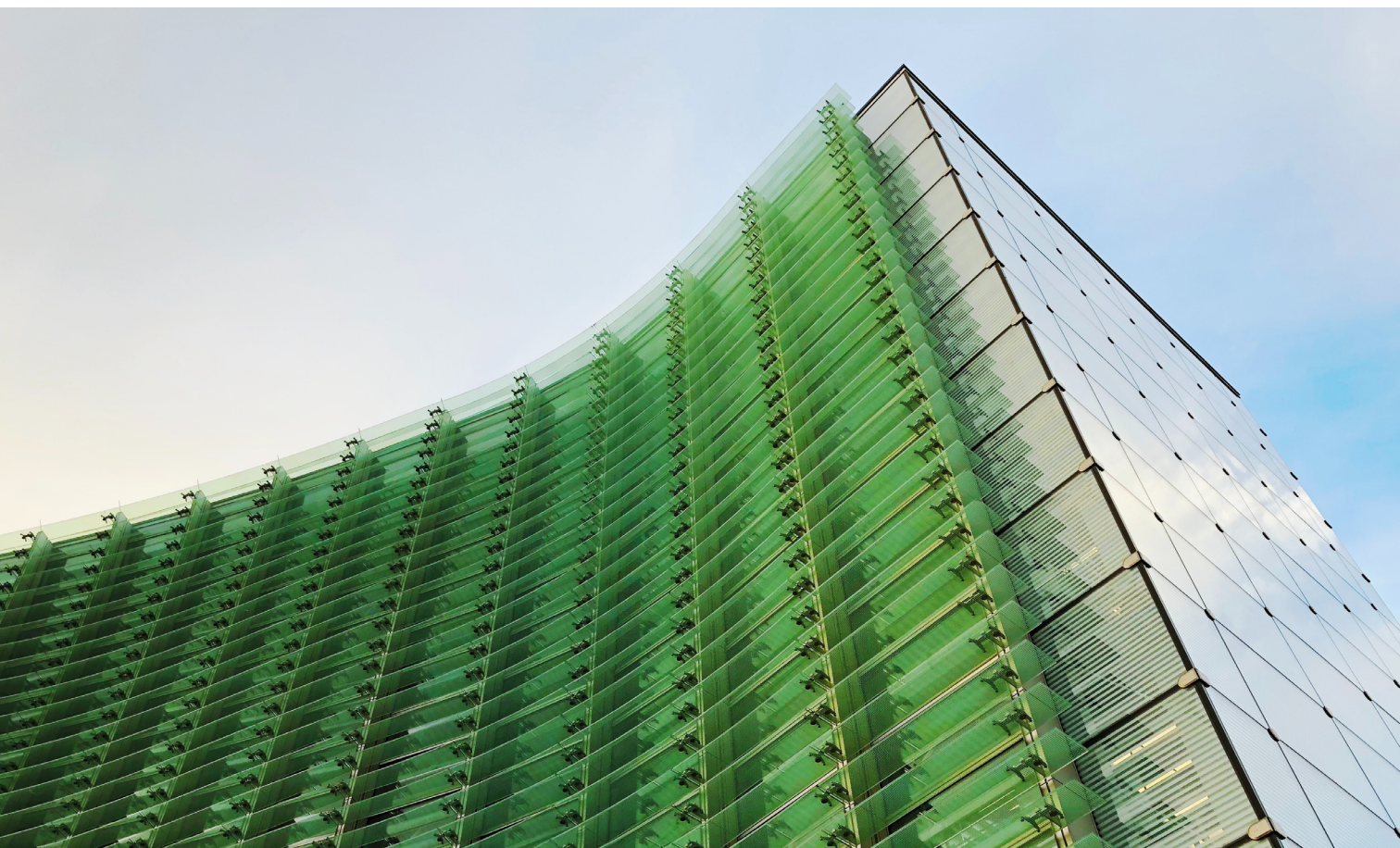




WS Lindsell Train UK Equity Fund

(Formerly LF Lindsell Train UK Equity Fund)

Annual Report and Financial Statements
for the year ended 31 May 2024



AUTHORISED CORPORATE DIRECTOR ('ACD') AND ALTERNATIVE INVESTMENT FUND MANAGER ('AIFM')

WAYSTONE MANAGEMENT (UK) LIMITED

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

DIRECTORS OF THE ACD

A.M. Berry
V. Karalekas (appointed 14 July 2023)
T.K. Madigan*
K.J. Midl (appointed 9 October 2023)
E.E. Tracey (appointed 9 October 2023)*
R.E. Wheeler
S.P. White*

PORTFOLIO MANAGER

LINDELL TRAIN LIMITED

66 Buckingham Gate
London SW1E 6AU
(Authorised and regulated by
the Financial Conduct Authority)

DEPOSITARY

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

160 Queen Victoria Street
London EC4V 4LA
(Authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority
and Prudential Regulation Authority)

REGISTRAR

LINK FUND ADMINISTRATORS LIMITED

Customer Service Centre:
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Telephone: 0345 608 1457
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the Financial Conduct Authority)

INDEPENDENT AUDITOR

ERNST & YOUNG LLP

Atria One
144 Morrison Street
Edinburgh EH3 8EX

* Non-Executive Directors of the ACD.

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ACD'S REPORT

for the year ended 31 May 2024

Authorised Status

WS Lindsell Train UK Equity Fund ('the Fund') is an investment company with variable capital incorporated in England and Wales under registered number IC000459 and authorised by the Financial Conduct Authority with effect from 30 June 2006. The Fund has an unlimited duration.

The Fund is a Non-UCITS Retail 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.

The AIFM is the legal person appointed on behalf of the Fund and which (through this appointment) is responsible for managing the Fund in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013. This role is performed by the ACD and references to the ACD in this Annual Report and Financial Statements include the AIFM as applicable.

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. However, US core inflation has been easing at a slower pace than market expectations since the beginning of the year, with market participants tempering their bets on how many interest rate cuts the US Federal Reserve will deliver this year, and it is not clear at this time whether the consequences of the geopolitical events will culminate in local, or even a global, recession or whether a 'soft-landing' is attainable, although global economies have shown resilience so far.

ACD'S REPORT continued

Important Information

With effect from 9 October 2023, the following changes occurred:

- The Authorised Corporate Director of the Fund changed from Link Fund Solutions Limited ('LFSL') to Waystone Management (UK) Limited ('WMUK');
- The Fund name changed to WS Lindsell Train UK Equity Fund; and
- The website for the publication of prices and obtaining documents of the Fund changed to www.waystone.com.
- The registered office of the Fund changed to 2nd floor, 20-22 Bedford Row, Holborn, London WC1R 4EB.

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 investment objective of the Fund is to achieve capital and income growth and provide a total return in excess of the FTSE All-Share TR Index, over any five-year period, after all costs and charges have been taken.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest at least 70% of its assets directly in the shares of companies incorporated or domiciled in the United Kingdom. Up to 10% of its assets may be invested in companies that are listed on an exchange in the United Kingdom. The Fund will be concentrated with the number of securities unlikely to exceed 35.

The Fund may invest up to 20% of its assets in non-UK equities from countries worldwide (including emerging markets), cash, deposits and money market instruments.

The Fund does not have any restriction on the industry sectors or size of companies that it can invest in.

The minimum investment amount and ranges referenced above will not apply under extraordinary market conditions, in which circumstances the Fund may invest in asset classes other than those in which it normally invests in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic or political unrest or instability, world events leading to market instability, or any events which give rise to high potential for investments to suffer a decline in value. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments, or have substantial holdings in cash and cash equivalents.

ACD'S REPORT continued

Benchmark

The Fund's target benchmark is the FTSE All-Share TR Index.

The FTSE All-Share TR Index has been selected as the Fund's target return benchmark as it represents broad exposure to companies listed on the London Stock Exchange, which is in line with the Fund's investment policy. The Fund is not constrained by the target benchmark and will take positions in individual stocks that differ significantly from the FTSE All-Share TR Index, with the aim of achieving a return (the money made or lost on an investment) in excess of the target benchmark.

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 Fund was valued at £4,014 million as at that date and represented 4.48% of WMUK's total AuM and 7.61% of its AIF AuM.

ACD’S REPORT continued

Remuneration Policy continued

The disclosure below represents that required under FUND 3.3.5R (5) and (6) for funds subject to AIFMD obligations.

2023	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by WMUK for the financial year to 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 to 31 December 2023				
Senior management (incl 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	-	-	-	-

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>.

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.

ACD'S REPORT continued

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 TCFD Reporting (fundsolutions.net/tcfd-reporting) and the report of the Fund can be found at <https://www.fundsolutions.net/uk/lindsell-train-limited/ws-lindsell-train-uk-equity-fund/tcfd-reporting/>.

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

Value Assessment

In accordance with current Financial Conduct Authority 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 Lindsell Train UK Equity Fund
30 July 2024

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 May 2024

The Fund underperformed in the year ending May 2024, with the Fund returning 0.43% against the FTSE All-Share TR Index's benchmark's 15.44%. Simplistically put, our lack of exposure to oil, mining and banks has hurt us in an extended period of strength in these sectors. As a reminder, we eschew these kinds of capital intensive, cyclical businesses and are unlikely to ever own them in the Fund – but we recognise the impact their strength has had on our performance. Aside from these effects, we continue to observe a frustrating divergence in portfolio returns between our data and software holdings and our luxury consumer brand owners. The best performers over the year were all beneficiaries of technology – Sage (+20%), RELX (+39%), Experian (+29%) and Hargreaves Lansdown (+39%) – whilst all the laggards were consumer brand owners, specifically those with a clear luxury or super-premium tilt to their portfolios.

Burberry was down 50%, Rémy Cointreau fell 39%, Fever-Tree Drinks 19%, and Diageo 19%. Burberry and Rémy Cointreau's important franchises in Asia and Greater China have been working against them in an environment of justified concern about weakening Chinese demand for Western luxury products. For Burberry specifically, its recent set of results indicated that revenues were down c.4% in its most recent year, to just under £3bn. These are likely to fall further in the current one, as difficult trading conditions persist. We note that at today's market capitalisation of £3.6bn, Burberry is valued on c.1.25x historic revenues. This seems low for a business that has generated operating margins of over 16% p.a. on average for the last decade and will definitely be too low if the current, relatively newly installed, CEO, CFO and Head of Design can restore excitement to the brand and grow revenues again. It is frustrating to note that both Burberry and Rémy Cointreau are now trading at below half the peak share prices they set in 2023 (Burberry) and 2022 (Rémy) – we must hope these big share price falls have created future opportunity. Problems in Latin America hit Diageo's share price in 2023, which has continued to languish in the face of concerns around the US consumer – a dynamic affecting not only Diageo but the entire alcoholic beverage industry. So Diageo being out of favour is well-established and it is possible the next set of results will disappoint already low expectations. Nonetheless, Diageo's shares have now fallen over 30% from their peak in 2021 and we are sure it is right to be looking ahead to better trading for the company. Whilst on the subject of consumer brand owners, a final brief word on Unilever, which has bucked the trend to return 10% over the year period, off the back of optimism around the energetic new management team's ability to deliver on their comprehensive restructuring programme – as well as recent early indicators that trading conditions in India and Indonesia (two very important geographies for Unilever, with its c.60% of revenues from emerging markets) may be improving at last.

Turning now to the 'digital winners'. RELX has benefited from the digital boom and optimism around its ability to continue to leverage its deep pools of unique legal, risk and academic data to better serve its customers into the future, and Sage has rerated following a period of necessary investment into its core offering. Despite being a UK-listed accounting software company, we view Sage as a global business and believe it has two big opportunities: to grow its Intact subsidiary in the US (now the company's largest geography at c.40% of revenues) and, using Sage's network of global partners, in other geographies too. Second, but associated,

ACD'S REPORT continued**PORTFOLIO MANAGER'S REPORT** continued

to take advantage of new AI-enhanced services to bring significant efficiency gains to existing and new customers worldwide. There are few listed UK companies with a global strategic opportunity comparable to this and Sage's current market capitalisation of c.£10bn could be much higher, we expect, if it can execute on that opportunity.

Experian's results in May prompted analyst upgrades for medium-term revenue growth and higher profit margins for the company. These seem credible to us. The lessons we have learned from watching successful digital and software businesses over the last decade is that growth rates and profitability can scale as such companies' services become increasingly valuable to a growing customer base. Experian is one of a relatively small set of UK-listed companies that offer participation in such effects. Those lessons also suggest that the ostensibly "high" prospective P/E that Experian trades on, of c.28x, is, in fact, not high at all and the shares offer good value. Hargreaves Lansdown's ('HL') big share price move also came in May 2024, with the revelation that it has been approached with a buyout proposal from a Private Equity consortium. Its prior stock market valuation had seemed exceptionally low. But many UK-listed asset and private wealth management franchises seem exceptionally lowly valued too. We watch developments not just at HL, but across the whole sector with interest.

In terms of portfolio activity over the period, we have sought to increase the exposure to data and digital businesses. Overall our thinking is that for each of these companies, their ability to leverage AI could become – or is already becoming – a competitive advantage and a point of differentiation that will continue to keep them ahead of their competitors. Ultimately what AI will allow them to do is to create new products to sell to their customers – and it's this idea that contributed to our initiation in Rightmove late last year, our first new holding since 2020. This is a company that its own CEO calls "basically a data business" and its 85% share of consumer traffic adds up to 2.2 billion visits every year – 85% of which come directly to the site, i.e. not through Google or another search engine. This makes Rightmove's audience uniquely large, uniquely engaged and uniquely high-quality, and its subsequent cache of data from all those billions of visits is correspondingly high quality. The company can then use this data to develop more and more paid-for tools, products and services for its estate agency customers (for example, tools to improve accuracy and speed of valuation), cementing Rightmove even further as a critical part of its customers' workflows. We see the potential for Rightmove to be a much bigger business over coming years, as it embeds itself ever more deeply into the UK's property transaction ecosystem. With Rightmove now a c.4% holding in the Fund, that upside could make a material difference if and when it eventuates.

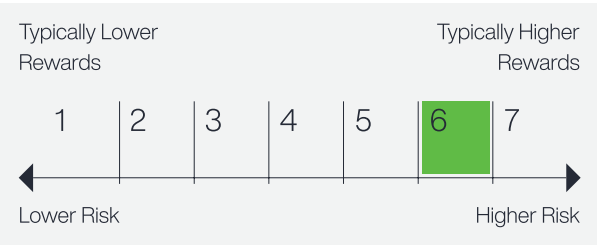
LINDELL TRAIN LIMITED

Portfolio Manager

25 June 2024

ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 6 because its volatility has been measured as above average to high.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Emerging Markets Risk: The Fund may invest in emerging markets, which are markets in countries that are developing. Emerging markets may have more political and economic risks than developed markets, resulting in price movements that may cause a loss to the Fund.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Concentrated Fund Risk: The Fund intentionally holds a small number of investments and so will be more concentrated than many other funds. The Fund may also invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single stock, industry, sector or geographical region within the Fund has a greater effect (loss or gain) on the value of the Fund.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.05.24 pence per share	31.05.23 pence per share	31.05.22 pence per share
Opening net asset value per share	343.74	320.72	345.08
Return before operating charges*	3.78	31.92	(15.37)
Operating charges	(2.24)	(2.18)	(2.21)
Return after operating charges	1.54	29.74	(17.58)
Distributions	(7.54)	(6.72)	(6.78)
Closing net asset value per share	337.74	343.74	320.72
* after direct transaction costs of:	0.17	0.10	0.22

PERFORMANCE

Return after charges	0.45%	9.27%	(5.09)%
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OTHER INFORMATION

Closing net asset value (£'000)	618,172	860,055	945,760
Closing number of shares	183,030,351	250,203,052	294,886,940
Operating charges	0.66%	0.65%	0.64%
Direct transaction costs	0.05%	0.03%	0.06%

PRICES

Highest share price	357.08	364.91	366.57
Lowest share price	318.62	296.44	304.85

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.05.24 pence per share	31.05.23 pence per share	31.05.22 pence per share
Opening net asset value per share	514.59	470.88	496.52
Return before operating charges*	5.88	46.92	(22.44)
Operating charges	(3.37)	(3.21)	(3.20)
Return after operating charges	2.51	43.71	(25.64)
Distributions	(11.35)	(9.91)	(9.80)
Retained distributions on accumulation shares	11.35	9.91	9.80
Closing net asset value per share	517.10	514.59	470.88
* after direct transaction costs of:	0.25	0.15	0.32

PERFORMANCE

Return after charges	0.49%	9.28%	(5.16)%
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OTHER INFORMATION

Closing net asset value (£'000)	1,912,873	2,453,984	2,720,556
Closing number of shares	369,920,929	476,879,174	577,760,473
Operating charges	0.66%	0.65%	0.64%
Direct transaction costs	0.05%	0.03%	0.06%

PRICES

Highest share price	534.55	540.75	532.40
Lowest share price	476.96	435.25	442.76

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

D INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.05.24 pence per share	31.05.23 pence per share	31.05.22 pence per share
Opening net asset value per share	174.27	162.47	174.68
Return before operating charges*	1.92	16.18	(7.79)
Operating charges	(0.88)	(0.85)	(0.86)
Return after operating charges	1.04	15.33	(8.65)
Distributions	(3.96)	(3.53)	(3.56)
Closing net asset value per share	171.35	174.27	162.47
* after direct transaction costs of:	0.08	0.05	0.11

PERFORMANCE

Return after charges	0.60%	9.44%	(4.95)%
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OTHER INFORMATION

Closing net asset value (£'000)	323,764	346,969	398,452
Closing number of shares	188,944,368	199,101,626	245,246,177
Operating charges	0.51%	0.50%	0.49%
Direct transaction costs	0.05%	0.03%	0.06%

PRICES

Highest share price	181.07	185.04	185.65
Lowest share price	161.63	150.18	154.44

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

D ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.05.24 pence per share	31.05.23 pence per share	31.05.22 pence per share
Opening net asset value per share	211.52	193.26	203.48
Return before operating charges*	2.42	19.27	(9.22)
Operating charges	(1.07)	(1.01)	(1.00)
Return after operating charges	1.35	18.26	(10.22)
Distributions	(4.83)	(4.23)	(4.17)
Retained distributions on accumulation shares	4.83	4.23	4.17
Closing net asset value per share	212.87	211.52	193.26
* after direct transaction costs of:	0.10	0.06	0.13

PERFORMANCE

Return after charges	0.64%	9.45%	(5.02)%
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OTHER INFORMATION

Closing net asset value (£'000)	603,560	746,672	938,208
Closing number of shares	283,530,887	353,001,935	485,460,892
Operating charges	0.51%	0.50%	0.49%
Direct transaction costs	0.05%	0.03%	0.06%

PRICES

Highest share price	219.77	222.24	218.38
Lowest share price	196.17	178.65	181.66

ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 May 2024 – Cumulative (%)

	1 year	3 years	5 years
WS Lindsell Train UK Equity Fund	0.43	4.12	12.50
FTSE All-Share TR Index ¹	15.44	25.54	37.32

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per 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 Table on pages 42 and 43.

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 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 31 May 2024

Holding	Portfolio of Investments	Value £'000	31.05.24 %
	UNITED KINGDOM – 87.10% (31.05.23 – 80.63%)		
	TECHNOLOGY – 8.89% (31.05.23 – 7.15%)		
	SOFTWARE AND COMPUTER SERVICES – 8.89% (31.05.23 – 7.15%)		
30,070,000	Sage	307,466	8.89
	TOTAL TECHNOLOGY	307,466	8.89
	FINANCIALS – 32.77% (31.05.23 – 30.39%)		
	FINANCE AND CREDIT SERVICES – 9.86% (31.05.23 – 9.98%)		
9,455,500	Experian	341,060	9.86
	INVESTMENT BANKING AND BROKERAGE SERVICES – 22.91% (31.05.23 – 20.41%)		
19,977,500	Hargreaves Lansdown	210,862	6.10
3,773,500	London Stock Exchange	345,653	10.00
2,671,000	Rathbone Brothers	46,155	1.33
48,440,000	Schroders	189,691	5.48
		792,361	22.91
	TOTAL FINANCIALS	1,133,421	32.77
	CONSUMER DISCRETIONARY – 27.63% (31.05.23 – 29.90%)		
	PERSONAL GOODS – 15.30% (31.05.23 – 16.88%)		
17,629,500	Burberry	182,465	5.28
8,105,000	Unilever	346,651	10.02
		529,116	15.30

ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 May 2024

Holding	Portfolio of Investments	Value £'000	31.05.24 %
	MEDIA – 9.93% (31.05.23 – 9.95%)		
10,053,000	RELX	343,410	9.93
	TRAVEL AND LEISURE – 2.40% (31.05.23 – 3.06%)		
7,876,991	Celtic ¹	10,634	0.31
461,527	Celtic 6% <i>Perpetual</i> ¹	618	0.02
4,586,500	Manchester United	60,772	1.76
1,779,000	Young & Co's Brewery (<i>non-voting</i>) ¹	10,959	0.31
		82,983	2.40
	RETAILERS – 0.00% (31.05.23 – 0.01%)		
5,960	Cazoo Group Warrants 6/12/2028	–	–
6,528	Cazoo Group Warrants 6/12/2028	–	–
7,215	Cazoo Group Warrants 6/12/2028	–	–
		–	–
	TOTAL CONSUMER DISCRETIONARY	955,509	27.63
	REAL ESTATE – 4.16% (31.05.23 – 0.00%)		
	REAL ESTATE INVESTMENT AND SERVICES – 4.16% (31.05.23 – 0.00%)		
27,000,000	Rightmove	143,910	4.16
	TOTAL REAL ESTATE	143,910	4.16
	CONSUMER STAPLES – 13.65% (31.05.23 – 13.19%)		
	BEVERAGES – 13.65% (31.05.23 – 13.19%)		
4,420,500	A.G. Barr	27,407	0.79
12,772,000	Diageo	335,904	9.71
10,072,500	Fever-Tree Drinks ¹	108,783	3.15
	TOTAL CONSUMER STAPLES	472,094	13.65
	TOTAL UNITED KINGDOM	3,012,400	87.10

ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 May 2024

Holding	Portfolio of Investments	Value £'000	31.05.24 %
	OVERSEAS – 11.71% (31.05.23 – 18.35%)		
	FRANCE – 2.05% (31.05.23 – 3.94%)		
977,500	Rémy Cointreau	71,054	2.05
	NETHERLANDS – 4.15% (31.05.23 – 6.76%)		
1,830,500	Heineken NV	143,374	4.15
	UNITED STATES – 5.51% (31.05.23 – 7.65%)		
3,538,500	Mondelēz International	190,432	5.51
	TOTAL OVERSEAS	404,860	11.71
	Portfolio of investments	3,417,260	98.81
	Net other assets	41,109	1.19
	Net assets	3,458,369	100.00

The investments have been valued in accordance with note 1(F) and are ordinary shares listed on a regulated market unless stated otherwise.

¹ Quoted on the Alternative Investment Market (AIM).

ACD’S REPORT continued
SUMMARY OF MATERIAL PORTFOLIO CHANGES
for the year ended 31 May 2024

Total purchases for the year £'000 (note 16)	320,244	Total sales for the year £'000 (note 16)	1,202,697
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Rightmove	149,036	RELX	222,353
Diageo	65,308	Experian	211,515
Hargreaves Lansdown	21,559	Heineken NV	143,229
Burberry	18,163	London Stock Exchange	137,083
Experian	14,849	Mondelēz International	122,712
Sage	13,133	Sage	85,868
Unilever	12,257	Diageo	61,077
London Stock Exchange	11,333	Unilever	55,947
Fever-Tree Drinks	3,789	Manchester United	54,053
Schroders	3,005	Rémy Cointreau	38,489

The summary of material portfolio changes represent 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 and the Investment Funds Sourcebook, as applicable, as issued and amended by the Financial Conduct Authority together with the relevant provisions of the Alternative Investment Fund Manager's Directive and modified by a direction given by the Financial Conduct Authority where the ACD has opted to provide a NURS KII Document, a Key Investor Information Document for Non-UCITS Retail Schemes.

K.J. MIDL

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Lindsell Train UK Equity Fund
30 July 2024

STATEMENT OF ACD'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority ('the COLL Sourcebook') and the Investment Funds Sourcebook (the 'FUND Sourcebook'), as applicable, 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 wind up 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, the COLL and FUND Sourcebook.

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and, from 22 July 2014, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Fund's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as summarised 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, redemption and cancellation of shares are carried 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 Alternative Investment Fund Manager ('the AIFM') are carried out (unless they conflict with the Regulations).

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

REPORT OF THE DEPOSITARY

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 AIFM:

- (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 in accordance with the Regulations and the Scheme documents of the Fund.

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

Depositary of WS Lindsell Train UK Equity Fund

30 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS LINDSELL TRAIN UK EQUITY FUND

Opinion

We have audited the financial statements of WS Lindsell Train UK Equity Fund ('the Fund') for the year ended 31 May 2024, which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting and distribution policies of the Fund, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 May 2024 and of the net revenue and the net capital losses on the scheme property of the Fund comprising its sub-fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 below. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC) 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 ('the ACD') 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 Fund's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS LINDSELL TRAIN UK EQUITY FUND continued

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 ACD 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 this 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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the 'FCA')

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Instrument of Incorporation; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on Which We Are Required to Report by Exception

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

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS LINDSELL TRAIN UK EQUITY FUND continued

Responsibilities of the ACD

As explained more fully in the ACD's responsibilities statement set out on page 20, the ACD 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 ACD 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 ACD is responsible for assessing 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 ACD either intends to wind up or terminate the Fund 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.

Explanation as to What Extent 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 irregularities, including fraud. 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 deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Fund's Instrument of Incorporation and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the ACD and the Fund's administrators and a review of the Fund's documented policies and procedures.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS LINDSELL TRAIN UK EQUITY FUND continued

- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of management's classification of material special dividends as either a capital or revenue return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the ACD with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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.

Use of Our Report

This report is made solely to the Fund's Shareholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Fund'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 Fund and the Fund's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

ERNST & YOUNG LLP

Statutory Auditor
Edinburgh
30 July 2024

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

for the year ended 31 May 2024

	Notes	£'000	31.05.24 £'000	£'000	31.05.23 £'000
Income:					
Net capital (losses)/gains	3		(62,765)		333,871
Revenue	4	102,711		111,877	
Expenses	5	(24,593)		(28,882)	
Interest payable and similar charges	7	<u>–</u>		<u>(1)</u>	
Net revenue before taxation		78,118		82,994	
Taxation	6	<u>(1,484)</u>		<u>(1,729)</u>	
Net revenue after taxation			76,634		81,265
Total return before distributions			13,869		415,136
Distributions	8		<u>(88,937)</u>		<u>(95,705)</u>
Change in net assets attributable to shareholders from investment activities			<u>(75,068)</u>		<u>319,431</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 May 2024

	£'000	31.05.24 £'000	£'000	31.05.23 £'000
Opening net assets attributable to shareholders		4,407,680		5,002,976
Amounts receivable on issue of shares	100,466		126,402	
Amounts payable on redemption of shares	<u>(1,035,335)</u>		<u>(1,106,560)</u>	
		(934,869)		(980,158)
Change in net assets attributable to shareholders from investment activities		(75,068)		319,431
Retained distributions on Accumulation shares		<u>60,626</u>		<u>65,431</u>
Closing net assets attributable to shareholders		<u>3,458,369</u>		<u>4,407,680</u>

FINANCIAL STATEMENTS continued
BALANCE SHEET
as at 31 May 2024

	Notes	31.05.24 £'000	31.05.23 £'000
ASSETS			
Fixed assets			
Investments		3,417,260	4,362,888
Current assets			
Debtors	9	27,985	37,607
Cash and cash equivalents	10	49,989	44,642
Total assets		3,495,234	4,445,137
LIABILITIES			
Creditors			
Distribution payable	11	(10,742)	(12,481)
Other creditors	11	(26,123)	(24,976)
Total liabilities		(36,865)	(37,457)
Net assets attributable to shareholders		3,458,369	4,407,680

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 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 FRS 102 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

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

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

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

(C) TREATMENT OF EXPENSES

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

(D) ALLOCATION OF REVENUE AND EXPENSES TO MULTIPLE SHARE CLASSES

Any revenue or expense not directly attributable to a particular share class will normally be allocated pro-rata to the net assets of the relevant share classes unless a different allocation method is deemed more appropriate by the ACD.

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 May 2024

(E) 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 using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. 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.

(F) 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.

(G) 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 close of business on the last business day of the financial year.

(H) DILUTION LEVY

The ACD may require a dilution levy 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 levy may be charged in the following circumstances: where the scheme property is in continual decline; on the Fund experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the Fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of a dilution levy.

(I) PORTFOLIO 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. 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.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 May 2024

2. Distribution Policies

For the purpose of calculating the distributable amount 50% of all charges, costs and expenses (excluding transaction charges and the cost of establishing the Fund which will be wholly allocated to capital) are allocated to the capital of the Fund. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

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. Final distributions are made in accordance with the COLL Sourcebook.

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 (Losses)/Gains

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

	31.05.24 £'000	31.05.23 £'000
Non-derivative securities	(63,173)	333,500
Transaction charges	(10)	(11)
Currency gains	418	382
Net capital (losses)/gains	(62,765)	333,871

The net capital (losses)/gains figure includes realised gains of £233,423,000 and unrealised gains of £421,732,000 (31.05.23: includes realised gains of £242,329,000 and unrealised gains of £717,910,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 May 2024

4. Revenue

	31.05.24 £'000	31.05.23 £'000
Non-taxable dividends	100,286	111,021
Bank interest	2,425	856
Total revenue	102,711	111,877

5. Expenses

	31.05.24 £'000	31.05.23 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	22,369	26,491
Accounting fees	1,350	1,457
Legal and professional fees	10	9
Typesetting costs	4	4
Registration fees	446	458
TCFD fees	3	–
	24,182	28,419
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	268	290
Safe custody and other bank charges	132	162
	400	452
Other expenses:		
Audit fees	11	11
Total expenses	24,593	28,882

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 May 2024

6. Taxation

	31.05.24 £'000	31.05.23 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	1,484	1,729
Current tax charge	1,484	1,729
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	1,484	1,729

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%) (31.05.23: 20%). The difference is explained below:

	31.05.24 £'000	31.05.23 £'000
Net revenue before taxation	78,118	82,994
Corporation tax at 20%	15,624	16,599
Effects of:		
Non-taxable dividends	(20,054)	(22,204)
Unutilised excess management expenses	4,430	5,605
Corporation tax charge	–	–
Overseas tax	1,484	1,729
Total tax charge (note 6a)	1,484	1,729

c) Deferred tax

At the year end there is a potential deferred tax asset of £58,349,000 (31.05.23: £53,919,000) 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 31 May 2024

7. Interest Payable and Similar Charges

	31.05.24 £'000	31.05.23 £'000
Interest payable	—	1
Total interest payable and similar charges	—	1

8. Distributions

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

	31.05.24 £'000	31.05.23 £'000
Interim	44,723	44,835
Final	39,018	45,171
	83,741	90,006
Add: Revenue deducted on redemption of shares	5,819	6,372
Deduct: Revenue received on issue of shares	(623)	(673)
Net distributions for the year	88,937	95,705

Details of the distributions per share are set out in the table on pages 42 and 43.

	31.05.24 £'000	31.05.23 £'000
Distributions represented by:		
Net revenue after taxation	76,634	81,265
Allocations to capital:		
Expenses	12,297	14,441
Equalisation on conversions ¹	6	(1)
Net distributions for the year	88,937	95,705

¹ Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 May 2024

9. Debtors

	31.05.24 £'000	31.05.23 £'000
Amounts receivable for issue of shares	36	313
Sales awaiting settlement	16,314	25,212
Accrued revenue:		
Non-taxable dividends	11,232	11,886
Taxation recoverable:		
Overseas withholding tax	403	196
Total debtors	27,985	37,607

10. Cash and Cash Equivalents

	31.05.24 £'000	31.05.23 £'000
Bank balances	49,989	44,642
Total cash and cash equivalents	49,989	44,642

11. Creditors

	31.05.24 £'000	31.05.23 £'000
Distribution payable	10,742	12,481
Other Creditors		
Amounts payable for redemption of shares	20,662	12,011
Purchases awaiting settlement	3,542	10,529

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 May 2024

	31.05.24 £'000	31.05.23 £'000
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	1,698	2,194
Accounting fees	109	122
Legal and professional fees	–	1
Typesetting costs	1	2
Registration fees	41	39
TCFD fees	2	–
	1,851	2,358
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	34	37
Transaction charges	2	2
Safe custody and other bank charges	21	27
	57	66
Other expenses	11	12
Total other creditors	26,123	24,976

12. Related Party Transactions

The Annual Management Charge, accounting fees, TCFD fees and legal and professional fees payable to Waystone Management (UK) Limited (WMUK) ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.

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 27 and amounts due at the year end are disclosed in notes 9 and 11.

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 the following shareholder held in excess of 20% of the shares in issue of the Fund:

Hargreaves Lansdown Nominees Limited	27.63% (31.05.23: 26.70%)
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FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 May 2024

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.05.23: none).

14. Shares in Issue

	Income	Accumulation	D Income	D Accumulation
Annual Management Charge	0.60%	0.60%	0.45%	0.45%
Opening shares in issue	250,203,052	476,879,174	199,101,626	353,001,935
Issues	4,406,635	9,665,967	20,457,879	1,169,690
Redemptions	(62,239,526)	(102,213,681)	(51,137,057)	(103,967,768)
Conversions	(9,339,810)	(14,410,531)	20,521,920	33,327,030
Closing shares in issue	183,030,351	369,920,929	188,944,368	283,530,887

15. 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 Portfolio 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

FINANCIAL STATEMENTS continued
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for the year ended 31 May 2024

the Portfolio 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. 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.

As the Fund seeks to obtain its return from investing in equities and has no significant 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.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.05.24 £'000	31.05.23 £'000
Currency:		
Euros	214,831	471,529
US dollars	251,203	446,304
	466,034	917,833
Pounds sterling	2,992,335	3,489,847
Net assets	3,458,369	4,407,680

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 £23,302,000 on the net assets of the Fund (31.05.23: £45,892,000).

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for the year ended 31 May 2024

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31 May 2024, leverage under the gross method was 0.99:1 and leverage under the commitment method was 1:1 (31.05.23: 0.99 and 1:1 respectively).

(E) 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.

An in depth review is deemed necessary as the Fund is invested in a concentrated portfolio. A portfolio may be considered concentrated due to the number of stocks it holds and/or due to it being invested in stocks with a particular industry, sector or geographical focus.

Based on this analysis 27.39% of the portfolio can be liquidated within 5 days and 72.96% within 21 working days (31.05.23: 23.86% within 5 days and 65.82% within 21 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.

(F) 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.

FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 May 2024

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 £170,863,000 (31.05.23: £218,144,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The Fund held no derivatives in the current or prior year.

16. Portfolio Transaction Costs

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.05.24				
Ordinary shares	318,635	130	1,479	320,244
Purchases total	<u>318,635</u>	<u>130</u>	<u>1,479</u>	<u>320,244</u>
Transaction cost % of purchases total		0.04%	0.46%	
Transaction cost % of average NAV		–	0.04%	
Ordinary shares	<u>1,203,054</u>	<u>(354)</u>	<u>(3)</u>	<u>1,202,697</u>
Sales total	<u>1,203,054</u>	<u>(354)</u>	<u>(3)</u>	<u>1,202,697</u>
Transaction cost % of sales total		0.03%	–	
Transaction cost % of average NAV		0.01%	–	

Average portfolio dealing spread at 31.05.24 is 0.09% (31.05.23: 0.05%).

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	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.05.23				
Ordinary shares	327,055	128	898	328,081
Purchases total	327,055	128	898	328,081
Transaction cost % of purchases total		0.04%	0.27%	
Transaction cost % of average NAV		–	0.02%	
Ordinary shares	1,219,937	(424)	(2)	1,219,511
Sales total	1,219,937	(424)	(2)	1,219,511
Transaction cost % of sales total		0.03%	–	
Transaction cost % of average NAV		0.01%	–	

17. 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(F) of the Accounting Policies).

All of the Fund's investments are ordinary and preference shares categorised as Level 1 in the current and prior year.

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 May 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). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.06.23	01.12.23
To	30.11.23	31.05.24

INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 31.01.24	Paid 31.01.23
Group 1	3.7357	–	3.7357	3.2026
Group 2	1.5411	2.1946	3.7357	3.2026

Final	Net Revenue	Equalisation	Payable 30.09.24	Paid 30.09.23
Group 1	3.8078	–	3.8078	3.5168
Group 2	2.3643	1.4435	3.8078	3.5168

ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 31.01.24	Allocated 31.01.23
Group 1	5.5891	–	5.5891	4.7025
Group 2	2.4051	3.1840	5.5891	4.7025

Final	Net Revenue	Equalisation	Allocation 30.09.24	Allocated 30.09.23
Group 1	5.7645	–	5.7645	5.2111
Group 2	3.4943	2.2702	5.7645	5.2111

FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

D INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 31.01.24	Paid 31.01.23
Group 1	1.9597	–	1.9597	1.6842
Group 2	0.4457	1.5140	1.9597	1.6842
Final	Net Revenue	Equalisation	Payable 30.09.24	Paid 30.09.23
Group 1	1.9966	–	1.9966	1.8490
Group 2	1.3671	0.6295	1.9966	1.8490

D ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 31.01.24	Allocated 31.01.23
Group 1	2.3760	–	2.3760	2.0043
Group 2	1.0899	1.2861	2.3760	2.0043
Final	Net Revenue	Equalisation	Allocation 30.09.24	Allocated 30.09.23
Group 1	2.4516	–	2.4516	2.2207
Group 2	1.7190	0.7326	2.4516	2.2207

GENERAL INFORMATION

Share Capital

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

Classes of Shares

Different classes of shares can be issued in respect of the Fund.

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 10.00am (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 ACD will accept orders to buy or sell shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 389, Darlington DL1 9UF or by telephone on 0345 608 1457.

Prices

The prices of all shares are published on every dealing day on the ACD's website: www.waystone.com and www.lindselltrain.com. The prices of shares may also be obtained by calling 0345 608 1457 during the ACD's normal business hours.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Documents and the most recent interim and annual reports may be inspected at, and obtained from, the ACD at 3rd Floor, Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL during normal business hours on any business day, in addition to being available at www.waystone.com.

Shareholders who have any complaints about the operation of the Fund should contact the ACD or the Depositary in the first instance. 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.

GENERAL INFORMATION continued

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.

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