Slater Growth Fund

Annual Report

For the year ended 31st December 2024

Slater Investments Limited

Directory

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

Contents

Page

Authorised Status and General Information

Authorised status

Slater Growth Fund (the "Fund") is an authorised unit trust scheme established by a Trust Deed dated 15 March 2004. It is a Undertakings for Collective Investments in Transferable Securities (UCITS) scheme as defined in the Collective Investment Schemes Sourcebook (COLL). The Fund was authorised and regulated by the Financial Conduct Authority (FCA) with effect from 24 March 2004.

Unitholders of the Fund are not liable for the debts of the scheme.

Investment objective and strategy

The investment objective of the Fund is to achieve capital growth.

The Fund will invest in companies both in the United Kingdom (UK) and overseas but concentrating mainly or, where appropriate, exclusively on UK shares. The Fund will focus in particular on shares which are deemed to be undervalued and that have the potential of a significant re-rating. Other investments including bonds, warrants and collective investment schemes, within the limits imposed by the trust deed may also be used where it is considered that they meet the investment objective. It is also intended where appropriate to take advantage of underwritings and placings. At times it may be appropriate for the Fund not to be fully invested but to hold cash and near cash. The Fund has powers to borrow as specified in the COLL and may invest in derivatives and forward transactions for hedging purposes only.

Value Assessment Report

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

www.slaterinvestments.com/value-assessment-report

Rights and terms attaching to each unit class

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

Remuneration Policy

The Authorised Fund Manager is subject to a remuneration policy which is applicable to UCITS funds and is consistent with the principles outlined in the Alternative Investment Fund Managers Directive (AIFMD) and the FCA Handbook of Rules and Guidance. The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UCITS funds it manages.

The fixed remuneration paid by the Authorised Fund Manager to its staff in respect of all funds that it manages in the financial year ended 31 December 2023 was £1,350,835 and was shared amongst 23 members of staff. The above figures are taken from the financial report and accounts of Slater Investments Limited for the period 1 January to 31 December. The financial statements of Slater Investments Limited have been independently audited.

Authorised Status and General Information (Continued)

Remuneration Policy (continued)

All 23 Authorised Fund Manager staff members were fully or partially involved in the activities of the Fund. The variable remuneration paid by the Authorised Fund Manager to its staff in respect of all funds that it manages in the financial year ended 31 December 2023 was £977,616. The Authorised Fund Manager staff remuneration is established with reference to the market remuneration of each equivalent position and is not linked to the performance of the Fund or any other fund of the Authorised Fund Manager. None of the Authorised Fund Manager's staff actions had a material impact on the risk profile of the Fund.

Directors' Statement

In accordance with COLL 4.5.8BR, the annual report and the audited financial statements were approved by the Authorised Fund Manager of the Fund and authorised for issue.

Mark Slater Director	Ralph Baber Director

SLATER INVESTMENTS LIMITED
Date: 21 February 2025

Statement of Authorised Fund Manager's Responsibilities

The COLL requires the Authorised Fund Manager to prepare accounts for each annual and half-yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Fund and of its net revenue and the net capital gains on the property of the Fund for the year. In preparing the accounts the Authorised Fund Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (IA) in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements; and
- make judgements and estimates that are prudent and reasonable.

The Authorised Fund Manager is responsible for the management of the Fund in accordance with its trust deed, Prospectus and COLL and for taking reasonable steps for the prevention and detection of fraud, error and non compliance with law or regulations.

So far as the Authorised Fund Manager is aware, there is no relevant audit information of which the Group and the Fund's Auditors are unaware, and the Authorised Fund Manager has taken all the steps that he or she ought to have taken as an Authorised Fund Manager in order to make himself or herself aware of any relevant audit information and to establish that the Group and the Fund's Auditors are aware of that information.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of the Slater Growth Fund ("the Scheme") for the Year Ended 31 December 2024

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Trustee must ensure that:

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

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

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

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

CACEIS Bank UK Branch
31 December 2024

Independent Auditor's Report to the Unitholders of the Slater Growth Fund

Opinion

We have audited the financial statements of the Slater Growth Fund (the "Scheme") for the year ended 31 December 2024 which comprise the statement of total return, the statement of changes in net assets attributable to unitholders, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Scheme's affairs as at 31 December 2024, and of its net revenue and net capital gains or losses on the scheme property for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice for Authorised Funds issued by The Investment Association, the rules contained in the Collective Investment Schemes Sourcebook and the Trust Deed

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditor’s Report to the Unitholders of the Slater Growth Fund (Continued)

Other information

The AFM is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

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

- the information given in the AFM report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- we have been given all information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the scheme and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the AFM.

We have nothing to report in respect of the following matters in relation to which the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Authorised Fund Manager

As explained more fully in the Statement of AFM’s responsibilities statement set out on page 3, the AFM is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the AFM determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report to the Unitholders of the Slater Growth Fund (Continued)

Responsibilities of the Authorised Fund Manager (continued)

In preparing the financial statements, the AFM is responsible for assessing the scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the AFM either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the fund and the industry, we identified that the principal risk of non-compliance with laws and regulations related to breaches of the applicable Financial Conduct Authority regulations. We also obtained an understanding of the legal and regulatory frameworks that the fund operates in, focusing on those that had a direct effect on material figures and disclosures in the financial statements, the main regulations considered in this context included the Financial Conduct Authority including its Collective Investment Schemes Sourcebook and Conduct of Business Sourcebook.

We evaluated the incentives and opportunities for fraud in the financial statements, including, but not limited to, the risk of override of controls, and designed procedures in response to these risks as follows:

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- testing the appropriateness of journal entries and other adjustments;
- enquiring of management and the trustees concerning any non-compliance;
- review of the breaches log;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent Auditor's Report to the Unitholders of the Slater Growth Fund (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Scheme's unitholders, as a body, in accordance with paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the Scheme's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the scheme and the Scheme's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

Azets Audit Services Limited
Chartered Accountants and Tax Advisors
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ
Date: 21 February 2025

Fund Manager's Report

Report for the year ended 31 December 2024

Performance	Six Months	1 Year	3 Years	5 Years	Since Launch*
Slater Growth Fund P unit class	-7.93%	+0.15%	-28.11%	+2.19%	+544.08%
Investment Association (IA) UK All Companies	+1.02%	+7.95%	+5.19%	+15.62%	+234.17%

*A unit class launch 30 March 2005

Market Commentary

This year continued to be a tough one for United Kingdom (UK) small caps: far better than the previous year but still no picnic. Larger companies have benefited from a relentless buying spree from foreign bidders while domestically focused small caps have had to fend for themselves. Even the Alternative Investment Market (AIM) was doing well until Rishi Sunak called an early election. Fears of a hike in capital gains tax (CGT) were amplified by worries over inheritance tax (IHT). The CGT hike was less severe than feared but the reduction in IHT relief, while it avoided a savage market reaction, has created a headwind. Against this backdrop the Fund delivered a +0.15% return, which far below what we would expect given the quality of the portfolio. The Mag Seven bubble continues to suck in funds from around the world. Japan reached a similar dominance in equities until it burst in early 1990. This released capital to flow into other markets, not least London, allowing the next bull market which ran until the next bubble burst in 2000. Not pretty, but this is the world we live in.

Major Contributors

Marlowe was the biggest contributor at +0.99%. Combined with Optima Health which it demerged in September 2024, the net return was +0.72%. This combined with the £430 million sale of the software division earlier this year to create two highly focused businesses. Marlowe itself has two divisions, one for fire safety testing, the other for water. Chairman Lord Ashcroft sets the strategy, but the two divisional heads report to the Chief Financial Officer (CFO). Top line growth will be pedestrian, but the company does have around £50 million firepower for acquisitions. We suggested to the company that it has a good opportunity in insurance broking for fire and water risk as it has the safety data which is so critical. We will see if anything comes of this. Optima has a young and ambitious management. The forward price-to-earnings (PE) ratio is around 16 times, and they believe their advanced tech platform will allow them to harvest big synergies when they start their promised acquisition spree. Neither company is glamorous, but this is often no bad thing.

Fund Manager's Report (Continued)

Report for the year ended 31 December 2024

Major Contributors (continued)

Tesco enjoyed a banner year, rising +27% and contributing +0.81%. Gross margins have continued to climb, reaching 7.8% in the first half of the year to August 2024, up from 7.2% in the prior half year and 7.1% in the full year to February 2024. Its loyalty card seems to be helping it grab an even bigger market share, most recently reaching 28%, up 1% in a year where Asda continued to flounder and bleed market share. The increased footfall has boosted operating margins because rent, utilities and staff costs are largely fixed. The £1 billion buyback programme has provided the final kicker to earnings per share (EPS) by trimming the number of shares in issue. The forward PE is 12.8 falling to 11.8. Asda has replaced its management and may be able to steady itself, so Tesco's shares are not priced for another runaway year.

JTC contributed +0.78% and the shares rose +21%. Many companies make acquisitions of lowly-rated but slow growing businesses. JTC has lately been able to buy companies which are immediately accretive and then grow faster than they did under their previous owners. This is a rare feat and one that deserves a premium rating, which it gets. In 2024, JTC bought Citi Trust and First Republic Trust Co. As the names suggest, these were owned by banking giants who were keen to provide the banking to asset owners but even keener to shed the duties of a trustee. Between 2018 and 2023 the company increased its headcount from 700 to over 1,700. Revenue and gross profit per employee grew 6% annually during those Covid and recession-hit years. Earnings before interest, taxes, depreciation and amortisation (EBITDA), JTC's preferred measure, grew 8% per year. Now these rates are hardly soaraway but they are relentless and have been accelerating recently. We expect other United States (US) banks to follow Citi and JP Morgan Chase in exiting the trustee business. But more likely this will be a profit opportunity for the most professional players to exploit at low cost. The forward multiple is 19.3 falling to 16.3.

Future contributed +0.56% with a +16% rise. In December 2024 it reported that adjusted EPS shrank 12% in the year to September 2024 but it reiterated forecasts for the 2025 full year. Investors are still smarting that Chief Executive Officer (CEO) Jon Steinberg has chosen to desert his post and move to Florida for family reasons. We were happy with his strategy of boosting direct sales and we expect his successor to continue with this. The online advertising market is returning to a more traditional model where publishers sell space directly to advertisers rather than relying on black box marketplaces. A directly sold slot will fetch at least three times the price, so the logic is clear. We also expect the ground to be laid for the demerger of GoCo, the price comparison website. At year end Future's forward PE was 6.9 falling to 6.4, a very undemanding level.

SigmaRoc gained +35% to close December 2024 at 72p and contributed +0.44%. That share performance is slightly flattering as the second half of 2023 saw a sharp fall from 62p to 45p. Why the weakness and why the strength? Essentially it was in the run-up to November 2023's €1 billion purchase of CRH's lime quarries. It is still early days, but SigmaRoc is increasingly confident of capturing major synergies from the deal. These are expected to generate savings of €35 million to €60 million per year by 2027. Consensus profit after tax forecasts grow from £86 million this year to £111 million in 2025 and £131 million in 2026. These improvements are in spite of macro headwinds. The ending of the Ukraine war in 2025 would be a fillip for the building materials sector in eastern and central Europe. The main point is that self-help measures should provide several years of progress whatever happens more broadly. The forward adjusted earnings multiple is 8.3 falling to 7.1 in 2026.

Fund Manager's Report (Continued)

Report for the year ended 31 December 2024

Major Contributors (continued)

Loungers contributed +0.44% and it rose +36% after the board recommended a bid/buyout at 310p led by Fortress. The terms are complicated as major holders and insiders are to receive rollover units for their stakes, creating a glaring conflict of interest. The terms, on a forward PE of 21 falling to 17, are hardly generous and give a total return of less than 7% per year since the initial public offering in May 2019. Loungers has doubled its number of its sites since it floated, weathering the strains of lockdown along the way. This has been an impressive performance but the main benefits of the expansion are yet to be seen in the reported profits, making it irksome to sell at this stage.

Major Detractors

Team Internet fell -25% and detracted by -0.40%. This is a complicated business and its recent problems have underlined this. In March 2024, it paid $43 million to buy Shinez, an Israeli adtech business. This was reported to be at a strangely low EBITDA multiple of just 4x. Due to unbelievably poor due diligence, it was not realised at the time that half of the revenue ultimately came via Amazon's advertising marketplace. Apparently tired of low-quality traffic, Amazon blocked Shinez in the summer, leaving it barely breaking even. This was particularly painful for Team Internet's share price which had briefly topped 203p before the setback was announced. Unfortunately, there was further bad news, this time from Google. Only Team Internet and six other companies are allowed to serve advertising traffic to Google via the AdSense system. But since early 2024, Google has also been allowing adverts from an alternative system called Rsoc. This has brought in new competition and has siphoned off around 10% of the market from AdSense. Prices and margins have fallen, and this part of Team Internet is no longer a source of growth. There are two brightish spots. Firstly, the company has shed half the headcount from its Online Presence division and aims to restore it to decent profitability. Presence should be a steady profit generator, but Team Internet's previous CEO hired a large sales force in a failed dash for growth. The second brighter spot is that 'Gleich', the heavily automated price comparison website, is doing well and will soon add Spain and Italy to its German and French coverage. The trading update promised for late January 2025 will at last disclose profitability of Team Internet's various divisions rather than only reporting a single earnings before interest and tax number for the whole group. Meantime the shares languish on a forward PE of 4.4.

Jubilee Metals detracted by -0.44% and the shares tumbled -44%. June 2024 year end results showed EPS at 0.2c, down from 0.57c. The Zambian operations made $4.2 million before tax, up from a $1.1 million loss, but South Africa tumbled from $18.4 million to $8.1 million as production of platinum group metals (PGMs) fell sharply and margins were squeezed. The news at Jubilee has tended to focus on Zambia because CEO Leon Coetzer has portrayed a copper Eldorado. But the company's strength has rested on its chrome operations in South Africa. Three years ago this consisted of processing chrome ore from miners in exchange for a small toll fee plus free use of the PGM byproducts. Of these, rhodium saw a six-fold price hike in 2021 but has since fallen right back to its 2019 level. As a result, Jubilee has partially switched to buying old chrome pits and processing their ores, using its skills at extracting higher grades than its competitors. This is sensible but it cannot match the $85 million earnings from PGMs seen in the year to June 2021 or the $60 million in 2022.

Fund Manager's Report (Continued)

Report for the year ended 31 December 2024

Major Detractors (continued)

Investors understood this but their disappointment has come from Zambia, where the expansion of copper production has repeatedly been far slower than guided by Leon Coetzer. Typical of this, an operational update in November 2024 was encouraging but the good news was undone in December when Jubilee warned that grid problems in Zambia had led to power cuts and lost production. We have influenced the appointment of the new CFO and we expect to see more stability in the company's performance and messaging. The current brokers' consensus is for EPS in 2025 of 1.25c and 1.63c in 2026. The shares closed the year at 3.6p.

CVS detracted by -0.94%, falling -38% before it was sold. This was a painful decision but we saw little point keeping it as the investigation by the Competition and Markets Authority (CMA) only has to report by 22 November 2025. Interim findings may emerge in May 2025 but there will be plenty of disputes over remedies and possibly legal challenges to follow. The CMA is determined to extract its pound of flesh and this leaves shares friendless in the meantime.

Prudential fell -28% and detracted by -0.96%. The shares have fallen pretty relentlessly since 2021 when the US and UK operations were shed. It has moved more or less in lockstep with its local Hong Kong insurance peer, AIA. Both shares were in turn moving in line with the Hang Seng index, though earlier this year the Hang Seng started to rally. Prudential itself does seem to have stopped falling. Beijing has made many and varied efforts to fight the asset and consumer price deflation which has followed the bursting of the property bubble. The share price weakness has been frustrating as the company continues to operate well. Adjusted operating profit rose 9% in the first half of 2024 and the embedded value, reflecting the upside from savings lodged with company, was $15.75 per share. That left the shares at a substantial discount on 31 December 2024. Will the successive 'big bazookas' fired by the authorities do the trick? Shares in Shanghai rallied a third after one barrage in September 2024, but there have since been signs of weakness. The 10-year yield for Chinese bonds fell from over 3% in 2021 to below 2% at period end. This suggests it will be some time before animal spirits revive. Still, savings fill a basic human need and the long-term prospects for the company remain good.

Next 15 was the worst detractor, at -1.43%, after falling -52%. The backdrop in marketing and advertising has not been great but by far the biggest problem was self-inflicted. On 6 September 2024 the company warned that the biggest customer for Mach49, its incubator consultancy, had decided to cancel its $100 million per year contract two years ahead of the legal expiry date. The name of this client has never been publicly revealed but is understood to be an agency of the Saudi government. We also suspect the businesses being incubated were part of Neom, the sprawling brainchild of crown prince Mohammed bin Salman. Losing the biggest contract is bad enough, but even worse is that Next 15 remains on the hook for a further $105 million in deferred payments to the vendors of Mach49. At our meeting with company the CEO held out the hope that this outflow might eventually be justified by future earnings from the consultancy. Mach49 never fitted comfortably with the rest of the group, and we are pressing for board changes to help improve governance. Investors had already largely discounted earnings from Mach49 because these were all swallowed by the payments to the vendors. But nobody had bargained for the unnamed client simply cancelling the contract. The CEO admits that Next 15 has too many businesses and he has set about streamlining it. The economic outlook is uncertain, and governments in particular can blow hot and cold at short notice. The shares closed the year on a forward PE of 6.8 and a yield of 3.4%. This is a punishment-beating rating for a business with a strong long-term record of growth.

Fund Manager's Report (Continued)

Report for the year ended 31 December 2024

Purchases and Sales

During the year we bought three new holdings – **Applied Nutrition**, **Card Factory** and **GSK –** and received shares of **Optima Health** on its demerger from Marlowe.

Existing holdings **Franchise Brands** and **Jubilee Metals** were added to.

The following holdings were sold in their entirety: **CVS**, **Hutchmed (China)**, **International Workspace Group**, **ITV**, **James Fisher & Sons** and **Kin & Carta**. **Ten Entertainment** left the Fund on completion of its takeover.

Breedon, **Fonix**, **Foresight Group**, **Future**, **Hollywood Bowl**, **JTC**, **Next 15**, **Prudential**, **R&Q Insurance Holdings**, **Rathbones**, **Serco**, **Tesco** and **TT Electronics** were trimmed.

Outlook

The domestic atmosphere in the UK has taken a knock from the recent Budget and the gloomathon which preceded it. Meantime across the Atlantic a business fiesta is in full swing from the impending change of administration, going from upregulation to deregulation. We are about to live through a clear side by side comparison between the two opposite approaches in the UK and US. Even in housing, the one sector where Labour is promising deregulation, it threatens to blunt the benefit by imposing costly conditions on the builders. Still, we have seen these episodes before. The free-spending Labour government of the 1970s was forced into an about turn within two years of winning its majority in October 1974. This culminated in a humiliating see-me-afterwards encounter with the International Monetary Fund. How did the shares in the five years from October 1974 do? Quite well, actually. They trebled in cash terms and rose 50% versus the retail price index. Dividends were taxed at up to 98% in those crazy days, but in untaxed form they raised the total real return to over 80%. The point of this history trek is that crazy policies tend to be corrected, and the markets have a habit of looking past them. We anticipate a change of direction by the current government. It is already aware of the impact of fund outflows on the London market and by extension the broader economy. Measures to favour investment in UK equities would have a startling impact. In the meantime, we brace for difficulties but see strong upside from the portfolio where the average forward PE is an attractive 12.6 falling to 11.0, with many companies trading at or near historically low ratings.

Slater Investments Limited
February 2025

Fund Manager's Report (Continued)

Distributions (pence per unit)

	Year 2025	Year 2024	Year 2023	Year 2022
Class A Accumulation				
Net income paid last day of February	11.9046	4.0868	-	-
Class B Accumulation				
Net income paid last day of February	16.1515	8.1827	2.4953	1.9303
Class P Accumulation				
Net income paid last day of February	18.3879	9.9991	4.4085	4.1209

Material portfolio changes
For the year ended 31 December 2024

Purchases	Cost (£)	Sales	Proceeds (£)
GSK	14,694,775	Serco	35,662,048
Franchise Brands	8,471,824	Ten Entertainment	21,842,712
Card Factory	8,403,359	CVS	16,197,750
Applied Nutrition	7,873,180	Prudential	14,924,863
Jubilee Metals	1,800,000	Tesco	11,626,144
		International Workspace Group	11,521,877
		JTC	11,268,294
		Next 15	8,449,696
		Hutchmed (China)	8,363,393
		ITV	5,906,125
		Fonix	5,581,601
		Hollywood Bowl	4,975,839
		Kin & Carta	4,730,884
		Future	4,186,694
		James Fisher & Sons	4,041,673
		Breedon	3,839,746
		Rathbones	1,836,485
		Foresight Group	111,388
		R&Q Insurance Holdings	32,141
		TT Electronics	31,412
Total Purchases for the year	**41,243,138**	**Total Sales for the year**	**175,130,765**

Environmental, Social And Governance ("ESG") Report

Report for the year ended 31 December 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 pre-emptively ESG risks that may emerge and threaten the price-earnings ratio or earnings growth prospects of Slater Investments's 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 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. 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 Growth Fund (the "Fund") is 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 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 31 December 2024. Once the SDR regime has been fully implemented and further clarity provided to the industry, Slater Investments will then consider the labelling regime introduced by SDR. Any further changes to the Fund will be notified to investors in due course.

Environmental, Social And Governance ("ESG") Report (Continued)

Report for the year ended 31 December 2024

Introduction (continued)

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.

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 engages with companies.

Slater Investments engaged with company representatives of investee companies of the Fund on 36 separate occasions during the 12 months to **31 December 2024**.

In May 2024, we met with the Chair of the Remuneration Committee and the Chief Financial Officer ("CFO") 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") in September 2024, 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 June 2024, we met with the Chair of the Remuneration Committee of Inspired Plc ("Inspired"). The purpose of the meeting was to discuss the company's 2023 Remuneration Report which was being considered at the company's upcoming AGM. One of the proxy advisers had issued an "Against" recommendation in relation to the resolution to approve the Remuneration Report at the 2024 AGM. We had already decided to vote against the resolution as the company's Remuneration Policy included the use of nil-paid options. We did however disagree with the reason provided by the proxy adviser; this is not the first resolution where we have disagreed with a proxy adviser's recommendation.

With the growth of shareholder interest in companies' corporate governance and related matters, this led to the influence of proxy advisers such as ISS and Glass Lewis. These advisers can have significant influence over the outcomes of both management and shareholder proposals at annual and general meetings of listed companies and this has been seen as an issue by impacted boards.

Environmental, Social And Governance ("ESG") Report (Continued)

Report for the year ended 31 December 2024

Engagement (continued)

Many in the investment management industry, as well as individual investors, make use of the research and reports published by proxy advisers when making decisions on voting. These advisers provide standardised voting recommendations which are then followed by investors when voting at company meetings.

Slater Investments does not and never has made use of proxy advisers when making voting decisions. We are active managers and take full responsibility for our investment decisions, including voting on proxies at our portfolio companies' annual and general meetings. Delegating this responsibility to a proxy adviser would, in our opinion, dilute our sense of ownership and accountability, which are crucial elements of active management.

In July 2024, we had the opportunity to meet the recently appointed Chief Executive Officer ("CEO") of Alliance Pharma Plc ("Alliance"), Nick Sedgwick. We spoke regarding the company's new direction with plans of expanding their consumer healthcare segment. The company has had a challenging year, with negative market sentiment towards the company primarily due to a combination of delays in the publication of the company's annual report, the departure of their long-term CEO and the (now successful) appeal before the Competition Appeal Tribunal of a decision by the UK Competition and Markets Authority and £7.9 million penalty imposed by it. There was also a change in senior leadership of the company, with a new Chair of the Board appointed, the change in CEO and the departure of the Chief Operating Officer announced in July 2024. Due to what we considered to be a failing by the Board in respect of the delayed publication of the company's annual report, we voted against the Chair of the Audit and Risk Committee at Alliance's Annual General Meeting in July 2024. This engagement is ongoing.

During the 12-month period, we met a number of times with various members of the Future Plc ("Future") Board. The company has experienced several significant changes in its executive leadership. In December 2023, Penny Ladkin-Brand, who served as the Chief Financial and Strategy Officer for over eight years, announced her decision to step down from her role. Her successor, Sharjeel Suleman, who was appointed in September 2024, reached out to us to discuss his plans for the company and where we would like to see the business go in the long term which is a proactive action we appreciate very much from incoming executives. In October 2024 we met with the Chair to discuss the departure of Jon Steinberg, who had served as CEO since April 2023 to relocate back to the United States with his family. We discussed the process and goals for the eventual successor for the role. This engagement is still ongoing.

In July 2024, we met with the executive committee of Jubilee Metals Group Plc ("Jubilee"). At the beginning of the year, Jubilee had raised £13 million to secure one of the largest copper waste rock assets in Zambia, as part of its Copper Strategy, and formed a strategic partnership with Abu Dhabi based International Resources Holding RSC Limited. Disappointingly there has been poor communication from the company to the market regarding the status of the project following the initial announcement that the company expected the project to commence in the first quarter of 2024. The project had been delayed but since our meeting in July with the company, regular updates have been provided to the market. In September 2024, the company announced that Neal Reynolds had resigned as CFO to pursue a new opportunity.

Environmental, Social And Governance ("ESG") Report (Continued)

Report for the year ended 31 December 2024

Engagement (continued)

On 31 October 2024, the company appointed Jonathan Morley-Kirk as a board director and interim Finance Director, whose experience, we believe, will benefit the company. At the same time, the company confirmed the appointment of Dr Reuel Khoza as a Non-Executive Director. We consider this engagement to be ongoing and will continue to monitor progress.

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 CEO's 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. We met with the new CEO, Rufus Radcliffe, who joined the Board on 1 November 2024. 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 STV's future and the avenues the company has for continued growth in the business.

In previous Fund Reports, we outlined our engagement with STV in respect of the company's defined benefit pension funds including the use of the 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.

In September 2024, we met with the Chair of Next 15 Group plc ("Next 15") to discuss the company's recent trading update which included a profit warning. The update announced that a key customer would not be renewing its contract with one of the company's subsidiaries. Additionally, the update also confirmed that the company had continued to see an ongoing weakness in spend from its technology customers as well as a reduction in revenues from its public sector clients. As a result of these factors and the contract ending, which would impact the last month of the fiscal year, the Board believed FY25 revenue would be lower than planned, and profits to be materially below management expectations. This announcement sent the share price down 48% from the previous day's closing price.

The loss of the key customer ended in its current form on 31 December 2024 and will have an impact on this fiscal year's financial performance although it will have a greater impact for FY26 and FY27, as the contract had been expected to contribute just over £80 million of revenue in FY26 and FY27. This situation underscored the risks of client concentration. The over reliance and loss of a single large contract has exposed the disproportionate power one customer had over the company's financial outlook. This engagement is ongoing.

Environmental, Social And Governance ("ESG") Report (Continued)

Report for the year ended 31 December 2024

Engagement (continued)

During October 2024, we wrote to a number of investee companies that are listed on the Alternative Investment Market ("AIM"). There was speculation before the UK Government's Autumn Budget in October 2024 ("Budget") in respect of potential changes to be made to inheritance tax ("IHT") relief associated with investments in AIM. Prior to the Budget, qualifying AIM shares benefit from 100% Business Property Relief ("BPR"), potentially rendering them exempt from IHT if held by the investor for more than two years before the investor's death. We discussed with the investee companies, who could potentially be affected by any changes to IHT/BPR, about any measures they would implement in case BPR was removed and the impact the changes may have on the investee company in the long term. Following the announcement of the Budget, the proposed changes were limited and to be introduced from April 2026. Whilst the qualifying conditions have not changed, qualifying AIM shares will attract a 20% IHT rate upon the investor's death. Immediately following the announcement of the new rules, the immediate market reaction was positive with the AIM index rising by nearly 4%, suggesting that market participants may have anticipated a more severe change.

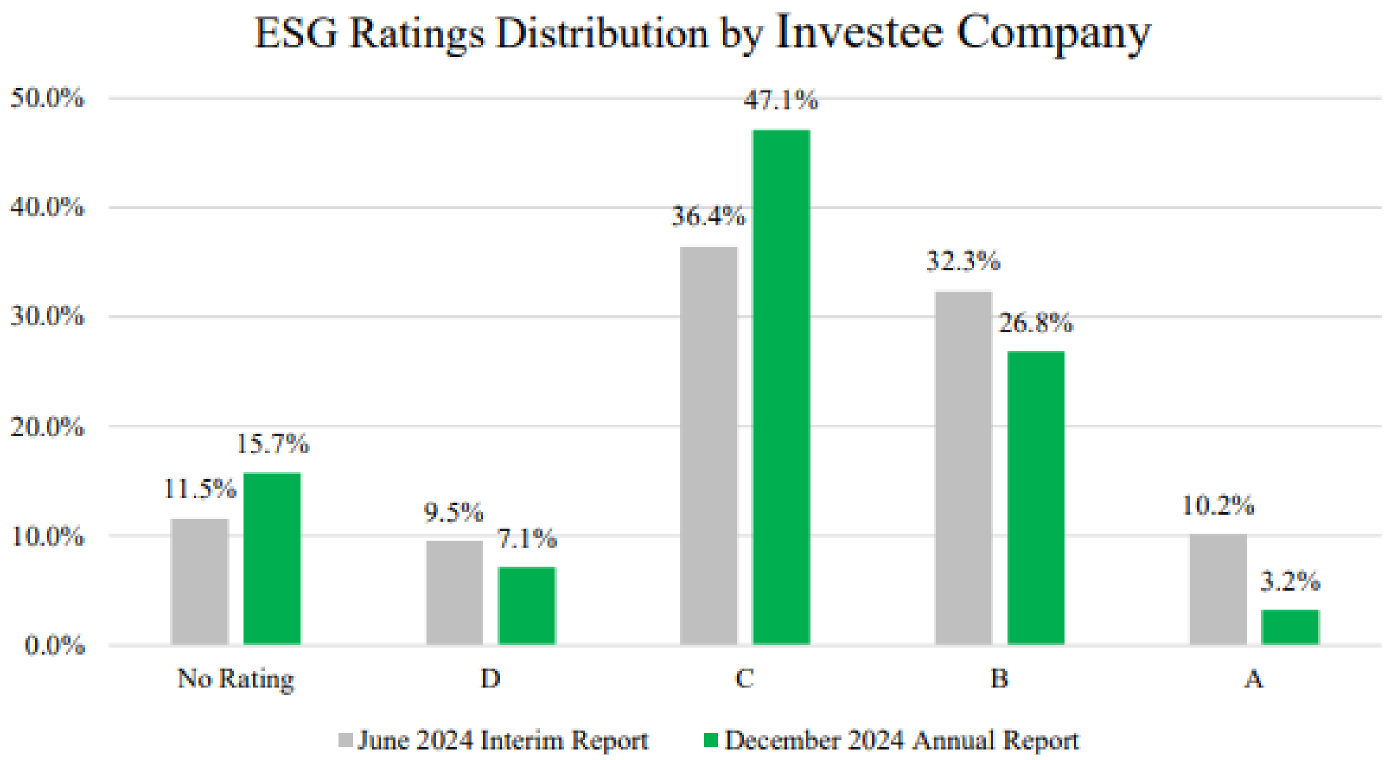
In November 2024, Volex Plc ("Volex") announced that it had submitted two proposals to the Board of TT Electronics Plc ("TT") regarding a possible cash and shares offer for the entire issued and to be issued share capital of TT. The Board of TT had declined to engage with Volex and rejected each of the Volex proposals.Within its announcement Volex explained the strategic rationale for a combination of Volex and TT. The Board of TT responded to this announcement, confirming that they had carefully considered the Volex proposals with its advisers and unanimously rejected them as fundamentally undervaluing TT and its long-term prospects. In December 2024, Volex confirmed it did not intend to make an offer for TT as the Board of TT was not willing to recommend an offer at a valuation acceptable to Volex. We met with both the CEO and Chair following this announcement by Volex and discussed the issues faced by the company in 2024. TT faced several challenges which had impacted their financial performance. This resulted in the company anticipating a reduction in second-half revenue by approximately £15 million to £20 million. We consider this engagement to be ongoing.

In November 2024, the board of directors of CF Exedra Bidco Limited, a newly formed company wholly owned by investment vehicles advised and managed by Fortress Investment Group LLC, announced they had reached agreement on the terms and conditions of a recommended acquisition of the entire issued and to be issued share capital of Loungers PLC ("Loungers") for £338.3 million, offering 310 pence per share – a 30.3% premium over the closing price on 27 November 2024, the last business day prior to the announcement of the proposal (the "Offer"). Loungers' Board recommended acceptance of the Offer. We engaged with the Chair of the company to advise we would reject the Offer and have publicly disclosed we will reject the Offer stating it was "the wrong time to be trying to sell a very good business of this kind". Other significant shareholders also expressed their intention to reject the Offer, with a number stating that the Offer undervalued Loungers' long-term prospects. Post the year end an increased recommended offer has been made to shareholders. This engagement is still ongoing.

Environmental, Social And Governance ("ESG") Report (Continued)

Report for the year ended 31 December 2024

ESG Scoring



Source: Refinitiv & Slater Investments

The chart above illustrates the distribution of the ESG ratings of the Fund's investee companies as at **31 December 2024.**

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.

The below table gives a summary of all of Slater Investments's voting instructions across the Fund's investee companies during the twelve months to **31 December 2024**.

Environmental, Social And Governance ("ESG") Report (Continued)

Report for the year ended 31 December 2024

Voting (continued)

Meetings	
Total number of meetings voted at	6
Total number of resolutions voted on	661
Number of resolutions where we voted with management	470
Number of resolutions where we voted against management	191
Number of resolutions where we abstained	4
Number of resolutions where we voted against our voting policy	6

Of Slater Investments's 191 votes against management recommendations:

- 71 related to the disapplication of pre-emptive rights;
- 43 related to the power for Directors to allot shares;
- 38 related to (Non-)Executive Director remuneration;
- 26 related to the (re-)election of (Non-)Executive Directors;
- 12 related to the request to make political donations;
- 1 related to Merger/Demerger/Takeover/Sale.

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.

The votes against management recommendations '*related to Merger or Acquisition Events*' involved the resolution proposed by R&Q Insurance Holdings at its Special General Meeting held in January 2024 to approve the sale of R&Q's Program Management Business, Accredited, which we reported on in the Fund's Interim Report.

Slater Investments also voted against its Voting Policy in favour of authorising an issue of equity without pre-emptive rights. This resolution related to a proposed placing to raise approximately £13 million by Jubilee to expand their copper portfolio in Zambia (see Engagement section above).

Environmental, Social And Governance ("ESG") Report (Continued)

Report for the year ended 31 December 2024

Voting (continued)

Slater Investments was supportive of the deal as it provided the company with the potential to accelerate its strategic investment into a historical copper waste production dump in Zambia without the associated capital burden.

- Jubilee – Authorise Issue of Equity without Pre-emptive Rights (link)

At the Annual General Meeting of Serco Plc, Slater Investments voted against its Voting Policy. The resolution related to re-electing the Chair of Remuneration Committee. The Board proposed Remuneration Policy made use of nil paid options in the directors' remuneration. We decided to vote in favour of the resolutions due to the efforts of the Board to engage with us regarding the matter.

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 ("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.

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
February 2025

Fund Information

Comparative tables

Class A accumulation units Change in net assets per unit	Year to 31.12.24 pence	Year to 31.12.23 pence	Year to 31.12.22 pence
Opening net asset value per unit	611.51	645.23	867.52
Return before operating charges*	5.76	(23.68)	(211.15)
Operating charges	(10.01)	(10.04)	(11.14)
Return after operating charges*	(4.25)	(33.72)	(222.29)
Gross distribution on accumulation units	(11.90)	(4.09)	-
Accumulation distributions reinvested	11.90	4.09	-
Closing net asset value per unit	607.26	611.51	645.23
*after direct transaction costs of	0.21	0.06	0.39
Performance			
Return after charges	(0.70)%	(5.23)%	(25.62)%
Other information			
Closing net asset value	£9,529,327	£14,508,280	£38,233,544
Closing number of units	1,569,231	2,372,517	5,925,565
Operating charges	1.58%	1.61%	1.56%
Direct transaction costs	0.03%	0.01%	0.05%
Prices			
Highest unit price	688.20p	700.39p	874.99p
Lowest unit price	596.43p	541.18p	597.07p

Class B accumulation units Change in net assets per unit	Year to 31.12.24 pence	Year to 31.12.23 pence	Year to 31.12.22 pence
Opening net asset value per unit	648.42	680.08	909.61
Return before operating charges*	6.00	(24.95)	(221.71)
Operating charges	(7.17)	(6.71)	(7.82)
Return after operating charges*	(1.17)	(31.66)	(229.53)
Gross distribution on accumulation units	(16.15)	(8.18)	(2.50)
Accumulation distributions reinvested	16.15	8.18	2.50
Closing net asset value per unit	647.25	648.42	680.08
*after direct transaction costs of	0.23	0.06	0.41
Performance			
Return after charges	(0.18)%	(4.66)%	(25.23)%
Other information			
Closing net asset value	£27,734,661	£36,711,666	£41,100,508
Closing number of units	4,285,013	5,661,684	6,043,474
Operating charges	1.06%	1.04%	1.04%
Direct transaction costs	0.03%	0.01%	0.06%
Prices			
Highest unit price	732.00p	738.55p	917.49p
Lowest unit price	632.58p	573.32p	628.64p

Fund Information (Continued)

Comparative tables (continued)

Class P accumulation units Change in net assets per unit	Year to 31.12.24 pence	Year to 31.12.23 pence	Year to 31.12.22 pence
Opening net asset value per unit	665.21	695.99	928.63
Return before operating charges*	6.08	(25.51)	(226.54)
Operating charges	(5.57)	(5.27)	(6.10)
Return after operating charges*	0.51	(30.78)	(232.64)
Gross distribution on accumulation units	(18.00)	(10.00)	(4.41)
Accumulation distributions reinvested	18.00	10.00	4.41
Closing net asset value per unit	665.72	665.21	695.99
*after direct transaction costs of	0.23	0.06	0.41
Performance			
Return after charges	0.08%	(4.42)%	(25.05)%
Other information			
Closing net asset value	£552,099,278	£706,263,774	£924,559,250
Closing number of units	82,932,187	106,170,780	132,840,482
Operating charges	0.80%	0.79%	0.79%
Direct transaction costs	0.03%	0.01%	0.05%
Prices			
Highest unit price	752.03p	756.00p	936.71p
Lowest unit price	649.04p	587.91p	643.01p

Operating charges are the same as the ongoing charges and are the total expenses paid by each unit class in the year. Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the weighted average net asset value over the year and the weighted average units in issue for the pence per unit figures.

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 moderate to high volatility historically.

Fund Information (Continued)

Portfolio statement
as at 31 December 2024

Holding or nominal value		Bid value £	Percentage of total net assets 31 Dec'24 %	31 Dec'23 %
	ADVERTISING			
3,756,622	Next 15	14,763,524	2.50	
14,902,172	Team Internet	14,022,944	2.38	
	Total Advertising	28,786,468	4.88	5.11
	APPLICATION SOFTWARE			
13,975,983	dotDigital	12,131,153	2.06	
	Total Application Software	12,131,153	2.06	1.82
	ASSET MANAGEMENT & CUSTODY BANKS			
5,572,247	Foresight Group	22,790,490	3.87	
3,119,207	JTC	30,537,036	5.18	
1,745,680	Liontrust Asset Management	8,239,610	1.40	
8,526,000	Premier Miton	5,200,860	0.88	
854,861	Rathbones	14,190,693	2.41	
	Total Asset Management & Custody Banks	80,958,689	13.74	12.04
	BROADCASTING			
4,522,397	STV	9,858,825	1.67	
	Total Broadcasting	9,858,825	1.67	1.82
	CONSTRUCTION MATERIALS			
2,972,571	Breedon	13,227,941	2.24	
24,888,853	SigmaRoc	17,919,974	3.04	
	Total Construction Materials	31,147,915	5.28	3.60
	DISTRIBUTORS			
4,397,680	Supreme	7,476,056	1.27	
	Total Distributors	7,476,056	1.27	0.62
	DIVERSIFIED BANKS			
1,059,881	Arbuthnot Banking	9,167,971	1.56	
	Total Diversified Banks	9,167,971	1.56	1.36
	DIVERSIFIED SUPPORT SERVICES			
12,934,790	Franchise Brands	20,178,272	3.42	
4,764,788	Inspired	1,953,563	0.33	
4,881,202	Restore	11,714,885	1.99	
	Total Diversified Support Services	33,846,720	5.74	1.85

Fund Information (Continued)

Portfolio statement (continued)
as at 31 December 2024

Holding or nominal value		Bid value £	Percentage of total net assets 31 Dec'24 %	31 Dec'23 %
	ELECTRONIC COMPONENTS			
6,506,680	TT Electronics	6,766,947	1.15	
	Total Electronic Components	6,766,947	1.15	1.34
	ENVIRONMENTAL & FACILITIES SERVICES			
18,735,060	Serco	28,346,146	4.81	
	Total Environmental & Facilities Services	28,346,146	4.81	8.23
	FOOD RETAIL			
7,225,001	Tesco	26,609,679	4.51	
	Total Food Retail	26,609,679	4.51	4.10
	HEALTH CARE TECHNOLOGY			
4,058,561	Optima Health	5,763,157	0.98	
	Total Health Care Technology	5,763,157	0.98	3.42
	INDUSTRIAL MACHINERY & SUPPLIES & COMPONENTS			
12,335,386	Trifast	10,534,420	1.79	
	Total Industrial Machinery & Supplies & Components	10,534,420	1.79	1.44
	INTERACTIVE HOME ENTERTAINMENT			
14,826,360	Devolver Digital	3,558,326	0.60	
	Total Interactive Home Entertainment	3,558,326	0.60	0.35
	INTERNET SERVICES & INFRASTRUCTURE			
2,140,625	Iomart	1,562,656	0.27	
15,030,314	Redcentric	18,036,377	3.06	
	Total Internet Services & Infrastructure	19,599,033	3.33	2.88
	IT CONSULTING & OTHER SERVICES			
3,632,291	Converge Technology Solutions	6,537,803	1.11	
9,002,663	NCC	13,540,005	2.30	
	Total IT Consulting & Other Services	20,077,808	3.41	5.87
	LEISURE FACILITIES			
4,380,467	Hollywood Bowl	13,009,987	2.21	
	Total Leisure Facilities	13,009,987	2.21	5.24

Fund Information (Continued)

Portfolio statement (continued)
as at 31 December 2024

Holding or nominal value		Bid value £	Percentage of total net assets 31 Dec'24 %	31 Dec'23 %
	LIFE & HEALTH INSURANCE			
3,000,000	Prudential	19,104,000	3.24	
	Total Life & Health Insurance	19,104,000	3.24	5.91
	MOVIES & ENTERTAINMENT			
5,750,222	LBG Media	7,475,289	1.27	
	Total Movies & Entertainment	7,475,289	1.27	0.61
	OTHER SPECIALITY RETAIL			
7,624,999	Card Factory	7,449,624	1.26	
	Total Other Speciality Retail	7,449,624	1.26	-
	PERSONAL CARE PRODUCTS			
5,623,700	Applied Nutrition	7,895,675	1.34	
9,250,000	Venture Life	3,561,250	0.60	
	Total Personal Care Products	11,456,925	1.94	0.40
	PHARMACEUTICALS			
37,423,396	Alliance Pharma	16,821,817	2.85	
865,000	GSK	11,642,900	1.98	
	Total Pharmaceuticals	28,464,717	4.83	2.87
	PRECIOUS METALS & MINERALS			
174,796,062	Jubilee Metals	6,292,658	1.07	
	Total Precious Metals & Minerals	6,292,658	1.07	1.20
	PUBLISHING			
3,486,958	Future	32,289,230	5.48	
11,720,000	Reach	9,762,760	1.66	
	Total Publishing	42,051,990	7.14	5.23
	REINSURANCE			
7,257,120	R&Q Insurance Holdings	-	-	
	Total Reinsurance	-	-	0.34
	RESEARCH & CONSULTING SERVICES			
2,591,430	Elixirr International	18,399,153	3.12	
7,876,841	Fintel	20,873,629	3.54	
4,058,561	Marlowe	12,906,224	2.19	
1,550,000	Wilmington	5,905,500	1.00	

Fund Information (Continued)

Portfolio statement (continued)
as at 31 December 2024

Holding or nominal value		Bid value £	Percentage of total net assets 31 Dec'24 %	31 Dec'23 %
	Total Research & Consulting Services	58,084,506	9.85	7.65
	RESTAURANTS			
5,759,130	Loungers	17,507,755	2.97	
9,433,879	Marston's	4,150,907	0.70	
	Total Restaurants	21,658,662	3.67	2.13
	TRADING COMPANIES & DISTRIBUTORS			
4,291,363	Avation	6,437,045	1.09	
	Total Trading Companies & Distributors	6,437,045	1.09	0.71
	TRANSACTION & PAYMENT PROCESSING SERVICES			
3,150,854	Fonix	6,805,845	1.15	
	Total Transaction & Payment Processing Services	6,805,845	1.15	1.77
	Portfolio of investments	562,920,561	95.50	93.76
	Net current assets	26,442,705	4.50	6.24
	Net assets	589,363,266	100.00	100.00

Annual Financial Statements

For the year ended 31 December 2024

Statement of total return

	Notes	31 December 2024 £	31 December 2024 £	31 December 2023 £	31 December 2023 £
Income					
Net capital loss	4		(13,385,882)		(62,485,185)
Revenue	6	23,994,928		20,085,601	
Expenses	7	(5,749,913)		(7,219,637)	
Net revenue before taxation		18,245,015		12,865,964	
Taxation	8	(23,758)		(16,124)	
Net revenue after taxation			18,221,257		12,849,840
Total return before distributions			4,835,375		(49,635,345)
Distributions	9		(18,225,464)		(12,850,937)
Change in net assets attributable to unitholders from investment activities			(13,390,089)		(62,486,282)

Statement of changes in net assets attributable to unitholders

	31 December 2024 £	31 December 2024 £	31 December 2023 £	31 December 2023 £
Opening net assets attributable to unitholders		757,483,720		1,003,893,302
Amounts receivable on issue of units	21,950,561		24,103,095	
Amounts payable on cancellation of units	(192,905,070)		(219,498,621)	
Amounts payable on unit class conversions	306		55,834	
Dilution adjustment	95,468		240,036	
		(170,858,735)		(195,099,656)
Change in net assets attributable to unitholders from investment activities		(13,390,089)		(62,486,282)
Retained distributions on accumulation units		16,128,370		11,176,356
Closing net assets attributable to unitholders		589,363,266		757,483,720

Annual Financial Statements (Continued)

For the year ended 31 December 2024

Balance sheet

	Notes	31 December 2024 £	31 December 2024 £	31 December 2023 £	31 December 2023 £
ASSETS					
Fixed Assets					
Investments			562,920,561		710,192,192
Current Assets					
Debtors	10	979,779		826,892	
Cash	11	25,801,213		49,939,606	
Total current assets			26,780,992		50,766,498
Total assets			589,701,553		760,958,690
LIABILITIES					
Current liabilities					
Creditors	12	338,287		3,474,970	
Total liabilities			338,287		3,474,970
Net assets attributable to unitholders			589,363,266		757,483,720

Notes to the Annual Financial Statements

For the year ended 31 December 2024

1. ACCOUNTING POLICIES

a. Basis of preparation

The financial statements have been prepared in compliance with FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, 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. The principal accounting policies adopted are set out below.

b. Going concern

The Authorised Fund Manager has, at the time of approving the financial statements, a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the financial statements.

c. Revenue

Dividends from equities are recognised when the security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

In the case of an ordinary stock dividend the whole amount is recognised as revenue. In the case of an enhanced stock dividend, the value of the enhancement, calculated as the amount by which the total market value of the shares on the date they are quoted ex-dividend exceeds the cash dividend is treated as capital. The balance is treated as revenue.

d. Expenses

All expenses are accounted for on an accruals basis and, other than those relating to the purchase and sale of investments and dealing in the units of the scheme, are charged against income as shown in these accounts.

e. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

1. ACCOUNTING POLICIES (CONTINUED)

e. Taxation (continued)

Current tax
The tax currently payable is based on net revenue for the year. The taxable amount differs from net revenue as reported in the Statement of Total Return (SoTR) because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Fund's liability for current tax is calculated using tax rates that have been enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the SoTR. Deferred tax assets and liabilities are offset when the Fund has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

f. Valuation of investments

The investments of the Fund have been valued at their fair value using closing bid prices on the last business day of the accounting period. Fair value is normally the bid value of each security by reference to quoted prices from reputable sources; that is the market price. If the Authorised Fund Manager believes that the quoted price is unreliable, or if no price exists, a valuation technique is used whereby fair value is the Authorised Fund Manager's best estimate of a fair and reasonable value for that investment. The fair value excludes any element of accrued interest.

g. Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange ruling at the date of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the net capital gains/(losses) for the period in the SoTR.

h. Cash

Cash includes deposits held on call with banks.

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

1. ACCOUNTING POLICIES (CONTINUED)

i. Financial assets

The Authorised Fund Manager has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of the Fund’s financial instruments.

Financial assets are recognised in the Fund’s balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include amounts receivable for the issue of units, accrued income and cash, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Amortised cost is the amount at which the financial asset is measured at initial recognition, less any reduction for impairment or un collectability.

Basic financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SoTR.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

j. Financial liabilities

Financial liabilities are recognised in the Fund’s balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified into specified categories. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of recognition.

Basic financial liabilities, which include amounts payable for cancellation of units and accrued expenses, are initially measured at transaction price. Other financial liabilities are measured at fair value.

Financial liabilities are derecognised when, and only when, the Fund's obligations are discharged, cancelled, or they expire.

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

1. ACCOUNTING POLICIES (CONTINUED)

k. Dilution adjustments

The Authorised Fund Manager may require a dilution adjustment on the subscription or redemption of units if, in its opinion, the existing unitholders (for purchases) or the remaining unitholders (for redemptions) might otherwise be adversely affected. The dilution adjustment is carried out whereby the Authorised Fund Manager may adjust the price of units being subscribed for or being redeemed on any given dealing day. The single price of the units can be adjusted either higher or lower at the discretion of the Authorised Fund Manager. Any dilution adjustment included in the price applied is applied at the Fund level. No disclosure will be made by the Manager as to whether the Net Asset Value for the day is swung or unswung. The Manager will not benefit from any Dilution Adjustment.

2. DISTRIBUTION POLICIES

a. Basis of distribution

The policy of the Fund is to distribute any net revenue shown as such in the Statement of Total Return adjusted for any dealing expenses incurred and allocated to capital. Revenue attributable to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

b. Apportionment to multiple unit classes

The Authorised Fund Manager's periodic charge is directly attributable to individual unit classes. All other income and expenses are allocated to the unit classes pro-rata to the value of the net assets of the relevant unit class on the day that the income or expenses are recognised.

c. Equalisation

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

3. RISK MANAGEMENT POLICIES

In pursuing its investment objective as stated on page 1, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities, together with cash, debtors and creditors that arise directly from its operations, for example, in respect of securities sold receivable and securities purchased payable, amounts receivable for issues and payable for cancellations and debtors for accrued income.

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

3. RISK MANAGEMENT POLICIES (CONTINUED)

The main risks arising from the Fund’s financial instruments and the Authorised Fund Manager’s policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Fund’s investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Fund holds. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the manager in pursuance of the investment objective and policy as set out in the Prospectus.

Investment limits set out in the Trust Deed, Prospectus and in the rules contained in the Collective Investment Schemes Sourcebook mitigate the risk of excessive exposure to any particular security or issuer.

Foreign currency risk

The income and capital value of the Fund’s investments can be affected by foreign currency translation movements as some of the Fund’s assets and income may be denominated in currencies other than sterling which is the Fund's functional currency.

The Authorised Fund Manager has identified three principal areas where foreign currency risk could impact the Fund. These are, movements in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment purchase or sale is entered into and the date when settlement of the investment occurs, and finally movements in exchange rates affecting income received by the Fund. The Fund converts all receipts of income received in foreign currency, into sterling on the day of receipt.

Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Fund Manager as an acceptable counterparty.

Interest rate risk

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The Fund’s cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

3. RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk

The Fund's assets comprise mainly of readily realisable securities. The main liability of the Fund is the redemption of any units that investors wish to sell. Assets of the Fund may need to be sold if insufficient cash is available to finance such redemptions. The liquidity of the Fund's assets is regularly reviewed by the Authorised Fund Manager.

4. NET CAPITAL (LOSS)/GAINS

	31 December 2024 £	31 December 2023 £
The net (loss)/gains on investments during the year comprise:		
Non-derivative securities	(12,321,436)	(61,696,684)
Currency (losses)/gains	(1,062,621)	(787,696)
Transaction charges	(1,825)	(805)
Net capital (loss)/gains	(13,385,882)	(62,485,185)

5. PURCHASES, SALES AND TRANSACTION COSTS

	31 December 2024 £	31 December 2023 £
Purchases excluding transaction costs	41,107,345	25,107,778
Corporate actions	-	-
	41,107,345	25,107,778
Commissions	20,835	11,836
Taxes and other charges	114,958	15,544
Total purchase transaction costs	135,793	27,380
Purchases including transaction costs	41,243,138	25,135,158
Purchase transaction costs expressed as a percentage of the principal amount:		
Commissions	0.05%	0.05%
Taxes and other charges	0.28%	0.06%
Sales excluding transaction costs	175,228,820	165,079,530
Corporate actions		-
	175,228,820	165,079,530
Commissions	(97,758)	(55,984)
Taxes and other charges	(297)	(317)
Total sale transaction costs	(98,055)	(56,301)
Sales net of transaction costs	175,130,765	165,023,229

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

5. PURCHASES, SALES AND TRANSACTION COSTS (CONTINUED)

Sales transaction costs expressed as a percentage of the principal amount:		
Commissions	0.06%	0.03%
Taxes and other charges	0.00%	0.00%
Total purchases and sales transaction costs expressed as a percentage of the weighted average net asset value over the year:	0.03%	0.01%

Transaction handling charges

These are total charges payable to the depositary in respect of each transaction.	1,825	805

Average portfolio dealing spread

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	1.35%	1.38%

6. REVENUE

	31 December 2024 £	31 December 2023 £
UK dividends	21,275,243	16,512,329
Overseas dividends	1,256,759	1,384,311
Bank interest	1,462,926	2,188,961
Total revenue	23,994,928	20,085,601

7. EXPENSES

	31 December 2024 £	31 December 2023 £
Payable to the Authorised Fund Manager or associates:		
Authorised Fund Manager's periodic charge	5,474,457	6,913,960
	5,474,457	6,913,960
Payable to the trustee or associates:		
Trustee's fees	172,641	189,724
Safe Custody fees	81,869	93,459
	254,510	283,183
Other expenses:		
Financial Conduct Authority Fee	61	121
Audit fee	8,712	7,920
Other expenses	12,173	14,453
	20,946	22,494
Total expenses	5,749,913	7,219,637

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

8. TAXATION

	31 December 2024 £	31 December 2023 £
Analysis of the tax charge for the year		
UK Corporation tax at 20% (2023: 20%)	-	-
Overseas tax	23,758	16,124
Total tax charge	23,758	16,124
Factors affecting the tax charge for the year		
Net revenue before taxation	18,245,015	12,865,964
Corporation tax at 20% (2023: 20%)	3,649,003	2,573,193
Effects of:		
Revenue not subject to taxation	(4,506,400)	(3,579,328)
Unrelieved excess management expenses	857,397	1,006,135
Overseas tax	23,758	16,124
Current tax charge	23,758	16,124

At 31 December 2024 the Fund has deferred tax assets of £11,075,107 (2023: £10,217,710) arising from surplus management expenses which have not been recognised due to uncertainty over the availability of future taxable profits.

9. DISTRIBUTIONS

	31 December 2024 £	31 December 2023 £
The distributions take account of revenue received or deducted on the issue of units and revenue deducted or received on the cancellation of units, and comprise:		
Final - Income to December	16,128,370	11,176,356
Equalisation added on cancellation of units	2,432,742	1,757,113
Equalisation deducted on issue of units	(335,954)	(138,367)
Equalisation payable on unit class conversions	306	55,835
Distributions	18,225,464	12,850,937
Distributions represented by:		
Net revenue after taxation	18,221,257	12,849,840
Add: Revenue deficit for the year	-	-
Add: Other capital expenses	-	622
Add: Prior year income received post year end	-	-
Balance brought forward	1,857	(1,382)
Balance carried forward	2,350	1,857
	18,225,464	12,850,937

Details of the distribution per unit are set out in the distribution table in note 17.

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

10. DEBTORS

	31 December 2024 £	31 December 2023 £
Amounts receivable for issue of units	511	-
Accrued income	953,686	810,742
Prepaid expenses	12	24
Dividends receivable	25,570	16,126
Total debtors	979,779	826,892

11. CASH

	31 December 2024 £	31 December 2023 £
Capital bank account	25,801,213	49,939,606
Deposit account	-	-
Total cash	25,801,213	49,939,606

12. OTHER CREDITORS

	31 December 2024 £	31 December 2023 £
Securities purchased payable	-	2,185,000
Amounts payable for cancellation of units	256,617	1,221,124
Accrued expenses	81,670	68,846
Total other creditors	338,287	3,474,970

13. RELATED PARTIES

Slater Investments Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the Fund.

Management fees paid to Slater Investments Limited for the year amounted to £5,474,457 (2023: £6,913,960). Amounts due and payable at the year end to Slater Investments Limited total £676 (2023: £nil).

The aggregate monies received by the Authorised Fund Manager through the issue of units and paid on cancellation of units are disclosed in the statement of changes in net assets attributable to unitholders. Amounts outstanding at year end for the issue of units is £511 (2023: £ nil), amounts payable at year end for units redeemed total £256,617 (2023: £1,202,641).

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

13. RELATED PARTIES (CONTINUED)

As at the year end the Authorised Fund Manager, Directors of the Authorised Fund Manager and their dependents and Northglen Investments Limited, parent of the Authorised Fund Manager, held units in the Fund as follows:

Investor	% Holdings	
	31 December 2024	31 December 2023
Proportion of class P units owned by Slater Investments Limited	0.05%	0.03%
Proportion of class P units owned by Northglen Investments Limited	1.51%	1.18%
Proportion of class P units owned by directors beneficially and non-beneficially	0.42%	0.32%

14. UNITHOLDERS' FUNDS

The Fund currently has three unit classes: Class A (minimum investment £3,000); Class B (minimum investment £100,000); and Class P (minimum investment £5,000,000). The annual management charges are 1.5%, 1% and 0.75% respectively.

During the year the Authorised Fund Manager has issued or cancelled units as set out below:

Accumulation units	Class A	Class B	Class P
Opening units in issue at 1 January 2024	2,372,517	5,661,684	106,170,780
Units issued	59,990	422,827	2,652,994
Units cancelled	(849,874)	(1,778,837)	(25,924,002)
Units issued on conversion of units	7,615	2,946	42,275
Units cancelled on conversion of units	(21,017)	(23,607)	(9,860)
Closing units in issue at 31 December 2024	1,569,231	4,285,013	82,932,187

15. RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and the net assets by £28,146,028 (2023: £35,509,610). A five per cent decrease would have an equal and opposite effect.

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

15. RISK DISCLOSURES (CONTINUED)

Foreign currency risk
At the year end date a portion of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Foreign currency exposure as at 31 December 2024	Investments (£)	Net current assets (£)	Total (£)
CAD	6,477,639	-	6,477,639

Foreign currency exposure as at 31 December 2023	Investments (£)	Net current assets (£)	Total (£)
CAD	8,880,224	-	8,880,224

Foreign currency risk sensitivity
A five per cent decrease in the value of sterling relative to the Canadian Dollar would have the effect of increasing the return and net assets of the Fund by £323,882 (2023: £444,011). A five per cent increase would have the equal and opposite effect.

Liquidity risk
The following table provides a maturity analysis of the Fund's financial liabilities:

	31 December 2024 £	31 December 2023 £
Other creditors		
Less than 1 year	338,287	3,474,970
Total	338,287	3,474,970

16. FAIR VALUE DISCLOSURE

Fair value hierarchy as at 31 December 2024

	31 December 2024		31 December 2023	
Valuation technique	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1	562,920,561	-	710,192,192	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	562,920,561	-	710,192,192	-

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

16. FAIR VALUE DISCLOSURE (CONTINUED)

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The Fund has adopted “Amendments to FRS 102”, Section 34 which establishes a hierarchy to be used to estimate the fair value of investments that are publicly traded or whose fair value can be reliably measured if they are not publicly traded. The levels of the hierarchy are as follows:

(1) Fair value based on a quoted price for an identical instrument in an active market.
(2) Fair value based on a valuation technique using observable market data.
(3) Fair value based on a valuation technique that relies significantly on non-observable market data and will include values not primarily derived from observable market data.

The determination of what constitutes “observable” requires significant judgement by the Authorised Fund Manager. The Authorised Fund Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Where investments have final redeemable prices supported by the underlying administrators, these would have been classified as Level 2.

R&Q Insurance Holdings are priced at no value as the company is subject to completion of a liquidation and winding up process in which we expect there to be no return for shareholders.

Notes to the Annual Financial Statements (Continued)

For the year ended 31 December 2024

17. DISTRIBUTION TABLE

ACCUMULATION UNITS

For the year ended 31 December 2024

Group 1: units purchased prior to 1 January 2024
Group 2: units purchased on or after 1 January 2024

		Net revenue to 31-Dec-24 pence per unit	Equalisation to 31-Dec-24 pence per unit	Distribution payable 28-Feb-25 pence per unit	Distribution paid 29-Feb-24 pence per unit
Class A	Group 1	11.9046p	0.0000p	11.9046p	4.0868p
	Group 2	9.1279p	2.7766p	11.9046p	4.0868p
Class B	Group 1	16.1515p	0.0000p	16.1515p	8.1827p
	Group 2	7.5723p	8.5792p	16.1515p	8.1827p
Class P	Group 1	18.3879p	0.0000p	18.3879p	9.9991p
	Group 2	16.2826p	2.1052p	18.3879p	9.9991p

For Corporate unitholders the percentage split between Franked and Unfranked income relating to this distribution was:

Franked	0.00%	Unfranked	0.00%

'£0.00 is the Trustee's net liability to corporation tax in respect of the gross revenue.
'0.0000p is the Trustee's net liability to corporation tax per unit.

Appendix I

SFDR Periodic Report
PRODUCT NAME: Slater Growth Fund (the "Fund")

Legal Entity Identifier: 2138008CJ7VZLH94Q848

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 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.

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?	75.8%
UN Global Compact/ norms breach assessment	Does the company violate any of the UN Global Compact Ten Principles	2
Portfolio Weighted Average Refinitiv ESG Rating excluding cash		44.5 (C+)

*Although 2 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.

- **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?	64.5%
UN Global Compact/ norms breach assessment	Does the company violate any of the UN Global Compact Ten Principles	2
Portfolio Weighted Average Refinitiv ESG Rating excluding cash		45 (C+)

- **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.

Appendix I (Continued)

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

Indicators applicable to investments in investee companies			
Adverse sustainability indicator		**Metric**	**Annual Report 2024**
Climate and other environment-related indicators			
Greenhouse gas emissions (GHG)	GHG Emissions	GHG Emissions - Scope 1 (shown in thousands)	118.64 Tonnes
		GHG Emissions - Scope 2 (shown in thousands)	36.68 Tonnes
		GHG Emissions - TOTAL (shown in thousands)	155.32 Tonnes
		GHG Emissions - Scope 3 (shown in thousands)	311.34 Tonnes
	Carbon Footprint	Carbon Footprint	55.92 CO2e/£M
	GHG Intensity of Investee Companies	GHG intensity of investee companies	76.65 CO2e/£M
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%
	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	5.97%
	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	381.8 GWh/£M[1]
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	22.76%
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	0.09 Tonnes/£M

Appendix I (Continued)

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

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	11.19%
	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	98.03%
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	31.19
	Board gender diversity	Average ratio of female to male board members in investee companies	25.06
	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%
Other Environmental Matters			
Emissions	Emissions of ozone depletion substances	Tonnes of inorganic pollutants equivalent per £million invested, expressed as a weighted average	0.0 Tonnes/£M
	Emissions of inorganic pollutants	Tonnes of air pollutants equivalent per £million invested, expressed as a weighted average	0.0 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.	24.24%
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%

Appendix I (Continued)

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

Other Social Matters			
Social and employee matters	Insufficient Whistle-blower Protection (%)	Share of investments in entities without policies on the protection of whistle-blowers	42.75%
	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)	69.76%
Human rights	Lack of Human Rights Policy (%)	Share of investments in entities without a human rights policy	24.749%
	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	33.57%

[1] The sectors identified as high impact climate sectors include Construction Materials, Internet Services & Infrastructure and Precious Metals & Minerals.

What were the top investments of this financial product?

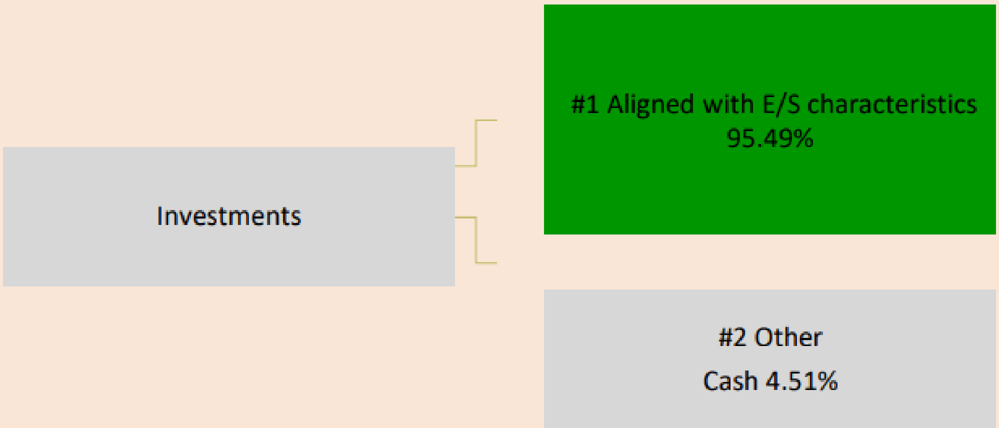
Name	GICS Sub Industry	Country	JTC NAV %
Future PLC	Publishing	United Kingdom	5.50%
JTC PLC	Asset Management & Custody Banks	Jersey	5.11%
Serco Group PLC	Environmental & Facilities Services	United Kingdom	4.81%
Tesco PLC	Food Retail	United Kingdom	4.50%
Foresight Group Holdings Ltd	Asset Management & Custody Banks	United Kingdom	3.74%
Fintel PLC	Research & Consulting Services	United Kingdom	3.58%
Franchise Brands PLC	Diversified Support Services	United Kingdom	3.40%
Prudential PLC	Life & Health Insurance	United Kingdom	3.23%
Elixirr International PLC	Research & Consulting Services	United Kingdom	3.16%
Redcentric PLC	Internet Services & Infrastructure	United Kingdom	3.04%
Sigmaroc PLC	Construction Materials	United Kingdom	3.03%
Loungers PLC	Restaurants	United Kingdom	2.99%
Alliance Pharma PLC	Pharmaceuticals	United Kingdom	2.89%
Next 15 Group PLC	Advertising	United Kingdom	2.48%
Rathbones Group PLC	Asset Management & Custody Banks	United Kingdom	2.41%

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

Appendix I (Continued)

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.

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

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

Sub Industry	% Assets
Asset Management & Custody Banks	13.54%
Research & Consulting Services	9.98%
Publishing	7.16%
Diversified Support Services	5.74%
Construction Materials	5.25%

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

Appendix I (Continued)

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 I (Continued)

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.

Appendix II

TCFD Periodic Climate-related Financial Disclosures

Slater Growth 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 more clearly 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 temperatures. These threats come in two forms: idiosyncratic and systemic risks. Idiosyncratic risks are more specific and localised, 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 the 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.

These risks 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 helps Slater Investments to assess the resilience of our investment strategy under a range of scenarios.

Appendix II (Continued)

Scenario Analysis (continued)

Through the assessment the following questions are answered:

- what proportion of the Fund's holdings are invested in climate-related sectors?
- do portfolio companies' net zero plans tally with climate scenarios which comply with the Paris Agreement?
- which of the Fund's holdings significantly influence the results?
- what level of risk is the value of the portfolio 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 Greenhouse Gas (GHG) Protocol. The GHG Protocol is a set of accounting and reporting standards for 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.

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 does not consider the entire supply chain.

Disclosure of Scope 3 emissions under TCFD 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.

Appendix II (Continued)

Climate Metrics for the Fund Investments (continued)

Total Carbon Footprint: The total amount of greenhouse gases, measured in CO_2e, that are directly and indirectly associated with an organisation's activities and products.

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 CO_2e per unit.

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.

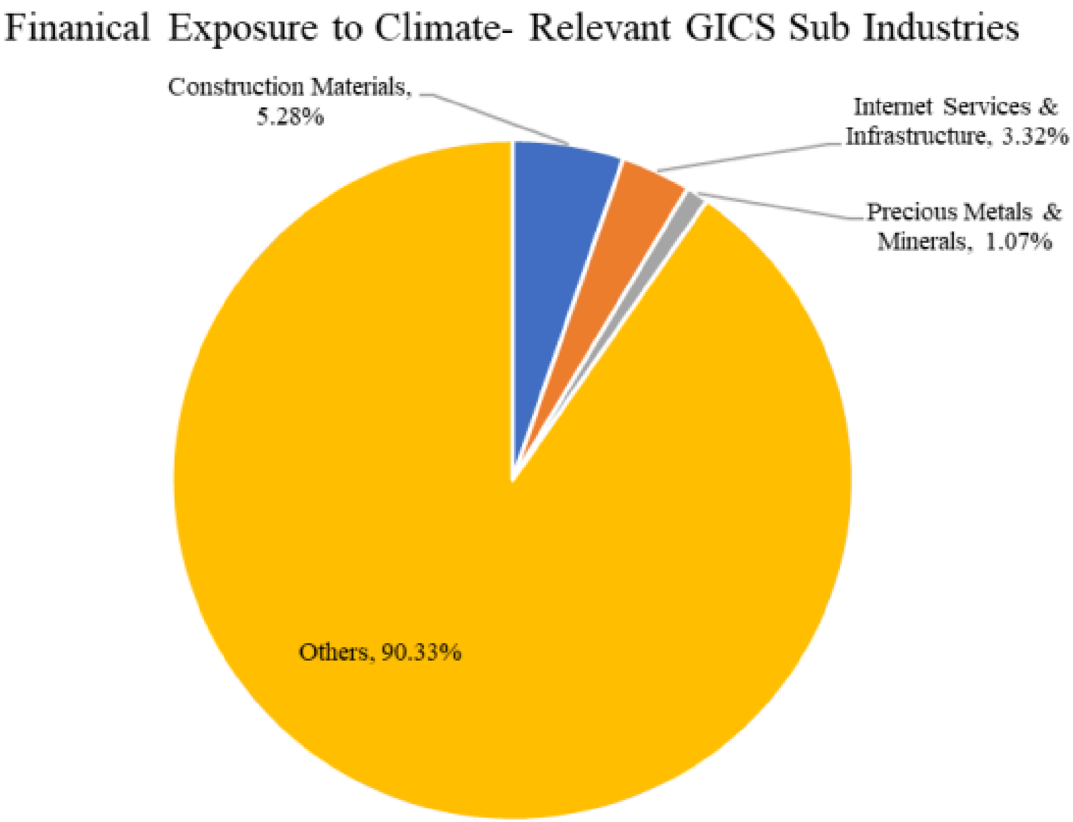
High Impact Sub Industry: This refers to industries or economic sectors that are particularly vulnerable to the effects of climate change or have a significant impact on climate change through their greenhouse gas emissions. Identifying high-impact sectors is crucial for assessing climate-related risks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

The results of our analysis are as follows:

Climate Metric	Unit Of Measurement	Coverage	December 2024 Amount
Scope 1 Carbon Emission	tCO2e -shown in thousands	76.93%	118.64
Scope 2 Carbon Emission	tCO2e -shown in thousands	78.02%	36.68
Total Carbon Emissions	tCO2e -shown in thousands	78.02%	155.32
Carbon Footprint	tCO2e/£m Invested	78.02%	55.92
WACI	tCO2e/£m Revenue	78.02%	76.65
High Impact Sector		100.00%	9.68%

Appendix II (Continued)

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



GICS Sub Industry	WACI tCo2e/£M Revenue	Contribution to Portfolio WACI%	Asset Holding £M	Asset Exposure
Construction Materials	62.13	81.1%	£31,147,915	5.28%
Internet Services & Infrastructure	3.71	4.8%	£19,599,033	3.32%
Precious Metals & Minerals	3.44	4.5%	£6,292,658	1.07%

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

Explanation of GICS Sub-Industries

Construction Materials

This sub-industry comprises companies engaged in the manufacturing of construction materials including sand, clay, gypsum, lime, aggregates, cement, concrete, and bricks.

In an orderly transition, there would be a growing demand for sustainable and eco-friendly construction materials. Companies investing in green technologies and low-carbon materials may see an increased market share. Emphasis would be placed on energy-efficient construction practices.

Appendix II (Continued)

Construction Materials (continued)

In a disorderly transition, increased costs due to regulatory changes and supply chain disruptions could be expected. Demand for traditional materials may decline as sustainability becomes a key consideration. Companies adapting quickly to eco-friendly practices may navigate these changes more successfully.

In a hothouse world scenario, there would be increased vulnerability to extreme weather events affecting construction projects. There would be a greater emphasis on resilient and climate-adaptive building materials, and strict regulations on carbon emissions may impact the sub-industry.

The most significant drivers are energy efficiency and emissions. The production of materials like cement and steel is energy-intensive and contributes substantially to greenhouse gas emissions. Companies in this sub-industry must address these issues by implementing strategies for energy efficiency, exploring alternative materials, and adopting emission reduction practices. Regulations aimed at promoting energy-efficient building practices and the growing demand for climate-resilient infrastructure are key considerations that Construction Material providers need to address in their strategic planning.

Internet Services & Infrastructure

This sub-industry includes companies that provide services and infrastructure for the internet industry, such as data centres, cloud networking, storage infrastructure, and web hosting services.

In the scenario of an orderly transition, there is an increasing demand for energy-efficient and environmentally friendly data centres. Companies that invest in renewable energy sources and implement green technologies can gain a competitive edge. For example, some data centres are now being powered by renewable energy to reduce their carbon footprint. Additionally, adopting transparent supply chain practices and ensuring fair labour conditions are becoming critical, as stakeholders prioritise corporate social responsibility.

A disorderly transition may lead to regulatory changes that disrupt operations, such as stricter environmental laws or data privacy regulations. Companies unprepared for these shifts may face operational challenges and increased costs. Conversely, companies with robust compliance frameworks and sustainable practices are better positioned to adapt and maintain operational continuity.

In a hothouse world scenario, internet infrastructure could be at risk due to extreme weather events affecting data centres and network reliability. Companies focusing on building resilient infrastructure and incorporating climate risk assessments into their planning are more likely to sustain operations. For instance, some companies are investing in data centres located in areas less prone to natural disasters and are implementing advanced cooling technologies to cope with rising temperatures.

The primary driver is the environmental impact of large-scale data centres, which consume substantial energy and water resources. The industry is increasingly emphasising transparency in sustainability efforts, such as publishing energy usage and carbon emissions reports. Regulatory changes, technological advancements like artificial intelligence and machine learning, and market demand for reliable and fast internet services also shape company strategies. For example, the rise of AI applications has led to increased investments in data centre capacity to handle the growing computational demands.

Appendix II (Continued)

Internet Services & Infrastructure (continued)

In summary, the Internet Services & Infrastructure sub-industry is navigating a complex landscape where sustainability, regulatory compliance, and technological innovation are pivotal. Companies that proactively address environmental and social challenges, invest in resilient and efficient infrastructure, and stay ahead of regulatory changes are better positioned for long-term success.

Precious Metals & Minerals

This sub-industry encompasses companies primarily engaged in mining precious metals and minerals, excluding those classified under the Gold sub-industry. This includes entities mainly involved in mining platinum group metals, diamonds, and other precious stones.

In an orderly transition, there is an increasing demand for responsibly sourced metals and minerals. Companies that adopt ethical mining practices and ensure transparency in their supply chains are likely to gain a competitive edge. Prioritising the minimisation of environmental impacts and upholding fair labour practices become crucial. Investments in technological innovations that enhance efficiency and reduce environmental footprints can open new market opportunities. For instance, the University of Oxford has demonstrated methods to extract valuable metals from geothermal brines beneath dormant volcanoes, offering a sustainable alternative to traditional mining.

In a disorderly transition scenario, this may lead to supply chain disruptions due to abrupt regulatory changes affecting mining operations. Increased scrutiny on the environmental and social aspects of mining can present challenges. Companies committed to ethical sourcing and sustainable practices are better positioned to navigate these changes effectively. For example, Norway’s decision to halt deep-sea mining plans reflects the growing environmental concerns influencing regulatory landscapes.

In a hothouse world scenario, climate-related impacts on mining operations and transportation may be a scenario where climate-related impacts are pronounced, mining operations and transportation face significant challenges. There is a heightened emphasis on building resilient supply chains and adopting sustainable extraction practices. Companies with robust environmental and social governance measures are better equipped to address these challenges.

The most significant driver is the environmental and social impact of mining operations. The sub-industry demands transparency in efforts to minimise these impacts, emphasising responsible mining practices. Regulatory changes, technological advancements, and market demand for sustainably sourced metals and minerals also shape the strategies and operations of companies in this 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.

Appendix II (Continued)

Product Scenario Alignment (continued)

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.

Climate Value at Risk

We continue to assess 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. At this current time, we are not yet confident about the adequacy and quality of the available 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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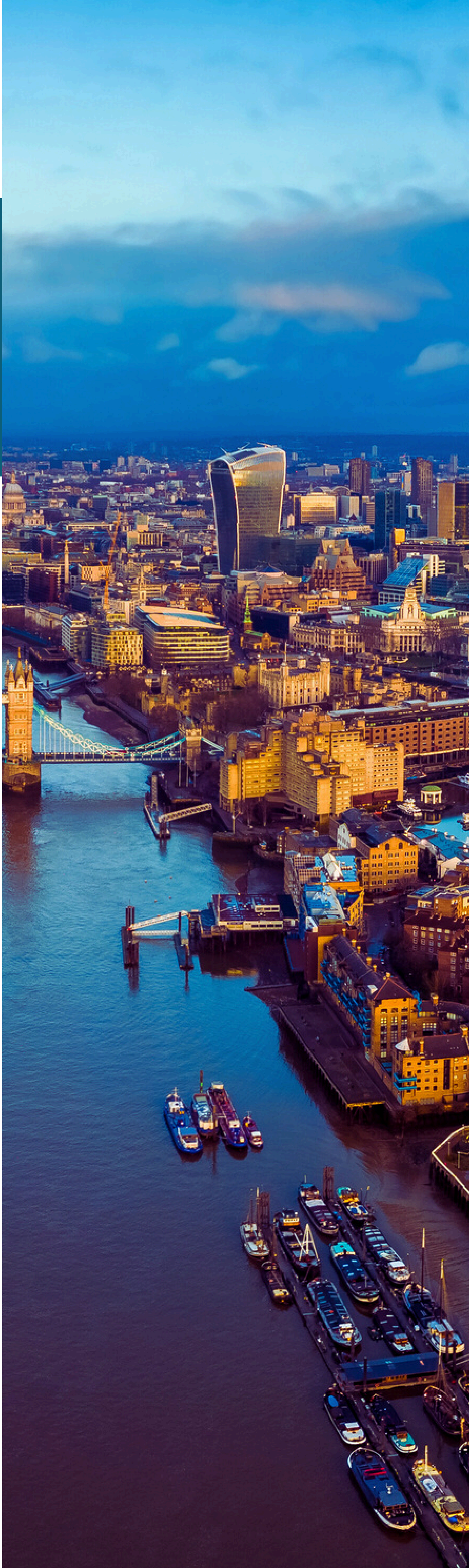

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