# SVS Zeus Investment Funds ICVC

## Annual Report

for the period 18 January 2023 to 30 November 2023

# Contents

# SVS Zeus Investment Funds ICVC

## Report of the Authorised Corporate Director ('ACD')

Evelyn Partners Fund Solutions Limited, as ACD, presents herewith the Annual Report for SVS Zeus Investment Funds ICVC for the period ended 30 November 2023.

SVS Zeus Investment Funds ICVC ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 4 October 2022. The Company is incorporated under registration number IC094763. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

The Company has been set up as an umbrella company. Provision exists for an unlimited number of sub-funds to be included within the umbrella and additional sub-funds may be established by the ACD with the agreement of the Depositary and the approval of the FCA. The sub-funds represent segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, and any other sub-fund and shall not be available for any such purpose.

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Company consist predominantly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these accounts and applicable accounting standards have been followed.

On 24 February 2022, Russian troops invaded Ukraine. In response, multiple jurisdictions have imposed economic sanctions on Russia and Belarus. In addition, a growing number of public and private companies have announced voluntary actions to curtail business activities with Russia and Belarus. In particular, SVS Zeus Investment Funds ICVC does not have direct exposure to the Russian and Belarusian markets.

The shareholders are not liable for the debts of the Company.

The Company has no Directors other than the ACD.

The Instrument of Incorporation can be inspected at the offices of the ACD.

Copies of the Prospectus and Key Investor Information Document ('KIID') are available on request free of charge from the ACD.

### Sub-fund

The Company currently has one sub-fund, SVS Zeus Dynamic Opportunities ('the sub-fund').

### Investment objective and policy - SVS Zeus Dynamic Opportunities

The investment objective of the sub-fund is to generate capital growth in excess of the FTSE All-Share Total Return Index over the long term (5 years).

There is no guarantee that the investment objective will be achieved over any time period and capital is at risk.

The sub-fund will seek to achieve its objective by investing at least 80% in a portfolio of shares of companies listed on UK recognised investment exchanges including the Main Market and Alternative Investment Market ("AIM") segments of the London Stock Exchange. This will include a range of small, medium and large companies. The sub-fund is expected to have a concentrated portfolio, typically comprising between 25 and 50 holdings.

The sub-fund may also invest in other assets including other (i.e. non UK listed) equities, preference shares, bonds, money market instruments, collective investment vehicles (including investment trusts and which may include those managed or operated by the ACD, the Investment Manager or an associate of the ACD or the Investment Manager), deposits, warrants, cash and near cash.

In addition, the sub-fund may invest in exchange traded derivatives and forward transactions for Efficient Portfolio Management ('EPM') purposes, including the reduction of risk or costs, and/or the generation of additional capital or income. It is not expected that derivatives will be actively traded, if at all, and only where appropriate for EPM purposes, albeit there may be instances where a specific position persists over a period of time.

## Investment objective and policy - SVS Zeus Dynamic Opportunities (continued)

The Investment Manager deploys a stock selection and portfolio composition process in order to identify investment opportunities, being investments which the Investment Manager considers to be high quality and able to provide persistent long term growth (forming the strategic "Core" of the portfolio) combined with shorter-term, more tactical "Satellite" investments (which have nearer term scope for capital growth). Under typical market conditions, "Core" positions will typically account for around two-thirds of the sub-fund's assets by value (and around half by number of holdings). The sub-fund's portfolio will be actively managed using a dynamic investment strategy, such that the exposure to different sizes and types of companies will vary (with no particular industry or economic sector focus) and as between the "Core" and "Satellite" investment categories, based on the Investment Manager's assessment as to wider market conditions and which investments will best assist in the objective of the sub-fund being achieved.

The sub-fund may not invest more than 10% of its value in other collective investment schemes.

## Changes affecting the Company in the period

There were no fundamental or significant changes to the Company in the period.

Further information in relation to the Company is illustrated on page 40.

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes sourcebook, we hereby certify the Annual Report on behalf of the ACD, Evelyn Partners Fund Solutions Limited.

Neil Coxhead
Director
Evelyn Partners Fund Solutions Limited
1 March 2024

## Statement of the Authorised Corporate Director's responsibilities

The Collective Investment Schemes sourcebook ('COLL') published by the FCA, requires the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net revenue and net capital losses on the property of the Company for the period.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for the Financial Statements of UK Authorised Funds ('the SORP') issued by The Investment Association in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- taking reasonable steps for the prevention and detection of fraud and irregularities; and
- the maintenance and integrity of the Company's information on the ACD's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

COLL also requires the ACD to carry out an Assessment of Value on the Company and publish these assessments within the Annual Report.

The ACD is responsible for the management of the Company in accordance with the Instrument of Incorporation, the Prospectus and COLL.

## Assessment of Value - SVS Zeus Dynamic Opportunities

In line with the provisions contained within COLL 6.6.20R, the Board of Evelyn Partners Fund Solutions Limited ('EPFL') as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for SVS Zeus Investment Funds ICVC ('the sub-fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund, at share class level, for the period ended 30 November 2023, using the seven criteria set by the FCA is set out below:

| Criteria | Founder Class | Retail Class A | Retail Class B |
|---|---|---|---|
| 1. Quality of Service | 🟢 | 🟢 | 🟢 |
| 2. Performance | 🟢 | 🟢 | 🟢 |
| 3. ACD Costs | 🟢 | 🟢 | 🟢 |
| 4. Economies of Scale | 🟢 | 🟢 | 🟢 |
| 5. Comparable Market Rates | 🟡 | 🟡 | 🟡 |
| 6. Comparable Services | 🟢 | 🟢 | 🟢 |
| 7. Classes of Shares | 🟢 | 🟢 | 🟢 |
| Overall Rating | 🟢 | 🟢 | 🟢 |

EPFL has adopted a traffic light system to show how it rated the sub-fund:

🟢 On balance, the Board believes the sub-fund has delivered value to shareholders, with no material issues noted.

🟡 On balance, the Board believes the sub-fund has delivered value to shareholders, but may require some action.

🔴 On balance, the Board believes the sub-fund has not delivered value to shareholders and significant remedial action is now planned by the Board.

How EPFL assessed each of the seven criteria and the rating arrived at are discussed in greater detail on the following pages.

EPFL has created an Assessment of Value Committee ('AVC'), for the review, challenge and approval of all funds' Assessments of Value. Ultimately the assessments will be subject to scrutiny by the Board (which includes independent directors) to ensure the outcomes of the assessments are clear and fair, before final sign-off by the chair of the Board prior to communicating to investors if the sub-fund has delivered value, and if not, where improvements need to be made.

In carrying out the assessment, the EPFL AVC has separately considered, the following seven criteria stipulated by the FCA. The Committee may also have considered other issues where it was deemed appropriate.

EPFL believes the Assessment of Value can make it easier for investors to both evaluate whether the sub-fund is providing them with value for money and make more informed decisions when choosing investments.

The seven criteria are:

(1) Quality of service – the quality of every aspect of the service provided, including, for example, accounting, administration, customer services and communications;

(2) Performance – how the sub-fund performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;

(3) ACD costs – the fairness and value of the sub-fund's costs, including entry and exit fees, early redemption fees, administration charges;

(4) Economies of scale – how costs have been or can be reduced as a result of increased assets-under-management ('AUM'), and whether or not those savings have been passed on to investors;

(5) Comparable market rates – how the costs of the sub-fund compare with others in the marketplace;

(6) Comparable services – how the charges applied to the sub-fund compare with those of other funds administered by EPFL;

(7) Classes of shares – the appropriateness of the classes of shares in the sub-fund for investors.

## Assessment of Value - SVS Zeus Dynamic Opportunities (continued)

### 1. Quality of Service

What was assessed in this section?

Internal Factors

EPFL, as ACD, has overall responsibility for the sub-fund. The Board assessed, amongst other things: the day-to-day administration of the sub-fund; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIIDs')); the pricing and valuation of shares; the calculation of income and distribution payments; the maintenance of accounting and other records; the preparation of annual audited and half-yearly Report & Accounts; the review of tax provisions and submission of tax computations to HMRC; the maintenance of the register of shareholders; the dealing and settlement arrangements; the quality of marketing material sent to shareholders. EPFL delegates the Investment Management of the sub-fund to a delegated Investment Management firm.

The Board reviewed information provided by EPFL's control functions on the adequacy of its internal services, including governance, operations and monitoring. Elements important to the investor experience such as the timely payment of settlement and distribution monies were also reviewed. Over the past year, EPFL has been audited by internal and external auditors, the sub-fund's Depositary and various EPFL delegated Investment Managers.

External Factors

The Board assessed the delegate's skills, processes and experience. Also considered were any results from service review meetings as well as the annual due diligence performed by EPFL on the delegated Investment Manager, Zeus Investment Management Limited, where consideration was given to, amongst other things, the delegate's controls around the sub-fund's liquidity management.

The Board also considered the nature, extent and quality of administrative and shareholder services performed under separate agreements covering depositary services, custodians, as well as services provided with regard to both audit and legal functions.

What was the outcome of the assessment?

Internal Factors

The Board recognised that all distribution and settlement monies were paid in a timely manner and that there were no significant findings as a result of the various audits performed on EPFL during the year. In addition, EPFL has performed its own independent analysis, using automated systems, of the sub-fund's liquidity. The Board concluded that EPFL had carried out its duties diligently.

External Factors

The Board concluded that the nature, extent and quality of the services provided by the external parties have benefitted and should continue to benefit the sub-fund and its shareholders.

Were there any follow up actions?

There were no follow-up actions required.

### 2. Performance

What was assessed in this section?

The Board reviewed the performance of the sub-fund, after the deduction of all payments out of the scheme property as set out in the Prospectus. Performance, against its benchmark, was considered over appropriate timescales having regard to the sub-fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

Investment Objective

The sub-fund seeks to generate capital growth in excess of the FTSE All-Share Total Return Index over the long term (5 years). There is no guarantee that the investment objective will be achieved over any time period and capital is at risk.

Benchmark

As ACD, EPFL is required to explain in a sub-fund scheme documentation why a benchmark is being used or alternatively explain how investors should assess performance of a sub-fund in the absence of a benchmark.

The benchmarks for the sub-fund are the IA UK All Companies Sector, which is a comparator benchmark and the FTSE All-Share Total Return Index as a target benchmark for the purposes of calculating the Performance Fee. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the sub-fund had performed against both benchmarks over various timescales can be found on the following page.

## Assessment of Value - SVS Zeus Dynamic Opportunities (continued)

### 2. Performance (continued)

Cumulative Performance as at 31 October 2023 (%)

| | Currency | 3 months | 6 months | 18/01/23 to 31/10/23 |
|---|---|---|---|---|
| FTSE All Share TR in GB | GBP | -4.78 | -5.89 | -4.65 |
| IA UK All Companies TR in GB | GBP | -6.57 | -7.27 | -7.38 |
| SVS Zeus Dynamic Opportunities Founder Class A Accumulation | GBX | -7.32 | -9.18 | -4.73 |
| SVS Zeus Dynamic Opportunities Retail Class A Accumulation | GBX | -7.34 | -9.37 | -4.93 |
| SVS Zeus Dynamic Opportunities Retail Class B Accumulation | GBX | -7.50 | -9.52 | -5.00 |

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but FE fundinfo neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

Performance is calculated net of fees. Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board assessed the performance of the sub-fund in the period since launch and observed that it has outperformed its comparator benchmark, the IA UK All Companies Sector. The Board also noted that in this period the sub-fund had performed in line with its target benchmark, the FTSE All Share Index, however, as the sub-fund had been running for less than 12 months, the Board concluded that it was too early to make a meaningful assessment.

Consideration was given to the risk metrics associated with the sub-fund which focused on, amongst other things, volatility and risk adjusted returns where EPFL were comfortable that the outcomes were in line with expectations.

The Board found that the sub-fund is investing in the asset classes permitted by the investment policy and that there have been no breaches of the policy in the last 12 months.

Were there any follow up actions?

There were no follow-up actions required.

### 3. ACD Costs

What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflected the services provided. This included the annual management charge ('AMC'), Trustee/Custodian fees and audit fees. The AMC includes the Investment Manager's fee and the Manager's periodic charge.

The charges should be transparent and understandable to the investor, with no hidden costs.

What was the outcome of the assessment?

The Board received and considered information about each of the sub-fund's costs, and concluded that they were fair, reasonable and provided on a competitive basis.

Were there any follow up actions?

There were no follow-up actions required.

### 4. Economies of Scale

What was assessed in this section?

The Board reviewed each separate fee structure and the AUM of the sub-fund to examine the effect on the sub-fund to potential and existing investors should it increase or decrease in value.

What was the outcome of the assessment?

The ACD fee is tiered meaning there are opportunities for savings going forward should the sub-fund grow in size.

The ancillary charges of the Fund represent 37 basis points[1]. Some of these costs are fixed and as the sub-fund grows in size may result in a small reduction in the basis point cost of these services.

Were there any follow up actions?

There were no follow-up actions required.

[1] One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 31 May 2023.

## Assessment of Value - SVS Zeus Dynamic Opportunities (continued)

### 5. Comparable Market Rates

What was assessed in this section?

The Board reviewed the ongoing charges figure ('OCF') of the sub-fund and how those charges affect its returns.

The OCF of the sub-fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of 0.89%[1] for Founder Class A (Accumulation), 1.14% for the Retail class A (Accumulation) and 1.29% for the Retail Class B (Accumulation). The share classes were found to be more expensive than those of similar externally managed funds.

Note that EPFL has not charged an entry fee, exit fee or any other event-based fees on this sub-fund.

Were there any follow up actions?

There were no follow-up actions required as the Board recognised that the size of the sub-fund would have an impact on certain fixed costs and lead to a higher than normal OCF.

### 6. Comparable Services

What was assessed in this section?

The Board compared the Investment Management fee with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

There were no other EPFL administered funds displaying similar characteristics with which to make a meaningful comparison.

Were there any follow up actions?

There were no follow-up actions required.

### 7. Classes of Shares

What was assessed in this section?

The Board reviewed the sub-fund's set-up to ensure that where there are multiple share classes, shareholders are in the correct share class given the size of their holding.

What was the outcome of the assessment?

There are three share classes in the sub-fund, although the Founder class is now closed to new subscriptions. EPFL reviewed the register and can confirm that shareholders were in the correct share classes.

Were there any follow up actions?

There were no follow-up actions required.

### Overall Assessment of Value

Notwithstanding the matter discussed in Section 5, the Board concluded that SVS Zeus Dynamic Opportunities had provided value to Shareholders.

Dean Buckley
Chairman of the Board of Evelyn Partners Fund Solutions Limited
17 January 2024

Consumer Feedback

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online:

https://www.evelyn.com/services/fund-solutions/assessment-of-value/

Investors views are invaluable to the development and delivery of this report.

Should you be unable to access the questionnaire online please contact us directly on 0141 222 1151 and we will provide you with a paper copy of the questionnaire.

[1] Figure calculated at interim report, 31 May 2023.

## Report of the Depositary to the shareholders of SVS Zeus Investment Funds ICVC

### Depositary's responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
1 March 2024

# Independent Auditor's report to the shareholders of SVS Zeus Investment Funds ICVC

## Opinion

We have audited the financial statements of SVS Zeus Investment Funds ICVC (the 'Company') for the period from 18 January 2018 to 30 November 2023 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company at 30 November 2023 and of the net revenue and the net capital losses on the scheme property of the Company for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

## Basis for Opinion

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

## Conclusions Relating to Going Concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on Other Matters Prescribed by the COLL Regulations

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

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

# Independent Auditor's report to the shareholders of SVS Zeus Investment Funds ICVC (continued)

## Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's responsibilities set out on page 4, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

## Independent Auditor's report to the shareholders of SVS Zeus Investment Funds ICVC (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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

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

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

### Use of Our Report

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

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Bishop's Court
29 Albyn Place
Aberdeen AB10 1YL
1 March 2024

# Accounting policies of SVS Zeus Investment Funds ICVC

*for the period 18 January 2023 to 30 November 2023*

a *Basis of accounting*

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. They have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and in accordance with the Statement of Recommended Practice for UK Authorised Funds ('the SORP') published by The Investment Association in May 2014 and amended in June 2017, and the requirements of the Collective Investment Schemes sourcebook ('COLL').

The ACD has considered a detailed assessment of the sub-fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the sub-fund continues to be open for trading and the ACD is satisfied the sub-fund has adequate financial resources to continue in operation for at least the next 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

b *Valuation of investments*

The purchases and sales of investments are included up to close of business on the last business day of the accounting period.

Purchases and sales of investments are recognised when a legally binding and unconditional right to obtain, or an obligation to deliver an asset arises.

The quoted investments of the sub-fund have been valued at the global closing bid market prices ruling on the principal markets on which the stocks are quoted on the last business day of the accounting period.

c *Foreign exchange*

The base currency of the sub-fund is UK sterling which is taken to be the sub-fund's functional currency.

All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the dates of such transactions. The resulting exchange differences are disclosed in note 2 of the Notes to the financial statements.

Any foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate prevailing at the balance sheet date.

d *Revenue*

Revenue is recognised in the Statement of total return on the following basis:

Dividends from quoted equity instruments and non equity shares are recognised as revenue, net of attributable tax credits on the date when the securities are quoted ex-dividend.

Overseas dividends are recognised as revenue gross of any withholding tax and the tax consequences are recognised within the tax expense.

Interest on bank deposits and short term deposits is recognised on an accruals basis.

e *Expenses*

All expenses, other than those relating to the purchase and sale of investments and the performance fee, are charged to revenue on an accruals basis.

Bank interest paid is charged to revenue.

f *Allocation of revenue and expenses to multiple share classes*

All revenue and expenses which are directly attributable to a particular share class are allocated to that class. All revenue and expenses which are attributable to the sub-fund are allocated to the sub-fund and are normally allocated across the share classes pro rata to the net asset value of each class on a daily basis.

g *Taxation*

Tax payable on profits is recognised as an expense in the period in which profits arise. The tax effects of tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

UK corporation tax is provided as amounts to be paid/recovered using the tax rates and laws that have been enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at 30 November 2023 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Provision for deferred tax assets are only made to the extent the timing differences are expected to be of future benefit.

All foreign dividend revenue is recognised as a gross amount which includes any withholding tax deducted at source. Where foreign tax is withheld in excess of the applicable treaty rate a tax debtor is recognised to the extent that the overpayment is considered recoverable.

h *Efficient Portfolio Management*

Where appropriate, certain permitted instruments such as derivatives or forward currency contracts may be used for Efficient Portfolio Management purposes. Where such instruments are used to protect or enhance revenue, the revenue or expenses derived therefrom are included in the Statement of total return as revenue related items and form part of the distribution. Where such instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in the Statement of total return as capital related items.

i *Dilution levy*

The need to charge a dilution levy will depend on the volume of sales or redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all shareholders and potential shareholders. Please refer to the Prospectus for further information.

j *Distribution policies*

i *Basis of distribution*

The distribution policy is to distribute all available revenue after deduction of expenses payable from revenue. Distributions attributable to income shares are paid to shareholders.

ii *Unclaimed distributions*

Distributions to shareholders outstanding after 6 years are taken to the capital property of the sub-fund.

iii *Revenue*

All revenue is included in the final distribution with reference to policy d.

iv *Expenses*

Expenses incurred against the revenue of the sub-fund are included in the final distribution, subject to any expense which may be transferred to capital for the purpose of calculating the distribution, with reference to policy e.

v *Equalisation*

Group 2 shares are shares purchased on or after the previous XD date and before the current XD date. Equalisation applies only to group 2 shares. Equalisation is the average amount of revenue included in the purchase price of group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholders but must be deducted from the cost of shares for capital gains tax purposes. Equalisation per share is disclosed in the Distribution table.

# SVS Zeus Dynamic Opportunities
## Investment Manager's report
### Investment performance*

The sub-fund has made an encouraging debut, notwithstanding somewhat challenging market conditions in the period since launch, with all major UK indices (and sub-indices) in negative territory, while at the same time experiencing elevated volatility. As at 30 November the sub-fund's return was +1.3% (Retail Class B (Accumulation), 12pm mid prices, net income reinvested, GBP) from the launch date of 18 January. While very modest in nominal terms, this compares favourably with the stated target benchmark (the FTSE All-Share Total Return Index) which was -2.1% on the same basis over the equivalent period, and the performance comparator (the Investment Association ('IA') UK All Companies sector) which was -3.6%.

The IA UK All Companies peer group is the largest fund cohort (by number of fund entities) within the entire IA funds universe and the sub-fund is ranked 16 out of 239 funds (ie top decile) within this peer group (as at 30 November) in the period since launch. For reference the sub-fund was ranked 2 out of 247 funds at the interim (31 May), which demonstrates the fact that the second half of the reporting period (to 30 November) was far more difficult, including a steep drawdown in the months of September/October followed by a sharp rebound in November. During this drawdown phase large cap-centred funds (including passives and other index-related ETFs) performed relatively well while most active funds (which typically, and quite rationally long-term, over-index on lower market cap names) suffered, with midcaps in particular substantially underperforming large cap.

The sub-fund's performance can be viewed as all the more creditable when one considers the typical 40/30/30 large/mid/smallcap asset mix of the chosen investment strategy. For example while the FTSE 100 Index (i.e. large cap) was -5.1% over the period, the lower market cap tiers, often referred to collectively as Small & Midcap ('SMID'), were even weaker and an additional performance drag, with the FTSE 250 Index -8.6% and FTSE Small Cap -7.3%. Meanwhile the FTSE AIM All-Share was -16.8%. Thus, when applying our preferred 40/30/30 sub-index weighted strategy, the sub-fund was over 900 points ahead of its index composition implied return. The actual market cap size distribution of the sub-fund portfolio was (on average over the period) closer to 30/30/40 large/mid/small suggesting a market driven outcome more than 10% worse than what was achieved.

This resilience, including the ability to generate better returns (at least partially) uncorrelated with (ie not predicted by) the broader market is consistent with our stated strategy and should give investors confidence going forward.

Among the large cap names within the portfolio Rolls-Royce Holdings (+148%), Centrica (+52%) and Marks & Spencer Group (+67%) deserve particular mention. These are three of the top four best performing names within the FTSE 100 this year (with Rolls-Royce Holdings materially the best performer) and all three have been within our top 10 holdings throughout the period from purchase in the first week post-launch (18 January 2023). Despite selective trimming for risk management purposes, Rolls-Royce Holdings remains the largest position in the sub-fund with a 5.2% weighting (30 November). Among smaller cap names there were strong contributions from Wincanton (+33%), Inspecs (+96%), NFT Investments (+97%) and Hochschild Mining (+32%). Meanwhile two holdings received bid approaches: Numis (+59%) and Restaurant Group (+68%), the latter of which remains in the portfolio on the outside chance of a higher bid.

Among the larger cap names Diageo (-25%) and Glencore (-22%) were both weak. SMID detractors included Synthomer (-41%), Marshalls (-24%), Marston's (-31%) and Mobico Group (formerly National Express Group) (-51%).

### Investment activities*

Post launch the sub-fund is now fully invested comprising 50 holdings, the largest of which is Rolls-Royce Holdings (see above) with the Top 10 holdings in aggregate now accounting for 39% of Net Asset Value ('NAV'). The number of holdings is towards the top of our preferred range of between 25 and 50, but it is important to note that the bottom 18 holdings account for just 20% of NAV (and are principally modest positions in generally smaller cap names). Cash (at 4.0% of NAV) is very much within the range of what can be considered normal (say 3-5%).

As at 30 November approaching half the portfolio holdings have a market cap in excess of £1bn and over a quarter above £5bn. The position-weighted mean market cap of the portfolio is £8.5bn, or £6.0bn on an unweighted basis versus £3.9bn for the Target Benchmark. The median market cap is fractionally below the target benchmark's £615m reflecting a number of smaller market cap names (but importantly these are suitably small portfolio weights also).

*Source: Bloomberg (FE Retail Platform).

# Investment Manager's report (continued)

## Investment activites (continued)*

From an invested perspective around 31% of holdings are constituents of the FTSE 100 Index, 32% FTSE 250 Index and the balance (37%) Smallcaps, AIM and Other. The FTSE 100 Index weighting is fractionally below target, reflecting to some degree the relative attractions of the SMID market tiers at this point in time. Alongside the cash position (4.0%) fund liquidity remains healthy and very much in line with strategy.

In terms of sector exposure the largest weighting is Travel & Leisure (14%) followed by Energy (13%), Industrials (12%) and Financial Services (+8%). The overweight position in Travel & Leisure has been a very deliberate tactical allocation to capture the post-pandemic recovery across a broad spectrum of consumer spending categories including airlines, transport hub concession, eating out, etc. This positioning has not especially worked in the current year with for example Easyjet (the second largest holding in the fund at 5.0%) marginally down (-4%) since purchase immediately post launch in January. Several factors have frustrated this agenda including continuing air traffic control disruption across the key summer months, ongoing train strike activity in the UK and a wet summer. We still believe in this recovery agenda but will now look to 2024 for this to play out.

On a fully invested (ex-cash) basis the Core/Satellite strategy mix was around two-third/one-third respectively, very much in line with target with Satellite positons typically (on average) significantly smaller than Core holdings. As described above (and per the Prospectus) the sub-fund will typically look to hold Core positions over the medium to long term (subject to all else remaining equal) but will generally trade in and out of Satellite type situations, having ideally captured a circa 25-50% absolute return. One persistent challenge in the period since launch has been the high level of market volatility with some healthy Satellite notional gains not only evaporating but actually moving negative in a a very short timeframe. For example, Currys (electrical retail) moved from a 25% gain to a 30% loss in the span of just three weeks. With the benefit of hindsight, the sub-fund would have benefited from a higher level of exits from a number of the Satellite positions.

## Investment strategy and outlook

The sub-fund is actively managed, which means that the Investment Manager has full discretion over its composition, and the sub-fund neither tracks, nor is constrained by, the value, price or sector participation of its benchmarks or any other aspect. This is a true active, skill-based strategy, with no passive proxy.

The Investment Manager takes a dynamic approach to portfolio construction (referred to as “Core & Satellite”) whereby strategic Quality Growth selections (to be held for the long term) are combined with (nearer field) tactical Value elements. This process offers scope for both volatility compression and enhanced returns at aggregate fund level.

There have been no changes to the sub-fund’s objective, investment policy or investment strategy since launch, nor are these expected to change in the future. The Investment Manager continues to believe in the merit of this proven, consistent and well understood investment strategy.

At present the Investment Manager sees many potential recovery-type situations and the Satellite strand of the Core/Satellite approach should enable the sub-fund to capture several of these. The sub-fund is selectively positioned quite attackingly, for example in relation to the potential continuing recovery in consumer travel and leisure spend more generally. Furthermore, the sub-fund includes several elements which present high optionality and scope for potentially supranormal gains going forward, for instance within the resource exploration and technology spheres.

In a future market scenario where SMIDs beat large caps one can reasonably anticipate a significant relative performance tailwind, given the sub-fund’s generally quite substantial SMID participation (via its typical 40/30/30 large, mid, smallcap asset mix as described above).

All considered the sub-fund is likely to perform best in a recovering market. That said, and while still very much early days, the sub-fund has to date (despite its SMID bias) shown an ability to mitigate to a meaningful degree the prevailing market weakness experienced since launch. Capital preservation, as much as absolute nominal gains, will always be a key imperative to the extent reasonably possible, since both elements feed into the cumulative optimisation of compound returns.

As an addendum, with the sub-fund still in its infancy in terms of assets under management, the influence of fund flows is (if anything, for now at least) likely to be a neutral to net positive tailwind going forward.

*Source: Bloomberg (FE Retail Platform).

# Investment Manager's report (continued)

## Investment strategy and outlook (continued)

With the successful launch phase behind us we are now progressively more able to concentrate our focus upon stock discovery and selection. Through a combination of our own bottom-up research, company meetings, site visits and conference attendance, we are finding an array of attractive potential investment candidates to augment the existing portfolio at the right time. Notwithstanding the generally challenging UK equity market conditions which have prevailed throughout much of 2023, we look to 2024 with increasing optimism. Our improved confidence is predicated upon two primary factors:

The growing perception that we may be at or close to the peak in the recent (historically very steep) interest rate cycle, owing to the sharp deceleration of inflationary pressures, which is broadly positive for global equites in general.

The specific merits and attractive valuations which persist within the sub-fund's home market. UK equities have seldom been more lowly rated relative to their international peers, as partially evidenced (not least) by an acceleration in takeover activity by both trade buyers and private equity.

While not statistically significant the new reporting period (ie December) has started very well indeed.

Zeus Investment Management Limited
20 December 2023

## Summary of portfolio changes

*for the period 18 January 2023 to 30 November 2023*

The following represents the major purchases and sales in the period to reflect a clearer picture of the investment activities.

| Purchases: | Cost £ |
|---|---|
| easyJet | 328,905 |
| BP | 292,787 |
| Seeing Machines | 247,788 |
| Centrica | 246,117 |
| Capita | 236,687 |
| Marks & Spencer Group | 225,007 |
| Beacon Energy | 224,009 |
| Halma | 219,663 |
| BT Group | 218,872 |
| Chemring Group | 217,374 |
| Shaftesbury Capital | 215,288 |
| Smith & Nephew | 202,128 |
| Currys | 200,177 |
| Ocado Group | 199,001 |
| Inspired Energy | 190,542 |
| Restore | 182,167 |
| Glencore | 173,894 |
| avation | 173,720 |
| Diageo | 166,269 |
| Destiny Pharma | 164,900 |

| Sales: | Proceeds £ |
|---|---|
| Numis | 255,292 |
| Petro Matad | 190,415 |
| avation | 187,657 |
| Ocado Group | 185,250 |
| Capita | 171,277 |
| Carnival | 166,978 |
| SIG | 153,290 |
| Destiny Pharma | 150,593 |
| Frontier Developments | 140,566 |
| Hochschild Mining | 138,897 |
| Ascential | 121,592 |
| XP Power | 120,638 |
| boohoo Group | 119,201 |
| Marks & Spencer Group | 114,319 |
| NFT Investments | 111,588 |
| Restaurant Group | 106,407 |
| Centrica | 95,545 |
| Hilton Food Group | 84,814 |
| Kromek Group | 76,111 |
| Fevertree Drinks | 66,222 |

# Portfolio statement

*as at 30 November 2023*

| Investment | Nominal value or holding | Market value £ | % of total net assets |
|---|---|---|---|
| Equities 97.85% | | | |
| Equities - United Kingdom 91.41% | | | |
| Equities - incorporated in the United Kingdom 81.10% | | | |
| Materials 4.92% | | | |
| Haydale Graphene Industries | 15,000,000 | 64,500 | 1.03 |
| Marshalls | 48,608 | 121,326 | 1.95 |
| Synthomer | 70,000 | 120,680 | 1.94 |
| | | 306,506 | 4.92 |
| | | | |
| Industrials 22.59% | | | |
| Capita | 400,000 | 76,400 | 1.23 |
| Chemring Group | 75,000 | 236,625 | 3.80 |
| easyJet | 70,000 | 317,309 | 5.10 |
| Inspired | 150,000 | 87,000 | 1.40 |
| Norcros | 50,000 | 81,500 | 1.31 |
| Restore | 70,000 | 154,000 | 2.47 |
| Rolls-Royce Holdings | 120,000 | 322,560 | 5.18 |
| Wincanton | 45,000 | 130,500 | 2.10 |
| | | 1,405,894 | 22.59 |
| | | | |
| Consumer Discretionary 10.79% | | | |
| Currys | 300,000 | 130,920 | 2.10 |
| Focusrite | 12,500 | 55,000 | 0.88 |
| Marston's | 300,000 | 89,550 | 1.44 |
| Mobico Group | 75,000 | 50,138 | 0.81 |
| Rank Group | 100,000 | 75,500 | 1.21 |
| Restaurant Group | 200,000 | 129,200 | 2.08 |
| SSP Group | 35,000 | 72,800 | 1.17 |
| Vinendum | 20,000 | 64,000 | 1.03 |
| Vinendum Rights | 8,000 | 4,240 | 0.07 |
| | | 671,348 | 10.79 |
| | | | |
| Consumer Staples 6.48% | | | |
| Diageo | 4,500 | 124,335 | 2.00 |
| Fevertree Drinks | 5,000 | 52,650 | 0.84 |
| Marks & Spencer Group | 90,000 | 226,350 | 3.64 |
| | | 403,335 | 6.48 |
| | | | |
| Health Care 5.22% | | | |
| Creo Medical Group | 300,000 | 96,000 | 1.54 |
| Oxford Biomedica | 30,000 | 50,040 | 0.80 |
| Smith & Nephew | 17,500 | 179,025 | 2.88 |
| | | 325,065 | 5.22 |

# Portfolio statement (continued)
*as at 30 November 2023*

| Investment | Nominal value or holding | Market value £ | % of total net assets |
|---|---|---|---|
| Equities (continued) | | | |
| Equities - United Kingdom (continued) | | | |
| Equities - incorporated in the United Kingdom (continued) | | | |
| Financials 4.75% | | | |
| Ashmore Group | 35,000 | 62,020 | 1.00 |
| IP Group | 250,000 | 126,250 | 2.03 |
| Liontrust Asset Management | 20,000 | 107,300 | 1.72 |
| | | 295,570 | 4.75 |
| Information Technology 4.43% | | | |
| Argo Blockchain | 952,000 | 78,540 | 1.26 |
| Halma | 7,000 | 149,100 | 2.40 |
| SysGroup | 130,000 | 48,100 | 0.77 |
| | | 275,740 | 4.43 |
| Communication Services 8.63% | | | |
| BT Group | 170,000 | 208,845 | 3.34 |
| Everyman Media Group | 150,000 | 96,000 | 1.54 |
| Guild Esports | 4,000,000 | 26,000 | 0.42 |
| M&C Saatchi | 50,000 | 69,750 | 1.12 |
| Zegona Communications | 86,000 | 137,600 | 2.21 |
| | | 538,195 | 8.63 |
| Utilities 7.92% | | | |
| BP | 50,000 | 239,475 | 3.85 |
| Centrica | 170,000 | 253,215 | 4.07 |
| | | 492,690 | 7.92 |
| Real Estate 5.37% | | | |
| Capital & Counties Properties | 184,580 | 222,788 | 3.58 |
| CLS Holdings | 50,000 | 47,700 | 0.77 |
| Helical | 30,000 | 63,600 | 1.02 |
| | | 334,088 | 5.37 |
| Total equities - incorporated in the United Kingdom | | 5,048,431 | 81.10 |
| Equities - incorporated outwith the United Kingdom 10.31% | | | |
| Materials 3.13% | | | |
| Gemfields Group | 500,000 | 62,500 | 1.00 |
| Glencore | 30,000 | 132,540 | 2.13 |
| | | 195,040 | 3.13 |

# Portfolio statement (continued)
*as at 30 November 2023*

| Investment | Nominal value or holding | Market value £ | % of total net assets |
|---|---|---|---|
| Equities (continued) | | | |
| Equities - United Kingdom (continued) | | | |
| Equities - incorporated outwith the United Kingdom (continued) | | | |
| Industrials 2.29% | | | |
| IWG | 100,000 | 142,800 | 2.29 |
| Financials 1.63% | | | |
| Hiscox | 10,000 | 101,600 | 1.63 |
| Utilities 3.26% | | | |
| Beacon Energy | 145,000,000 | 203,000 | 3.26 |
| Total equities - incorporated outwith the United Kingdom | | 642,440 | 10.31 |
| Total equities - United Kingdom | | 5,690,871 | 91.41 |
| Equities - Ireland 1.08% | | | |
| C&C Group | 50,000 | 67,000 | 1.08 |
| Equities - Canada 1.97% | | | |
| Arrow Exploration | 700,000 | 122,500 | 1.97 |
| Equities - Australia 3.39% | | | |
| Seeing Machines | 3,800,000 | 211,280 | 3.39 |
| Total equities | | 6,091,651 | 97.85 |
| Portfolio of investments | | 6,091,651 | 97.85 |
| Other net assets | | 133,634 | 2.15 |
| Total net assets | | 6,225,285 | 100.00 |

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.

United Kingdom equities are grouped in accordance with Global Industry Classification Standard (‘GICS’).

GICS was developed by and is the exclusive property and a service mark of MSCI Inc. (‘MSCI’) and Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (‘S&P’) and is licensed for use by Evelyn Partners Services Limited. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

## Risk and reward profile

The risk and reward indicator table demonstrates where the sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the sub-fund. The shaded area in the table below shows the sub-fund's ranking on the risk and reward indicator.

← Typically lower rewards, lower risk

Typically higher rewards, higher risk →

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

The sub-fund is in a higher category because the price of its investments have risen or fallen frequently and more dramatically than some other types of investment. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

For full details on risk factors for the sub-fund, please refer to the Prospectus.

## Comparative table

The following disclosures give a shareholder an indication of the performance of a share in the sub-fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the sub-fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

Retail Class A (Accumulation) shares launched on 18 January 2023 at 100.00p per share.

| Retail Class A (Accumulation) | 2023** p |
|---|---|
| Change in net assets per share | |
| Opening net asset value per share | 100.00 |
| Return before operating charges | 1.31 |
| Operating charges | (1.00) |
| Return after operating charges * | 0.31 |
| Distributions^ | (0.93) |
| Retained distributions on accumulation shares^ | 0.93 |
| Closing net asset value per share | 100.31 |
| * after direct transaction costs of: | 0.62 |
| Performance | |
| Return after charges | 0.31% |
| Other information | |
| Closing net asset value (£) | 95,042 |
| Closing number of shares | 94,747 |
| Operating charges^^ | 1.14%^^^ |
| Performance fee | 0.08% |
| Direct transaction costs | 0.62% |
| Published prices | |
| Highest share price | 107.7 |
| Lowest share price | 93.24 |

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

** For the period 18 January 2023 to 30 November 2023.

^ Rounded to 2 decimal places.

^^ The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which may occur in a year as it is calculated on historical data. The performance fee does not form part of the operating charges.

^^^ Annualised based on the expenses incurred during the period 18 January 2023 to 30 November 2023.

## Comparative table (continued)

Retail Class B (Accumulation) shares launched on 30 January 2023 at 100.4p per share.

| Retail Class B (Accumulation) | 2023** p |
|---|---|
| **Change in net assets per share** | |
| Opening net asset value per share | 100.40 |
| Return before operating charges | 0.99 |
| Operating charges | (1.09) |
| Return after operating charges * | (0.10) |
| Distributions^ | (0.87) |
| Retained distributions on accumulation shares^ | 0.87 |
| Closing net asset value per share | 100.30 |
| | |
| * after direct transaction costs of: | 0.30 |
| | |
| **Performance** | |
| Return after charges | (0.10%) |
| | |
| **Other information** | |
| Closing net asset value (£) | 187,561 |
| Closing number of shares | 187,002 |
| Operating charges^^ | 1.29%^^^ |
| Direct transaction costs | 0.30% |
| | |
| **Published prices** | |
| Highest share price | 107.8 |
| Lowest share price | 93.17 |

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

** For the period 30 January 2023 to 30 November 2023.

^ Rounded to 2 decimal places.

^^ The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which may occur in a year as it is calculated on historical data. The performance fee does not form part of the operating charges.

^^^ Annualised based on the expenses incurred during the period 30 January 2023 to 30 November 2023.

# Comparative table (continued)

Founder Class A (Accumulation) shares launched on 18 January 2023 at 100.00p per share.

| Founder Class A (Accumulation) | 2023** p |
|---|---|
| **Change in net assets per share** | |
| Opening net asset value per share | 100.00 |
| Return before operating charges | 1.31 |
| Operating charges | (0.79) |
| Return after operating charges * | 0.52 |
| Distributions^ | (1.14) |
| Retained distributions on accumulation shares^ | 1.14 |
| Closing net asset value per share | 100.52 |
| * after direct transaction costs of: | 0.67 |
| **Performance** | |
| Return after charges | 0.52% |
| **Other information** | |
| Closing net asset value (£) | 5,942,682 |
| Closing number of shares | 5,912,156 |
| Operating charges^^ | 0.89%^^^ |
| Performance fee | 0.10% |
| Direct transaction costs | 0.66% |
| **Published prices** | |
| Highest share price | 107.8 |
| Lowest share price | 93.43 |

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

** For the period 18 January 2023 to 30 November 2023.

^ Rounded to 2 decimal places.

^^ The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which may occur in a year as it is calculated on historical data. The performance fee does not form part of the operating charges.

^^^ Annualised based on the expenses incurred during the period 18 January 2023 to 30 November 2023.

# Financial statements - SVS Zeus Dynamic Opportunities

## Statement of total return

*for the period 18 January 2023 to 30 November 2023*

| | Notes | 2023 £ | 2023 £ |
|---|---|---|---|
| Income: | | | |
| Net capital losses | 2 | | (42,795) |
| Revenue | 3 | 132,689 | |
| Expenses | 4 | (68,979) | |
| Net revenue before taxation | | 63,710 | |
| Taxation | 5 | - | |
| Net revenue after taxation | | | 63,710 |
| Total return before distributions | | | 20,915 |
| Distributions | 6 | | (69,863) |
| Change in net assets attributable to shareholders from investment activities | | | (48,948) |

## Statement of change in net assets attributable to shareholders

*for the period 18 January 2023 to 30 November 2023*

| | 2023 £ | 2023 £ |
|---|---|---|
| Opening net assets attributable to shareholders | | - |
| Amounts receivable on issue of shares | 6,204,545 | |
| Amounts payable on cancellation of shares | (699) | |
| | | 6,203,846 |
| Dilution levy | | 486 |
| Change in net assets attributable to shareholders from investment activities | | (48,948) |
| Retained distributions on accumulation shares | | 69,901 |
| Closing net assets attributable to shareholders | | 6,225,285 |

# Balance sheet
*as at 30 November 2023*

| | Notes | 2023 |
|---|---|---|
| | | £ |
| Assets: | | |
| Fixed assets: | | |
| Investments | | 6,091,651 |
| Current assets: | | |
| Debtors | 7 | 65,837 |
| Cash and bank balances | 8 | 249,627 |
| Total assets | | 6,407,115 |
| Liabilities: | | |
| Creditors: | | |
| Other creditors | 9 | (181,830) |
| Total liabilities | | (181,830) |
| Net assets attributable to shareholders | | 6,225,285 |

# Notes to the financial statements

*for the period 18 January 2023 to 30 November 2023*

1. Accounting policies

   The accounting policies are disclosed on pages 13 and 14.

| 2. Net capital losses | 18 January 2023 to 30 November 2023 |
|---|---|
| | £ |
| Non-derivative securities - realised gains | 405,240 |
| Non-derivative securities - movement in unrealised losses | (447,631) |
| Currency gains | 253 |
| Transaction charges | (657) |
| Total net capital losses | (42,795) |

| 3. Revenue | 18 January 2023 to 30 November 2023 |
|---|---|
| | £ |
| UK revenue | 99,879 |
| Unfranked revenue | 3,890 |
| Overseas revenue | 19,002 |
| Bank and deposit interest | 9,918 |
| Total revenue | 132,689 |

| 4. Expenses | 18 January 2023 to 30 November 2023 |
|---|---|
| | £ |
| Payable to the ACD and associates | |
| Annual management charge* | 27,830 |
| Performance fee | 6,194 |
| | 34,024 |
| | |
| Payable to the Depositary | |
| Depositary fees | 7,816 |
| | |
| Other expenses: | |
| Audit fee | 10,500 |
| Safe custody fees | 111 |
| Bank interest | 579 |
| FCA fee | 14 |
| KIID production fee | 2,084 |
| Listing fee | 13,851 |
| | 27,139 |
| | |
| Total expenses | 68,979 |

*The annual management charge includes the ACD's periodic charge and the Investment Manager's fee. For the period ended 30 November 2023, the annual management charge for each share class is as follows:

| | |
|---|---|
| Retail Class A (Accumulation) | 0.75% |
| Retail Class B (Accumulation) | 0.90% |
| Founder Class A (Accumulation) | 0.50% |

## Notes to the financial statements (continued)

*for the period 18 January 2023 to 30 November 2023*

| 5. Taxation | 18 January 2023 to 30 November 2023 £ |
|---|---|
| *a. Analysis of the tax charge for the period* | |
| Total taxation (note 5b) | - |

*b. Factors affecting the tax charge for the period*

The tax assessed for the period is lower than the standard rate of UK corporation tax for an authorised collective investment scheme of 20%. The differences are explained below:

| | 18 January 2023 to 30 November 2023 £ |
|---|---|
| Net revenue before taxation | 63,710 |
| Corporation tax @ 20% | 12,742 |
| Effects of: | |
| UK revenue | (19,976) |
| Overseas revenue | (3,800) |
| Excess management expenses | 11,034 |
| Total taxation (note 5a) | - |

*c. Provision for deferred taxation*

At the period end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £11,034.

6. Distributions

The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

| | 18 January 2023 to 30 November 2023 £ |
|---|---|
| Interim accumulation distribution | 8,026 |
| Final accumulation distribution | 61,875 |
| | 69,901 |
| Equalisation: | |
| Amounts deducted on cancellation of shares | 4 |
| Amounts added on issue of shares | (42) |
| Total net distributions | 69,863 |

Reconciliation between net revenue and distributions:

| | |
|---|---|
| Net revenue after taxation per Statement of total return | 63,710 |
| Expenses paid from capital | 6,194 |
| Undistributed revenue carried forward | (41) |
| Distributions | 69,863 |

Details of the distribution per share are disclosed in the Distribution table.

# Notes to the financial statements (continued)

*for the period 18 January 2023 to 30 November 2023*

7. Debtors

| | 30 November 2023 |
|---|---|
| | £ |
| Sales awaiting settlement | 43,717 |
| Accrued revenue | 20,963 |
| Recoverable overseas withholding tax | 733 |
| Prepaid expenses | 424 |
| Total debtors | 65,837 |

8. Cash and bank balances

| | 30 November 2023 |
|---|---|
| | £ |
| Total cash and bank balances | 249,627 |

9. Other creditors

| | 30 November 2023 |
|---|---|
| | £ |
| Purchases awaiting settlement | 147,649 |
| | |
| Accrued expenses: | |
| Payable to the ACD and associates | |
| Annual management charge | 2,606 |
| Performance fee | 6,194 |
| | 8,800 |
| | |
| Other expenses: | |
| Depositary fees | 740 |
| Safe custody fees | 53 |
| Audit fee | 10,500 |
| Listing fee | 13,851 |
| Transaction charges | 237 |
| | 25,381 |
| | |
| Total accrued expenses | 34,181 |
| | |
| Total other creditors | 181,830 |

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities.

# Notes to the financial statements (continued)

*for the period 18 January 2023 to 30 November 2023*

11. Share classes

The following reflects the change in shares in issue in the period:

| | Retail Class A (Accumulation) |
|---|---|
| Total shares issued in the period | 94,748 |
| Total shares cancelled in the period | (1) |
| Closing shares in issue | 94,747 |

| | Retail Class B (Accumulation) |
|---|---|
| Total shares issued in the period | 187,002 |
| Closing shares in issue | 187,002 |

| | Founder Class A (Accumulation) |
|---|---|
| Total shares issued in the period | 5,912,842 |
| Total shares cancelled in the period | (686) |
| Closing shares in issue | 5,912,156 |

Further information in respect of the return per share is disclosed in the Comparative table.

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

12. Related party transactions

Evelyn Partners Fund Solutions Limited, as ACD is a related party due to its ability to act in respect of the operations of the sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the sub-fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the period end, the net asset value per Retail Class A (Accumulation) has increased from 100.3p to 108.9p, the Retail Class B (Accumulation) has increased from 100.3p to 109.0p and the Founder Class A (Accumulation) has increased from 100.5p to 109.2p as at 28 February 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to agents, advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

# Notes to the financial statements (continued)

*for the period 18 January 2023 to 30 November 2023*

14. Transaction costs (continued)

a Direct transaction costs (continued)

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

| 18 January 2023 to | Purchases before transaction costs | Commission | | Taxes | | Purchases after transaction costs |
|---|---|---|---|---|---|---|
| 30 November 2023 | £ | £ | % | £ | % | £ |
| Equities | 9,587,222 | 7,233 | 0.08% | 29,817 | 0.31% | 9,624,272 |
| Total | 9,587,222 | 7,233 | 0.08% | 29,817 | 0.31% | 9,624,272 |

| 18 January 2023 to | Sales before transaction costs | Commission | | Taxes | | Sales after transaction costs |
|---|---|---|---|---|---|---|
| 30 November 2023 | £ | £ | % | £ | % | £ |
| Equities | 3,611,684 | (3,181) | 0.09% | (73) | 0.00% | 3,608,430 |
| Total | 3,611,684 | (3,181) | 0.09% | (73) | 0.00% | 3,608,430 |

Summary of direct transaction costs

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

| 18 January 2023 to 30 November 2023 | £ | % of average net asset value |
|---|---|---|
| Commission | 10,414 | 0.17% |
| Taxes | 29,890 | 0.48% |

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 1.18%.

15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

# Notes to the financial statements (continued)

*for the period 18 January 2023 to 30 November 2023*

15. Risk management policies (continued)

a Market risk

Market risk is the risk that the value of the sub-fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

(i) Other price risk

The sub-fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main element of the portfolio of investments which is exposed to this risk is equities which are disclosed in the Portfolio statement.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the sub-fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 30 November 2023, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £304,583.

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling.

Forward currency contracts may be used to manage the portfolio exposure to currency movements.

The foreign currency risk profile of the sub-fund's financial instruments and cash holdings at the balance sheet date is as follows:

| | Financial instruments and cash holdings | Net debtors and creditors | Total net foreign currency exposure |
|---|---|---|---|
| 2023 | £ | £ | £ |
| Euro | - | 1,331 | 1,331 |
| US dollar | - | 2,871 | 2,871 |
| Total foreign currency exposure | - | 4,202 | 4,202 |

At 30 November 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £210.

# Notes to the financial statements (continued)

*for the period 18 January 2023 to 30 November 2023*

15. Risk management policies (continued)

a Market risk

(iii) Interest rate risk

Interest rate risk is the risk that the value of the sub-fund's investments will fluctuate as a result of interest rate changes. During the period the sub-fund's direct exposure to interest rates consisted of cash and bank balances. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. In the event of a change in interest rates, there would be no material impact upon the net assets of the sub-fund.

The sub-fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

There is no exposure to interest bearing securities at the balance sheet date.

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk.

The Depositary has appointed the custodian to provide custody services for the assets of the sub-fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the sub-fund. The sub-fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

The sub-fund holds cash and cash deposits with financial institutions which potentially exposes the sub-fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the sub-fund of default.

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the sub-fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The sub-fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the sub-fund may not be able to immediately sell such securities.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the sub-fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the sub-fund to meet large redemptions, while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand.

# Notes to the financial statements (continued)

*for the period 18 January 2023 to 30 November 2023*

15. Risk management policies (continued)

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the sub-fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

| | Investment assets | Investment liabilities |
|---|---|---|
| Basis of valuation | 2023 | 2023 |
| | £ | £ |
| Quoted prices | 6,091,651 | - |
| Observable market data | - | - |
| Unobservable data | - | - |
| | 6,091,651 | - |

No securities in the portfolio of investments are valued using valuation techniques.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the sub-fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

During the period there were no derivative transactions.

## Notes to the financial statements (continued)

*for the period 18 January 2023 to 30 November 2023*

15. Risk management policies (continued)

f Derivatives (continued)

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the sub-fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the sub-fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The sub-fund may transact in derivative contracts which potentially exposes the sub-fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach) divided by the net asset value.

There have been no leveraging arrangements in the period.

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date there is no global exposure to derivatives.

There have been no collateral arrangements in the period.

# Distribution table

*for the period 18 January 2023 to 30 November 2023*

## Interim distrinbutions in pence per share

Group 1 - Shares purchased 18 January 2023
Group 2 - Shares purchased 19 January 2023 to 31 May 2023

| | Net revenue | Equalisation | Total distributions 31 July 2023 |
|---|---|---|---|
| Retail Class A (Accumulation) | | | |
| Group 1 | 0.048 | - | 0.048 |
| Group 2 | 0.032 | 0.016 | 0.048 |
| Retail Class B (Accumulation) | | | |
| Group 1 | 0.064 | - | 0.064 |
| Group 2 | 0.064 | - | 0.064 |
| Founder Class A (Accumulation) | | | |
| Group 1 | 0.133 | - | 0.133 |
| Group 2 | 0.133 | - | 0.133 |

## Final distrinbutions in pence per share

Group 1 - Shares purchased before 1 June 2023
Group 2 - Shares purchased 1 June 2023 to 30 November 2023

| | Net revenue | Equalisation | Total distributions 31 January 2024 |
|---|---|---|---|
| Retail Class A (Accumulation) | | | |
| Group 1 | 0.881 | - | 0.881 |
| Group 2 | 0.881 | - | 0.881 |
| Retail Class B (Accumulation) | | | |
| Group 1 | 0.805 | - | 0.805 |
| Group 2 | 0.080 | 0.725 | 0.805 |
| Founder Class A (Accumulation) | | | |
| Group 1 | 1.007 | - | 1.007 |
| Group 2 | 1.007 | - | 1.007 |

Equalisation

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

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

## Remuneration

### Remuneration code disclosure

The remuneration committee is responsible for setting remuneration policy for all partners, directors and employees within Evelyn Partners Group Limited including individuals designated as Material Risk Takers (MRTs) under the Remuneration Code. The remuneration policy is designed to be compliant with the Code and provides a framework to attract, retain, motivate and reward partners, directors and employees. The overall policy is designed to promote the long-term success of the group and to support prudent risk management, with particular attention to conduct risk.

### Remuneration committee

The remuneration committee report contained in the Evelyn Partners Group Limited Report and Financial Statements for the year ended 31 December 2022 includes details on the remuneration policy. The remuneration committee comprises four non-executive directors[1] and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met ten times during 2022.

### Remuneration policy

The main principles of the remuneration policy are:

- to align remuneration with the strategy and performance of the business
- to ensure that remuneration is set at an appropriate and competitive level taking into account market rates and practices
- to foster and support conduct and behaviours which are in line with our culture and values
- to maintain a sound risk management framework
- to ensure that the ratio between fixed and variable remuneration is appropriate and does not encourage excessive risk taking
- to comply with all relevant regulatory requirements
- to align incentive plans with the business strategy and shareholder interests.

The policy is designed to reward partners, directors and employees for delivery of both financial and non-financial objectives which are set in line with company strategy. As part of a "balanced scorecard" approach to variable remuneration non-financial criteria including, but not limited to, compliance and risk issues, client management, supervision, leadership and teamwork are considered alongside financial performance.

### Remuneration systems

The committee reviews all partners' and directors' fixed and variable remuneration. In addition, it approves hurdles and awards in respect of equity incentive plans, namely a deferred option plan, Equity Matching Plan, Matching Share Plan, Executive Long Term Incentive Plan and an Investment Management Long Term Incentive Plan.

The remuneration of partners is made up of a fixed profit share, discretionary bonus profit share and non-discretionary bonus profit share. The remuneration of employees typically comprises of a salary with benefits including pension contribution, life assurance, permanent health insurance, private medical insurance, SAYE scheme and a discretionary bonus scheme. Partners, directors and associate directors are also eligible to participate, at the invitation of the committee, in the equity incentive plans described above.

When setting variable remuneration for the executive directors, the committee considers overall business profit for the group and divisions, achievement of both financial and non-financial objectives (including adherence to the principles of treating customers fairly, conduct risk, compliance and regulatory rules), personal performance and any other relevant policy of the board. The committee agrees the individual allocation of variable remuneration and the proportion of that variable remuneration to be awarded as restricted shares.

[1] Please note that the data provided for the independent non-executive directors is as at 31 December 2022. The data provided is for independent non-executive directors only.

## Remuneration (continued)

### Aggregate quantitative information

The total amount of remuneration paid by Evelyn Partners Fund Solutions Limited ('EPFL') is nil as EPFL has no employees. However, a number of employees have remuneration costs recharged to EPFL and the annualised remuneration for these 61 employees is £2.9million of which £2.7 million is fixed remuneration. This is based on the annualised salary and benefits for those identified as working in EPFL as at 31 December 2022. Any variable remuneration is awarded for the year ended 31 December 2022. This information excludes any senior management or other Material Risk Takers ('MRTs') whose remuneration information is detailed below.

Evelyn Partners Group Limited reviews its MRTs at least annually. These individuals are employed by and provide services to other companies in the Evelyn Partners Group. It is difficult to apportion remuneration for these individuals in respect of their duties to EPFL. For this reason, the aggregate total remuneration awarded for the year ended 31 December 2022 for senior management and other MRTs detailed below has not been apportioned.

| Table to show the aggregate remuneration split by Senior Management and other MRTs for EPFL | For the period 1 January 2022 to 31 December 2022 | | | | |
|---|---|---|---|---|---|
| | | Variable | | | |
| | Fixed | Cash | Equity | Total | No. MRTs |
| | £'000 | £'000 | £'000 | £'000 | |
| Senior Management | 3,505 | 1,202 | - | 4,707 | 18 |
| Other MRTs | 592 | 465 | 144 | 1,201 | 5 |
| Total | 4,097 | 1,667 | 144 | 5,908 | 23 |

### Investment Manager

The ACD delegates the management of the Company's portfolio of assets to Zeus Investment Management Limited and pays to Zeus Investment Management Limited, out of the annual management charge, a monthly fee calculated on the total value of the portfolio of investments at each valuation point. Zeus Investment Management Limited are compliant with the Capital Requirements Directive regarding remuneration and therefore their staff are covered by remuneration regulatory requirements.

# Further information

## Distributions and reporting dates

Where net revenue is available it will be allocated semi-annually on 31 January (final) and 31 July (interim). In the event of a distribution, shareholders will receive a tax voucher.

| | | |
|---|---|---|
| XD dates: | 1 December | final |
| | 1 June | interim |
| Reporting dates: | 30 November | annual |
| | 31 May | interim |

## Buying and selling shares

The property of SVS Zeus Dynamic Opportunities is valued at 12 noon on every business day, and prices of shares are calculated as at that time, with the exception of any bank holiday in England and Wales or the last business day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

Prices of shares and the estimated yield of the sub-fund are published on the following website: www.trustnet.com or may be obtained by calling 0141 222 1151.

## Benchmark - SVS Zeus Dynamic Opportunities

The sub-fund uses the FTSE All-Share Total Return Index as a target benchmark for the purposes of calculating the performance fee. Further details in relation to the operation of the performance fee are set out in the prospectus. The target benchmark has been selected as it is a widely recognised index and one which correlates well with the investment universe of the sub-fund.

The sub-fund uses the Investment Association UK All Companies peer group for performance comparison purposes only. This benchmark is not a target benchmark and the sub-fund is not constrained by it. The peer group has been selected as a comparator for performance because the parameters for this peer group of at least 80% exposure to UK equities are closely aligned with the policy of the sub-fund, and it is therefore an appropriate comparator for performance.

The performance fee is only relevant to the A share classes.

# Appointments

## ACD and Registered office
Evelyn Partners Fund Solutions Limited
45 Gresham Street
London EC2V 7BG
Telephone 0207 131 4000
Authorised and regulated by the Financial Conduct Authority

## Administrator and Registrar
Evelyn Partners Fund Solutions Limited
177 Bothwell Street
Glasgow G2 7ER
Telephone 0141 222 1151 (Registration)
0141 222 1150 (Dealing)
Authorised and regulated by the Financial Conduct Authority

## Directors of the ACD
Brian McLean
Andrew Baddeley
Mayank Prakash
Neil Coxhead

## Independent Non-Executive Directors of the ACD
Dean Buckley
Linda Robinson
Victoria Muir
Sally Macdonald

## Non-Executive Directors of the ACD
Paul Wyse - resigned 11 July 2023
Guy Swarbreck - appointed 21 August 2023

## Investment Manager
Zeus Investment Management Limited
82 King Street
Manchester M2 4WQ
Authorised and regulated by the Financial Conduct Authority

## Depositary
NatWest Trustee and Depositary Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh EH12 1HQ
Authorised and regulated by the Financial Conduct Authority

## Auditor
Johnston Carmichael LLP
Bishop's Court
29 Albyn Place
Aberdeen AB10 1YL