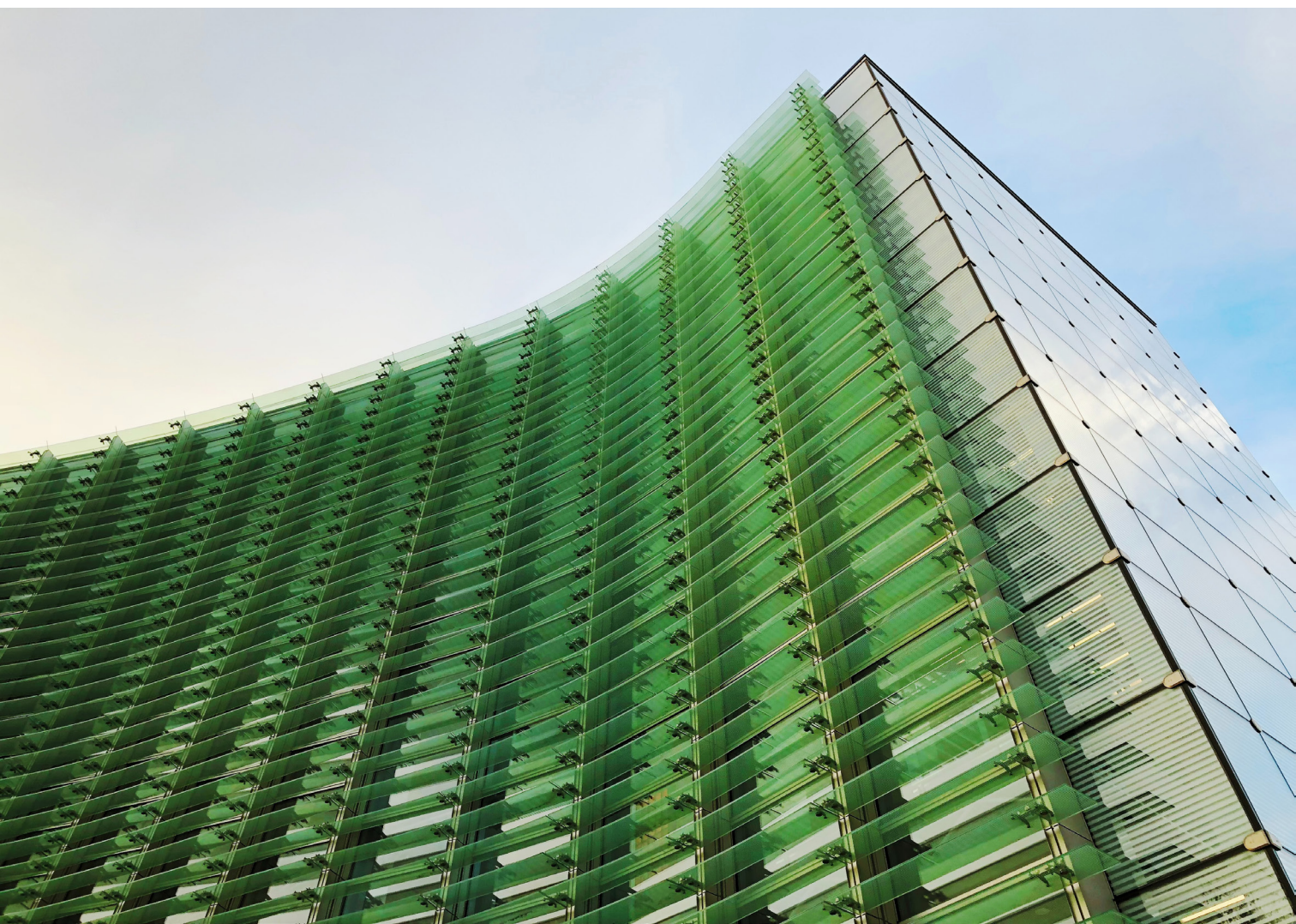




# WS AVI Worldwide Opportunities Fund

(Formerly Premier Miton Worldwide Opportunities Fund)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2024



## AUTHORISED CORPORATE DIRECTOR (‘ACD’)

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To 17 December 2023:

### PREMIER PORTFOLIO MANAGERS LIMITED

Eastgate Court  
High Street  
Guildford  
Surrey GU1 3DE  
(Authorised and regulated by  
the Financial Conduct Authority)

From 18 December 2023:

### WAYSTONE MANAGEMENT (UK) LIMITED

Registered Office:  
3rd Floor  
Central Square  
29 Wellington Street  
Leeds  
United Kingdom  
LS1 4DL  
Telephone: 0345 922 0044  
Email: [wtas-investorservices@waystone.com](mailto:wtas-investorservices@waystone.com)  
(Authorised and regulated by  
the Financial Conduct Authority)

## DIRECTORS OF THE ACD

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To 17 December 2023:

Mike O'Shea  
Ian West  
Piers Harrison  
Rosamond Borer  
Gregor Craig  
Jonathan Willcocks  
Sarah Walton\*  
Nick Emmins\*

From 18 December 2023:

A.M. Berry  
V. Karalekas  
T.K. Madigan\*  
K.J. Midl  
E.E. Tracey\*  
R.E. Wheeler  
S.P. White\*

\* Non-Executive Directors of the ACD.

## INVESTMENT MANAGER

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To 17 December 2023:

### PREMIER FUND MANAGERS LIMITED

Eastgate Court  
High Street  
Guildford  
Surrey GU1 3DE  
(Authorised and regulated by  
the Financial Conduct Authority)

From 18 December 2023:

### ASSET VALUE INVESTORS LIMITED

2 Cavendish Square  
London W1G 0PU  
(Authorised and regulated by  
the Financial Conduct Authority)

## DEPOSITARY

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### NORTHERN TRUST INVESTOR SERVICES LIMITED

50 Bank Street  
Canary Wharf  
London E14 5NT  
(Authorised and regulated by  
the Financial Conduct Authority)

## REGISTRAR AND ADMINISTRATOR

---

### NORTHERN TRUST GLOBAL SERVICES SE UK BRANCH

50 Bank Street  
Canary Wharf  
London E14 5NT  
Telephone: 0333 300 0363  
(Authorised by the Prudential Regulation  
Authority and regulated by the Financial  
Conduct Authority and the Prudential  
Regulation Authority)

## INDEPENDENT AUDITOR

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To 17 December 2023:

### KPMG LLP

15 Canada Square  
London E14 5GL

From 18 December 2023:

### GRANT THORNTON UK LLP

30 Finsbury Square  
London EC2A 1AG

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## ACD'S REPORT

for the year ended 30 June 2024

### Authorised Status

WS AVI Worldwide Opportunities Fund ('the Fund') is an investment company with variable capital incorporated in England and Wales under registered number IC000178 and authorised by the Financial Conduct Authority with effect from 27 May 2002. The Fund has an unlimited duration.

The Fund is a UK UCITS scheme and the base currency is pounds sterling.

Shareholders are not liable for the debts of the Fund. Shareholders are not liable to make any further payment to the Fund after they have paid the price on purchase of the shares.

### ACD's Statement

#### Economic Uncertainty

Whilst the outbreak of COVID-19 in March 2020 now seems a distant memory, Russia's incursion into Ukraine in February 2022 remains an unresolved conflict that has led to inflationary pressures globally. Add to this the Israel–Hamas conflict that commenced in October 2023, and we are faced with consequences in both the domestic and global economy. Significant increases in the prices of energy and commodities have reverberated around the world, leading to many countries experiencing inflation at levels not seen for many years. To curb the increase in inflation, many nations' central banks have been progressively increasing interest rates. In light of most economies heading in a downward trajectory, central banks have recently ended their aggressive monetary tightening and have projected loosening their monetary policies in the second half of 2024. Although the consequences of the geopolitical events remain unclear, economic data in June gave hope that a 'soft-landing' is attainable despite some political uncertainty in Europe with snap elections in the UK and France, which eventually had a moderate impact on financial markets. Global economies have shown better resilience to the high-interest rate environment than expected with improving or steady manufacturing and services activity. The US job market started cooling and retail sales slowed more than forecasted but US inflation continued to ease and at a faster pace than expected in June, providing another dose of confidence for the US Federal Reserve officials that they can cut interest rates soon.

### Important Information

With effect from 18 December 2023, the following changes took place:

- The Authorised Corporate Director of the Fund changed from Premier Portfolio Managers Limited to Waystone Management (UK) Limited ('WMUK');
- The Investment Manager of the Fund changed from Premier Fund Managers Limited to Asset Value Investors Limited;
- The Fund name changed from Premier Miton Worldwide Opportunities Fund to WS AVI Worldwide Opportunities Fund;
- The head office and registered office of the Fund changed from Eastgate Court, High Street, Guildford, Surrey GU1 3DE to 2nd floor, 20-22 Bedford Row, Holborn, London WC1R 4EB;
- The website for the publication of prices and obtaining documents of the Fund changed from [www.premiermiton.com](http://www.premiermiton.com) to [www.waystone.com](http://www.waystone.com); and
- The Independent Auditor of the Fund changed from KPMG LLP to Grant Thornton UK LLP.

## **ACD'S REPORT** *continued*

for the year ended 30 June 2024

### **Important Information** *continued*

With effect from 18 June 2024, the A Accumulation, C USD Accumulation and the G Accumulation Share Classes converted into the B Accumulation Share Class.

With effect from 28 June 2024, the registered office of the ACD has changed to 3rd Floor, Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL.

### **Investment Objective and Policy**

The objective of the Fund is to provide capital growth over the long-term, being five years or more. Five years is also the minimum recommended period for holding shares in this Fund. This does not mean that the Fund will achieve the objective over this, or any other, specific time period and there is a risk of loss to the original capital invested.

The Investment Manager aims to achieve the objective of the Fund by investing in a range of investment companies. These include but are not limited to; closed end investment companies, investment trusts and real estate investment trusts. The manager can also invest in collective investment schemes including open ended investment companies.

The investments will be across a broad range of asset classes including fixed income (including bonds issued by governments and companies), convertible bonds (bonds that can convert into company shares), company shares and property company shares (including real estate investment trusts).

The Investment Manager may also take exposure in other asset classes, which may include commodities (such as gold and timber), private equity (through listed investments), hedge funds and specialist financial assets (such as loans and insurance policies). Exposure will be obtained through UCITS eligible collective investment schemes or other investment companies.

Up to 20% of the Fund may be invested in cash and near cash. The Fund may invest in collective investment schemes managed or advised by the Investment Manager.

The Fund may invest in derivatives and forward transactions (these are contracts whose value is based on the change in price of an underlying investment) for the purpose of efficient portfolio management, including hedging (hedging is designed to offset the risk of another investment falling in price).

### **Benchmark**

The Fund's comparator benchmark is the IA Flexible Investment Sector.

The Fund's performance may be compared against the IA Flexible Investment Sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets.



## ACD'S REPORT *continued*

for the year ended 30 June 2024

### Remuneration Policy

Waystone Management (UK) Limited ('WMUK') is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. WMUK's remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within WMUK including in respect of the risk profile of the funds it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable WMUK to achieve and maintain a sound capital base.

None of WMUK's staff receives remuneration based on the performance of any individual fund. WMUK acts as the operator of both UK UCITS funds and Alternative Investment Funds ('AIFs').

WMUK delegates portfolio management for the funds to various investment management firms. The portfolio managers' fees and expenses for providing investment management services are paid by the ACD out of its own remuneration under the ACD agreement. The investment management firms may make information on remuneration publicly available in accordance with the disclosure requirements applicable to them. This disclosure is in respect of WMUK activities (including activities performed by its sister company Link Fund Administrators Limited (LFAL) or by employees of that entity), and excludes activities undertaken by third party investment management firms. WMUK staff do not perform duties solely for particular funds, nor are they remunerated by reference to the performance of any individual fund. Accordingly, the information below is for WMUK as a whole. No attempt has been made to attribute remuneration to the Fund itself.

Information on WMUK's remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. Accordingly, the information disclosed relates to the year ended 31 December 2023, being the most recent accounting period for which accounts have been prepared by WMUK prior to the production of these accounts. As at 31 December 2023, WMUK operated 83 UK UCITS and 119 AIFs, whose respective assets under management ('AuM') were £36,868 million and £52,751 million.

The disclosure below represents that required under COLL 4.5.7R (7) for funds subject to UK UCITS obligations.

2023	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by WMUK for the financial year 31 December 2023	166	3,223	324	3,547
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial year 31 December 2023				
Senior management (including all Board members)	7	390	104	494
Staff engaged in control functions	11	411	86	497
Risk takers and other identified staff	17	461	50	511
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	-	-	-	-

## **ACD'S REPORT** *continued*

for the year ended 30 June 2024

### **Remuneration Policy** *continued*

WMUK's remuneration arrangement includes fixed salaries, contributory pension arrangements and certain other benefits, and the potential for discretionary bonuses. The amount available for payment of discretionary bonuses is dependent on satisfactory performance by WMUK, and the Waystone Group as a whole, rather than the performance of any individual fund. Bonuses may then be paid to staff to reflect their contribution to WMUK's success. The precise metrics used vary by function, but consideration is given to both qualitative and quantitative measures.

Further details can be found at: <https://www.fundsolutions.net/media/jyujy1n3/wmuk-explanation-of-compliance-with-remuneration-code.pdf>

On 18 December 2023, the Authorised Corporate Director of the Company changed from Premier Portfolio Managers to Waystone Management (UK) Limited ('WMUK'). As WMUK was the ACD at the year end, the figures in the above table relates to WMUK.

### **Securities Financing Transactions**

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

### **Task Force on Climate-related Financial Disclosures ('TCFD')**

In accordance with current Financial Conduct Authority rules, the ACD is required to publish its own TCFD report and that of each fund. The report can be found at <https://www.fundsolutions.net/tcf-d-reporting/> and the report of the Fund can be found at <https://www.fundsolutions.net/uk/asset-value-investors/ws-avi-worldwide-opportunities-fund/tcf-d-reporting/>.

Prior to accessing the report of the Fund there is link to the 'TCFD Reporting guide' which provides an explanation of the TCFD report.

### **Value Assessment**

In accordance with current FCA rules, the ACD is required to carry out an annual assessment on whether the Fund provides value to investors. The outcome of the latest assessment is available on the ACD's website.

## **WAYSTONE MANAGEMENT (UK) LIMITED**

ACD of WS AVI Worldwide Opportunities Fund

26 September 2024



## ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT

for the year ended 30 June 2024

The Fund returned 12.93% over the period in comparison to the IA Flexible Investment Sector which rose 11.58%.

The second half of 2023 was one of the toughest environments for investment trusts that we have ever experienced. Rising interest rates trying to contain high inflation undermined many alternative asset trusts which had been launched to offer high yields to income starved investors. With interest rates at a 20-year high, it is now possible to get a decent return on cash and gilts. This has decimated demand for this type of product. The oversupply explains the discount as investment trust share prices are decided by the balance of supply and demand.

Ongoing charges ('OCFs') has been a huge headwind for the industry which is becoming increasingly cost-obsessed. Under the current legislation, trusts are required to disclose costs far and above those of open-ended funds. These costs are misleading, and the industry has been actively lobbying both the government and regulators to get them removed. In the meantime, it has resulted in many investors who would normally be investment trust fans to sit on the sidelines as they cannot afford for trust OCFs to add significant amounts to their own charges.

Consolidation in the wealth management industry continued with the merger of Rathbones and Investec creating a behemoth company. Whilst consolidation within the wealth management industry appears unrelenting, some teams are splintering away to boutiques where size is not an impediment to buying trusts.

One of the biggest changes for the Fund has been the move to Asset Value Investors Limited ('AVI') which was completed in December 2023. We are delighted to be working with our new colleagues and at a company that has a long history of investing and running closed-ended funds. Our patient, value approach aligns well with AVI's investment style, and we are benefiting from a collaborative and collegiate environment.

Our holdings in uranium via Yellow Cake and Geiger Counter returned 42.37% and 35.62% respectively. The uranium price has languished at around \$30 for a number of years post the nuclear accident in Fukushima. This has meant that very few mines have been developed as the price has been too low to make them economical. In the past few years, however, nuclear power has become more central to many countries' energy plans pushing up consumption of the metal. Less supply and increasing demand squeezed the price higher which hit \$106 in January. At this point our combined uranium positions had become circa. 10% of the portfolio so we sold half into this strength.

Phoenix Spree Deutschland was a detractor over the period. Despite strong demand for rental housing in the German capital, the shares continue to drift. There is little demand for this asset class amongst UK investors and it seems likely that the trust will lose next year's continuation vote.

The property market in Macau has been moribund since Covid with stringent restrictions around travel meaning considerably fewer visitors to the casinos, delaying the islands economic recovery. Macau Property Opportunities has a portfolio of upmarket flats and the lack of high rollers from the mainland has curtailed potential buyers. With the trust in wind-up and a lack of transactions, the share price has drifted lower.

Aquila European Renewables was another disappointing performer. Aquila owns wind farms in Scandinavia and Greece as well as solar plants in Iberia. It also owns a hydroelectric operation in Portugal. The lack of demand is for the structure whereas the second-hand market for wind and solar plants is quite buoyant. This means that a corporate raider could make a useful turn by forcing the trust to close and return cash to shareholders.

**ACD'S REPORT** *continued*  
**INVESTMENT MANAGER'S REPORT** *continued*  
for the year ended 30 June 2024

There have been quite a few new entrants into the portfolio which has taken us geared for the first time since 2020. These have tended to be in sectors that were hit by rising interest rates. Trusts that the market perceived to have early stage, unprofitable companies were one such area. We rebuilt our position in Merian Chrysalis Investment and bought positions in Schiehallion, Augmentum Fintech and Seraphim Space. These steep discounts reflected investors' fear that these young, capital-hungry companies would not raise the cash needed to remain afloat in such a hostile environment. The reality is that many of these trusts' investee companies had pivoted their business models towards profitability and the majority had a cash runway to achieve these aims.

Similarly, we have significantly increased our exposure to alternative income producing assets. These include VH Global Sustainable Energy Opportunities, Atrato Onsite Energy and Cordiant Digital Infrastructure.

Our largest new holding is Tufton Oceanic Assets which owns a fleet of ships (mainly bulkers and tankers) which it leases to the major shipping lines. ESG rules are progressively restricting the speed that vessels can travel at. This effectively reduces supply at a time when shipyards have no capacity to build bulkers and tankers as demand for container ships has already filled their order books. Second hand values should be firm. The trust recently announced that it would hand back to shareholders much of the proceeds of the disposal of their last container ships and wind up the trust in 2028. Given the shares trade at a 26% discount that represents a useful pull to redemption. It is encouraging to see the managers buying a significant number of shares.

We sold out of much of our Indian exposure, exiting both Ashoka India Equity ('AIE') and India Capital Growth ('IGC'). The Indian market has had an incredibly strong year with mid-caps feeling particularly fully valued; the area in which IGC and AIE specialise. The trusts also trade around par meaning neither part of the "double whammy" we are looking for remained.

The Investment Trust sector has been facing an array of headwinds which has led to extreme discounts especially amongst funds focussed on alternative asset classes. Looking forward, these headwinds have the potential to turn into tailwinds. Although inflation has remained stickier than investors expected, the pathway for interest rates remains downwards. Similarly, we are disappointed with the delays in changing the cost disclosure by the snap election and the FCA's requirement for a lengthy consultation period there should be a sensible reform of the cost disclosure regime. We expect trust share prices to rally sharply as investors who have been forced onto the sidelines are allowed to return to the market.

In the medium term such wide discounts are unsustainable as, if the market fails to properly value closed ended funds for internal reasons, then the real world will claim the underlying assets on the cheap albeit at higher levels than today's share prices. These transactions will reduce the oversupply of unwanted shares hanging over the market, bringing supply and demand back into equilibrium.

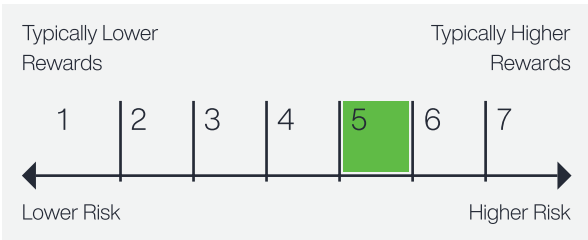
Emerging from such a hostile environment, trust investors should enjoy the powerful combination of rising net asset values and narrowing discounts.

**ASSET VALUE INVESTORS LIMITED**  
Investment Manager  
16 July 2024

**ACD'S REPORT** *continued*  
**FUND INFORMATION**

for the year ended 30 June 2024

**Risk and Reward Profile**



The Fund is ranked 5. This is due to historical price movement of such investments.

The Risk and Reward Indicator table demonstrates where the 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. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.

Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.

Please note the Fund's risk category may change in the future.

The indicator does not take into account the following risks of investing in this Fund:

- Liquidity risk: during difficult market conditions some securities may become more difficult to sell at a desired price.
- Interest rate risk: property companies tend to hold relatively high levels of debt and their share price can be sensitive to an unexpected increase in interest rates.
- Legal or tax risk: arising from a change in legal regulations, tax rules or the application of them.

Further details on risk factors that apply to this Fund are set out in the 'Risk Factors' section of the Prospectus.

**ACD'S REPORT** *continued*  
**FUND INFORMATION** *continued*  
for the year ended 30 June 2024

Comparative Tables

Class B Accumulation

CHANGE IN NET ASSETS PER SHARE	30.06.24 pence per share	30.06.23 pence per share	30.06.22 pence per share
Opening net asset value per share	521.57	515.02	557.68
Return before operating charges*	75.08	17.04	(30.86)
Operating charges	(4.77)	(10.49)	(11.80)
Return after operating charges	70.31	6.55	(42.66)
Distributions	(10.55)	(12.72)	(5.92)
Retained distributions on accumulation shares	10.55	12.72	5.92
Closing net asset value per share	591.88	521.57	515.02
* after direct transaction costs of: <sup>1</sup>	0.71	0.47	0.27

PERFORMANCE

Return after charges	13.48%	1.27%	(7.65)%
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OTHER INFORMATION

Closing net asset value (£'000)	38,747	37,111	35,503
Closing number of shares	6,546,367	7,115,372	6,893,404
Operating charges <sup>2,3,4</sup>	0.86%	1.99%	2.08%
Direct transaction costs <sup>1</sup>	0.13%	0.09%	0.05%

PRICES

Highest share price	597.82	550.90	603.60
Lowest share price	512.80	506.40	514.90

<sup>1</sup> Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levy that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

<sup>2</sup> For the period ended 30 June 2024, the Investment Manager has agreed, on a discretionary basis, to waive an appropriate portion of their fee, in order to seek to achieve an Ongoing Charges Figure no greater than 0.86% excluding the costs associated with the underlying holdings.

<sup>3</sup> For the period ended 30 June 2024, the operating charges do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investment in collective investment scheme.

<sup>4</sup> 1.57% is excluded from the current year operating charges figure in relation to closed end funds.

**ACD'S REPORT** *continued*  
**FUND INFORMATION** *continued*  
for the year ended 30 June 2024

Fund Performance to 30 June 2024 — Cumulative (%)

	1 year	3 years	5 years
WS AVI Worlwide Opportunities Fund	12.93	4.62	40.99
IA Flexible Investment Sector <sup>1</sup>	11.58	7.33	29.03

<sup>1</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per Class B Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Tables on pages 39 and 40.

**RISK WARNING**

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not necessarily a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

## ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 30 June 2024

Holding	Portfolio of investments	Value £'000	30.06.24 %
<b>UNITED KINGDOM – 57.61% (30.06.23 – 44.23%)</b>			
783,000	Abrdn Property Income	403	1.04
2,063,900	Aquila European Renewables	1,104	2.85
714,000	Atrato Onsite Energy	483	1.25
607,000	Augmentum Fintech	719	1.86
746,700	AVI Japan Opportunity <sup>1</sup>	997	2.57
193,863	Baillie Gifford Shin Nippon	222	0.57
105,000	Better Capital PCC (2009) <sup>2,3</sup>	–	–
73,929	Biotech Growth	722	1.86
333,857	CQS Natural Resources Growth and Income	629	1.62
386,000	Crystal Amber	324	0.84
900,000	Downing Strategic Micro-Cap Investment	63	0.16
81,454	Dunedin Enterprise Investment	407	1.05
344,500	Ecofin Global Utilities and Infrastructure	605	1.56
1,658,192	Ecofin US Renewables Infrastructure	642	1.66
2,057,805	Geiger Counter	1,008	2.60
112,000	Georgia Capital	1,098	2.83
10,000	GRIT Investment <sup>4</sup>	–	–
1,625,000	Ground Rents Income	465	1.20
200,000	Henderson Opportunities	440	1.14
166,300	International Biotechnology	1,071	2.76
125,000	JPMorgan Indian Investment	1,270	3.28
15,000	Literacy Capital	78	0.20
772,818	Miton UK MicroCap	386	1.00
605,000	New Star Investment	775	2.00
182	Nippon Active Value	–	–
2,750,000	Real Estate Investors	990	2.56
147,235	RENN Universal Growth <sup>2,3</sup>	–	–
11,367	Rights and Issues Investment	275	0.71
495,000	River & Mercantile UK Micro Cap Investment	866	2.23
100,000	Rockwood Strategic	265	0.68
200,000	S&W Aubrey Global Conviction <sup>2</sup>	884	2.28
747,000	Schroder British Opportunities	828	2.14
3,000,000	Schroders Public Private	347	0.90
1,000,000	ScotGems <sup>4</sup>	–	–
1,078,400	Seraphim Space Investment	589	1.52
2,815,000	Sofia Property <sup>2,4</sup>	–	–
422,662	The European Smaller Companies	751	1.94



**ACD'S REPORT** *continued*  
**PORTFOLIO STATEMENT** *continued*

as at 30 June 2024

Holding	Portfolio of investments	Value £'000	30.06.24 %
1,554,000	Tufton Oceanic Assets	1,473	3.80
986,000	VH Global Sustainable Energy Opportunities	745	1.92
936,258	VPC Specialty Lending Investments	398	1.03
		<u>22,322</u>	<u>57.61</u>
	<b>CHANNEL ISLANDS – 28.19% (30.06.23 – 23.93%)</b>		
	<b>GUERNSEY – 23.23% (30.06.23 – 17.44%)</b>		
1,093,750	Amedeo Air Four Plus	477	1.23
2,000,000	Baker Steel Resources	1,040	2.69
1,381,139	Cordiant Digital Infrastructure	1,050	2.71
2,600,000	Duke Royalty	793	2.05
966,462	Grit Real Estate Income	164	0.42
1,074,820	Macau Property Opportunities	380	0.98
939,800	Merian Chrysalis Investment	715	1.84
47,724	NB Private Equity	763	1.97
76,573	Riverstone Energy	616	1.59
636,400	RTW Biotech Opportunities	769	1.99
836,000	Schiehallion	634	1.64
322,939	VinaCapital Vietnam Opportunity	1,597	4.12
		<u>8,998</u>	<u>23.23</u>
	<b>JERSEY – 4.96% (30.06.23 – 6.49%)</b>		
740,000	Aseana Properties	41	0.10
200,000	EJF Investments	190	0.49
638,752	Phoenix Spree Deutschland	1,006	2.60
117,800	Yellow Cake	686	1.77
		<u>1,923</u>	<u>4.96</u>
	<b>CONTINENTAL EUROPE – 0.00% (30.06.23 – 3.92%)</b>		
	<b>ISLE OF MAN – 0.00% (30.06.23 – 1.94%)</b>		
	<b>LUXEMBOURG – 0.00% (30.06.23 – 1.98%)</b>		
	<b>NORTH AMERICA – 10.66% (30.06.23 – 10.38%)</b>		
	<b>BERMUDA – 7.47% (30.06.23 – 6.82%)</b>		
286,500	EPE Special Opportunities	487	1.26
275,000	Hansa Investment	550	1.42

**ACD'S REPORT** *continued*  
**PORTFOLIO STATEMENT** *continued*  
as at 30 June 2024

Holding	Portfolio of investments	Value £'000	30.06.24 %
155,577	Hansa Investment 'A'	314	0.81
305,000	Oakley Capital Investments	1,543	3.98
		<u>2,894</u>	<u>7.47</u>
<b>CAYMAN ISLANDS – 3.19% (30.06.23 – 3.56%)</b>			
441,000	Marwyn Value Investors	410	1.06
168,000	Reconstruction Capital II <sup>4</sup>	–	–
140,358	Vietnam Enterprise Investments	827	2.13
		<u>1,237</u>	<u>3.19</u>
<b>UNITED STATES – 0.00% (30.06.23 – 0.00%)</b>			
496,000	Origo Partners Perpetual <sup>4</sup>	–	–
	Portfolio of investments	37,374	96.46
	Net other assets	<u>1,373</u>	<u>3.54</u>
	Net assets	<u>38,747</u>	<u>100.00</u>

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are closed end funds listed on a regulated market unless stated otherwise.

<sup>1</sup> Related party holding (see note 11).

<sup>2</sup> Collective Investment Scheme.

<sup>3</sup> Unlisted security.

<sup>4</sup> Delisted security.

The securities held by the Fund have been shown in line with the Waystone Management (UK) Limited presentation. Comparatives have been restated where necessary.

**ACD'S REPORT** *continued*  
**SUMMARY OF MATERIAL PORTFOLIO CHANGES**  
for the year ended 30 June 2024

Total purchases for the year £'000 (note 15)		11,244	Total sales for the year £'000 (note 15)		13,815
		Cost			Proceeds
Major purchases		£'000	Major sales		£'000
Tufton Oceanic Assets	1,314		Yellow Cake	1,837	
Cordiant Digital Infrastructure	1,028		Nippon Active Value	1,772	
VH Global Sustainable Energy Opportunities	740		Georgia Capital	1,185	
RTW Biotech Opportunities	646		India Capital Growth	1,054	
Augmentum Fintech	618		Cadence Strategic Asia	900	
Ecofin US Renewables Infrastructure	617		Gulf Investment	891	
Ecofin Global Utilities and Infrastructure	576		Ashoka India Equity Investment	621	
Seraphim Space Investment	571		Herald Investment Trust	497	
Schiehallion	533		BioPharma Credit	409	
Atrato Onsite Energy	533		Riverstone Energy	402	

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

## DIRECTOR'S STATEMENT

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



K.J. MIDL

**WAYSTONE MANAGEMENT (UK) LIMITED**

ACD of WS AVI Worldwide Opportunities Fund

26 September 2024

## STATEMENT OF ACD'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Collective Investment Schemes sourcebook published by the FCA ('the COLL Rules') requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Fund, and of the net revenue/expense and net capital gains/losses on the property of the Fund for the year.

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 UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund'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 Fund 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; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

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

## **STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE WS AVI WORLDWIDE OPPORTUNITIES FUND ('THE FUND')**

The Depositary must ensure that the Fund is managed in accordance with the FCA's Collective Investment Schemes Sourcebook, and, from 22 July 2014, the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (together 'the Regulations'), and the Contractual Scheme Deed 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 Fund and its investors.

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

The Depositary must ensure that:

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

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

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

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

### **NORTHERN TRUST INVESTOR SERVICES LIMITED**

UK Trustee and Depositary Services  
26 September 2024



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE WS AVI WORLDWIDE OPPORTUNITIES FUND ('THE COMPANY')

### Opinion

We have audited the financial statements of WS AVI Worldwide Opportunities Fund (the 'Company') for the year ended 30 June 2024. These financial statements comprise the statement of accounting policies and combined notes, and the financial statements of the Fund of the Company:

- WS AVI Worldwide Opportunities Fund (the 'Fund')

The financial statements of the Fund comprise the statement of total return, statement of change in net assets attributable to shareholders, the balance sheet, and notes to the financial statements and the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes sourcebook and the Company's Instrument of Incorporation.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company and the Fund as at 30 June 2024 and of the net revenue and net capital gains/(losses) on the scheme property of the Company and the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes sourcebook, and the Company's 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's 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

We are responsible for concluding on the appropriateness of the Authorised Corporate Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company and the Fund to cease or continue as a going concern.

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE WS AVI WORLDWIDE OPPORTUNITIES FUND ('THE COMPANY')** *continued*

### **Conclusions relating to going concern** *continued*

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks associated with the Company's and the Fund's business model including effects arising from macro-economic uncertainties such as War in Ukraine and cost of living crisis in UK, we assessed and challenged the reasonableness of estimates made by the Authorised Corporate Director and the related disclosures and analysed how those risks might affect the Company's and the Fund's financial resources or ability to continue operations over the going concern period.

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 and the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 Collective Investment Schemes sourcebook**

In our opinion:

- we have been given 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 (which comprises information in the inside front cover, the authorised status on page 2, the investment objectives and policies on page 3, investment manager's reports on pages 6 and 7, portfolio statements on pages 11 to 13, and summaries of material portfolio changes on page 14) is consistent with the financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE WS AVI WORLDWIDE OPPORTUNITIES FUND ('THE COMPANY')** *continued*

### **Matters on which we are required to report by exception**

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

- proper accounting records for the Company or a Fund have not been kept; or
- the financial statements are not in agreement with those accounting records.

### **Responsibilities of the Authorised Corporate Director**

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities set out on page 16, 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 and the Fund'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 terminate, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management. We determined that the most significant laws and regulations were United Kingdom Generally Accepted Accounting practice, the Collective Investment Schemes sourcebook, the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017 and the Company's Instrument of Incorporation;
- We enquired of the Authorised Corporate Director and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the breaches register;

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE WS AVI WORLDWIDE OPPORTUNITIES FUND ('THE COMPANY') *continued*

### Auditor's responsibilities for the audit of the financial statements *continued*

- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including the nature of its revenue sources, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement and the Company's control environment, including the policies and procedures implemented to mitigate risks of fraud or non-compliance with the relevant laws and regulations;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in response to the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation; and
  - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Company operates; and
  - understanding of the legal and regulatory frameworks applicable to the Company.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE WS AVI WORLDWIDE OPPORTUNITIES FUND ('THE COMPANY')** *continued*

### **Use of our report**

This report is made solely to the Company's shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes sourcebook. 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.

### **GRANT THORNTON UK LLP**

Statutory Auditor, Chartered Accountants  
London, United Kingdom  
*26 September 2024*

## FINANCIAL STATEMENTS

### STATEMENT OF TOTAL RETURN

for the year ended 30 June 2024

	Notes	£'000	30.06.24 £'000	£'000	30.06.23 £'000
Income					
Net capital gains/(losses)	3		4,449		(582)
Revenue	4	1,177		1,456	
Expenses	5	(427)		(430)	
Net revenue before taxation		750		1,026	
Taxation	6	—		—	
Net revenue after taxation			750		1,026
Total return before distributions			5,199		444
Distributions	7		(768)		(1,028)
Change in net assets attributable to shareholders from investment activities			4,431		(584)

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 June 2024

	Note	£'000	30.06.24 £'000	£'000	30.06.23 £'000
Opening net assets attributable to shareholders			43,715		43,606
Amounts receivable on issue of shares		5,149		9,894	
Amounts payable on redemption of shares		(15,280)		(10,227)	
			(10,131)		(333)
Dilution adjustment <sup>1</sup>			7		—
Change in net assets attributable to shareholders from investment activities			4,431		(584)
Retained distribution on accumulation shares	7		725		1,026
Closing net assets attributable to shareholders			38,747		43,715

<sup>1</sup> See note 1(H).



**FINANCIAL STATEMENTS** *continued*  
**BALANCE SHEET**

as at 30 June 2024

	Notes	30.06.24 £'000	30.06.23 £'000
<b>ASSETS</b>			
Fixed assets			
Investments		37,374	36,052
<b>Current assets</b>			
Debtors	8	869	1,172
Cash and bank balances	9	<u>1,297</u>	<u>6,729</u>
<b>Total assets</b>		<u>39,540</u>	<u>43,953</u>
<b>LIABILITIES</b>			
Creditors			
Other creditors	10	<u>(793)</u>	<u>(238)</u>
<b>Total liabilities</b>		<u>(793)</u>	<u>(238)</u>
<b>Net assets attributable to shareholders</b>		<u>38,747</u>	<u>43,715</u>

## **FINANCIAL STATEMENTS** *continued*

### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 June 2024

#### **1. Accounting Policies**

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

##### **(A) BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

##### **(B) RECOGNITION OF REVENUE**

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution.

Rebates of annual management charges from underlying investments are accounted for on an accruals basis and are recognised as revenue or capital in line with the allocation of the annual management charge between capital and revenue distribution policies of the underlying investments.

Interest on bank and other cash deposits is recognised on an accruals basis.

All other revenue is recognised on an accruals basis.

##### **(C) TREATMENT OF EXPENSES**

All expenses, except for those relating to the purchase and sale of investments, are charge against revenue.

##### **(D) TAXATION**

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

## **FINANCIAL STATEMENTS** *continued*

### **NOTES TO THE FINANCIAL STATEMENTS** *continued*

#### **for the year ended 30 June 2024**

#### **1. Accounting Policies** *continued*

##### **(E) BASIS OF VALUATION OF INVESTMENTS**

All investments are valued at their fair value as at close of business on the last business day of the financial year.

Quoted investments are valued at fair value which generally is the bid price.

Collective investment schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds.

For investments for which there is no quoted price or for which the quoted price is unreliable, fair value is determined by the ACD, taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

##### **(F) EXCHANGE RATES**

The base and functional currency of the Fund is pounds sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rate prevailing at the close of business on the last business day of the financial year.

##### **(G) DILUTION ADJUSTMENT**

The ACD may require a dilution adjustment on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution adjustment may be charged in the following circumstances: where the Fund is expanding or contracting; where the Fund is experiencing a large net subscription position or a large net redemption position relative to its size on any Dealing Day; in any other case where the ACD is of the opinion that the interest of shareholders requires the imposition of a dilution adjustment.

The ACD reserves the right to make a dilution adjustment every Dealing Day. The dilution adjustment is calculated using the estimated dealing costs of the Fund's underlying investments and taking into consideration any dealing spread, commission and transfer taxes.

##### **(H) DIRECT TRANSACTION COSTS**

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Indirect transaction costs may be incurred on transactions in underlying schemes but these do not form part of the direct transaction costs disclosures. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread disclosed is the difference between the bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

#### **2. Distribution Policies**

Surplus revenue after expenses and taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the ACD's discretion and the balance of revenue is distributed in accordance with the COLL Sourcebook.

## FINANCIAL STATEMENTS *continued*

### NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 June 2024

#### 2. Distribution Policies *continued*

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the Fund.

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

#### 3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	30.06.24 £'000	30.06.23 £'000
Non-derivative securities	4,463	(577)
Transaction charges	(7)	(5)
Currency losses	(8)	–
Rebate of Annual Management Charge	1	–
Net capital gains/(losses)	4,449	(582)

#### 4. Revenue

	30.06.24 £'000	30.06.23 £'000
Bank interest	187	185
Franked CIS revenue	48	–
Franked property income distributions	17	–
Non-taxable dividends	238	411
Offshore CIS dividend revenue	11	8
Overseas dividends	460	688
Rebate of Annual Management Charge	–	61
Unfranked CIS revenue	163	–
Unfranked property income distributions	53	103
Total revenue	1,177	1,456

**FINANCIAL STATEMENTS** *continued*  
**NOTES TO THE FINANCIAL STATEMENTS** *continued*  
for the year ended 30 June 2024

5. Expenses

	30.06.24 £'000	30.06.23 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	351	386
Rebate of Annual Management Charge	36	–
Rebate of expenses	(57)	(40)
Registration fees	52	51
	<u>382</u>	<u>397</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	9	9
Safe custody and other bank charges	9	12
	<u>18</u>	<u>21</u>
Other expenses:		
Audit fees	14	9
Other fees	13	3
	<u>27</u>	<u>12</u>
Total expenses	<u>427</u>	<u>430</u>

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

Fee payable to the auditor for the audit of the Company's financial statements for the year ended 30 June 2024 is £14,000 (£11,000 + VAT + 3% out of pocket expenses) (30.06.23: £9,000 (£8,000 + VAT)).

**FINANCIAL STATEMENTS** *continued*  
**NOTES TO THE FINANCIAL STATEMENTS** *continued*  
for the year ended 30 June 2024

6. Taxation

	30.06.24 £'000	30.06.23 £'000
a) Analysis of charge for the year		
Corporation tax at 20% (2023: 20%)	–	–
Deferred tax - origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	–	–
b) Factors affecting the tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (30.06.23: 20%).		

The difference is explained below:

	30.06.24 £'000	30.06.23 £'000
Net revenue before taxation	750	1,026
Corporation tax at 20% (2023: 20%)	150	205
Effects of:		
Unutilised excess management expenses	5	12
Non-taxable dividends	(63)	(83)
Non-taxable overseas dividends	(92)	(138)
Taxation due to timing differences	–	4
Total tax charge (note 6a)	–	–

c) Deferred tax

At the year end, there is a potential deferred tax asset of £1,080,000 (30.06.23: £1,075,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.



**FINANCIAL STATEMENTS** *continued*  
**NOTES TO THE FINANCIAL STATEMENTS** *continued*  
for the year ended 30 June 2024

**7. Distributions**

The distributions take account of revenue received on the issue of shares and revenue deducted on the redemption of shares and comprise:

	30.06.24 £'000	30.06.23 £'000
Interim	385	541
Final	340	485
	<u>725</u>	<u>1,026</u>
Add: Revenue deducted on redemption of shares	68	51
Deduct: Revenue received on shares issued	<u>(25)</u>	<u>(49)</u>
Net distribution for the year	<u>768</u>	<u>1,028</u>

Details of the distributions per share are set out in the Distribution Tables on pages 39 and 40.

	30.06.24 '000	30.06.23 '000
Distributions represented by:		
Net revenue after taxation	750	1,026
Equalisation uplift on share conversions	<u>18</u>	<u>2</u>
Net distribution for the year	<u>768</u>	<u>1,028</u>

**FINANCIAL STATEMENTS** *continued*  
**NOTES TO THE FINANCIAL STATEMENTS** *continued*  
for the year ended 30 June 2024

**8. Debtors**

	30.06.24 £'000	30.06.23 £'000
Amount receivable for issue of shares	49	43
Sales awaiting settlement	703	907
Prepaid expenses	37	41
Accrued revenue:		
Bank Interest	3	–
Non-taxable dividends	9	–
Overseas dividends	48	143
Rebate of Annual Management Charge	2	38
Unfranked CIS revenue	18	–
	80	181
Total debtors	869	1,172

**9. Cash and Bank Balances**

	30.06.24 £'000	30.06.23 £'000
Bank balances	1,297	6,729
Total cash and bank balances	1,297	6,729

**FINANCIAL STATEMENTS** *continued*  
**NOTES TO THE FINANCIAL STATEMENTS** *continued*  
for the year ended 30 June 2024

**10. Other Creditors**

	30.06.24 £'000	30.06.23 £'000
Other creditors:		
Amounts payable for redemption of shares	221	134
Purchases awaiting settlement	489	40
	<u>710</u>	<u>174</u>
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	26	32
Registration fees	25	13
	<u>51</u>	<u>45</u>
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	5	2
Safe custody and other bank charges	3	5
Transaction charges	4	1
	<u>12</u>	<u>8</u>
Other expenses:		
Audit fees	14	9
Other fees	6	2
	<u>20</u>	<u>11</u>
Total other creditors	<u>793</u>	<u>238</u>

## FINANCIAL STATEMENTS *continued*

### NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 June 2024

#### 11. Related Party Transactions

The Annual Management Charge payable to Waystone Management (UK) Limited ('WMUK') ('the ACD') and registration fees payable to Link Fund Administrators Limited (an associate of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 10.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 23 and amounts due at the year end are disclosed in note 8 and 10.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date, no shareholders held in excess of 20% of the shares in issue of the Fund.

As part of the investment strategy, the Fund, may from time to time hold shares in other collective investment schemes managed by the same Investment Manager or for which WMUK is also the ACD. At the balance sheet date, the value of the holdings was as follows:

	30.06.24 £'000	30.06.23 £'000
Investment Manager in common	997	472

#### 12. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (30.06.23: none).

#### 13. Shares in Issue

	Class A Accumulation Shares	Class B Accumulation Shares	Class C USD Accumulation Shares	Class G Accumulation Shares
Annual Management Charge	1.50%	0.75%	1.75%	1.00%
Opening shares in issue	1,156,869	7,115,372	48,485	370,109
Issues	16,637	898,659	268	1
Redemptions	(185,534)	(2,545,442)	(48,753)	(11,949)
Conversions	(987,972)	1,077,778	—	(358,161)
Closing shares in issue	—	6,546,367	—	—

## **FINANCIAL STATEMENTS** *continued*

### **NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 30 June 2024

#### **14. Risk Management Policies**

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

##### **(A) CREDIT RISK**

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

##### **(B) INTEREST RATE RISK**

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

##### **(C) FOREIGN CURRENCY RISK**

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value.

## FINANCIAL STATEMENTS *continued*

### NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 June 2024

#### 14. Risk Management Policies *continued*

##### (C) FOREIGN CURRENCY RISK *continued*

Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The table below shows the direct foreign currency risk profile:

30.06.24 Currency	Non Monetary exposures £'000	Monetary exposures £'000	Total £'000
Euro	1,104	(98)	1,006
Sterling	32,710	1,364	34,074
US Dollar	3,560	107	3,667
	<u>37,374</u>	<u>1,373</u>	<u>38,747</u>

30.06.23 Currency	Non Monetary exposures £'000	Monetary exposures £'000	Total £'000
Euro	1,041	–	1,041
Sterling	33,479	7,663	41,142
US Dollar	1,532	–	1,532
	<u>36,052</u>	<u>7,663</u>	<u>43,715</u>

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £234,000 (30.06.23: £129,000) on the net assets of the Fund.

##### (D) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

**FINANCIAL STATEMENTS** *continued*  
**NOTES TO THE FINANCIAL STATEMENTS** *continued*  
for the year ended 30 June 2024

**14. Risk Management Policies** *continued*

**(D) LIQUIDITY RISK** *continued*

Based on this analysis 57.03% of the portfolio can be liquidated within 5 days and 82.75% within 21 workings days. Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

**(E) MARKET PRICE RISK**

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £1,869,000 (30.06.23: £1,803,000). A 5% decrease would have an equal and opposite effect.

**(F) 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.

**(G) DERIVATIVE RISK**

There were no derivatives held by the Fund during the current or prior year.

**(H) LEVERAGE**

The Fund did not employ any significant leverage in the current or prior year.

**FINANCIAL STATEMENTS** *continued*  
**NOTES TO THE FINANCIAL STATEMENTS** *continued*  
for the year ended 30 June 2024

15. Portfolio Transaction Costs

30.06.24	Purchase/ Sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	11,199	3	42	11,244
Purchases total	11,199	3	42	11,244
Transaction cost % of purchases total		0.03	0.38	
Transaction cost % of average NAV		0.01	0.10	
Ordinary shares	12,930	(2)	(13)	12,915
Collective investment schemes	900	–	–	900
Sales total	13,830	(2)	(13)	13,815
Transaction cost % of sales total		0.02	0.10	
Transaction cost % of average NAV		–	0.03	

Average portfolio dealing spread at 30 June 2024 is 2.32% (30.06.23: 2.10%).

30.06.23	Purchase/ Sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	8,207	5	33	8,245
Purchases total	8,207	5	33	8,245
Transaction cost % of purchases total		0.06	0.40	
Transaction cost % of average NAV		0.02	0.07	
Ordinary shares	6,978	(2)	–	6,976
Sales total	6,978	(2)	–	6,976
Transaction cost % of sales total		0.03	–	
Transaction cost % of average NAV		–	–	



**FINANCIAL STATEMENTS** *continued*  
**NOTES TO THE FINANCIAL STATEMENTS** *continued*  
for the year ended 30 June 2024

16. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

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

**Level 3:** Valuation techniques using unobservable inputs (see note 1(E) of the Accounting Policies).

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>30.06.24</b>				
Investment assets	36,420	954	–	37,374
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>30.06.23</b>				
Investment assets	34,698	1,327	27	36,052

## FINANCIAL STATEMENTS *continued*

### DISTRIBUTION TABLES

for the year ended 30 June 2024 - in pence per share

#### EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). On a daily basis, shareholders will be allocated their share of aggregated net revenue after taxation. The distribution received by each shareholder, less their allocated share of net revenue after taxation, will be the shareholder's equalisation and should be treated as a return of capital.

Group 2	Interim	Final
From	01.07.23	01.01.24
To	31.12.23	30.06.24

#### CLASS A ACCUMULATION

Interim	Net Revenue	Equalisation	Allocated 29.02.24	Allocated 28.02.23
Group 1	2.9300	–	2.9300	4.1226
Group 2	1.6590	1.2710	2.9300	4.1226

Final	Net Revenue	Equalisation	Allocation 30.08.24 <sup>1</sup>	Allocated 25.08.23
Group 1	N/A	–	N/A	3.5989
Group 2	N/A	N/A	N/A	3.5989

#### CLASS B ACCUMULATION

Interim	Net Revenue	Equalisation	Allocated 29.02.24	Allocated 28.02.23
Group 1	5.3644	–	5.3644	6.6719
Group 2	2.3489	3.0155	5.3644	6.6719

Final	Net Revenue	Equalisation	Allocation 30.08.24	Allocated 25.08.23
Group 1	5.1903	–	5.1903	6.0486
Group 2	1.4349	3.7554	5.1903	6.0486

**FINANCIAL STATEMENTS** *continued*

**DISTRIBUTION TABLES** *continued*

for the year ended 30 June 2024 - in pence per share

**CLASS C USD ACCUMULATION**

Interim	Net Revenue	Equalisation	Allocated 29.02.24	Allocated 28.02.23
Group 1	1.8537	–	1.8537	2.6506
Group 2	1.2428	0.6109	1.8537	2.6506
Final	Net Revenue	Equalisation	Allocation 30.08.24 <sup>1</sup>	Allocated 25.08.23
Group 1	N/A	–	N/A	2.3670
Group 2	N/A	N/A	N/A	2.3670

**CLASS G ACCUMULATION**

Interim	Net Revenue	Equalisation	Allocated 29.02.24	Allocated 28.02.23
Group 1	2.8578	–	2.8578	3.6570
Group 2	2.8578	0.0000	2.8578	3.6570
Final	Net Revenue	Equalisation	Allocation 30.08.24 <sup>1</sup>	Allocated 25.08.23
Group 1	N/A	–	N/A	3.3072
Group 2	N/A	N/A	N/A	3.3072

<sup>1</sup> There is no distribution as the Class A Accumulation, Class C USD Accumulation and Class G Accumulation shares converted into the Class B Accumulation shares on 18 June 2024.

## GENERAL INFORMATION

### Share Capital

The minimum share capital of the Fund is £1,000,000 and the maximum is £100,000,000,000.

### Classes of Shares

The Instrument of Incorporation allows income and accumulation shares to be issued.

Holders of income shares are entitled to be paid the distributable income attributed to such shares on any relevant interim and annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation share.

### Valuation Point

The current valuation point of the Fund is 12.00 noon (London time) on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

### Buying and Selling Shares

The dealing office of the Administrator is open from 9.00 a.m. until 5.00 p.m. (London Time) on each Dealing Day to receive requests for the issue, redemption and switching of shares in the Fund. Written dealing instructions should be sent by post or email to the Administrator at Northern Trust Global Services SE UK Branch (telephone: 0800 358 1249 or such other number as published from time to time).

### Prices

The most recent share prices are available at [www.waystone.com](http://www.waystone.com) or by calling 0333 300 0363. For reasons beyond the control of the ACD, the prices quoted on external websites and publications may not necessarily be the current share price.

### Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Documents and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Registered Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, [www.waystone.com](http://www.waystone.com).

Shareholders who have any complaints about the operation of the Fund should contact the Administrator in writing. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Information about the Financial Ombudsman can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

### Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

## Waystone

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