			
Greenhouse gas emissions (GHG)	GHG Emissions	GHG Emissions - Scope 1 (shown in thousands)	4,360.10 Tonnes
		GHG Emissions - Scope 2 (shown in thousands)	730.74 Tonnes
		GHG Emissions - TOTAL (shown in thousands)	5,090.85 Tonnes
		GHG Emissions - Scope 3 (shown in thousands)	83,055.87 Tonnes
	Carbon Footprint	Carbon Footprint	68.09 CO2e/£M
	GHG Intensity of Investee Companies	GHG intensity of investee companies	89.97 CO2e/£M
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	11.13%

# Appendix

## SFDR Periodic Report (Continued)

For the six months ended 31 October 2024

	Share of non-renewable energy consumption and production	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	11.27%
	Energy consumption intensity per high impact climate sector	Energy consumption in gigawatt hours (GWh) per £million of revenue of investee companies, per high impact climate sector	874.75 GWh/£M <sup>1</sup>
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	33.61%
Water	Emissions of water	Tonnes of emissions to water generated by investee companies per £million invested, expressed as a weighted average.	0 Tonnes/£M
Waste	Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per £million invested, expressed as a weighted average	0 Tonnes/£M
<b>Social and employee, respect for human rights, anti-corruption and anti-bribery matters</b>			
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	32.61%
	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	82.89%
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	31.50
	Board gender diversity	Average ratio of female to male board members in investee companies	33.78
	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%
<b>Other Environmental Matters</b>			

# Appendix

## SFDR Periodic Report (Continued)

For the six months ended 31 October 2024

Emissions	Emissions of ozone depletion substances	Tonnes of inorganic pollutants equivalent per £million invested, expressed as a weighted average	0.03 Tonnes/£M
	Emissions of inorganic pollutants	Tonnes of air pollutants equivalent per £million invested, expressed as a weighted average	1.79 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.	22.07%
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%
<b>Other Social Matters</b>			
Social and employee matters	Insufficient Whistle-blower Protection (%)	Share of investments in entities without policies on the protection of whistle-blowers	29.18%
	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)	49.70%
Human rights	Lack of Human Rights Policy (%)	Share of investments in entities without a human rights policy	17.01%
	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	30.37%

<sup>1</sup>The sectors identified as high impact climate sectors include Diversified Metals & Mining, Building Products, Oil & Gas Equipment & Services, Construction Materials, Integrated Oil & Gas, Electric Utilities and Agricultural Products & Services.

Indicators applicable to investments in investee companies			
Adverse sustainability indicator		Metric	April-24
<b>Climate and other environment-related indicators</b>			
Emissions	Emissions of ozone depletion substances	Tonnes of inorganic pollutants equivalent per £million invested, expressed as a weighted average	0.03 <sup>2</sup>
	Emissions of inorganic pollutants	Tonnes of air pollutants equivalent per £million invested, expressed as a weighted average	1.71 <sup>2</sup>

<sup>2</sup>The sectors identified as high impact climate sectors include Diversified Metals & Mining, Building Products, Oil & Gas Equipment & Services, Construction Materials, Integrated Oil & Gas, Electric Utilities and Agricultural Products & Services.

### What were the top investments of this financial product?

Name	GICS Sub Industry	Country	JTC NAV %
Shell PLC	Integrated Oil & Gas	United Kingdom	5.41%
M&G PLC	Diversified Financial Services	United Kingdom	4.18%
XPS Pensions Group PLC	Asset Management & Custody Banks	United Kingdom	4.11%
GSK plc	Pharmaceuticals	United Kingdom	4.03%

# Appendix

## SFDR Periodic Report (Continued)

For the six months ended 31 October 2024

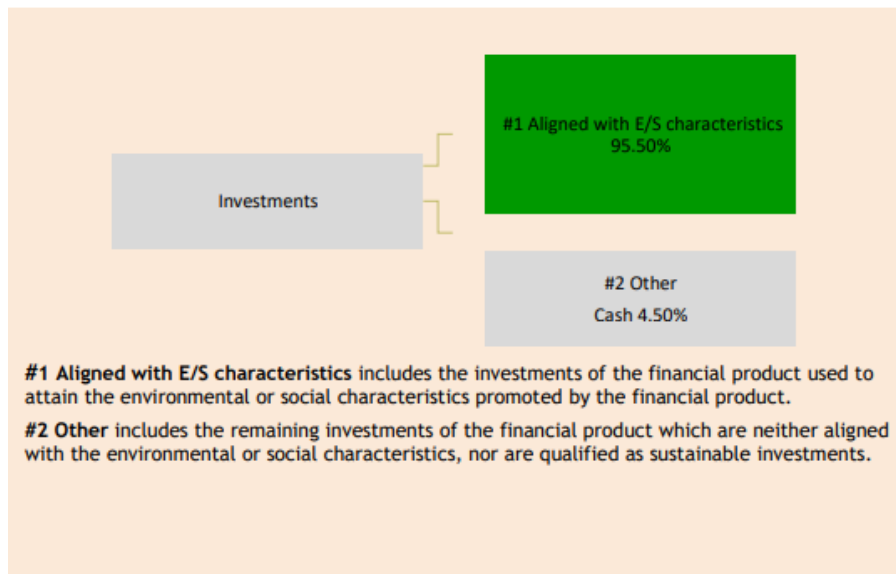
What were the top investments of this financial product? (continued)

Imperial Brands PLC	Tobacco	United Kingdom	4.00%
Morgan Sindall Group PLC	Construction & Engineering	United Kingdom	3.86%
Lloyds Banking Group PLC	Diversified Banks	United Kingdom	3.83%
Tesco PLC	Food Retail	United Kingdom	3.56%
Legal & General Group PLC	Life & Health Insurance	United Kingdom	3.43%
STV Group PLC	Broadcasting	United Kingdom	3.21%
BP PLC	Integrated Oil & Gas	United Kingdom	3.20%
H & T Group PLC	Consumer Finance	United Kingdom	3.15%
Hollywood Bowl Group PLC	Leisure Facilities	United Kingdom	3.12%
Norcros PLC	Building Products	United Kingdom	2.98%
Fonix PLC	Transaction & Payment Processing Services	United Kingdom	2.91%

Source: Slater Investments. Weightings above are from mid prices on 31 October 2024

What was the proportion of sustainability-related investments?

- What was the asset allocation?



- In which economic sector were the investments made?

Investments are made in various economic sectors. The top five as of 31 October 2024 and using the GICS Sub Industry are shown in the table below:

Sub Industry	% Assets
Asset Management & Custody Banks	10.02%
Integrated Oil & Gas	8.60%
Life & Health Insurance	8.09%
Diversified Banks	6.76%
Pharmaceuticals	4.03%

Source: Slater Investments. Weightings above are from mid prices on 31 October 2024



# Appendix

## SFDR Periodic Report (Continued)

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For the six months ended 31 October 2024

**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.

**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%.

**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.
- Adherence to good governance.

# Appendix SFDR Periodic Report (Continued)

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For the six months ended 31 October 2024

**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.

- **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.



# Slater Investments Limited

## Contact us

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