

# Epworth Investment Funds for Charities

## Charity number 1182845

### Report and accounts

# For the year to 31 October 2022

Epworth UK Equity Fund  
for Charities

Epworth Global Equity Fund  
for Charities

Epworth Corporate Bond Fund  
for Charities

Epworth Sterling Sovereign  
Bond Fund for Charities

Epworth Multi-Asset Fund  
for Charities

Epworth Climate Stewardship  
Fund for Charities

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# Manager's Report

## Structure and Management of the Trust

Epworth Investment Funds for Charities is an authorised unit trust with six Sub-funds. For the purposes of the regulations the Trust is:

- (a) a Charity Authorised Investment Fund (CAIF);
- (b) an Alternative Investment Fund (AIF); and
- (c) a Non-UCITS Retail Scheme (NURS).

The Authorised Fund Manager, responsible for managing and administering the Trust's affairs is Epworth Investment Management Limited (Epworth). Epworth is authorised and regulated by the Financial Conduct Authority (Ref: 175451).

HSBC Bank PLC is the Trustee and Depositary of the Trust pursuant to an Agreement with Epworth dated 19 April 2019.

The only investors permitted to subscribe for units in the Trust are those investors who are a charity within the meaning of the Charities Act 2011 or paragraph 1(1) Schedule 6, Finance Act 2010 or are a Scottish recognised body or a Northern Ireland Charity.

## Launch of the Trust and its Sub-funds

The Trust was authorised by the FCA from 5 April 2019. It appears on the financial services register under product number 839709. The Trust is also registered with Charity Commission under registration number 1182845.

On 30 April 2019 the Epworth Sterling Sovereign Bond Fund, Epworth Corporate Bond Fund, Epworth UK Equity Fund and Epworth Global Equity Fund were launched. The Epworth Multi-Asset fund was launched on 11 June 2019 and the Epworth Climate Stewardship Fund on 28 May 2020.

## The Advisory Committee

The Advisory Committee is independent from the Authorised Fund Manager and the Depositary. It has a consultative role and is tasked with representing the interests of Unitholders. It will make representations to the Authorised Fund Manager concerning the appointment of the Authorised Fund Manager's and Depositary's delegates, the investment objectives, investment policy and income distribution policy of each Sub-fund and the fees and charges associated with each Sub-fund.

If Unitholders have any concerns that they wish to raise they may write to the Chair of the Advisory Committee care of the Authorised Fund Manager.

## Delegation and oversight of core activities

The Manager has determined to delegate some of its core responsibilities to HSBC Bank PLC. This includes the roles of Administrator, Registrar, Fund Accountant and Transfer Agent. Epworth retains the responsibility for the performance of these activities at all times and undertakes a vigorous monitoring programme to ensure that its delegate has satisfactorily discharged the Manager's regulatory and other obligations in a satisfactory manner. The results of this monitoring are reported to the Board of Epworth.

## Investment Objectives, Policies, Benchmarks and Risk & Reward Profile

During the year there have been amendments to the investment objective and policy of the UK Equity and Global Equity funds. "Predominantly" has been replaced by "at least 70%" to clarify the minimum extent to which each fund is invested in the relevant core markets.

## Closure of the Bond Sub-funds

The Manager plans to close the Epworth Corporate Bond Fund and Epworth Sterling Sovereign Bond Fund and pay redemption proceeds to unitholders. The proposed closure date is 30 April 2023.

## Epworth UK Equity Fund

The UK Equity Sub-fund seeks to provide a level of income and investment growth greater than that of the FTSE All Share (the "Index") (after allowing for fees) by investing ethically in the shares of UK companies.

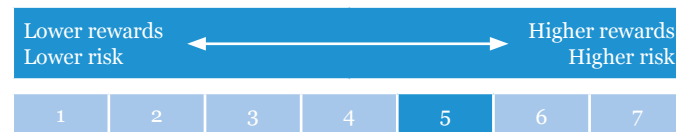
The Sub-fund invests at least 70% in companies quoted on the London Stock Exchange which:

- are incorporated or headquartered in the United Kingdom;
- carry out a significant proportion of their business in the United Kingdom;
- are not excluded from selection by ethical screening based on Christian principles.

The Sub-fund contains assets generally expected to follow the Index's performance (core portfolio) and others expected to outperform the Index (conviction portfolio). Around a third of the Sub-fund will form the conviction portfolio and the rest will form the core portfolio.

The Sub-fund is actively managed but a substantial number of the investments in the Sub-fund are chosen by reference to the Index. The Sub-fund also invests differently from the Index in seeking to outperform it. The Sub-fund selects shares of companies that have a reasonable price based on the company's valuation and offer opportunities for long-term growth.

The risk and reward profile of the Sub-fund is shown below:



This Sub-fund is ranked at 5 because it has experienced medium/high rises and falls in the past. The above figure applied to the following unit classes: Income, Accumulation and CFB Income units.

- The Manager has calculated the Sub-fund's risk and reward category, as shown above, using an industry-standard method.
- The Sub-fund appears in category 5 because the Sub-fund's units have seen changes in price, but not as much or as often as funds that invest in different assets.
- This indicator is based on historic data and may not be a reliable indication of the future risk profile of the Sub-fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.

This indicator does not take account of the following risks:

- In some market situations, it may be more difficult to sell the Sub-fund's assets at a desirable price which may affect our ability to redeem investors' units.
- The Manager may determine to invest part of the Sub-fund's assets in smaller companies. These may be more difficult to sell than larger companies, with larger differences between their buying and selling prices. They are also prone to more rapid changes in their prices in volatile market conditions.

# Manager's Report

## Epworth Global Equity Fund

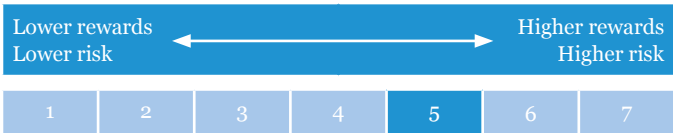
The Global Equity Sub-fund seeks to provide a level of income and investment growth greater than that of the FTSE All World (£) (the “Index”) (after allowing for fees) by investing ethically in the shares of global companies (including indirectly through other funds). The Sub-fund invests at least 70% in companies quoted on the world’s major stock exchanges and which are not excluded from selection by ethical screening based on Christian principles.

The Sub-fund contains assets generally expected to follow the Index’s performance (core portfolio) and others expected to outperform the Index (conviction portfolio). Around a third of the Sub-fund will form the conviction portfolio and the rest will form the core portfolio.

The Sub-fund is, therefore, actively managed but a substantial number of the investments in the Sub-fund are chosen by reference to the Index. The Sub-fund invests differently from the Index in seeking to outperform it. However, the core portfolio will generally follow the countries/regions in the Index.

The Sub-fund selects shares of companies that have a reasonable price based on the company’s valuation and offer opportunities for long-term growth.

The risk and reward profile of the Sub-fund is shown below:



This Sub-fund is ranked at 5 because it has experienced medium/high rises and falls in the past. The above figure applied to the following unit classes: Income, Accumulation and CFB Income Units.

- The Manager has calculated the Sub-fund’s risk and reward category, as shown above, using an industry-standard method.
- The Sub-fund appears in category 5 because the Sub-fund’s units have seen some changes in price, but not as much or as often as funds that invest in different assets.
- This indicator is based on historic data and may not be a reliable indication of the future risk profile of the Sub-fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean “risk free”.

This indicator does not take account of the following risks:

- The Sub-fund may invest in emerging markets which may be more volatile than developed economies and which have less well-developed regulatory systems and disclosure standards.
- The rates of, and any relief from, international taxation may change from time to time.
- Settlement timing risks may mean that the Sub-fund experiences short periods where it’s exposure to the underlying markets are out of line with expectations. This is due to differences in global equity markets between bargain and settlement dates.

## Epworth Sterling Sovereign Bond Fund

The Sterling Sovereign Bond Sub-fund seeks to provide income and investment growth exceeding that of the iBoxx Gilt Index (the “Index”) (after allowing for fees) by investing in sovereign bonds that are issued in Pounds Sterling. The Sub-fund invests at least 30% of its portfolio in bonds with fixed coupons issued by the UK Governments (Gilts) but may also invest, or have holdings of:

- bonds (or similar investments) issued or guaranteed by other sovereign states;
- variation rate and index-linked government securities; and
- cash (and near cash).

The Sub-fund is actively managed but some of the investments in the Sub-fund are chosen by reference to the Index. Investments outside the Index are also permitted and the proportions of investments in the portfolio will differ from the Index.

The average duration of the portfolio (the average time until maturity of the bonds) is managed to benefit from, or protect from, anticipated changes to interest rates.

The risk and reward profile of the Sub-fund is shown below:



This Sub-fund is ranked at 4 because it has experienced medium rises and falls in the past. The above figure applied to the following unit classes: Income, Accumulation and CFB Income Units.

- The Manager has calculated the Sub-fund’s risk and reward category, as shown above, using an industry-standard method.
- The Sub-fund appears in category 4 because the Sub-fund’s units have seen some changes in price, but not as much or as often as funds that invest in different assets.
- This indicator is based on estimated data and may not be a reliable indication of the future risk profile of the Sub-fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean ‘risk free’.

This indicator does not take account of the following risks:

- In some market situations, it may be more difficult to sell the Sub-fund’s assets at a desirable price which may affect our ability to redeem investors’ units.
- In recent years interest rates have remained low and relatively stable. A significant increase in interest rates is likely to reduce the value of the Sub-fund’s investments and the price of units.

## Epworth Corporate Bond Fund

The Corporate Bond Sub-fund seeks to provide income and investment growth exceeding that of iBoxx Corporate Bond Index (the “Index”) (after allowing for fees) by investing in bonds that are issued by corporations in Pounds Sterling.

The Sub-fund invests at least 90% of its portfolio in bonds issued by corporations and which are not excluded from selection by ethical screening based on Christian principles but may also invest, or have holdings of, cash (and near cash). The Sub-fund can hold corporate bonds of any credit rating and in any geography or sector. We include bonds issued or guaranteed by supranational entities, sub-sovereign entities and their agencies, within our definition of corporate bonds.

# Manager's Report

The Sub-fund is actively managed. The manager's expectations as to the future behaviour of the credit markets will determine the Sub-fund's allocation to higher or lower credit quality bonds. The average duration of the portfolio (the average time until maturity of the bonds) is managed to benefit from, or protect from, anticipated changes to interest rates.

The risk and reward profile of the Sub-fund is shown below:



This Sub-fund is ranked at 4 because it has experienced medium rises and falls in the past. The risk rating has increased from 3 in the previous financial period due to increased volatility in the Fixed Income markets. The above figure applied to the following unit classes: Income, Accumulation and CFB Income Units.

- The Manager has calculated the Sub-fund's risk and reward category, as shown above, using an industry-standard method.
- The Sub-fund appears in category 4 because the Sub-fund's units have seen some changes in price, but not as much or as often as funds that invest in different assets.
- This indicator is based on historic data and may not be a reliable indication of the future risk profile of the Sub-fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.

This indicator does not take account of the following risks:

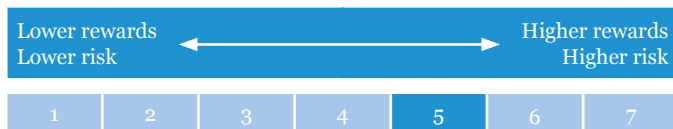
- The Sub-fund invests in debt securities and there is a risk that their issuers may fail to meet, or face delay in meeting, their commitments. This could affect the Sub-fund's value or ability to make payments.
- In some market situations, it may be more difficult to sell the Sub-fund's assets at a desirable price which may affect our ability to redeem investors' units.
- In recent years interest rates have remained low and relatively stable. A significant increase in interest rates is likely to reduce the value of the Sub-fund's investments and the price of units.

## Epworth Multi-Asset Fund

The Multi-Asset Sub-fund seeks income and capital growth by direct or indirect investing in a balanced portfolio of ethically screened global equities, sterling bonds and other asset classes. The Sub-fund invests in number of asset classes using other Sub-funds managed by the Authorised Fund Manager, funds managed by other managers or by directly investing into equities and fixed interest securities. The Sub-fund may also invest in, or hold, cash or near cash.

Direct investments may be excluded from selection by ethical screening based on Christian principles. Indirect investments may be used to give exposure to non-sterling bonds, commercial property, infrastructure, private equity and absolute return strategies.

The risk and reward profile of the Sub-fund is shown below:



This Sub-fund is ranked at 5 because it has experienced medium/high rises and falls in the past. The risk rating has increased from 4 in the previous financial period due to increased volatility in Global

markets. The above figure applied to the following unit classes: Income, Accumulation and CFB Income Units.

- The Manager has calculated the Sub-fund's risk and reward category, as shown above, using an industry-standard method.
- The Sub-fund appears in category 5 because the Sub-fund's units have seen some changes in price, but not as much or as often as funds that invest in different assets.
- This indicator is based on estimated data and may not be a reliable indication of the future risk profile of the Sub-fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.

This indicator does not take account of the following risks:

- The Sub-fund may invest in emerging markets which have less well-developed regulatory systems and disclosure standards.
- The Sub-fund may invest in debt securities and there is a risk that their issuers may fail to meet, or face delay in meeting, their commitments.
- The Sub-fund may invest part of its assets in smaller companies. These may be more difficult to sell than larger companies, with larger differences between their buying and selling prices.
- In some market situations, it may be more difficult to sell the Sub-fund's assets at a desirable price which may affect our ability to redeem investors' units.

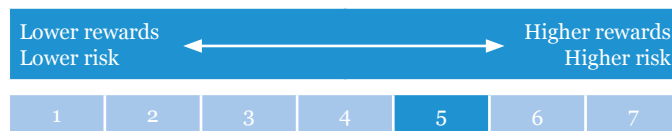
## Epworth Climate Stewardship Fund

The Climate Stewardship Sub-fund seeks to provide a level of income and capital growth over a minimum period of 5 years by investing at least 70% in the shares of UK companies. It also seeks a carbon intensity for the Sub fund's portfolio substantially lower (at least 15% lower) than that of the FTSE All Share Index. The Sub fund will avoid investment in companies excluded by ethical screening based on Christian principles.

The Sub fund also excludes investment in companies that extract or refine fossil fuels and which have a material involvement with supplying the fossil fuel extractives and refining industry with goods or services. The Sub fund also seeks to minimise exposure to other companies that are fossil fuel intensive or are responsible for high levels of greenhouse gas emissions.

The Sub fund will invest in companies that the Manager believes will contribute to a transition to lower carbon emissions in the UK or globally.

The risk and reward profile of the Sub-fund is shown below:



This Sub-fund is ranked at 5 because it has experienced medium/high rises and falls in the past. The above figure applied to the following unit classes: Income, Income B, Accumulation and CFB Income Units.

- The Manager has calculated the Sub-fund's risk and reward category, as shown above, using an industry-standard method.
- The Sub-fund appears in category 5 because the Sub-fund's units have seen some changes in price, but not as much or as often as funds that invest in different assets.
- This indicator is based on historic data and may not be a reliable indication of the future risk profile of the Sub-fund.
- The risk and reward category shown is not guaranteed to remain unchanged and may shift over time.

# Manager's Report

- The lowest category does not mean 'risk free'.

This indicator does not take account of the following risks:

- In some market situations, it may be more difficult to sell the Sub-fund's assets at a desirable price which may affect our ability to redeem investors' units.
- The Manager may determine to invest part of the Sub-fund's assets in smaller companies. These may be more difficult to sell than larger companies, with larger differences between their buying and selling prices. They are also prone to more rapid changes in their prices in volatile market conditions

## Prospectus

The prospectus is reviewed on an ongoing basis by the Manager.

The prospectus was last re-issued on 31 December 2021 to reflect the changes to the investment objectives of the UK Equity and Global Equity Sub funds noted previously.

## Ethical policy

The Sub-funds will not invest in securities that are on the ethical exclusions list of the Authorised Fund Manager. Epworth is a wholly owned subsidiary of the Central Finance Board of the Methodist Church (Central Finance Board). The ethical policy is determined by a joint committee on the ethics of investment between the Central Finance Board and Methodist Conference. This Committee approves policies and positioning papers on a number of issues including the climate emergency, modern slavery, the use of plastics, tax justice, spending on armaments and the use of alcohol and tobacco. These policies can be found on the Authorised Fund Manager's website at [www.epworthinvestment.co.uk](http://www.epworthinvestment.co.uk). The policies lead to the securities of a number of companies being excluded from the investable universe of the Sub-funds. During the last financial year the Manager added to the exclusions list all companies with substantial interests in Russia due to that country's illegal invasion of Ukraine.

## Distribution policy

Each Sub-fund accrues income from its Scheme Property on every business day. All charges were allocated to the income of the appropriate Sub-fund during the reporting year. From 1 November 2021 charges are allocated against the capital account of the appropriate Sub-fund. Net income is allocated quarterly by 31 December, 31 March, 30 June and 30 September of each year. All Sub-funds offer Income, Accumulation and CFB Income units\*.

\* Investment into CFB Income units is strictly limited to institutions that have entered into an agreement with the Authorised Fund Manager.

## Controls and Risk Management

In addition to the oversight of its delegate, the Authorised Fund Manager maintains ongoing checks of the investments of each Sub-fund against the Trust's investment objectives, policies, and investment and borrowing powers. This includes an ongoing assessment of the liquidity of the securities held by each Sub-fund in alternative stressed scenarios. The Manager is satisfied that the Sub-funds are managed in accordance with the Prospectus and that the systems of internal controls are sufficient to have identified any risk events that may have occurred during the period. The Manager maintains a constant review of these internal controls and will commit additional resources where it deems necessary for the continued discharge of its responsibilities for the ongoing investment, operational and regulatory oversight of the Sub-funds.

The Manager is pleased to report that there was no disruption to business during the COVID 19 pandemic in 2020-2022 and that unit

creations, redemptions and distributions were uninterrupted during this time. Epworth would like to acknowledge the continued hard work and attentive support from its staff and those of the Depositary and delegate during the pandemic.

## Investment performance

The performance of the Equity Sub funds has suffered relative to the reference benchmarks during 2022 largely due to the Sub Funds' exclusion of companies whose share price has benefited from Russia's invasion of Ukraine – energy and defence stocks. The performance of the Sub funds since launch is as follows:

Fund	Launch date	Fund Return (launch to 31.10.22)	Benchmark Return (launch to 31.10.22)
Epworth Sterling Sovereign Bond Fund for Charities	30.04.19	-6.1%	-5.3%
Epworth Corporate Bond Fund for Charities	30.04.19	-3.7%	-3.4%
Epworth UK Equity Fund for Charities	30.04.19	0.0%	2.1%
Epworth Global Equity Fund for Charities	30.04.19	8.2%	9.3%
Epworth Multi- Asset Fund for Charities	01.08.19	2.5%	2.5%
Epworth Climate Stewardship Fund for Charities	28.05.20	3.6%	8.3%

All performance data assumes that income has been re-invested, relates to the Accumulation and Income units (not CFB units) and is on a total return basis after all fees and charges. Performance data is based upon internal estimates prepared by the Manager.

## Directors' statement

In accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority, we hereby certify the report on behalf of the Directors of Epworth Investment Management Limited.

David Palmer, Director  
Michelle Edward, Secretary  
24 February 2023



# Investment Manager's Report

## As at 24 February 2023

### Overview

2022 has been an eventful year, even in the context of recent market and world events.

In 2022, people stopped worrying so much about COVID, and shifted instead to being concerned about war, energy prices and inflation. Putin's war in Ukraine, as well as being a humanitarian disaster, has created squeezes in a number of markets, notably the energy markets, adding to inflationary pressures that were already in play. More broadly, it has raised concerns about global security and supply chains. Inflation, low for a number of years, came roaring back around the world.

Economic growth stalled in response to this. Over the year global growth expectations were steadily reduced, although there is evidence of quite significant variation around the world. Some markets have had specific challenges, notably the UK which, due partly to Brexit and some idiosyncratic political decisions, has struggled in 2022. The key markets globally remain the US and China, which again are on different paths, with China coming out of its zero Covid policy, and the US showing resilience given its energy self sufficiency.

These factors played out in markets around the world, with 2022 being a year where many multi year highs and lows were hit. Sadly these were challenging for many people, as energy prices, interest rates and inflation hit multi year and, in some cases, multi decade highs. Bond markets suffered globally as interest rates rose, and many growth markets also suffered as investors came to terms with the end of cheap money and low inflation. Equities were broadly down, although markets that were heavy in energy production fared better than those dominated by technology.

### Global economy

Records tumbled thick and fast in 2022. The year started quite optimistically, with most commentators hoping that moderated rises in interest rates and the boost from reopening economies would lead to the fabled soft landing, where growth would slow and help tame inflation without tipping the world into outright recession. This optimism faded through the year, as Putin started his war and evidence of the strains in the global economy became clearer. Inflation soared globally, and more worryingly, across many drivers. Central banks responded with interest rate rises and, at time of writing, inflation was starting to moderate but not yet showing signs of coming back down. Interest rates, low since the financial crisis, have risen to levels that look more like historical norms. The challenge with this is that the world is more indebted than it has been historically. Balance sheets, at an individual, corporate and government level, have a lot more borrowing than was the case in the past. This means that while interest rates are not particularly high by long term standards, the impact on debt servicing is magnified.

While this all sounds very depressing, global growth did continue through 2022, albeit at much lower levels than 2021. Some countries went into recession but the global economy grew. Commentators are split on the outlook for 2023, although growth is still expected to be moderately positive. Most agree that there will be more pain before we see an improvement, and that the pain will be unevenly spread, with some countries suffering more than others.

### UK economy

The UK economy experienced a particularly torrid 2022, driven by global factors but exacerbated by political instability and the ongoing impact of Brexit. At the start of the year inflation was at 5.1% and interest rates were 0.25%. At the end of the year inflation was 11.1% and interest rates were 3.5%. The Bank of England predicts for 2023 a shallow but long recession, and hopes this will moderate inflation without the need for further substantial interest rate hikes, but there are quite a few variables in that equation. The impact of Liz Truss' short lived but disastrous premiership looms large over markets, and exemplified the lack of room for manoeuvre in government finances. While the decisions made that sent gilt yields soaring and crashed the pound have almost all been reversed, existing high debt levels and rising inflation and interest rates constrain the ability of policy makers to take supportive action for consumers amid these challenging times.

Interestingly the UK equity market has been one of the better performers globally, supported by heavy weightings to energy and other defensive stocks, showing the extent to which the largest companies listed in the UK have decoupled from the UK economy.

### Fixed interest markets

2022 was one of the worst years on record for fixed income markets, as historically low yields (and correspondingly high prices) were swept away by rising inflation and interest rates. This was a global phenomenon with all major markets seeing double digit price falls. US 10-year yields ended the year close to 4%, having started the year at under 2%. The UK markets saw an even more extreme move, although yields moderated from the highs seen after Kwasi Kwarteng's ill-judged mini budget. Similar stories can be seen in Europe and Asia as central banks grappled with unexpectedly high and persistent inflation.

### Equity markets

Equity markets also had a difficult year as they came to terms with the changed economic outlook. Volatility was high but most markets saw overall declines. There was also a substantial sectoral variation, with stocks that profited from these conditions soared while sectors that relied on economic growth and cheap borrowing slumped. Energy and defence stocks benefitted from Putin's war and rose strongly, with the energy sector by far the best performer overall. At the opposing end of the scale, many of the stocks which performed well during the peak COVID era fell heavily out of favour. Most of this underperformance can be attributed to a sharp derating, with earnings valuations for many of these companies falling back to lows last seen in the aftermath of the Great Financial Crisis.

This divergence could be seen in different indices, with the FTSE 100 index broadly flat over the year thanks to its large number of energy companies, while the tech heavy NASDAQ index fell over 30%, and broader US stocks declined around 20%.

## Overview

The expectation going into 2023 is more of the same, at least to start with, although the rate of change will slow. The rate of inflation is showing early signs of moderating, with falls in energy prices contributing to this. Central banks continue to state they will raise or maintain interest rates for as long as it takes to tame inflation. Global growth outlooks are lower again than for 2022. This creates some self-correcting mechanisms - as demand drops so prices should drop and help inflation to come down. The hope is that as inflation slows or even falls, the focus can shift towards stimulating more economic growth. This is, however, by no means certain.

## Global economy

The consensus has formed that global growth will slow further in 2023, with some countries slipping into outright recession. The IMF forecasts global growth of 2.7% in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to decline slowly through 2023 and into 2024 but remain elevated relative to recent levels and central bank long term targets. The biggest risk factors are the ongoing inflationary cost of living crisis, Putin's war in Ukraine and China having another very difficult year as it eases its 'zero Covid' policy. So while conditions are expected to ease in some ways, it is unlikely that we will return to low inflation, cheap money and rapid global growth in the near term.

## Financial markets

After such a difficult year across almost all asset classes, should investors be fearful of what's to come? Not necessarily; there are reasons to be optimistic for an improvement in 2023, but there are clearly some significant challenges facing both people and financial markets in the coming months. The best-case scenario from here is that the rapid rises in interest rates have the desired effect, in terms of reducing inflation back into more 'normal' bounds. This would be helped by falling energy prices. Once this happens, central banks can start to ease off the brakes of financial tightening. The impact of interest rate rises is to reduce demand, and this will likely see many countries enter recession, including many in Europe. The hope is that this will be shallow although with all such blunt instruments, the risk of overshoot is great. There are also other risks - Putin's war or renewed Covid outbreaks are the biggest, but the UK experience, while arguably exacerbated by poor political management, demonstrates that many governments have limited tools that they can utilise without the support of their people and central banks. It is hard to see near term catalysts for a significant market bounce.

Looking longer term, the forward outlook is more hopeful. We have been in a prolonged period of low interest rates, really since the global financial crisis in 2008. While there were a number of deflationary factors and unusual events in that period which prevented this driving broad inflation, some level of normalisation has been long overdue. Bonds continue to be volatile but looked at on a longer term basis are starting to represent better value, though are still challenged in the short term by ongoing rises in interest rates and widening credit spreads. Equities have continued to exhibit a volatile downward trend, but valuations are starting to look very attractive in parts of the market as and when earnings downgrades reach a floor. Cash rates, while still below inflation, are also starting to offer value to investors. Alternative assets have held up well, although we don't expect to see the strong returns of the past as rising discount rates and better valued fixed income options somewhat reduce their overall appeal. Property markets look as if they will face substantial headwinds. Highly speculative assets look set to continue to struggle.

Given this, we continue to have a neutral view on equities but an increasingly positive view on fixed income assets. We have concerns about property valuations and hold a somewhat negative view on this asset class.



# Ethics Report

## Background

Epworth works closely with the Central Finance Board of the Methodist Church (CFB) on the development of its ethical policies. The CFB forms a committee with Methodist Conference, the Joint Advisory Committee on the Ethics of Investment (JACEI) that advises it on the ethics of investment. JACEI identifies priorities for engagement with companies in which Epworth invests and identifies companies that should be excluded from the investable universe on ethical grounds. The Committee has recently published a policy on the mining sector.

## Pillars

Epworth has strengthened its theological grounding through the development of ethical pillars. These pillars underpin policies, keep the firm grounded in its theology, and allow Epworth to better respond to existing and emerging issues.

The ethical pillars are guided by God's call to care for people and planet, and informed by the Methodist tradition of equality, fairness, individual responsibility, and societal care. The pillars are linked to the United Nations Sustainable Development Goals (SDGs). Epworth supports the utilization of the SDGs, but feel that without a robust theological underpinning, they risk being misused by corporations or organizations attempting to appear ethical. By linking the theological pillars to the SDGs, Epworth develops a common industry voice whilst better embedding theology into engagement action.

Details of our Pillars can be found on our website at <https://www.epworthinvestment.co.uk/downloads/epworth-investment-pillars.pdf>.

## Carbon Footprint

The Epworth UK Equity fund, and the other Epworth funds listed below report on their carbon footprint using independently verified data. As at the 30 September 2022, the Epworth UK fund had a carbon footprint of 30% below its benchmark of the All-Share Index.

The Epworth Climate Stewardship fund has a mandate to have a carbon footprint substantially below (at least 15%) that of the FTSE All Share Index. As at the end of September 2022, the footprint of the fund was 75% less intensive than its benchmark.

The Epworth Global Equity fund reports in line with the Montréal Pledge also, and as at the end of September 2022, it was 68% less intensive than its benchmark of the FTSE All-World index.

## Stewardship Code

The Financial Reporting Council UK Stewardship Code sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. The Principles of Informed Engagement with Companies set out within the Code lie at the heart of Epworth's investment approach. The Stewardship Code provides a valuable, additional context for enhancing the responsibility of shareholder ownership.

After a successful submission in 2021, the team submitted the 2022 renewal ahead of the early submission deadline. The latest Stewardship Code report reflects the suggestions made by the FRC on our previous submission, as well as integrating case studies into every reported principle. Importantly, our FRC submission makes public our commitment to serving people and planet through investment. Details of our submission can be found on our website.

## The Illegal Occupation of Ukraine

Epworth believes that for both ethical and fiduciary reasons, Russian securities should not form any part of our clients' investment portfolios. Epworth and the CFB do not hold any Russian securities directly, but both organisations have held indirect exposure to Russian companies through holdings of emerging market-focused vehicles. We have now eliminated this exposure and we have excluded Russia from our investment universe.

## The Mining Sector

Mining features as a main ethical theme for us as we seek to ensure companies are contributing to the just transition to a better climate. Our position with the mining companies is to have a preferential option for victims, the poor and the marginalised, and to help their voice reach the highest levels of the company. The efforts of Epworth will focus on the rights of workers, the condition of indigenous communities, and the stewardship of our shared planet.

## Climate Action 100+

As co-leads for Climate Action 100+ for Anglo American, our engagement efforts, alongside MFS and Robeco, contributed to Anglo American's climate strategy at their most recent AGM. It is worth noting that the strategy features a scope 3 ambition: a first in the mining sector.

## Rio Tinto

Epworth featured in the Sunday Times as one of the only investors willing to make serious comment after the mining company Rio Tinto published a report detailing systemic workplace toxicity including incidents of criminal harassment, rape and racism within their company. We remain committed to standing in solidarity with the victims and to driving change.

In this reporting period, we have had follow-up meetings with the Rio Tinto's Chief People Officer and are pleased to report that our engagement contributed to the company committing to re-conducting the independent report in 2 years' time. We feel this not only indicates a willingness to be transparent, but also helps ensure Rio's targets for a safer more inclusive working environment are met.

## Nestle

The CFB/Epworth met with representatives from Nestle to discuss a range of ethical issues. This built on the engagement started years ago regarding Breast Milk Substitutes and has now broadened out to include nutrition and health, as well as other topics such as the climate emergency and modern slavery.

The company's 2021 Modern Slavery and Human Trafficking report was very insightful to the work it has been undertaking across the world, including in the UK. The CFB/Epworth were able to discuss the factors that affect supply chains in the UK as they relate to Nestle and hear about the processes they have in place to find, fix, and prevent modern slavery.

## Corporate governance and voting

Epworth continues to vote in line with the Church Investors Group voting guidelines, which hold companies to a high standard on issues such as executive pay, climate change, and tax justice. The voting guidelines were revised during the year to promote ethnic diversity at board level, and to strengthen its gender diversity guidelines. It also expanded the types of companies who are expected to be Paris aligned, and therefore the number of companies that could receive a vote against the board chair if the company was identified as a laggard in addressing the climate emergency.

Epworth was pleased to see some changes as the result of our voting policy recently at Brooks Macdonald, a financial services company in which the CFB/Epworth has had a reasonably significant shareholding since 2017 through its UK equity funds. We voted against the remuneration report and Chair of the remuneration committee in 2020 & 2021, partly in response to the variable remuneration schemes not including non-financial targets for management. This led to specific dialogue with the company in 2022 on the issue, and recently Brooks Macdonald indicated that it intends to include new non-financial targets relating to diversity and environmental performance as 10% of its future management remuneration incentive.

# Epworth UK Equity Fund for Charities

## Statement of total return

For the year ended 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
Income: net capital (losses)/gains	2	(39,162)	104,338
Income: revenue	3	8,120	10,618
Expenses	4	(435)	(530)
Interest payable and similar charges		(1)	(1)
Taxation	5	7	1
Net revenue after taxation		7,691	10,088
Total (deficit)/return before distributions		(31,471)	114,426
Distributions	6	(8,147)	(11,141)
Change in net assets attributable to unitholders from investment activities		(39,618)	103,285

## Statement of change in net assets attributable to unitholders

For the year ended 31 October 2022

	31.10.22 £'000s	31.10.21 £'000s
Opening net assets attributable to unitholders	300,571	353,739
Amounts receivable on issue of units	3,062	2,146
Amounts payable on cancellation of units	(118,601)	(159,014)
	185,032	196,871
Dilution adjustment	264	394
Change in net assets attributable to unitholders from investment activities	(39,618)	103,285
Retained distributions on accumulation units	50	21
Closing net assets attributable to unitholders	145,728	300,571

## Balance sheet

As at 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
<b>Assets</b>			
Investments		143,836	297,191
Current assets:			
Debtors	7	587	270
Cash and bank balances	8	2,930	5,846
Total assets		147,353	303,307
<b>Liabilities</b>			
Creditors:			
Distributions payable		(1,554)	(2,645)
Other creditors	9	(71)	(91)
Total liabilities		(1,625)	(2,736)
Net assets attributable to unitholders		145,728	300,571

Balance sheet approved and signed on behalf of the Manager by:



David Palmer, Director  
24 February 2023



Michelle Edward, Secretary  
24 February 2023

# Epworth UK Equity Fund for Charities

## Comparative table

### Income units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	176.62	132.91	160.88
Return before operating charges*	(23.68)	49.19	(23.74)
Operating charges	(1.05)	(1.04)	(1.00)
Return after operating charges*	(24.73)	48.15	(24.74)
Distributions on income units	(5.78)	(4.44)	(3.23)
Closing net asset value per unit	146.11	176.62	132.91
* after direct transaction costs of (pence per unit):	0.05	0.07	0.04

### Performance

Return after charges	(14.00)%	36.23%	(15.38)%
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### Other information

Closing net asset value (£'000s)	35,349	47,811	41,681
Closing number of units	24,193,021	27,070,607	31,360,693
Operating charges**	0.73%	0.63%	0.66%
Direct transaction costs	0.03%	0.04%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	182.60	180.72	173.05
Lowest unit price (bid)	141.30	134.24	114.73

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

\*\* The operating charges % now includes a synthetic OCF, for closed ended investment funds, as per the new IMA guidelines.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth UK Equity Fund for Charities

## Comparative table

### Accumulation units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	187.43	137.40	162.56
Return before operating charges*	(25.66)	51.14	(24.17)
Operating charges	(1.13)	(1.11)	(0.99)
Return after operating charges*	(26.79)	50.03	(25.16)
Distributions on accumulation units	(6.20)	(4.63)	(3.29)
Retained distributions on accumulation units	6.20	4.63	3.29
Closing net asset value per unit	160.64	187.43	137.40
* after direct transaction costs of (pence per unit):	0.05	0.07	0.04

### Performance

Return after charges	(14.29)%	36.41%	(15.48)%
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### Other information

Closing net asset value (£'000s)	1,304	841	92
Closing number of units	811,499	448,770	67,228
Operating charges**	0.73%	0.63%	0.66%
Direct transaction costs	0.03%	0.04%	0.02%

### Prices (pence per unit)+

Highest unit price (offer)	193.80	190.33	174.85
Lowest unit price (bid)	153.70	138.78	116.44

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

\*\* The operating charges % now includes a synthetic OCF, for closed ended investment funds, as per the new IMA guidelines.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth UK Equity Fund for Charities

## Comparative table

### CFB Income units

<b>Change in net assets per unit</b>	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	176.86	133.08	161.13
Return before operating charges*	(23.79)	49.27	(23.84)
Operating charges	(0.14)	(0.13)	(0.16)
Return after operating charges*	(23.93)	49.14	(24.00)
Distributions on income units	(5.80)	(5.36)	(4.05)
Closing net asset value per unit	147.13	176.86	133.08
* after direct transaction costs of (pence per unit):	0.05	0.07	0.04

### Performance

Return after charges	(13.53)%	36.93%	(14.89)%
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### Other information

Closing net asset value (£'000s)	109,075	251,919	311,966
Closing number of units	74,134,223	142,442,515	234,414,752
Operating charges**	0.18%	0.08%	0.11%
Direct transaction costs	0.03%	0.04%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	183.00	181.07	173.52
Lowest unit price (bid)	142.20	134.41	114.99

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

\*\* The operating charges % now includes a synthetic OCF, for closed ended investment funds, as per the new IMA guidelines.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth UK Equity Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
<b>UK Equities (31.10.21 - 89.92%)</b>			<b>91.09</b>
<b>Basic Materials</b>			<b>5.97</b>
Anglo American	109,819	2,865	1.97
Croda International	12,240	827	0.57
Mondi	43,680	639	0.44
Rio Tinto	96,115	4,361	2.99
<b>Consumer Goods</b>			<b>11.39</b>
Cranswick	65,184	1,939	1.33
Hilton Food Group	282,476	1,723	1.18
Reckitt Benckiser	69,343	4,007	2.75
Unilever	224,767	8,933	6.13
<b>Consumer Services</b>			<b>10.53</b>
Compass Group	166,782	3,063	2.10
Intercontinental Hotels	17,130	804	0.55
Next	11,330	558	0.38
Next Fifteen Communications	204,612	1,796	1.23
RELX	259,680	6,079	4.17
Ten Entertainment	743,355	1,561	1.07
Tesco	698,196	1,502	1.03
<b>Financials</b>			<b>27.62</b>
3i Group	88,330	1,025	0.70
Aviva	260,369	1,089	0.75
Barclays	1,577,460	2,331	1.60
Berkeley Group	53,925	1,872	1.28
Brooks Macdonald Group	100,619	1,882	1.29
Derwent London REIT	82,947	1,787	1.23
HgCapital Trust	529,848	1,839	1.26
HSBC Holdings	1,880,369	8,411	5.77
Impax Environmental Markets	527,715	2,169	1.49
Legal & General	565,271	1,316	0.90
Lloyds Banking Group	6,296,970	2,646	1.82
London Stock Exchange Group	35,206	2,664	1.83
NatWest Group	479,437	1,126	0.77
North Atlantic Smaller Companies Investment Trust	55,553	1,761	1.21
PRS REIT	1,853,829	1,631	1.12
Prudential	242,642	1,967	1.35
Scottish Mortgage Investment Trust	136,440	994	0.68
Segro REIT	109,370	859	0.59
Standered Chartered	231,062	1,202	0.82
Watkin Jones	1,801,641	1,686	1.16

	Holding	Market value £'000s	Total net assets %
<b>Healthcare</b>			<b>11.28</b>
AstraZeneca	89,125	9,137	6.27
GSK	363,264	5,190	3.56
Haleon	479,913	1,286	0.88
Smith & Nephew	80,823	832	0.57
<b>Industrials</b>			<b>13.60</b>
Ashtead Group	80,150	3,647	2.50
Bunzl	31,070	883	0.61
Diploma	72,477	1,802	1.24
Halma	34,290	724	0.50
Howden Joinery	311,037	1,599	1.10
IntegraFin	901,124	2,271	1.56
Keywords Studios	85,223	2,052	1.41
M J Gleeson	438,200	1,630	1.12
Oxford Instruments	85,120	1,629	1.12
Rentokil Initial	171,730	934	0.64
Rotork	745,302	1,909	1.31
Spirax-Sarco Engineering	6,660	716	0.49
<b>Technology</b>			<b>5.00</b>
FDM Group Holdings	290,102	1,822	1.25
Kainos Group	141,867	1,753	1.20
Rightmove	366,625	1,803	1.24
Softcat	170,639	1,908	1.31
<b>Telecommunications</b>			<b>2.27</b>
BT Group	651,766	846	0.58
Vodafone Group	2,424,927	2,464	1.69
<b>Utilities</b>			<b>3.43</b>
National Grid	359,070	3,405	2.34
SSE	102,542	1,595	1.09
<b>Channel Islands (31.10.21 - 4.96%)</b>			<b>3.54</b>
<b>Consumer Services</b>			<b>0.51</b>
WPP	96,883	742	0.51
<b>Financials</b>			<b>1.36</b>
3i Infrastructure	634,872	1,987	1.36
<b>Industrials</b>			<b>1.67</b>
Experian Group	87,493	2,427	1.67



# Epworth UK Equity Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
<b>Ireland (31.10.21 - 2.73%)</b>			<b>2.96</b>
<b>Financials</b>			<b>0.99</b>
UBS MSCI United Kingdom IMI Socially Responsible UCITS ETF	102,000	1,442	0.99
<b>Industrials</b>			<b>1.97</b>
CRH	69,912	2,188	1.50
Smurfit Kappa	23,872	686	0.47
<b>Singapore (31.10.21 - 1.27%)</b>			<b>1.11</b>
<b>Industrials</b>			<b>1.11</b>
XP Power	92,056	1,613	1.11
Portfolio of investments			143,836 98.70
Net other assets			1,892 1.30
Net assets			145,728 100.00

Unless otherwise stated, all investments are approved securities being either officially listed in the UK or an EEA state or traded on or under the rules of an eligible securities market.

# Epworth UK Equity Fund for Charities

## Summary of material portfolio changes

For the year ended 31 October 2022

	Cost £'000s
<b>Purchases</b>	
UBS MSCI United Kingdom IMI Socially Responsible UCITS ETF	7,976
Rightmove	3,961
IntegraFin	2,673
Kainos Group	1,229
Bunzl	1,216
Intercontinental Hotels	1,187
Unilever	1,076
Howden Joinery	933
Ashtead Group	882
XP Power	879
	22,012
Other purchases	8,153
Total purchases	30,165

	Proceeds £'000s
<b>Sales</b>	
AstraZeneca	11,920
Unilever	9,423
UBS MSCI United Kingdom IMI Socially Responsible UCITS ETF	8,206
HSBC Holdings	8,004
RELX	5,416
Rio Tinto	5,030
Ferguson	3,807
Anglo American	3,718
Ashtead Group	3,592
GlaxoSmithKline	2,985
	62,101
Other sales	82,136
Total sales	144,237

# Epworth UK Equity Fund for Charities

## Notes to the financial statements

### 1. Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in compliance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for financial statements of Authorised Funds issued by The Investment Association in May 2014 (and amended in June 2017), the Charities Act 2011 and the relevant scheme of Charity Commissioners.

Unless otherwise stated all accounting policies are consistent with those of the prior year.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

The Manager does not consider that there were any significant areas of estimation uncertainty or application of critical judgements.

#### (b) Basis of valuation

The quoted investments of the Sub-fund have been valued at bid dealing prices as at close of business on 31 October 2022, the last valuation point in the accounting year, in accordance with the Trust Deed.

#### (c) Recognition of income

Dividends on ordinary stocks and distributions are credited to revenue when the securities are quoted ex-dividend. Interest on bank deposits are accounted for on a receipts basis.

In the case where revenue is received after the deduction of withholding tax, the revenue is shown gross of taxation and the tax consequences are shown within the tax charge.

#### (d) Stock dividends

The ordinary element of stock received in lieu of cash dividends is recognised as revenue of the Sub-fund. Any enhancement above the cash dividend is treated as capital.

#### (e) Special dividends, share buy-back or additional share issue

The underlying circumstances behind a special dividend, share buy-back or additional share issue are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue form part of the distribution.

#### (f) Expenses

Expenses are accounted for on an accruals basis. From 1 November 2021, all expenses of the Sub-fund are charged against capital. Previously, expenses of the Sub-fund were charged against revenue, except for the costs associated with the purchase and sale of investments, which were charged to capital.

#### (g) Distribution policy

Revenue produced by the Sub-fund's investments accumulates during each accounting period. At the end of each accounting period, the net revenue of the Sub-fund is available to be distributed/accumulated to unitholders.

In determining the net revenue available for distributions, charges in relation to management, safe custody, registration, audit and other expenses are ultimately borne by the capital of the Sub-Fund.

A total return approach is used in that transfers between the capital account and the income account can be made to allow for distributions.

#### (h) Foreign exchange

Transactions in foreign currencies during the year are translated into sterling (the functional currency of the Sub-fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at close of business, 31 October 2022, the last valuation point in the accounting year.

#### (i) Apportionment to multiple unit classes

With the exception of the Manager's periodic charge, the allocation of revenue and expenses to each unit class is based upon the proportion of the Sub-fund's assets attributable to each unit class on the day the revenue is earned or the expense is suffered. The Manager's periodic charge is specific to each unit class. Consequently, the revenue available to distribute for each unit class will differ.

### 2. Net (losses)/gains on investments

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

	31.10.22 £'000s	31.10.21* £'000s
Unrealised (losses)/gains on non-derivative securities	(48,664)	77,134
Realised gains on non-derivative securities	9,381	26,167
Unrealised currency gains/(losses)	5	(9)
Realised currency (losses)/gains	(2)	1
Capital special dividends	122	1,051
Transaction charges	(4)	(6)
Net (losses)/gains on investments	(39,162)	104,338

\*Prior year figures have been restated

### 3. Revenue

	31.10.22 £'000s	31.10.21 £'000s
UK dividends	7,457	9,734
Overseas dividends	439	661
Property revenue from REITs	147	150
Interest on debt securities	48	54
Bank interest	29	16
Miscellaneous income	-	3
Total revenue	8,120	10,618

### 4. Expenses

	31.10.22 £'000s	31.10.21 £'000s
Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	247	262
Registration fees	13	17
	260	279
Payable to the Corporate Trustee or associates of the Trustee and agents of either of them:		
Corporate Trustee's fees	138	184
Safe custody fees	12	18
	150	202
Auditor's fee	10	33
Other expenses	15	16
	25	49
Total expenses	435	530

# Epworth UK Equity Fund for Charities

## Notes to the financial statements

### 5. Taxation

The Sub-fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid and reinvested revenue credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue.

	31.10.22 £'000s	31.10.21 £'000s
Taxation	(7)	(1)

### 6. Distributions

Distributions are materially different from net revenue as a result of special dividends of capital nature which have been correctly distributed to unit holders in line with the total return approach used.

Distributions take account of income received on creation of units and income deducted on the cancellation of units, and comprise:

	31.10.22 £'000s	31.10.21 £'000s
31 January	1,167	1,610
30 April	2,966	4,732
31 July	1,718	1,442
31 October	1,567	2,651
	7,418	10,435
Income deducted on cancellation of units	746	715
Income received on creation of units	(17)	(9)
Net distribution for the year	8,147	11,141
Net revenue after taxation	7,691	10,088
Expenses taken to capital	446	-
Capital special dividend	-	1,051
Movement of undistributed revenue	10	2
Net distribution for the year	8,147	11,141

### 7. Debtors

	31.10.22 £'000s	31.10.21 £'000s
Amounts receivable for creation of units	400	-
Accrued income	173	258
Overseas tax recoverable	9	7
Income tax recoverable	5	5
Total debtors	587	270

### 8. Cash and bank balances

	31.10.22 £'000s	31.10.21 £'000s
Epworth Cash Plus Fund	2,717	317
Cash at bank	213	5,529
Total cash and bank balances	2,930	5,846

### 9. Other creditors

	31.10.22 £'000s	31.10.21 £'000s
Accrued expenses	71	91
Total other creditors	71	91

### 10. Reconciliation of units

	Income units	Accum units	CFB Income units
Opening number of units at beginning of year 01.11.21	27,070,607	448,770	142,442,515
Units issued in year	503,364	386,884	921,534
Units cancelled in year	(3,380,950)	(24,155)	(69,229,826)
Closing number of units at end of year 31.10.22	24,193,021	811,499	74,134,223

### 11. Financial instruments

In accordance with the investment objective, the Sub-fund holds certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short term debtors and creditors arising directly from operations.

The main risks arising from the Sub-fund's financial instruments and the Manager's policies for managing these risks are summarised below. These policies have been applied consistently throughout the year and the comparative period.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. The Sub-fund's investment portfolio is exposed to market fluctuations which are monitored by the Manager in pursuit of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Collective Investment Schemes Sourcebook ("the Sourcebook") mitigates the risk of excessive exposure to any particular type of security or issuer.

#### Counterparty risk

The Sub-fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Sub-fund only deals with an approved list of brokers maintained by the Manager.

#### Liquidity risk

The Sub-fund's assets are comprised of mainly readily realisable securities. If insufficient cash is available to finance unitholder redemptions then securities held by the Sub-fund may need to be sold. The risk of low market liquidity, through reduced trading volumes, may affect the ability of the Sub-fund to trade financial instruments at values previously indicated by financial brokers. From time to time, liquidity may also be affected by stock specific or economic events. The Manager has a Liquidity Management Policy designed to monitor the liquidity risk of the Sub-fund and ensure that its investment strategy and liquidity profile allows the Sub-fund to meet its daily redemption obligations.

#### Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

# Epworth UK Equity Fund for Charities

## Notes to the financial statements

The total currency exposure at the year end:

Currency	Monetary exposures £'000s	31.10.22 Non- monetary exposures £'000s	Total £'000s	Monetary exposures £'000s	31.10.21 Non- monetary exposures £'000s	Total £'000s
Sterling	1,703	143,836	145,539	3,100	297,191	300,291
Euro	142	-	142	195	-	195
Norwegian Kroner	1	-	1	1	-	1
US Dollar	46	-	46	84	-	84
Total	1,892	143,836	145,728	3,380	297,191	300,571

### Interest rate risk

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

At the year end 2.01% (31.10.21: 1.94%) of the Sub-fund's assets by value were interest bearing.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

### 12. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 October 2022 (31.10.21: none).

### 13. Unitholders' funds

There are three unit classes in issue within the Sub-fund. These are Income, Accumulation and CFB Income units. The Manager's periodic charge in respect of these units is expressed as an annual percentage of the value of the property of the Sub-fund attributable to each unit class and is currently 0.55% in respect of Income and Accumulation units and 0% in respect of CFB Income units. Consequently, the level of net revenue attributable to each unit class will differ. Should it be necessary to wind-up the Sub-fund, each unit class will have the same rights as regards to the distribution of the property of the Sub-fund.

### 14. Related party transactions

The Manager's periodic charge is paid to Epworth Investment Management Limited, a related party to the Sub-fund. The amounts paid in respect of the Manager's periodic charge are disclosed in note 4. The amount outstanding as at 31 October 2022 was £17,042 (31.10.21: £22,581).

In addition, the Sub-fund placed deposits during the year with the Epworth Cash Plus Fund, a fund managed by Epworth Investment Management Limited. All charges levied for the management of these deposits have been refunded to the Sub-fund by Epworth. There were no other related party transactions during the year.

# Epworth UK Equity Fund for Charities

## Notes to the financial statements

### 15. Portfolio transaction costs

For the year ended 31 October 2022

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Equity transactions	22,180	9	0.04	-	-	-	-	22,189
Pooled investment vehicles	7,973	3	0.04	-	-	-	-	7,976
Total	30,153	12		-		-		30,165

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Equity transactions	136,085	(54)	(0.04)	-	-	-	-	136,031
Pooled investment vehicles	8,209	(3)	(0.04)	-	-	-	-	8,206
Total	144,294	(57)		-		-		144,237

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.03%
Taxes	0.00%
Other expenses	0.00%

For the year ended 31 October 2021

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Equity transactions	70,778	28	0.04	-	-	25	0.04	70,831
Pooled investment vehicles	3,301	1	0.03	-	-	-	-	3,302
Total	74,079	29		-		25		74,133

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Equity transactions	215,018	(86)	(0.04)	-	-	-	-	214,932
Pooled investment vehicles	4,816	(2)	(0.04)	-	-	-	-	4,814
Corporate actions	10,578	-	-	-	-	-	-	10,578
Total	230,412	(88)		-		-		230,324

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.03%
Taxes	0.00%
Other expenses	0.01%

Portfolio transaction costs are incurred by the Sub-fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: "Dealing spread" - the difference between buying and selling prices of the underlying investments.

At the Balance sheet date the portfolio dealing spread was 0.22% (31.10.21: 0.17%) being the difference between the respective bid and offer prices for the Sub-fund's investments.



## Notes to the financial statements

### 16. Sensitivity analysis

#### Interest rate risk sensitivity

As the majority of the Sub-fund's financial assets are non-interest bearing, the Sub-fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore, no sensitivity analysis has been provided.

#### Foreign currency risk sensitivity

A five percent increase in the value of the Sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £9,409 (31.10.21: £14,019). A five percent decrease would have an equal and opposite effect.

#### Market price risk sensitivity

A five percent increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £ 7,191,787 (31.10.21: £14,859,540). A five percent decrease would have an equal and opposite effect.

### 17. Fair value of financial assets and financial liabilities

The fair value of the Sub-fund's investments has been determined using the hierarchy below. This complies with the 'Amendments to FRS 102 - Fair value hierarchy disclosures' issued by the Financial Reporting Council in March 2016.

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 October 2022

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Equities	142,394	-	-	142,394
Pooled Investment Vehicles	1,442	-	-	1,442
	143,836	-	-	143,836

For the year ended 31 October 2021

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Equities	295,315	-	-	295,315
Pooled Investment Vehicles	1,876	-	-	1,876
	297,191	-	-	297,191

# Epworth UK Equity Fund for Charities

## Distribution tables

For the year ended 31 October 2022

### First interim distribution in pence per unit

Group 1: units purchased prior to 1 November 2021

Group 2: units purchased 1 November 2021 to 31 January 2022

	Net income	Equalisation	2022 pence per unit paid 15 Mar	2021 pence per unit paid 15 Mar
<b>Income units</b>				
Group 1	0.83	-	0.83	0.48
Group 2	0.37	0.46	0.83	0.48
<b>Accumulation units</b>				
Group 1	0.88	-	0.88	0.49
Group 2	0.43	0.45	0.88	0.49
<b>CFB Income units</b>				
Group 1	0.83	-	0.83	0.69
Group 2	0.35	0.48	0.83	0.69

### Second interim distribution in pence per unit

Group 1: units purchased prior to 1 February 2022

Group 2: units purchased 1 February 2022 to 30 April 2022

	Net income	Equalisation	2022 pence per unit paid 15 Jun	2021 pence per unit paid 15 Jun
<b>Income units</b>				
Group 1	2.11	-	2.11	1.97
Group 2	0.21	1.90	2.11	1.97
<b>Accumulation units</b>				
Group 1	2.25	-	2.25	2.04
Group 2	2.25	0.00	2.25	2.04
<b>CFB Income units</b>				
Group 1	2.12	-	2.12	2.19
Group 2	2.12	0.00	2.12	2.19

# Epworth UK Equity Fund for Charities

## Distribution tables

### Third interim distribution in pence per unit

Group 1: units purchased prior to 1 May 2022

Group 2: units purchased 1 May 2022 to 31 July 2022

	Net income	Equalisation	2022 pence per unit paid 15 Sep	2021 pence per unit paid 15 Sep
<b>Income units</b>				
Group 1	1.26	-	1.26	0.64
Group 2	0.10	1.16	1.26	0.64
<b>Accumulation units</b>				
Group 1	1.36	-	1.36	0.68
Group 2	0.09	1.27	1.36	0.68
<b>CFB Income units</b>				
Group 1	1.27	-	1.27	0.88
Group 2	1.27	0.00	1.27	0.88

### Final distribution in pence per unit

Group 1: units purchased prior to 1 August 2022

Group 2: units purchased 1 August 2022 to 31 October 2022

	Net income	Equalisation	2022 pence per unit payable 15 Dec	2021 pence per unit paid 15 Dec
<b>Income units</b>				
Group 1	1.58	-	1.58	1.35
Group 2	0.16	1.42	1.58	1.35
<b>Accumulation units</b>				
Group 1	1.71	-	1.71	1.42
Group 2	0.43	1.28	1.71	1.42
<b>CFB Income units</b>				
Group 1	1.58	-	1.58	1.60
Group 2	0.00	1.58	1.58	1.60

### Equalisation

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

# Epworth Global Equity Fund for Charities

## Statement of total return

For the year ended 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
Income: net capital (losses)/gains	2	(20,720)	33,492
Income: revenue	3	3,093	2,217
Expenses	4	(291)	(252)
Interest payable and similar charges		(2)	(2)
Taxation	5	(349)	(237)
Net revenue after taxation		2,451	1,726
Total (deficit)/return before distributions		(18,269)	35,218
Distributions	6	(2,741)	(1,723)
Change in net assets attributable to unitholders from investment activities		(21,010)	33,495

## Statement of change in net assets attributable to unitholders

For the year ended 31 October 2022

	31.10.22 £'000s	31.10.21 £'000s
Opening net assets attributable to unitholders	227,634	63,618
Amounts receivable on issue of units	10,949	137,905
Amounts payable on cancellation of units	(113,803)	(7,677)
	124,780	193,846
Dilution adjustment	244	292
Change in net assets attributable to unitholders from investment activities	(21,010)	33,495
Retained distributions on accumulation units	9	1
Closing net assets attributable to unitholders	104,023	227,634

## Balance sheet

As at 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
<b>Assets</b>			
Investments		102,330	225,162
Current assets:			
Debtors	7	712	269
Cash and bank balances	8	1,372	2,675
Total assets		104,414	228,106
<b>Liabilities</b>			
Creditors:			
Distributions payable		(339)	(420)
Other creditors	9	(52)	(52)
Total liabilities		(391)	(472)
Net assets attributable to unitholders		104,023	227,634

Balance sheet approved and signed on behalf of the Manager by:



David Palmer, Director  
24 February 2023



Michelle Edward, Secretary  
24 February 2023

# Epworth Global Equity Fund for Charities

## Comparative table

### Income units

<b>Change in net assets per unit</b>	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	145.15	111.21	103.62
Return before operating charges*	(14.59)	35.65	9.30
Operating charges	(1.02)	(0.99)	(0.86)
Return after operating charges*	(15.61)	34.66	8.44
Distributions on income units	(2.18)	(0.72)	(0.85)
Closing net asset value per unit	127.36	145.15	111.21
* after direct transaction costs of (pence per unit):	0.05	0.07	0.02

### Performance

Return after charges	(10.75)%	31.17%	8.15%
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### Other information

Closing net asset value (£'000s)	17,110	20,671	14,280
Closing number of units	13,434,351	14,241,036	12,840,556
Operating charges**	0.77%	0.75%	0.80%
Direct transaction costs	0.04%	0.05%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	153.36	145.62	119.26
Lowest unit price (bid)	120.44	112.80	85.88

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

- \*\* The operating charges % now includes a synthetic OCF, for the underlying closed ended investments held, as per the new IMA guidelines.
- + High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Global Equity Fund for Charities

## Comparative table

### Accumulation units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	147.46	112.38	103.87
Return before operating charges*	(14.91)	36.09	9.37
Operating charges	(1.04)	(1.01)	(0.86)
Return after operating charges*	(15.95)	35.08	8.51
Distributions on accumulation units	(2.22)	(0.73)	(0.86)
Retained distributions on accumulation units	2.22	0.73	0.86
Closing net asset value per unit	131.51	147.46	112.38
* after direct transaction costs of (pence per unit):	0.05	0.07	0.02

### Performance

Return after charges	(10.82)%	31.22%	8.19%
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### Other information

Closing net asset value (£'000s)	585	138	44
Closing number of units	445,035	93,728	38,984
Operating charges**	0.77%	0.74%	0.80%
Direct transaction costs	0.04%	0.05%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	155.82	147.89	120.35
Lowest unit price (bid)	123.25	113.98	86.18

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

\*\* The operating charges % now includes a synthetic OCF, for the underlying closed ended investments held, as per the new IMA guidelines.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.



# Epworth Global Equity Fund for Charities

## Comparative table

### CFB Income units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	145.13	111.19	103.60
Return before operating charges*	(14.63)	35.66	9.33
Operating charges	(0.13)	(0.13)	(0.16)
Return after operating charges*	(14.76)	35.53	9.17
Distributions on income units	(2.18)	(1.59)	(1.58)
Closing net asset value per unit	128.19	145.13	111.19
* after direct transaction costs of (pence per unit):	0.05	0.07	0.02

### Performance

Return after charges	(10.17)%	31.95%	8.85%
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### Other information

Closing net asset value (£'000s)	86,328	206,825	49,294
Closing number of units	67,345,963	142,512,942	44,333,804
Operating charges**	0.12%	0.09%	0.15%
Direct transaction costs	0.04%	0.05%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	153.46	145.77	119.39
Lowest unit price (bid)	120.92	112.77	85.93

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

- \*\* The operating charges % now includes a synthetic OCF, for the underlying closed ended investments held, as per the new IMA guidelines.
- + High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Global Equity Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
<b>United Kingdom (31.10.21 - 2.07%)</b>			<b>1.98</b>
<b>Basic Materials</b>			<b>0.29</b>
Anglo American	4,440	116	0.11
Rio Tinto	4,170	189	0.18
<b>Consumer Goods</b>			<b>0.39</b>
Unilever	10,090	401	0.39
<b>Healthcare</b>			<b>0.80</b>
AstraZeneca	5,960	611	0.59
GSK	15,540	222	0.21
<b>Consumer Services</b>			<b>0.16</b>
RELX	7,050	165	0.16
<b>Financials</b>			<b>0.34</b>
HSBC Holdings	79,940	358	0.34
<b>Australia (31.10.21 -1.56%)</b>			<b>1.72</b>
<b>Industrials</b>			<b>0.10</b>
Transurban Group	13,670	101	0.10
<b>Healthcare</b>			<b>0.35</b>
CSL	2,330	362	0.35
<b>Financials</b>			<b>1.27</b>
Australia & New Zealand Banking Group	14,480	205	0.20
Commonwealth Bank of Australia	8,290	478	0.46
Macquarie Group	1,600	150	0.14
National Australia Bank	15,140	271	0.26
Westpac Banking	16,390	219	0.21
<b>Canada (31.10.21 - 1.00%)</b>			<b>0.97</b>
<b>Basic Materials</b>			<b>0.07</b>
Nutrien	980	72	0.07
<b>Industrials</b>			<b>0.22</b>
Canadian National Railway	1,170	120	0.11
Canadian Pacific Railway	1,760	114	0.11
<b>Financials</b>			<b>0.68</b>
Bank of Montreal	1,270	101	0.10
Bank of Nova Scotia	2,260	95	0.09
Brookfield Asset	2,480	85	0.08
Royal Bank of Canada	2,800	224	0.22
Toronto Dominion Bank	3,610	200	0.19

	Holding	Market value £'000s	Total net assets %
<b>Denmark (31.10.21 - 0.45%)</b>			<b>0.57</b>
<b>Healthcare</b>			<b>0.57</b>
Novo Nordisk 'B'	6,320	596	0.57
<b>Finland (31.10.21 - 0.95%)</b>			
<b>France (31.10.21 - 2.47%)</b>			<b>2.84</b>
<b>Basic Materials</b>			<b>0.22</b>
Air Liquide	1,980	225	0.22
<b>Industrials</b>			<b>0.22</b>
Schneider Electric	2,040	225	0.22
<b>Consumer Goods</b>			<b>0.25</b>
L'Oreal	960	262	0.25
<b>Healthcare</b>			<b>0.46</b>
Essilor International	1,120	154	0.15
Sanofi	4,320	324	0.31
<b>Consumer Services</b>			<b>0.10</b>
Kering	270	107	0.10
<b>Financials</b>			<b>0.30</b>
Axa	6,970	150	0.14
BNP Paribas	4,050	165	0.16
<b>Technology</b>			<b>1.29</b>
Infotel Sa	30,900	1,342	1.29
<b>Germany (31.10.21 - 2.16%)</b>			<b>2.54</b>
<b>Basic Materials</b>			<b>0.29</b>
BASF	3,410	133	0.13
Bayer	3,770	172	0.16
<b>Industrials</b>			<b>0.37</b>
Deutsche Post	3,510	108	0.10
Siemens	2,930	279	0.27
<b>Consumer Goods</b>			<b>0.98</b>
Adidas	12,020	1,020	0.98
<b>Telecommunications</b>			<b>0.21</b>
Deutsche Telekom	13,120	217	0.21
<b>Financials</b>			<b>0.24</b>
Allianz	1,580	248	0.24
<b>Technology</b>			<b>0.45</b>
Infineon Technologies	4,660	99	0.10
SAP	4,380	367	0.35

# Epworth Global Equity Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
<b>Hong Kong (31.10.21 - 0.65%)</b>			<b>0.50</b>
<b>Financials</b>			<b>0.50</b>
AIA Group	57,750	380	0.37
Hong Kong Exchanges and Clearing	5,920	137	0.13
<b>Ireland (31.10.21 - 4.20%)</b>			<b>4.51</b>
<b>Basic Materials</b>			<b>0.25</b>
Linde	1,010	261	0.25
<b>Industrials</b>			<b>2.96</b>
Accenture	7,280	1,795	1.72
Allegion	14,190	1,292	1.24
<b>Healthcare</b>			<b>0.20</b>
Medtronic	2,650	201	0.20
<b>Financials</b>			<b>1.10</b>
AON	390	95	0.09
iShares MSCI World ESG Enhanced UCITS ETF	195,500	1,049	1.01
<b>Italy (31.10.21 - 0.18%)</b>			<b>0.11</b>
<b>Utilities</b>			<b>0.11</b>
Enel	28,730	111	0.11
<b>Japan (31.10.21 - 5.38%)</b>			<b>4.96</b>
<b>Basic Materials</b>			<b>0.19</b>
Shin-Etsu Chemical	2,200	199	0.19
<b>Industrials</b>			<b>1.82</b>
Daikin Industries	1,500	196	0.19
Hoya	13,900	1,124	1.08
Keyence	1,100	361	0.35
Recruit Holdings	7,800	208	0.20
<b>Consumer Goods</b>			<b>1.64</b>
Honda Motor	9,500	187	0.18
Nintendo	7,000	248	0.24
Sony	7,200	419	0.40
Toyota Motor	71,500	859	0.82
<b>Healthcare</b>			<b>0.48</b>
Daiichi Sankyo	10,800	301	0.29
Takeda Pharmaceutical	8,500	194	0.19
<b>Telecommunications</b>			<b>0.21</b>
Softbank	5,900	221	0.21

	Holding	Market value £'000s	Total net assets %
<b>Financials</b>			<b>0.44</b>
Mitsubishi UFJ Financial Group	68,800	281	0.27
Sumitomo Mitsui Financial	7,300	178	0.17
<b>Technology</b>			<b>0.18</b>
Tokyo Electron	800	185	0.18
<b>Netherlands (31.10.21 - 1.28%)</b>			<b>0.88</b>
<b>Technology</b>			<b>0.88</b>
Adyen	110	137	0.13
ASML Holding	1,610	661	0.63
Prosus NV	3,220	122	0.12
<b>Norway (31.10.21 - 1.33%)</b>			<b>0.78</b>
<b>Consumer Goods</b>			<b>0.78</b>
Salmar	27,412	806	0.78
<b>Singapore (31.10.21 - 0.13%)</b>			<b>0.17</b>
<b>Financials</b>			<b>0.17</b>
DBS Group	8,430	177	0.17
<b>Spain (31.10.21 - 0.36%)</b>			<b>0.33</b>
<b>Utilities</b>			<b>0.20</b>
Iberdrola	23,171	204	0.20
<b>Financials</b>			<b>0.13</b>
Santander Group	62,150	140	0.13
<b>Sweden (31.10.21 - 2.65%)</b>			<b>3.56</b>
<b>Consumer Goods</b>			<b>1.11</b>
Thule Group	67,220	1,151	1.11
<b>Industrials</b>			<b>1.26</b>
Troax Group	102,021	1,317	1.26
<b>Healthcare</b>			<b>1.19</b>
BioGaia	179,410	1,234	1.19
<b>Switzerland (31.10.21 - 6.74%)</b>			<b>8.09</b>
<b>Basic Materials</b>			<b>1.19</b>
Sika	6,310	1,235	1.19
<b>Industrials</b>			<b>1.37</b>
ABB	5,720	138	0.13
VAT Group	6,535	1,294	1.24
<b>Consumer Goods</b>			<b>1.16</b>
CIE Financiere Richemont A	1,940	165	0.16
Nestlé 'R'	10,960	1,037	1.00

# Epworth Global Equity Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
<b>Healthcare</b>			<b>1.46</b>
Lonza	270	121	0.12
Novartis 'R'	8,270	581	0.56
Roche Holding	2,820	814	0.78
<b>Financials</b>			<b>1.70</b>
Chubb	800	149	0.14
Partners Group	1,604	1,252	1.20
UBS	11,600	160	0.15
Zurich Insurance Group	580	215	0.21
<b>Technology</b>			<b>1.21</b>
Garmin	16,450	1,258	1.21
<b>United States (31.10.21 - 65.35%)</b>			<b>63.86</b>
<b>Basic Materials</b>			<b>1.35</b>
Air Products & Chemicals	410	89	0.09
Ecolab	650	89	0.09
Ingevity	20,860	1,219	1.17
<b>Industrials</b>			<b>9.68</b>
3M Co	1,070	117	0.11
Automatic Data Processing	7,350	1,543	1.48
CSX	4,000	101	0.10
Danaher	1,310	287	0.28
Deere & Company	550	189	0.18
FedEx	630	88	0.08
Fidelity National Information	1,110	80	0.08
Fiserv	1,100	98	0.09
General Electric	2,092	141	0.14
Graco	21,560	1,303	1.25
Lennox International	6,710	1,360	1.31
Mettler-Toledo International	1,320	1,450	1.39
Norfolk Southern	430	85	0.08
Sherwin-Williams	440	86	0.08
Toro	15,500	1,419	1.36
Union Pacific	1,250	214	0.21
United Parcel Services	1,460	213	0.20
Waste Management	790	109	0.10
Zebra Technologies	4,920	1,209	1.16
<b>Consumer Goods</b>			<b>4.28</b>
Activision Blizzard	1,460	92	0.09
Coca-Cola	7,970	414	0.40
Colgate-Palmolive	1,550	99	0.09
Estée Lauder A	420	73	0.07
Ford Motor	7,120	83	0.08
Fox Factory Holding	15,720	1,199	1.15
General Motors	2,650	90	0.09
Mondelez International	2,660	142	0.14

	Holding	Market value £'000s	Total net assets %
Nike 'B'	2,420	195	0.19
PepsiCo	2,820	445	0.43
Procter & Gamble	4,910	575	0.55
Tesla Motors	5,290	1,045	1.00
<b>Healthcare</b>			<b>6.39</b>
Abbott Laboratories	3,470	298	0.29
AbbVie	3,614	460	0.44
Amgen	1,060	249	0.24
Becton Dickinson	540	111	0.11
Boston Scientific	2,660	100	0.10
Bristol Myers Squibb	4,290	289	0.28
Cigna	580	163	0.16
Edwards Lifesciences	1,140	72	0.07
Elevance Health	480	228	0.22
Eli Lilly	1,730	544	0.52
Gilead Sciences	2,430	166	0.16
HCA Holdings	390	74	0.07
Humana	240	116	0.11
Intuitive Surgical	680	146	0.14
Johnson & Johnson	5,450	824	0.79
Merck & Co	5,160	453	0.44
Moderna	600	78	0.07
Pfizer	11,570	468	0.45
Regeneron Pharmaceuticals	200	130	0.12
Stryker	670	133	0.13
Thermo Fisher Scientific	800	357	0.34
UnitedHealth Group	1,940	936	0.90
Vertex Pharmaceuticals	490	133	0.13
Zoetis	900	118	0.11
<b>Consumer Services</b>			<b>8.52</b>
Amazon.com	17,690	1,574	1.51
Charter Communications 'A'	190	61	0.06
Comcast	8,750	241	0.23
Costco Wholesale	900	392	0.38
CVS Health	2,620	215	0.21
Dollar General	430	95	0.09
Home Depot	6,745	1,736	1.67
Lowe's Companies	1,270	215	0.21
McDonald's	1,500	355	0.34
MercadoLibre	120	94	0.09
NetFlix	860	218	0.21
PayPal Holdings	2,280	166	0.16
Ross Stores	15,095	1,255	1.21
Starbucks	2,250	169	0.16
Target	880	126	0.12
TJX	2,260	141	0.14
Wal-Mart Stores	2,930	362	0.35
Walt Disney	3,690	342	0.33
Yum China Holdings	30,400	1,093	1.05

# Epworth Global Equity Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
<b>Telecommunications</b>			<b>0.62</b>
AT&T	14,190	225	0.22
T-Mobile	1,150	151	0.15
Verizon Communications	8,480	275	0.25
<b>Utilities</b>			<b>0.26</b>
NextEra Energy	3,960	266	0.26
<b>Financials</b>			<b>18.76</b>
American Express	1,170	151	0.14
American Tower	910	164	0.16
Bank of America	14,310	448	0.43
Berkshire Hathaway 'B'	2,670	684	0.66
BlackRock	290	163	0.16
Blackstone	1,310	104	0.10
Chicago Mercantile Exchange	680	102	0.10
Citigroup	3,750	149	0.14
Crown Castle Real Estate Investment Trust	820	95	0.09
Equinix Real Estate Investment Trust	170	84	0.08
Goldman Sachs Group	650	195	0.19
Intercontinental Exchange	1,020	85	0.08
iShares ESG Aware Moderate Allocation ETF	207,100	4,903	4.71
iShares ESG MSCI EM Leaders ETF	140,200	4,840	4.65
JP Morgan Chase & Co	6,000	656	0.63
Marsh & McLennan	970	136	0.13
Mastercard	6,210	1,769	1.70
Moodys	280	64	0.06
Morgan Stanley	2,470	176	0.17
PNC Financial Services	780	110	0.11
Progressive	1,110	124	0.12
Prologis	1,930	186	0.18
Public Storage	280	75	0.07
S&P Global	4,940	1,379	1.33
Schwab (Charles)	3,010	208	0.20
SEI Investments	29,030	1,369	1.32
Truist Financial	2,490	97	0.09
US Bancorp	2,500	92	0.09
Visa	3,380	608	0.58
Wells Fargo	7,640	305	0.29

	Holding	Market value £'000s	Total net assets %
<b>Technology</b>			<b>14.00</b>
Adobe Systems	940	260	0.25
Advanced Micro Devices	3,190	166	0.16
Alphabet 'A'	12,490	1,025	0.99
Alphabet 'C'	11,200	921	0.89
Apple	30,580	4,076	3.92
Applied Materials	1,660	127	0.12
Booking	80	130	0.12
Broadcom	800	327	0.31
Cisco Systems	8,400	331	0.32
Intel	8,090	200	0.19
International Business Machines	1,780	214	0.21
Intuit	550	204	0.20
Lam Research	250	88	0.08
Meta Platforms	4,720	382	0.37
Micron Technology	2,050	96	0.09
Microsoft	14,950	3,014	2.90
Nvidia	4,950	580	0.56
Oracle	2,960	201	0.19
Qualcomm	2,240	229	0.22
Salesforce.com	1,930	273	0.26
ServiceNow	390	143	0.14
Snowflake	570	79	0.08
Texas Instruments	10,088	1,407	1.35
Uber Technologies	3,480	80	0.08
Portfolio of investments		102,330	98.37
Net other assets		1,693	1.63
Net assets		104,023	100.00

Unless otherwise stated, all investments are approved securities being either officially listed in the UK or an EEA state or traded on or under the rules of an eligible securities market.

# Epworth Global Equity Fund for Charities

## Summary of material portfolio changes

For the year ended 31 October 2022

	Cost £'000s
<b>Purchases</b>	
iShares MSCI World ESG Enhanced UCITS ETF	5,356
Lennox International	2,360
Garmin	2,243
Thule Group	2,028
Adidas	1,956
UnitedHealth Group	882
Fox Factory Holding	835
Hoya	387
Troax Group	357
Essilor International	329
	16,733
Other purchases	3,244
<b>Total purchases</b>	<b>19,977</b>

	Proceeds £'000s
<b>Sales</b>	
iShares MSCI World ESG Enhanced UCITS ETF	5,923
iShares ESG MSCI EM Leaders ETF	4,717
Apple	4,471
iShares ESG Aware Moderate Allocation ETF	4,328
Microsoft	3,814
Home Depot	3,043
Automatic Data Processing	2,848
Mastercard	2,666
Texas Instruments	2,506
Amazon.com	2,135
	36,451
Other sales	85,975
<b>Total sales</b>	<b>122,426</b>



# Epworth Global Equity Fund for Charities

## Notes to the financial statements

### 1 Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in compliance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for financial statements of Authorised Funds issued by The Investment Association in May 2014 (and amended in June 2017), the Charities Act 2011 and the relevant scheme of Charity Commissioners.

Unless otherwise stated all accounting policies are consistent with those of the prior year.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

The Manager does not consider that there were any significant areas of estimation uncertainty or application of critical judgements.

#### (b) Basis of valuation

The quoted investments of the Sub-fund have been valued at bid dealing prices as at close of business on 31 October 2022, the last valuation point in the accounting year, in accordance with the Trust Deed.

#### (c) Recognition of income

Dividends on ordinary stocks and distributions are credited to revenue when the securities are quoted ex-dividend. Interest on bank deposits are accounted for on a receipts basis.

In the case where revenue is received after the deduction of withholding tax, the revenue is shown gross of taxation and the tax consequences are shown within the tax charge.

#### (d) Stock dividends

The ordinary element of stock received in lieu of cash dividends is recognised as revenue of the Sub-fund. Any enhancement above the cash dividend is treated as capital.

#### (e) Special dividends, share buy-back or additional share issue

The underlying circumstances behind a special dividend, share buy-back or additional share issue are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue form part of the distribution.

#### (f) Expenses

Expenses are accounted for on an accruals basis. From 1 November 2021, all expenses of the Sub-fund are charged against capital. Previously, expenses of the Sub-fund were charged against revenue, except for the costs associated with the purchase and sale of investments, which were charged to capital.

#### (g) Distribution policy

Revenue produced by the Sub-fund's investments accumulates during each accounting period. At the end of each accounting period, the net revenue of the Sub-fund is available to be distributed/accumulated to unitholders.

In determining the net revenue available for distributions, charges in relation to management, safe custody, registration, audit and other expenses are ultimately borne by the capital of the Sub-Fund.

A total return approach is used in that transfers between the capital account and the income account can be made to allow for distributions.

#### (h) Foreign exchange

Transactions in foreign currencies during the year are translated into sterling (the functional currency of the Sub-fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at close of business, 31 October 2022, the last valuation point in the accounting year.

#### (i) Apportionment to multiple unit classes

With the exception of the Manager's periodic charge, the allocation of revenue and expenses to each unit class is based upon the proportion of the Sub-fund's assets attributable to each unit class on the day the revenue is earned or the expense is suffered. The Manager's periodic charge is specific to each unit class. Consequently, the revenue available to distribute for each unit class will differ.

### 2. Net (losses)/gains on investments

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

	31.10.22 £'000s	31.10.21 £'000s
Unrealised (losses)/gains on non-derivative securities	(33,335)	30,439
Realised gains on non-derivative securities	12,956	3,445
Unrealised currency losses	(9)	(13)
Realised currency losses	(330)	(370)
Capital special dividends	4	1
Transaction charges	(6)	(10)
Net (losses)/gains on investments	(20,720)	33,492

### 3. Revenue

	31.10.22 £'000s	31.10.21 £'000s
UK dividends	148	154
Overseas dividends	2,934	2,060
Bank interest	11	3
Total revenue	3,093	2,217

### 4. Expenses

	31.10.22 £'000s	31.10.21 £'000s
Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	129	113
Registration fees	14	14
	143	127
Payable to the Corporate Trustee or associates of the Trustee and agents of either of them:		
Corporate Trustee's fees	103	100
Safe custody fees	12	11
	115	111
Auditor's fee	22	3
Other expenses	11	11
	33	14
Total expenses	291	252

# Epworth Global Equity Fund for Charities

## Notes to the financial statements

### 5. Taxation

The Sub-fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid and reinvested revenue credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue.

	31.10.22 £'000s	31.10.21 £'000s
Taxation	349	237

### 6. Distributions

Distributions take account of income received on creation of units and income deducted on the cancellation of units, and comprise:

	31.10.22 £'000s	31.10.21 £'000s
31 January	600	205
30 April	617	630
31 July	933	781
31 October	341	420
	2,491	2,036
Income deducted on cancellation of units	271	11
Income received on creation of units	(21)	(324)
Net distribution for the year	2,741	1,723
Net revenue after taxation	2,451	1,726
Expenses taken to capital	285	-
Movement of undistributed revenue	5	(3)
Net distribution for the year	2,741	1,723

### 7. Debtors

	31.10.22 £'000s	31.10.21 £'000s
Amounts receivable for creation of units	450	-
Accrued income	106	189
Overseas tax recoverable	156	80
Total debtors	712	269

### 8. Cash and bank balances

	31.10.22 £'000s	31.10.21 £'000s
Epworth Cash Plus Fund	860	840
Cash at bank	512	1,835
Total cash and bank balances	1,372	2,675

### 9. Other creditors

	31.10.22 £'000s	31.10.21 £'000s
Accrued expenses	52	52
Total other creditors	52	52

### 10. Reconciliation of units

	Income units	Accum units	CFB Income units
Opening number of units at beginning of year 01.11.21	14,241,036	93,728	142,512,942
Units issued in year	1,736,067	356,674	6,156,904
Units cancelled in year	(1,940,442)	(5,367)	(81,922,808)
Conversions in year	(602,310)	-	598,925
Closing number of units at end of year 31.10.22	13,434,351	445,035	67,345,963

### 11. Financial instruments

In accordance with the investment objective, the Sub-fund holds certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short term debtors and creditors arising directly from operations.

The main risks arising from the Sub-fund's financial instruments and the Manager's policies for managing these risks are summarised below. These policies have been applied consistently throughout the year and the comparative period.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. The Sub-fund's investment portfolio is exposed to market fluctuations which are monitored by the Manager in pursuit of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Collective Investment Schemes Sourcebook ("the Sourcebook") mitigates the risk of excessive exposure to any particular type of security or issuer.

#### Counterparty risk

The Sub-fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Sub-fund only deals with an approved list of brokers maintained by the Manager.

#### Liquidity risk

The Sub-fund's assets are comprised of mainly readily realisable securities. If insufficient cash is available to finance unitholder redemptions then securities held by the Sub-fund may need to be sold. The risk of low market liquidity, through reduced trading volumes, may affect the ability of the Sub-fund to trade financial instruments at values previously indicated by financial brokers. From time to time, liquidity may also be affected by stock specific or economic events. The Manager has a Liquidity Management Policy designed to monitor the liquidity risk of the Sub-fund and ensure that its investment strategy and liquidity profile allows the Sub-fund to meet its daily redemption obligations.

#### Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

# Epworth Global Equity Fund for Charities

## Notes to the financial statements

The total currency exposure at the year end:

Currency	Monetary exposures £'000s	31.10.22 Non- monetary exposures £'000s	Total £'000s	Monetary exposures £'000s	31.10.21 Non- monetary exposures £'000s	Total £'000s
Sterling	953	3,111	4,064	1,097	6,487	7,584
Australian Dollar	28	1,787	1,815	150	3,560	3,710
Canadian Dollar	12	1,011	1,023	55	2,278	2,333
Danish Krona	26	596	622	16	1,027	1,043
Euro	78	6,971	7,049	58	16,843	16,901
Hong Kong Dollar	49	516	565	21	1,481	1,502
Japanese Yen	54	5,161	5,215	166	12,238	12,404
Norwegian Kroner	52	806	858	94	3,032	3,126
Singapore Dollar	24	177	201	10	302	312
Swedish Krona	34	3,702	3,736	8	6,034	6,042
Swiss Franc	142	7,012	7,154	91	15,098	15,189
US Dollar	241	71,480	71,721	706	156,782	157,488
Total	1,693	102,330	104,023	2,472	225,162	227,634

### Interest rate risk

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

At the year end 1.32% (31.10.21: 1.18%) of the Sub-fund's assets by value were interest bearing.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

### 12. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 October 2022 (31.10.21: none).

### 13. Unitholders' funds

There are three unit classes in issue within the Sub-fund. These are Income, Accumulation and CFB Income units. The Manager's periodic charge in respect of these units is expressed as an annual percentage of the value of the property of the Sub-fund attributable to each unit class and is currently 0.65% in respect of Income and Accumulation units and 0% in respect of CFB Income units. Consequently, the level of net revenue attributable to each unit class will differ. Should it be necessary to wind-up the Sub-fund, each unit class will have the same rights as regards to the distribution of the property of the Sub-fund.

### 14. Related party transactions

The Manager's periodic charge is paid to Epworth Investment Management Limited, a related party to the Sub-fund. The amounts paid in respect of the Manager's periodic charge are disclosed in note 4. The amount outstanding as at 31 October 2022 was £9,565 (31.10.21: £11,122).

In addition, the Sub-fund placed deposits during the year with the Epworth Cash Plus Fund, a fund managed by Epworth Investment Management Limited. All charges levied for the management of these deposits have been refunded to the Sub-fund by Epworth. There were no other related party transactions during the year.

# Epworth Global Equity Fund for Charities

## Notes to the financial statements

### 15. Portfolio transaction costs

For the year ended 31 October 2022

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Equity transactions	14,612	7	0.05	-	-	2	0.01	14,621
Pooled investment vehicles	5,354	2	0.04	-	-	-	-	5,356
<b>Total</b>	<b>19,966</b>	<b>9</b>		<b>-</b>		<b>2</b>		<b>19,977</b>

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Equity transactions	107,491	(47)	0.04	-	-	(2)	-	107,442
Pooled investment vehicles	14,975	(6)	0.04	-	-	-	-	14,969
Corporate actions	15	-	-	-	-	-	-	15
<b>Total</b>	<b>122,481</b>	<b>(53)</b>		<b>-</b>		<b>(2)</b>		<b>122,426</b>

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.04%
Taxes	0.00%
Other expenses	0.00%

For the year ended 31 October 2021

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Equity transactions	120,065	53	0.04	-	-	9	0.01	120,127
Pooled investment vehicles	32,062	13	0.04	-	-	-	-	32,075
<b>Total</b>	<b>152,127</b>	<b>66</b>		<b>-</b>		<b>9</b>		<b>152,202</b>

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Equity transactions	7,580	(4)	(0.05)	-	-	-	-	7,576
Pooled investment vehicles	15,980	(6)	(0.04)	-	-	-	-	15,974
Corporate actions	11	-	-	-	-	-	-	11
<b>Total</b>	<b>23,571</b>	<b>(10)</b>		<b>-</b>		<b>-</b>		<b>23,561</b>

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.05%
Taxes	0.00%
Other expenses	0.00%

Portfolio transaction costs are incurred by the Sub-fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: "Dealing spread" - the difference between buying and selling prices of the underlying investments.

At the Balance sheet date the portfolio dealing spread was 0.13% (31.10.21: 0.09%) being the difference between the respective bid and offer prices for the Sub-fund's investments.

## Notes to the financial statements

### 16. Sensitivity analysis

#### Interest rate risk sensitivity

As the majority of the Sub-fund's financial assets are non-interest bearing, the Sub-fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore, no sensitivity analysis has been provided.

#### Foreign currency risk sensitivity

A five percent increase in the value of the Sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £4,997,953 (31.10.21: £11,002,493). A five percent decrease would have an equal and opposite effect.

#### Market price risk sensitivity

A five percent increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £5,116,501 (31.10.21: £11,258,108). A five percent decrease would have an equal and opposite effect.

### 17. Fair value of financial assets and financial liabilities

The fair value of the Sub-fund's investments has been determined using the hierarchy below. This complies with the 'Amendments to FRS 102 - Fair value hierarchy disclosures' issued by the Financial Reporting Council in March 2016.

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 October 2022

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Equities	91,538	-	-	91,538
Pooled Investment Vehicles	10,792	-	-	10,792
	102,330	-	-	102,330

For the year ended 31 October 2021

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Equities	200,691	-	-	200,691
Pooled Investment Vehicles	24,471	-	-	24,471
	225,162	-	-	225,162

# Epworth Global Equity Fund for Charities

## Distribution tables

For the year ended 31 October 2022

### First interim distribution in pence per unit

Group 1: units purchased prior to 1 November 2021

Group 2: units purchased 1 November 2021 to 31 January 2022

	Net income	Equalisation	2022 pence per unit paid 15 Mar	2021 pence per unit paid 15 Mar
<b>Income units</b>				
Group 1	0.49	-	0.49	0.12
Group 2	0.45	0.04	0.49	0.12
<b>Accumulation units</b>				
Group 1	0.50	-	0.50	0.12
Group 2	0.39	0.11	0.50	0.12
<b>CFB Income units</b>				
Group 1	0.49	-	0.49	0.32
Group 2	0.06	0.43	0.49	0.32

### Second interim distribution in pence per unit

Group 1: units purchased prior to 1 February 2022

Group 2: units purchased 1 February 2022 to 30 April 2022

	Net income	Equalisation	2022 pence per unit paid 15 Jun	2021 pence per unit paid 15 Jun
<b>Income units</b>				
Group 1	0.51	-	0.51	0.26
Group 2	0.08	0.43	0.51	0.26
<b>Accumulation units</b>				
Group 1	0.51	-	0.51	0.26
Group 2	0.03	0.48	0.51	0.26
<b>CFB Income units</b>				
Group 1	0.50	-	0.50	0.47
Group 2	0.47	0.03	0.50	0.47

# Epworth Global Equity Fund for Charities

## Distribution tables

### Third interim distribution in pence per unit

Group 1: units purchased prior to 1 May 2022

Group 2: units purchased 1 May 2022 to 31 July 2022

	Net income	Equalisation	2022 pence per unit paid 15 Sep	2021 pence per unit paid 15 Sep
<b>Income units</b>				
Group 1	0.76	-	0.76	0.29
Group 2	0.24	0.52	0.76	0.29
<b>Accumulation units</b>				
Group 1	0.79	-	0.79	0.30
Group 2	0.79	0.00	0.79	0.30
<b>CFB Income units</b>				
Group 1	0.77	-	0.77	0.51
Group 2	0.53	0.24	0.77	0.51

### Final distribution in pence per unit

Group 1: units purchased prior to 1 August 2022

Group 2: units purchased 1 August 2022 to 31 October 2022

	Net income	Equalisation	2022 pence per unit payable 15 Dec	2021 pence per unit paid 15 Dec
<b>Income units</b>				
Group 1	0.42	-	0.42	0.05
Group 2	0.15	0.27	0.42	0.05
<b>Accumulation units</b>				
Group 1	0.42	-	0.42	0.05
Group 2	0.31	0.11	0.42	0.05
<b>CFB Income units</b>				
Group 1	0.42	-	0.42	0.29
Group 2	0.24	0.18	0.42	0.29

### Equalisation

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

# Epworth Corporate Bond Fund for Charities

## Statement of total return

For the year ended 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
Income: net capital losses	2	(13,599)	(4,525)
Income: revenue	3	1,416	2,151
Expenses	4	(150)	(196)
Taxation	5	-	-
Net revenue after taxation		1,266	1,955
Total deficit before distributions		(12,333)	(2,570)
Distributions	6	(1,420)	(1,957)
Change in net assets attributable to unitholders from investment activities		(13,753)	(4,527)

## Statement of change in net assets attributable to unitholders

For the year ended 31 October 2022

	31.10.22 £'000s	31.10.21 £'000s
Opening net assets attributable to unitholders	134,982	117,042
Amounts receivable on issue of units	4,493	25,547
Amounts payable on in-specie transfer*	(72,273)	-
Amounts payable on cancellation of units	(15,502)	(3,085)
	51,700	139,504
Dilution adjustment	85	-
Change in net assets attributable to unitholders from investment activities	(13,753)	(4,527)
Retained distributions on accumulation units	19	5
Closing net assets attributable to unitholders	38,051	134,982

\* Represents the value of units cancelled by in-specie transfer of assets during the year.

## Balance sheet

As at 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
<b>Assets</b>			
Investments		34,676	130,931
Current assets:			
Debtors	7	1,252	2,003
Cash and bank balances	8	2,383	2,613
Total assets		38,311	135,547
<b>Liabilities</b>			
Creditors:			
Distributions payable		(233)	(525)
Other creditors	9	(27)	(40)
Total liabilities		(260)	(565)
Net assets attributable to unitholders		38,051	134,982

Balance sheet approved and signed on behalf of the Manager by:



David Palmer, Director  
24 February 2023



Michelle Edward, Secretary  
24 February 2023



# Epworth Corporate Bond Fund for Charities

## Comparative table

### Income units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	123.90	127.98	125.20
Return before operating charges*	(21.19)	(2.02)	4.99
Operating charges	(0.54)	(0.56)	(0.61)
Return after operating charges*	(21.73)	(2.58)	4.38
Distributions on income units	(2.24)	(1.50)	(1.60)
Closing net asset value per unit	99.93	123.90	127.98
* after direct transaction costs of (pence per unit):	0.01	0.02	0.02

### Performance

Return after charges	(17.54)%	(2.02)%	3.50%
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### Other information

Closing net asset value (£'000s)	15,280	19,790	18,648
Closing number of units	15,291,331	15,972,321	14,571,316
Operating charges	0.48%	0.45%	0.48%
Direct transaction costs	0.01%	0.01%	0.01%

### Prices (pence per unit)\*

Highest unit price (offer)	127.38	131.86	131.35
Lowest unit price (bid)	93.48	121.80	117.50

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Corporate Bond Fund for Charities

## Comparative table

### Accumulation units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	127.37	130.01	125.62
Return before operating charges*	(21.99)	(2.07)	5.01
Operating charges	(0.56)	(0.57)	(0.62)
Return after operating charges*	(22.55)	(2.64)	4.39
Distributions on accumulation units	(2.33)	(1.53)	(1.60)
Retained distributions on accumulation units	2.33	1.53	1.60
Closing net asset value per unit	104.82	127.37	130.01
* after direct transaction costs of (pence per unit):	0.01	0.02	0.02

### Performance

Return after charges	(17.70)%	(2.03)%	3.49%
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### Other information

Closing net asset value (£'000s)	841	413	136
Closing number of units	802,269	324,423	104,715
Operating charges	0.48%	0.44%	0.48%
Direct transaction costs	0.01%	0.01%	0.01%

### Prices (pence per unit)<sup>+</sup>

Highest unit price (offer)	130.94	133.94	132.78
Lowest unit price (bid)	97.46	124.81	118.27

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

- + High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Corporate Bond Fund for Charities

## Comparative table

### CFB Income units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	123.92	128.00	125.21
Return before operating charges*	(21.24)	(2.01)	5.00
Operating charges	(0.12)	(0.12)	(0.17)
Return after operating charges*	(21.36)	(2.13)	4.83
Distributions on income units	(2.25)	(1.95)	(2.04)
Closing net asset value per unit	100.31	123.92	128.00
* after direct transaction costs of (pence per unit):	0.01	0.02	0.02

### Performance

Return after charges	(17.24)%	(1.66)%	3.86%
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### Other information

Closing net asset value (£'000s)	21,930	114,779	98,258
Closing number of units	21,862,840	92,620,847	76,763,686
Operating charges	0.10%	0.09%	0.13%
Direct transaction costs	0.01%	0.01%	0.01%

### Prices (pence per unit)\*

Highest unit price (offer)	127.45	131.95	131.46
Lowest unit price (bid)	93.81	121.90	117.56

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Corporate Bond Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
<b>Government Bonds (31.10.21 - 2.95%)</b>			<b>3.38</b>
Kreditanstalt fuer Wiederaufbau 0.875% 15/09/2026	£750,000	666	1.75
Landwirtschaftliche Rentenbank 2.125% 15/12/2028	£700,000	620	1.63
<b>Public Authorities (31.10.21 - 11.42%)</b>			<b>8.52</b>
Bank Nederlandse Gemeenten 5.2% 07/12/2028	£700,000	722	1.90
Deutsche Bahn Finance 3.125% 24/07/2026	£1,100,000	1,045	2.74
Nederlandse Waterschapsbk 5.375% 07/06/2032	£750,000	821	2.16
Transport for London 4% 12/09/2033	£750,000	654	1.72
<b>Supranational Bonds (31.10.21 - 4.01%)</b>			<b>8.14</b>
Asian Development Bank 0.75% 07/12/2027	£800,000	669	1.76
European Bank for Reconstruction 1.25% 15/12/2022	£600,000	599	1.57
European Investment Bank 0.875% 15/05/2026	£800,000	717	1.88
IBRD 4.875% 07/12/2028	£750,000	773	2.03
International Finance Corporation 1.25% 15/12/2023	£350,000	341	0.90
<b>Corporate Bonds (31.10.21 - 78.62%)</b>			<b>71.09</b>
Aegon 6.125% 15/12/2031	£200,000	209	0.55
Aegon 6.625% 16/12/2039	£250,000	277	0.73
Apple 3.05% 31/07/2029	£1,200,000	1,098	2.89
Astrazeneca 5.75% 13/11/2031	£250,000	266	0.70
Cadent Finance 2.625% 22/09/2038	£1,100,000	716	1.88
Centrica 4.25% 12/09/2044	£800,000	596	1.57
Commonwealth Bank of Australia 3% 04/09/2026	£1,100,000	1,032	2.71
East Japan Railway 4.5% 25/01/2036	£300,000	276	0.72
East Japan Railway 4.75% 08/12/2031	£450,000	435	1.14
East Japan Railway 5.25% 22/04/2033	£350,000	348	0.91
Électricité de France 5.125% 22/09/2050	£350,000	305	0.80
Électricité de France 6.125% 02/06/2034	£550,000	545	1.43
GlaxoSmithKline 3.375% 20/12/2027	£500,000	460	1.21
GlaxoSmithKline 6.375% 09/03/2039	£550,000	625	1.64
HSBC Bank 5.75% 20/12/2027	£300,000	284	0.75
Johnson & Johnson 5.5% 06/11/2024	£900,000	922	2.42
JPMorgan Chase & Co 3.5% 18/12/2026	£650,000	609	1.60
Land Securities Capital Markets 1.974% 08/02/2026	£700,000	673	1.77
Land Securities Capital Markets 2.375% 29/03/2029	£350,000	310	0.81
Legal & General Finance 5.875% 11/12/2031	£450,000	473	1.24
Legal & General Finance 5.875% 05/04/2033	£200,000	209	0.55
Lloyds Banking Group 5.125% 07/03/2025	£350,000	353	0.93
Lloyds Banking Group 6% 08/02/2029	£350,000	369	0.97
Mercantile Investment Trust 6.125% 25/02/2030	£100,000	105	0.28
Merchants Trust 5.875% 20/12/2029	£100,000	104	0.27
Monks Investment 6.375% 01/03/2023	£200,000	201	0.53
National Australia Bank 3% 04/09/2026	£700,000	658	1.73
National Grid Electricity Transmission 2% 17/04/2040	£550,000	318	0.84
National Grid Electricity Transmission 2.75% 06/02/2035	£800,000	586	1.54
Nationwide Building Society 3.25% 20/01/2028	£450,000	400	1.05
Nationwide Building Society 4.25% IL 23/02/2024	£250,000	842	2.21
Nationwide Building Society 5.625% 28/01/2026	£550,000	566	1.49
Nestlé Holdings 1.375% 23/06/2033	£1,250,000	890	2.34

# Epworth Corporate Bond Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
Peel Land & Property Investments 8.375% 30/04/2040	£300,000	300	0.79
Rabobank Nederland 5.25% 23/05/2041	£650,000	676	1.78
Reckitt Benckiser Treasury Services 1.75% 19/05/2032	£1,400,000	1,061	2.79
Santander UK 5.75% 02/03/2026	£150,000	155	0.41
Scottish Investment Trust 5.75% 17/04/2030	£200,000	204	0.54
Sovereign Housing Capital 4.768% 01/06/2043	£200,000	185	0.49
Sovereign Housing Capital 5.705% 10/09/2039	£200,000	205	0.54
Svenska Handelsbanken 2.75% 05/12/2022	£450,000	449	1.18
Telefónica Emisiones 5.289% 09/12/2022	£500,000	500	1.31
Telefonica Emisiones 5.375% 02/02/2026	£550,000	538	1.41
Unilever 1.875% 15/09/2029	£1,000,000	820	2.16
United Utilities Water 1.875% 03/06/2042	£350,000	207	0.54
United Utilities Water 5% 28/02/2035	£100,000	96	0.25
United Utilities Water 5.625% 20/12/2027	£700,000	705	1.85
University College London 1.625% 04/06/2061	£750,000	392	1.03
University of Cambridge 3.75% 17/10/2052	£850,000	750	1.97
University of Manchester 4.25% 04/07/2053	£500,000	457	1.20
Wal-Mart Stores 5.625% 27/03/2034	£1,100,000	1,192	3.13
Wellcome Trust 4% 09/05/2059	£400,000	385	1.01
Wellcome Trust 4.625% 25/07/2036	£250,000	250	0.66
Westpac Banking Corporation 2.125% 02/05/2025	£1,200,000	1,113	2.93
Westpac Banking Corporation 2.625% 14/12/2022	£350,000	349	0.92
Portfolio of investments		34,676	91.13
Net other assets		3,375	8.87
Net assets		38,051	100.00

Unless otherwise stated, all investments are approved securities being either officially listed in the UK or an EEA state or traded on or under the rules of an eligible securities market.

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# Epworth Corporate Bond Fund for Charities

## Credit ratings

As at 31 October 2022

	Market value £'000s	Portfolio %
Investment grade	33,025	95.24
Unrated	1,651	4.76
Total investment in bonds	34,676	100.00

# Epworth Corporate Bond Fund for Charities

## Summary of material portfolio changes

For the year ended 31 October 2022

	Cost £'000s
<b>Purchases</b>	
European Investment Bank 0.875% 15/05/2026	755
Landwirtschaftliche Rentenbank 2.125% 15/12/2028	685
Westpac Banking Corporation 2.125% 02/05/2025	675
Asian Development Bank 0.75% 07/12/2027	644
Nestlé Holdings 1.375% 23/06/2033	574
United Utilities Water 5.625% 20/12/2027	565
Unilever 1.875% 15/09/2029	317
Cadent Finance 2.625% 22/09/2038	287
Centrica 4.25% 12/09/2044	270
Reckitt Benckiser Treasury Services 1.75% 19/05/2032	263
	5,035
Other purchases	489
Total purchases	5,524

	Proceeds £'000s
<b>Sales</b>	
Kreditanstalt fuer Wiederaufbau 0.875% 15/09/2026	3,189
Lloyds Banking Group 4.875% 30/03/2027	2,751
IBM Corporation 2.625% 05/08/2022	2,507
Apple 3.05% 31/07/2029	2,223
Nationwide Building Society 3.25% 20/01/2028	2,113
Wal-Mart Stores 5.625% 27/03/2034	2,109
Temasek Financial 4.625% 26/07/2022	2,067
Toyota Finance Australia 1.625% 11/07/2022	2,001
Deutsche Bahn Finance 3.125% 24/07/2026	1,980
Commonwealth Bank of Australia 3% 04/09/2026	1,971
	22,911
Other sales	64,188
Total sales	87,099

# Epworth Corporate Bond Fund for Charities

## Notes to the financial statements

### 1. Accounting policies

#### (a) Basis of accounting

These financial statements are prepared on a basis other than that of a going concern. The Manager has made an assessment of the Fund's ability to continue as a going concern and has decided this is not the case. Due to significant outflows during 2022 the net assets of the fund fell by £97m from £135m to £38m and feels it is no longer economical to continue with the Fund. An application to close the Fund has been made to the FCA. The proposed date to close the fund is 30th April 2023. The asset values stated are to their recoverable amounts as at 31st October 2022. There are no long-term liabilities or onerous contracts held within the Fund. The winding up costs apart from transaction costs will be borne by the Manager.

Unless otherwise stated all accounting policies are consistent with those of the prior year.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

The Manager does not consider that there were any significant areas of estimation uncertainty or application of critical judgements.

#### (b) Basis of valuation

The quoted investments of the Sub-fund have been valued at bid dealing prices as at close of business on 31 October 2022, the last valuation point in the accounting year, in accordance with the Trust Deed.

#### (c) Recognition of income

Interest from bank deposits are accounted for on a receipts basis. Interest receivable from debt securities is accounted for on an effective interest rate basis. Accrued interest purchased or sold is excluded from the cost of the security and is accounted for as revenue.

#### (d) Expenses

Expenses are accounted for on an accruals basis. From 1 November 2021, all expenses of the Sub-fund are charged against capital. Previously, expenses of the Sub-fund were charged against revenue, except for the costs associated with the purchase and sale of investments, which were charged to capital.

#### (e) Distribution policy

Revenue produced by the Sub-fund's investments accumulates during each accounting period. At the end of each accounting period, the net revenue of the Sub-fund is available to be distributed/accumulated to unitholders.

In determining the net revenue available for distributions, charges in relation to management, safe custody, registration, audit and other expenses are ultimately borne by the capital of the Sub-Fund.

A total return approach is used in that transfers between the capital account and the income account can be made to allow for distributions.

#### (f) Foreign exchange

Transactions in foreign currencies during the year are translated into sterling (the functional currency of the Sub-fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at close of business, 31 October 2022, the last valuation point in the accounting year.

#### (g) Apportionment to multiple unit classes

With the exception of the Manager's periodic charge, the allocation of revenue and expenses to each unit class is based upon the proportion of the Sub-fund's assets attributable to each unit class on the day the revenue is earned or the expense is suffered. The Manager's periodic charge is specific to each unit class. Consequently, the revenue available to distribute for each unit class will differ.

### 2. Net losses on investments

The net capital losses during the year comprise:

	31.10.22 £'000s	31.10.21 £'000s
Unrealised losses on non-derivative securities	(10,035)	(4,289)
Realised losses on non-derivative securities	(3,563)	(236)
Transaction charges	(1)	-
Net losses on investments	(13,599)	(4,525)

### 3. Revenue

	31.10.22 £'000s	31.10.21 £'000s
Interest on debt securities	1,396	2,125
Income from closure of Affirmative Funds	-	9
Bank interest	20	17
Total revenue	1,416	2,151

### 4. Expenses

	31.10.22 £'000s	31.10.21 £'000s
Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	67	71
Registration fees	13	20
	80	91
Payable to the Corporate Trustee or associates of the Trustee and agents of either of them:		
Corporate Trustee's fees	48	83
Safe custody fees	7	12
	55	95
Auditor's fee	7	5
Other expenses	8	5
	15	10
Total expenses	150	196

### 5. Taxation

The Sub-fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid and reinvested revenue credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue.

	31.10.22 £'000s	31.10.21 £'000s
Taxation	-	-



# Epworth Corporate Bond Fund for Charities

## Notes to the financial statements

### 6. Distributions

Distributions take account of income received on creation of units and income deducted on the cancellation of units, and comprise:

	31.10.22 £'000s	31.10.21 £'000s
31 January	530	487
30 April	204	471
31 July	205	505
31 October	238	527
	1,177	1,990
Income deducted on cancellation of units	255	5
Income received on creation of units	(12)	(38)
Net distribution for the year	1,420	1,957
Net revenue after taxation	1,266	1,955
Expenses taken to capital	153	-
Movement of undistributed revenue	1	2
Net distribution for the year	1,420	1,957

### 7. Debtors

	31.10.22 £'000s	31.10.21 £'000s
Amounts receivable for creation of units	600	-
Accrued income	652	2,003
Total debtors	1,252	2,003

### 8. Cash and bank balances

	31.10.22 £'000s	31.10.21 £'000s
Epworth Cash Plus Fund	2,369	2,443
Cash at bank	14	170
Total cash and bank balances	2,383	2,613

### 9. Other creditors

	31.10.22 £'000s	31.10.21 £'000s
Accrued expenses	27	40
Total other creditors	27	40

### 10. Reconciliation of units

	Income units	Accum units	CFB Income units
Opening number of units at beginning of year 01.11.21	15,972,321	324,423	92,620,847
Units issued in year	2,348,083	520,313	1,138,220
Units cancelled in year	(1,818,523)	(42,467)	(10,940,377)
Conversions in the year	(1,210,550)	-	1,206,544
In-specie in the year	-	-	(62,162,394)
Closing number of units at end of year 31.10.22	15,291,331	802,269	21,862,840

### 11. Financial instruments

In accordance with the investment objective, the Sub-fund holds certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short term debtors and creditors arising directly from operations.

The main risks arising from the Sub-fund's financial instruments and the Manager's policies for managing these risks are summarised below. These policies have been applied consistently throughout the year and the comparative period.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. The Sub-fund's investment portfolio is exposed to market fluctuations which are monitored by the Manager in pursuit of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Collective Investment Schemes Sourcebook ("the Sourcebook") mitigates the risk of excessive exposure to any particular type of security or issuer.

#### Credit risk

At the Balance sheet date some 71.09% (31.10.21: 78.62%) of the Sub-fund's assets were held in corporate bonds, 8.14% (31.10.21: 4.01%) in supranational bonds, 3.38% (31.10.21: 2.95%) in government bonds and 8.52% (31.10.21: 11.42%) in public authority bonds. Corporate, supranational and government bonds involve the risk that the bond issuer will be unable to meet its liability to pay interest or redeem the bond. The Manager selects bonds taking into account the credit rating, bearing in mind the Sub-fund's objective.

#### Counterparty risk

The Sub-fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Sub-fund only deals with an approved list of brokers maintained by the Manager.

#### Liquidity risk

The Sub-fund's assets are comprised of mainly readily realisable securities. If insufficient cash is available to finance unitholder redemptions then securities held by the Sub-fund may need to be sold. The risk of low market liquidity, through reduced trading volumes, may affect the ability of the Sub-fund to trade financial instruments at values previously indicated by financial brokers. From time to time, liquidity may also be affected by stock specific or economic events. The Manager has a Liquidity Management Policy designed to monitor the liquidity risk of the Sub-fund and ensure that its investment strategy and liquidity profile allows the Sub-fund to meet its daily redemption obligations.

# Epworth Corporate Bond Fund for Charities

## Notes to the financial statements

### Interest rate risk

The Sub-fund's assets are comprised of mainly fixed interest rate securities. There is therefore a risk that the capital value of investments will vary as a result of the market's sentiment regarding future interest rates. Expectations of future rates may result in an increase or decrease in the value of investments held. In general, if interest rates rise the revenue potential of the Sub-fund also rises but the value of fixed interest rate securities will decline. A decline in interest rates will in general have the opposite effect. Any transactions in fixed interest securities must be used in accordance with the investment objective of the Sub-fund and must be deemed by the Manager to be economically appropriate. Regular production of portfolio risk reports highlight concentrations of risk, including interest rate risk, for this Sub-fund.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The interest rate profile of the Sub-fund's financial assets and liabilities at 31 October 2022 was:

Currency	Floating rate financial assets* £'000s	Fixed rate financial assets £'000s	Financial assets not carrying interest £'000s	Total £'000s
Sterling	2,683	34,376	1,252	38,311
Total	2,683	34,376	1,252	38,311

Currency	Financial liabilities not carrying interest £'000s	Total £'000s
Sterling	(260)	(260)
Total	(260)	(260)

The interest rate profile of the Sub-fund's financial assets and liabilities at 31 October 2021 was:

Currency	Floating rate financial assets* £'000s	Fixed rate financial assets £'000s	Financial assets not carrying interest £'000s	Total £'000s
Sterling	3,435	130,109	2,003	135,547
Total	3,435	130,109	2,003	135,547

Currency	Financial liabilities not carrying interest £'000s	Total £'000s
Sterling	(565)	(565)
Total	(565)	(565)

\* The floating rate financial assets of the Sub-fund earn interest at rates based on either SONIA or base rate.

### 12. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 October 2022 (31.10.21: none).

### 13. Unitholders' funds

There are three unit classes in issue within the Sub-fund. These are Income, Accumulation and CFB Income units. The Manager's periodic charge in respect of these units is expressed as an annual percentage of the value of the property of the Sub-fund attributable to each unit class and is currently 0.35% in respect of Income and Accumulation units and 0% in respect of CFB Income units. Consequently, the level of net revenue attributable to each unit class will differ. With the proposed closure of the Sub-fund, each unit class will have the same rights as regards to the distribution of the property of the Sub-fund.

### 14. Related party transactions

The Manager's periodic charge is paid to Epworth Investment Management Limited, a related party to the Sub-fund. The amounts paid in respect of the Manager's periodic charge are disclosed in note 4. The amount outstanding as at 31 October 2022 was £4,666 (31.10.21: £5,996).

In addition, the Sub-fund placed deposits during the year with the Epworth Cash Plus Fund, a fund managed by Epworth Investment Management Limited. All charges levied for the management of these deposits have been refunded to the Sub-fund by Epworth. There were no other related party transactions during the year.

# Epworth Corporate Bond Fund for Charities

## Notes to the financial statements

### 15. Portfolio transaction costs

For the year ended 31 October 2022

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Bond transactions	5,522	2	0.04	-	-	-	-	5,524
Total	5,522	2		-		-		5,524

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Bond transactions	7,987	(4)	(0.05)	-	-	-	-	7,983
Corporate actions	8,695	-	-	-	-	-	-	8,695
In-specie transactions	70,421	-	-	-	-	-	-	70,421
Total	87,103	(4)		-		-		87,099

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.01%
Taxes	0.00%
Other expenses	0.00%

For the year ended 31 October 2021

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Bond transactions	30,079	15	0.05	-	-	-	-	30,094
Total	30,079	15		-		-		30,094

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Bond transactions	3,915	(2)	(0.05)	-	-	-	-	3,913
Corporate actions	4,050	-	-	-	-	-	-	4,050
Total	7,965	(2)		-		-		7,963

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.01%
Taxes	0.00%
Other expenses	0.00%

The purchases and sales of securities incurred no direct transaction costs during the year or prior year.

Portfolio transaction costs are incurred by the Sub-fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: "Dealing spread" - the difference between buying and selling prices of the underlying investments.

At the Balance sheet date the portfolio dealing spread was 0.72% (31.10.21: 0.60%) being the difference between the respective bid and offer prices for the Sub-fund's investments.

# Epworth Corporate Bond Fund for Charities

## Notes to the financial statements

### 16. Sensitivity analysis

#### Interest rate risk sensitivity

Changes in interest rates or changes in expectation of future interest rates may result in an increase or decrease in the value of the interest bearing assets held. A one percent increase in interest rates (based on current parameters used by the Manager's Investment Risk department) would have the effect of increasing the return and net assets by £2,245,036 (31.10.21: £9,988,652 ). A one percent decrease would have an equal and opposite effect.

#### Foreign currency risk sensitivity

As the majority of the Sub-fund's financial assets are in the base currency of the Sub-fund (Sterling), the Sub-fund is only subject to limited exposure to fluctuations in foreign currency and therefore, no sensitivity analysis has been provided.

#### Market price risk sensitivity

A five percent increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £1,733,787 (31.10.21: £6,546,562). A five percent decrease would have an equal and opposite effect.

### 17. Fair value of financial assets and financial liabilities

The fair value of the Sub-fund's investments has been determined using the hierarchy below. This complies with the 'Amendments to FRS 102 - Fair value hierarchy disclosures' issued by the Financial Reporting Council in March 2016.

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 October 2022

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Bonds	7,627	27,049	-	34,676
	7,627	27,049	-	34,676

For the year ended 31 October 2021

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Bonds	22,693	108,238	-	130,931
	22,693	108,238	-	130,931

# Epworth Corporate Bond Fund for Charities

## Distribution tables

For the year ended 31 October 2022

### First interim distribution in pence per unit

Group 1: units purchased prior to 1 November 2021

Group 2: units purchased 1 November 2021 to 31 January 2022

	Net income	Equalisation	2022 pence per unit paid 15 Mar	2021 pence per unit paid 15 Mar
<b>Income units</b>				
Group 1	0.52	-	0.52	0.38
Group 2	0.49	0.03	0.52	0.38
<b>Accumulation units</b>				
Group 1	0.53	-	0.53	0.39
Group 2	0.36	0.17	0.53	0.39
<b>CFB Income units</b>				
Group 1	0.52	-	0.52	0.50
Group 2	0.46	0.06	0.52	0.50

### Second interim distribution in pence per unit

Group 1: units purchased prior to 1 February 2022

Group 2: units purchased 1 February 2022 to 30 April 2022

	Net income	Equalisation	2022 pence per unit paid 15 Jun	2021 pence per unit paid 15 Jun
<b>Income units</b>				
Group 1	0.55	-	0.55	0.35
Group 2	0.21	0.34	0.55	0.35
<b>Accumulation units</b>				
Group 1	0.58	-	0.58	0.36
Group 2	0.02	0.56	0.58	0.36
<b>CFB Income units</b>				
Group 1	0.55	-	0.55	0.46
Group 2	0.55	0.00	0.55	0.46

# Epworth Corporate Bond Fund for Charities

## Distribution tables

### Third interim distribution in pence per unit

Group 1: units purchased prior to 1 May 2022

Group 2: units purchased 1 May 2022 to 31 July 2022

	Net income	Equalisation	2022 pence per unit paid 15 Sep	2021 pence per unit paid 15 Sep
<b>Income units</b>				
Group 1	0.55	-	0.55	0.38
Group 2	0.28	0.27	0.55	0.38
<b>Accumulation units</b>				
Group 1	0.56	-	0.56	0.39
Group 2	0.56	0.00	0.56	0.39
<b>CFB Income units</b>				
Group 1	0.55	-	0.55	0.49
Group 2	0.29	0.26	0.55	0.49

### Final distribution in pence per unit

Group 1: units purchased prior to 1 August 2022

Group 2: units purchased 1 August 2022 to 31 October 2022

	Net income	Equalisation	2022 pence per unit payable 15 Dec	2021 pence per unit paid 15 Dec
<b>Income units</b>				
Group 1	0.62	-	0.62	0.39
Group 2	0.38	0.24	0.62	0.39
<b>Accumulation units</b>				
Group 1	0.66	-	0.66	0.39
Group 2	0.66	0.00	0.66	0.39
<b>CFB Income units</b>				
Group 1	0.63	-	0.63	0.50
Group 2	0.16	0.47	0.63	0.50

### Equalisation

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

# Epworth Sterling Sovereign Bond Fund for Charities

## Statement of total return

For the year ended 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
Income: net capital losses	2	(4,058)	(818)
Income: revenue	3	181	162
Expenses	4	(58)	(65)
Taxation	5	-	-
Net revenue after taxation		123	97
Total deficit before distributions		(3,935)	(721)
Distributions	6	(182)	(97)
Change in net assets attributable to unitholders from investment activities		(4,117)	(818)

## Statement of change in net assets attributable to unitholders

For the year ended 31 October 2022

	31.10.22 £'000s	31.10.21 £'000s
Opening net assets attributable to unitholders	16,254	15,075
Amounts receivable on issue of units	2,159	3,437
Amounts payable on cancellation of units	(1,092)	(1,442)
	17,321	17,070
Dilution adjustment	1	2
Change in net assets attributable to unitholders from investment activities	(4,117)	(818)
Retained distributions on accumulation units	5	-
Closing net assets attributable to unitholders	13,210	16,254

## Balance sheet

As at 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
<b>Assets</b>			
Investments		12,541	15,780
Current assets:			
Debtors	7	492	81
Cash and bank balances	8	237	431
Total assets		13,270	16,292
<b>Liabilities</b>			
Creditors:			
Distributions payable		(51)	(27)
Other creditors	9	(9)	(11)
Total liabilities		(60)	(38)
Net assets attributable to unitholders		13,210	16,254

Balance sheet approved and signed on behalf of the Manager by:



David Palmer, Director  
24 February 2023



Michelle Edward, Secretary  
24 February 2023

# Epworth Sterling Sovereign Bond Fund for Charities

## Comparative table

### Income units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	134.39	141.97	137.42
Return before operating charges*	(31.55)	(6.18)	6.14
Operating charges	(0.56)	(0.67)	(0.76)
Return after operating charges*	(32.11)	(6.85)	5.38
Distributions on income units	(1.47)	(0.73)	(0.83)
Closing net asset value per unit	100.81	134.39	141.97
* after direct transaction costs of (pence per unit):	0.01	0.01	0.02

### Performance

Return after charges	(23.89)%	(4.82)%	3.92%
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### Other information

Closing net asset value (£'000s)	8,269	10,722	10,211
Closing number of units	8,202,908	7,978,696	7,192,622
Operating charges	0.48%	0.50%	0.54%
Direct transaction costs	0.01%	0.01%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	139.10	143.95	146.69
Lowest unit price (bid)	91.50	130.68	133.97

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.



# Epworth Sterling Sovereign Bond Fund for Charities

## Comparative table

### Accumulation units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	136.12	143.04	137.66
Return before operating charges*	(32.12)	(6.25)	6.16
Operating charges	(0.58)	(0.67)	(0.78)
Return after operating charges*	(32.70)	(6.92)	5.38
Distributions on accumulation units	(1.50)	(0.74)	(0.82)
Retained distributions on accumulation units	1.50	0.74	0.82
Closing net asset value per unit	103.42	136.12	143.04
* after direct transaction costs of (pence per unit):	0.01	0.01	0.02

### Performance

Return after charges	(24.02)%	(4.84)%	3.91%
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### Other information

Closing net asset value (£'000s)	306	460	23
Closing number of units	295,492	338,194	16,106
Operating charges	0.48%	0.50%	0.54%
Direct transaction costs	0.01%	0.01%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	140.90	145.04	147.22
Lowest unit price (bid)	93.50	132.17	134.21

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Sterling Sovereign Bond Fund for Charities

## Comparative table

### CFB Income units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	134.42	142.00	137.45
Return before operating charges*	(31.56)	(6.17)	6.12
Operating charges	(0.26)	(0.33)	(0.40)
Return after operating charges*	(31.82)	(6.50)	5.72
Distributions on income units	(1.47)	(1.08)	(1.17)
Closing net asset value per unit	101.13	134.42	142.00
* after direct transaction costs of (pence per unit):	0.01	0.01	0.02

### Performance

Return after charges	(23.67)%	(4.58)%	4.16%
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### Other information

Closing net asset value (£'000s)	4,635	5,072	4,841
Closing number of units	4,583,537	3,772,886	3,408,707
Operating charges	0.23%	0.25%	0.29%
Direct transaction costs	0.01%	0.01%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	139.20	144.03	146.77
Lowest unit price (bid)	91.80	130.78	134.06

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Sterling Sovereign Bond Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
<b>Government Bonds (31.10.21 - 79.45%)</b>			<b>72.42</b>
Kreditanstalt fuer Wiederaufbau 0.875% 15/09/2026	£500,000	444	3.36
Landwirtschaftliche Rentenbank 1.375% 08/09/2025	£550,000	512	3.88
Treasury 0.125% 31/01/2023	£125,000	124	0.94
Treasury 0.125% 31/01/2028	£700,000	583	4.41
Treasury 0.375% 22/10/2026	£450,000	397	3.00
Treasury 0.5% 22/10/2061	£425,000	168	1.27
Treasury 0.625% 07/06/2025	£450,000	420	3.18
Treasury 0.625% 31/07/2035	£400,000	275	2.08
Treasury 0.75% 22/07/2023	£175,000	172	1.30
Treasury 0.875% 31/01/2046	£750,000	417	3.16
Treasury 1% 22/04/2024	£425,000	411	3.11
Treasury 1.25% 22/07/2027	£175,000	157	1.19
Treasury 1.25% 22/10/2041	£800,000	523	3.96
Treasury 1.50% 22/07/2047	£475,000	305	2.31
Treasury 1.75% 07/09/2037	£750,000	572	4.33
Treasury 3.25% 22/01/2044	£685,000	625	4.73
Treasury 3.5% 22/01/2045	£450,000	428	3.24
Treasury 4% 22/01/2060	£185,000	205	1.55
Treasury 4.25% 07/06/2032	£200,000	212	1.60
Treasury 4.25% 07/03/2036	£425,000	445	3.37
Treasury 4.25% 07/12/2040	£450,000	469	3.55
Treasury 4.25% 07/12/2055	£200,000	227	1.72
Treasury 4.5% 07/09/2034	£440,000	475	3.60
Treasury 4.75% 07/12/2030	£250,000	272	2.06
Treasury Gilt 1% 31/01/2032	£300,000	239	1.81
Treasury Gilt 1.125% 31/01/2039	£300,000	201	1.52
Treasury Gilt 1.25% 31/07/2051	£500,000	289	2.19
<b>Public Authorities (31.10.21 - 11.17%)</b>			<b>10.68</b>
Bank Nederlandse Gemeenten 1.625% 26/08/2025	£500,000	466	3.53
Bank Nederlandse Gemeenten 5.2% 07/12/2028	£100,000	103	0.78
Nederlandse Waterschapsbk 5.375% 07/06/2032	£400,000	438	3.32
Temasek Financial 5.125% 26/07/2040	£400,000	403	3.05
<b>Supranational Bonds (31.10.21 - 6.46%)</b>			<b>11.84</b>
Asian Development Bank 0.75% 07/12/2027	£400,000	334	2.53
European Investment Bank 4.5% 07/03/2044	£300,000	310	2.35
International Bank for Reconstruction 1% 21/12/2029	£500,000	403	3.05
International Finance 1.375% 07/03/2025	£550,000	517	3.91
Portfolio of investments		12,541	94.94
Net other assets		669	5.06
Net assets		13,210	100.00

Unless otherwise stated, all investments are approved securities being either officially listed in the UK or an EEA state or traded on or under the rules of an eligible securities market.

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# Epworth Sterling Sovereign Bond Fund for Charities

## Credit ratings

As at 31 October 2022

	Market value £'000s	Portfolio %
Investment grade	12,541	100.00
Total investment in bonds	12,541	100.00

# Epworth Sterling Sovereign Bond Fund for Charities

## Summary of material portfolio changes

For the year ended 31 October 2022

	Cost £'000s
<b>Purchases</b>	
Treasury Gilt 1.25% 31/07/2051	486
Treasury 1.25% 22/10/2041	437
European Investment Bank 4.5% 07/03/2044	372
Asian Development Bank 0.75% 07/12/2027	322
Treasury Gilt 1.125% 31/01/2039	300
Treasury Gilt 1% 31/01/2032	285
Treasury 1.75% 07/09/2037	274
Treasury 0.5% 22/10/2061	232
Treasury 0.375% 22/10/2026	187
Treasury 1.50% 22/07/2047	42
	2,937
Other purchases	-
Total purchases	2,937

	Proceeds £'000s
<b>Sales</b>	
Treasury 1.25% 22/07/2027	556
Treasury 0.375% 22/10/2030	467
Treasury 0.125% 31/01/2023	398
Treasury 3.5% 22/01/2045	335
Treasury 0.625% 22/10/2050	182
Treasury 1.25% 22/10/2041	73
	2,011
Other sales	-
Total sales	2,011

# Epworth Sterling Sovereign Bond Fund for Charities

## Notes to the financial statements

### 1. Accounting policies

#### (a) Basis of accounting

These financial statements are prepared on a basis other than that of a going concern. The Manager has made an assessment of the Fund's ability to continue as a going concern and has decided this is not the case. The Fund has fallen substantially in assets since launch which stand at £13m as at 31st October 2022 and as such the TER paid by unit holders renders the Fund uneconomic. An application to close the Fund has been made to the FCA. The proposed date to close the fund is 30th April 2023. The asset values stated are to their recoverable amounts as at 31st October 2022. There are no long-term liabilities or onerous contracts held within the Fund. The winding up costs apart from transaction costs will be borne by the Manager.

Unless otherwise stated all accounting policies are consistent with those of the prior year.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

The Manager does not consider that there were any significant areas of estimation uncertainty or application of critical judgements.

#### (b) Basis of valuation

The quoted investments of the Sub-fund have been valued at bid dealing prices as at close of business on 31 October 2022, the last valuation point in the accounting year, in accordance with the Trust Deed.

#### (c) Recognition of income

Interest from bank deposits are accounted for on a receipts basis. Interest receivable from debt securities is accounted for on an effective interest rate basis. Accrued interest purchased or sold is excluded from the cost of the security and is accounted for as revenue.

#### (d) Expenses

Expenses are accounted for on an accruals basis. From 1 November 2021, all expenses of the Sub-fund are charged against capital. Previously, expenses of the Sub-fund were charged against revenue, except for the costs associated with the purchase and sale of investments, which were charged to capital.

#### (e) Distribution policy

Revenue produced by the Sub-fund's investments accumulates during each accounting period. At the end of each accounting period, the net revenue of the Sub-fund is available to be distributed/accumulated to unitholders.

In determining the net revenue available for distributions, charges in relation to management, safe custody, registration, audit and other expenses are ultimately borne by the capital of the Sub-Fund.

A total return approach is used in that transfers between the capital account and the income account can be made to allow for distributions.

#### (f) Foreign exchange

Transactions in foreign currencies during the year are translated into sterling (the functional currency of the Sub-fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at close of business, 31 October 2022, the last valuation point in the accounting year.

### (g) Apportionment to multiple unit classes

With the exception of the Manager's periodic charge, the allocation of revenue and expenses to each unit class is based upon the proportion of the Sub-fund's assets attributable to each unit class on the day the revenue is earned or the expense is suffered. The Manager's periodic charge is specific to each unit class. Consequently, the revenue available to distribute for each unit class will differ.

### 2. Net losses on investments

The net capital losses during the year comprise:

	31.10.22 £'000s	31.10.21 £'000s
Unrealised (losses)/gains on non-derivative securities	(3,825)	87
Realised losses on non-derivative securities	(233)	(905)
Net losses on investments	(4,058)	(818)

### 3. Revenue

	31.10.22 £'000s	31.10.21 £'000s
Interest on debt securities	178	156
Deposit interest	3	1
Miscellaneous income	-	5
Total revenue	181	162

### 4. Expenses

	31.10.22 £'000s	31.10.21 £'000s
Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	26	27
	26	27
Payable to the Corporate Trustee or associates of the Trustee and agents of either of them:		
Corporate Trustee's fees	11	6
Safe custody fees	1	1
	12	7
Auditor's fee	1	1
Other expenses	19	30
	20	31
Total expenses	58	65

### 5. Taxation

The Sub-fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid and reinvested revenue credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue.

	31.10.22 £'000s	31.10.21 £'000s
Taxation	-	-

# Epworth Sterling Sovereign Bond Fund for Charities

## Notes to the financial statements

### 6. Distributions

Distributions take account of income received on creation of units and income deducted on the cancellation of units, and comprise:

	31.10.22 £'000s	31.10.21 £'000s
31 January	43	23
30 April	44	20
31 July	46	27
31 October	52	28
	185	98
Income deducted on cancellation of units	2	1
Income received on creation of units	(5)	(2)
Net distribution for the year	182	97
Net revenue after taxation	123	97
Expenses taken to capital	59	-
Net distribution for the year	182	97

### 7. Debtors

	31.10.22 £'000s	31.10.21 £'000s
Amounts receivable for creation of units	400	-
Accrued income	92	81
Total debtors	492	81

### 8. Cash and bank balances

	31.10.22 £'000s	31.10.21 £'000s
Epworth Cash Plus Fund	226	420
Cash at bank	11	11
Total cash and bank balances	237	431

### 9. Other creditors

	31.10.22 £'000s	31.10.21 £'000s
Accrued expenses	9	11
Total other creditors	9	11

### 10. Reconciliation of units

	Income units	Accum units	CFB Income units
Opening number of units at beginning of year 01.11.21	7,978,696	338,194	3,772,886
Units issued in year	1,069,314	20,247	883,761
Units cancelled in year	(845,102)	(62,949)	(73,110)
Closing number of units at end of year 31.10.22	8,202,908	295,492	4,583,537

### 11. Financial instruments

In accordance with the investment objective, the Sub-fund holds certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short term debtors and creditors arising directly from operations.

The main risks arising from the Sub-fund's financial instruments and the Manager's policies for managing these risks are summarised below. These policies have been applied consistently throughout the year and the comparative period.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. The Sub-fund's investment portfolio is exposed to market fluctuations which are monitored by the Manager in pursuit of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Collective Investment Schemes Sourcebook ("the Sourcebook") mitigates the risk of excessive exposure to any particular type of security or issuer.

#### Credit risk

At the Balance sheet date some 11.84% (31.10.21: 6.46%) of the Sub-fund's assets were held in supranational bonds, 72.42% (31.10.21: 79.45%) in government bonds and 10.68% (31.10.21: 11.17%) in Public Authorities. Supranational and government bonds involve the risk that the bond issuer will be unable to meet its liability to pay interest or redeem the bond. The Manager selects bonds taking into account the credit rating, bearing in mind the Sub-fund's objective.

#### Counterparty risk

The Sub-fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Sub-fund only deals with an approved list of brokers maintained by the Manager.

#### Liquidity risk

The Sub-fund's assets are comprised of mainly readily realisable securities. If insufficient cash is available to finance unitholder redemptions then securities held by the Sub-fund may need to be sold. The risk of low market liquidity, through reduced trading volumes, may affect the ability of the Sub-fund to trade financial instruments at values previously indicated by financial brokers. From time to time, liquidity may also be affected by stock specific or economic events. The Manager has a Liquidity Management Policy designed to monitor the liquidity risk of the Sub-fund and ensure that its investment strategy and liquidity profile allows the Sub-fund to meet its daily redemption obligations.

# Epworth Sterling Sovereign Bond Fund for Charities

## Notes to the financial statements

### Interest rate risk

The Sub-fund's assets are comprised of mainly fixed interest rate securities. There is therefore a risk that the capital value of investments will vary as a result of the market's sentiment regarding future interest rates. Expectations of future rates may result in an increase or decrease in the value of investments held. In general, if interest rates rise the revenue potential of the Sub-fund also rises but the value of fixed interest rate securities will decline. A decline in interest rates will in general have the opposite effect. Any transactions in fixed interest securities must be used in accordance with the investment objective of the Sub-fund and must be deemed by the Manager to be economically appropriate. Regular production of portfolio risk reports highlight concentrations of risk, including interest rate risk, for this Sub-fund. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The interest rate profile of the Sub-fund's financial assets and liabilities at 31 October 2022 was:

Currency	Floating rate financial assets* £'000s	Fixed rate financial assets £'000s	Financial assets not carrying interest £'000s	Total £'000s
Sterling	237	12,541	492	13,270
Total	237	12,541	492	13,270

Currency	Floating rate financial liabilities* £'000s	Fixed rate financial liabilities £'000s	Financial liabilities not carrying interest £'000s	Total £'000s
Sterling	-	-	(60)	(60)
Total	-	-	(60)	(60)

The interest rate profile of the Sub-fund's financial assets and liabilities at 31 October 2021 was:

Currency	Floating rate financial assets* £'000s	Fixed rate financial assets £'000s	Financial assets not carrying interest £'000s	Total £'000s
Sterling	431	15,780	81	16,292
Total	431	15,780	81	16,292

Currency	Floating rate financial liabilities* £'000s	Fixed rate financial liabilities £'000s	Financial liabilities not carrying interest £'000s	Total £'000s
Sterling	-	-	(38)	(38)
Total	-	-	(38)	(38)

\* The floating rate financial assets of the Sub-fund earn interest at rates based on either SONIA or base rate.

### 12. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 October 2022 (31.10.21: none).

### 13. Unitholders' funds

There are three unit classes in issue within the Sub-fund. These are Income, Accumulation and CFB Income units. The Manager's periodic charge in respect of these units is expressed as an annual percentage of the value of the property of the Sub-fund attributable to each unit class and is currently 0.25% in respect of Income and Accumulation units and 0% in respect of CFB Income units. Consequently, the level of net revenue attributable to each unit class will differ. With the proposed closure of the Sub-fund, each unit class will have the same rights as regards to the distribution of the property of the Sub-fund.

### 14. Related party transactions

The Manager's periodic charge is paid to Epworth Investment Management Limited, a related party to the Sub-fund. The amounts paid in respect of the Manager's periodic charge are disclosed in note 4. The amount outstanding as at 31 October 2022 was £1,749 (31.10.21: £2,330).

In addition, the Sub-fund placed deposits during the year with the Epworth Cash Plus Fund, a fund managed by Epworth Investment Management Limited. All charges levied for the management of these deposits have been refunded to the Sub-fund by Epworth. There were no other related party transactions during the year.



# Epworth Sterling Sovereign Bond Fund for Charities

## Notes to the financial statements

### 15. Portfolio transaction costs

For the year ended 31 October 2022

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Bond transactions	2,936	1	0.03	-	-	-	-	2,937
Total	2,936	1		-		-		2,937

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Bond transactions	2,012	(1)	(0.05)	-	-	-	-	2,011
Total	2,012	(1)		-		-		2,011

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.01%
Taxes	0.00%
Other expenses	0.00%

For the year ended 31 October 2021

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Bond transactions	3,573	1	0.03	-	-	-	-	3,574
Total	3,573	1		-		-		3,574

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Bond transactions	1,223	-	-	-	-	-	-	1,223
Corporate actions	375	-	-	-	-	-	-	375
Total	1,598	-		-		-		1,598

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.01%
Taxes	0.00%
Other expenses	0.00%

Portfolio transaction costs are incurred by the Sub-fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: "Dealing spread" - the difference between buying and selling prices of the underlying investments.

At the Balance sheet date the portfolio dealing spread was 0.31% (31.10.21: 0.18%) being the difference between the respective bid and offer prices for the Sub-fund's investments.

# Epworth Sterling Sovereign Bond Fund for Charities

## Notes to the financial statements

### 16. Sensitivity analysis

#### Interest rate risk sensitivity

Changes in interest rates or changes in expectation of future interest rates may result in an increase or decrease in the value of the interest bearing assets held. A one percent increase in interest rates (based on current parameters used by the Manager's Investment Risk department) would have the effect of increasing the return and net assets by £1,202,121 (31.10.21: £1,787,949). A one percent decrease would have an equal and opposite effect.

#### Foreign currency risk sensitivity

As all of the Sub-fund's financial assets are in the base currency of the Sub-fund (Sterling), the Sub-fund has no exposure to fluctuations in foreign currency and therefore, no sensitivity analysis has been provided.

#### Market price risk sensitivity

A five percent increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £627,056 (31.10.21: £789,007). A five percent decrease would have an equal and opposite effect.

### 17. Fair value of financial assets and financial liabilities

The fair value of the Sub-fund's investments has been determined using the hierarchy below. This complies with the 'Amendments to FRS 102 - Fair value hierarchy disclosures' issued by the Financial Reporting Council in March 2016.

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 October 2022

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Bonds	12,541	-	-	12,541
	12,541	-	-	12,541

For the year ended 31 October 2021

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Bonds	15,780	-	-	15,780
	15,780	-	-	15,780

# Epworth Sterling Sovereign Bond Fund for Charities

## Distribution tables

For the year ended 31 October 2022

### First interim distribution in pence per unit

Group 1: units purchased prior to 1 November 2021

Group 2: units purchased 1 November 2021 to 31 January 2022

	Net income	Equalisation	2022 pence per unit paid 15 Mar	2021 pence per unit paid 15 Mar
<b>Income units</b>				
Group 1	0.35	-	0.35	0.19
Group 2	0.17	0.18	0.35	0.19
<b>Accumulation units</b>				
Group 1	0.36	-	0.36	0.19
Group 2	0.24	0.12	0.36	0.19
<b>CFB Income units</b>				
Group 1	0.35	-	0.35	0.28
Group 2	0.35	0.00	0.35	0.28

### Second interim distribution in pence per unit

Group 1: units purchased prior to 1 February 2022

Group 2: units purchased 1 February 2022 to 30 April 2022

	Net income	Equalisation	2022 pence per unit paid 15 Jun	2021 pence per unit paid 15 Jun
<b>Income units</b>				
Group 1	0.35	-	0.35	0.14
Group 2	0.11	0.24	0.35	0.14
<b>Accumulation units</b>				
Group 1	0.35	-	0.35	0.15
Group 2	0.35	0.00	0.35	0.15
<b>CFB Income units</b>				
Group 1	0.35	-	0.35	0.23
Group 2	0.35	0.00	0.35	0.23

# Epworth Sterling Sovereign Bond Fund for Charities

## Distribution tables

### Third interim distribution in pence per unit

Group 1: units purchased prior to 1 May 2022

Group 2: units purchased 1 May 2022 to 31 July 2022

	Net income	Equalisation	2022 pence per unit paid 15 Sep	2021 pence per unit paid 15 Sep
<b>Income units</b>				
Group 1	0.37	-	0.37	0.20
Group 2	0.15	0.22	0.37	0.20
<b>Accumulation units</b>				
Group 1	0.38	-	0.38	0.20
Group 2	0.38	0.00	0.38	0.20
<b>CFB Income units</b>				
Group 1	0.37	-	0.37	0.28
Group 2	0.37	0.00	0.37	0.28

### Final distribution in pence per unit

Group 1: units purchased prior to 1 August 2022

Group 2: units purchased 1 August 2022 to 31 October 2022

	Net income	Equalisation	2022 pence per unit payable 15 Dec	2021 pence per unit paid 15 Dec
<b>Income units</b>				
Group 1	0.40	-	0.40	0.20
Group 2	0.15	0.25	0.40	0.20
<b>Accumulation units</b>				
Group 1	0.41	-	0.41	0.20
Group 2	0.41	0.00	0.41	0.20
<b>CFB Income units</b>				
Group 1	0.40	-	0.40	0.29
Group 2	0.06	0.34	0.40	0.29

### Equalisation

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

# Epworth Multi-Asset Fund for Charities

## Statement of total return

For the year ended 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
Income: net capital (losses)/gains	2	(4,068)	6,360
Income: revenue	3	978	910
Expenses	4	(62)	(55)
Net revenue after taxation		916	855
Total (deficit)/return before distributions		(3,152)	7,215
Distributions	6	(978)	(857)
Change in net assets attributable to unitholders from investment activities		(4,130)	6,358

## Statement of change in net assets attributable to unitholders

For the year ended 31 October 2022

	31.10.22 £'000s	31.10.21 £'000s
Opening net assets attributable to unitholders	35,610	27,827
Amounts receivable on issue of units	1,585	2,603
Amounts payable on cancellation of units	(1,507)	(1,191)
	35,688	29,239
Dilution adjustment	10	12
Change in net assets attributable to unitholders from investment activities	(4,130)	6,358
Retained distributions on accumulation units	3	1
Closing net assets attributable to unitholders	31,571	35,610

## Balance sheet

As at 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
<b>Assets</b>			
Investments		30,333	35,438
Current assets:			
Debtors	7	41	45
Cash and bank balances	8	1,508	368
Total assets		31,882	35,851
<b>Liabilities</b>			
Creditors:			
Distributions payable		(228)	(208)
Other creditors	9	(83)	(33)
Total liabilities		(311)	(241)
Net assets attributable to unitholders		31,571	35,610

Balance sheet approved and signed on behalf of the Manager by:



David Palmer, Director  
24 February 2023



Michelle Edward, Secretary  
24 February 2023

# Epworth Multi-Asset Fund for Charities

## Comparative table

### Income units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	118.56	96.83	101.49
Return before operating charges*	(10.27)	24.81	(2.41)
Operating charges	(0.81)	(0.80)	(0.79)
Return after operating charges*	(11.08)	24.01	(3.20)
Distributions on income units	(3.24)	(2.28)	(1.46)
Closing net asset value per unit	104.24	118.56	96.83
* after direct transaction costs of (pence per unit):	0.00	0.00	0.00

### Performance

Return after charges	(9.35)%	24.80%	(3.15)%
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### Other information

Closing net asset value (£'000s)	3,368	3,758	1,261
Closing number of units	3,231,205	3,169,818	1,302,440
Operating charges**	1.01%	0.89%	1.00%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices (pence per unit)<sup>+</sup>

Highest unit price (offer)	122.94	119.59	107.86
Lowest unit price (bid)	100.48	97.36	82.47

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

\*\* The operating charges % now includes a synthetic OCF, for the underlying closed ended investments held, as per the new IMA guidelines.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Multi-Asset Fund for Charities

## Comparative table

### Accumulation units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 <sup>^</sup> pence per unit
Opening net asset value per unit	122.42	97.99	100.16
Return before operating charges*	(10.80)	25.25	(1.68)
Operating charges	(0.85)	(0.82)	(0.49)
Return after operating charges*	(11.65)	24.43	(2.17)
Distributions on accumulation units	(3.39)	(2.32)	(1.14)
Retained distributions on accumulation units	3.39	2.32	1.14
Closing net asset value per unit	110.77	122.42	97.99
* after direct transaction costs of (pence per unit):	0.00	0.00	0.00

### Performance

Return after charges	(9.52)%	24.93%	(2.17)%
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### Other information

Closing net asset value (£'000s)	144	83	33
Closing number of units	129,754	68,141	33,280
Operating charges**	1.01%	0.89%	0.96%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices (pence per unit)<sup>+</sup>

Highest unit price (offer)	126.95	122.93	102.95
Lowest unit price (bid)	106.02	98.49	82.51

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

<sup>^</sup> The Accumulation units launched on 4 March 2020.

<sup>\*\*</sup> The operating charges % now includes a synthetic OCF, for the underlying closed ended investments held, as per the new IMA guidelines.

<sup>+</sup> High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Multi-Asset Fund for Charities

## Comparative table

### CFB Income units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 pence per unit
Opening net asset value per unit	118.18	96.50	101.18
Return before operating charges*	(10.28)	24.74	(2.41)
Operating charges	(0.13)	(0.13)	(0.19)
Return after operating charges*	(10.41)	24.61	(2.60)
Distributions on income units	(3.24)	(2.93)	(2.08)
Closing net asset value per unit	104.53	118.18	96.50
* after direct transaction costs of (pence per unit):	0.00	0.00	0.00

### Performance

Return after charges	(8.81)%	25.50%	(2.57)%
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### Other information

Closing net asset value (£'000s)	28,059	31,769	26,533
Closing number of units	26,843,309	26,880,663	27,494,538
Operating charges**	0.41%	0.29%	0.40%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices (pence per unit)\*

Highest unit price (offer)	122.68	119.38	107.67
Lowest unit price (bid)	100.74	97.03	82.29

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

\*\* The operating charges % now includes a synthetic OCF, for the underlying closed ended investments held, as per the new IMA guidelines.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.



# Epworth Multi-Asset Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
<b>Equity Investment Instruments (31.10.21 - 1.48%)</b>			<b>1.50</b>
GCP Infrastructure Investments	496,340	472	1.50
<b>Financial Services (31.10.21 - 2.21%)</b>			<b>2.24</b>
International Public Partnership	469,342	708	2.24
<b>Non Equity Investment Instruments (31.10.21 - 93.43%)</b>			<b>88.19</b>
Epworth Climate Stewardship Fund for Charities	4,062,561	4,156	13.16
Epworth Corporate Bond Fund for Charities	2,899,605	2,946	9.33
Epworth Global Equity Fund for Charities	8,267,082	10,660	33.77
Epworth UK Equity Fund for Charities	4,626,747	6,902	21.86
iShares MSCI World ESG Enhanced ETF	124,080	666	2.11
Mayfair Property Income Trust for Charities Fund	2,614,657	2,512	7.96
<b>Real Estate &amp; Investment Services (31.10.21 - 2.40%)</b>			<b>4.15</b>
Greencoat UK Wind	316,700	460	1.45
HgCapital Trust	148,150	514	1.63
Renewables Infrastructure	260,000	337	1.07
Portfolio of investments		30,333	96.08
Net other assets		1,238	3.92
Net assets		31,571	100.00

Unless otherwise stated, all investments are approved securities being either officially listed in the UK or an EEA state or traded on or under the rules of an eligible securities market.

# Epworth Multi-Asset Fund for Charities

## Summary of material portfolio changes

For the year ended 31 October 2022

	Cost £'000s
<b>Purchases</b>	
Epworth Global Equity Fund for Charities	1,131
HgCapital Trust	495
Epworth Climate Stewardship Fund for Charities	471
Renewables Infrastructure	350
iShares MSCI World ESG Enhanced ETF	345
Epworth UK Equity Fund for Charities	209
Epworth Corporate Bond Fund for Charities	90
Total purchases	3,091

	Proceeds £'000s
<b>Sales</b>	
Mayfair Property Income Trust for Charities Fund	1,739
Epworth Global Equity Fund for Charities	1,301
Epworth UK Equity Fund for Charities	690
Greencoat UK Wind	400
Total sales	4,130

# Epworth Multi-Asset Fund for Charities

## Notes to the financial statements

### 1. Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in compliance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for financial statements of Authorised Funds issued by The Investment Association in May 2014 (and amended in June 2017), the Charities Act 2011 and the relevant scheme of Charity Commissioners.

Unless otherwise stated all accounting policies are consistent with those of the prior year.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

The Manager does not consider that there were any significant areas of estimation uncertainty or application of critical judgements.

#### (b) Basis of valuation

The quoted investments of the Sub-fund have been valued at bid dealing prices as at close of business on 31 October 2022, the last valuation point in the accounting year, in accordance with the Trust Deed. Investments in collective investment schemes have been valued at bid price for dual priced funds or the single price for single priced funds. Where these investments are managed by the Manager or an associate of the Manager, the holdings have been valued at the cancellation price for dual priced funds or the single price for single priced funds. This price is the last available published price at the year end.

#### (c) Recognition of income

Dividends on ordinary stocks and distributions are credited to revenue when the securities are quoted ex-dividend. Interest on bank deposits are accounted for on a receipts basis. In the case where revenue is received after the deduction of withholding tax, the revenue is shown gross of taxation and the tax consequences are shown within the tax charge.

#### (d) Stock dividends

The ordinary element of stock received in lieu of cash dividends is recognised as revenue of the Sub-fund. Any enhancement above the cash dividend is treated as capital.

#### (e) Special dividends, share buy-back or additional share issue

The underlying circumstances behind a special dividend, share buy-back or additional share issue are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue form part of the distribution.

#### (f) Expenses

Expenses are accounted for on an accruals basis. From 1 November 2021, all expenses of the Sub-fund are charged against capital. Previously, expenses of the Sub-fund were charged against revenue, except for the costs associated with the purchase and sale of investments, which were charged to capital.

#### (g) Distribution policy

Revenue produced by the Sub-fund's investments accumulates during each accounting period. At the end of each accounting period, the net revenue of the Sub-fund is available to be distributed/accumulated to unitholders.

In determining the net revenue available for distributions, charges in relation to management, safe custody, registration, audit and other expenses are ultimately borne by the capital of the Sub-Fund.

A total return approach is used in that transfers between the capital account and the income account can be made to allow for distributions.

#### (h) Foreign exchange

Transactions in foreign currencies during the year are translated into sterling (the functional currency of the Sub-fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at close of business, 31 October 2022, the last valuation point in the accounting year.

#### (i) Apportionment to multiple unit classes

With the exception of the Manager's periodic charge, the allocation of revenue and expenses to each unit class is based upon the proportion of the Sub-fund's assets attributable to each unit class on the day the revenue is earned or the expense is suffered. The Manager's periodic charge is specific to each unit class. Consequently, the revenue available to distribute for each unit class will differ.

### 2. Net (losses)/gains on investments

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

	31.10.22 £'000s	31.10.21 £'000s
Unrealised (losses)/gains on non-derivative securities	(4,550)	5,976
Realised gains on non-derivative securities	480	384
Unrealised currency gains	2	-
Net (losses)/gains on investments	(4,068)	6,360

### 3. Revenue

	31.10.22 £'000s	31.10.21 £'000s
UK dividends	637	600
UK REIT property income distributions	183	183
Overseas dividends	89	74
Interest on debt securities	64	52
Deposit interest	5	1
Total revenue	978	910

### 4. Expenses

	31.10.22 £'000s	31.10.21 £'000s
Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	22	17
Registration fees	9	10
	31	27
Payable to the Corporate Trustee or associates of the Trustee and agents of either of them:		
Corporate Trustee's fees	14	25
Safe custody fees	1	-
	15	25
Auditor's fee	2	1
Other expenses	14	2
	16	3
Total expenses	62	55

# Epworth Multi-Asset Fund for Charities

## Notes to the financial statements

### 5. Taxation

The Sub-fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid and reinvested revenue credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue.

	31.10.22 £'000s	31.10.21 £'000s
Taxation	-	-

### 6. Distributions

Distributions take account of income received on creation of units and income deducted on the cancellation of units, and comprise:

	31.10.22 £'000s	31.10.21 £'000s
31 January	208	142
30 April	288	285
31 July	253	222
31 October	229	208
	978	857
Income deducted on cancellation of units	1	1
Income received on creation of units	(1)	(1)
Net distribution for the year	978	857
Net revenue after taxation	916	855
Expenses taken to capital	62	-
Movement of undistributed revenue	-	2
Net distribution for the year	978	857

### 7. Debtors

	31.10.22 £'000s	31.10.21 £'000s
Accrued income	41	45
Total debtors	41	45

### 8. Cash and bank balances

	31.10.22 £'000s	31.10.21 £'000s
Epworth Cash Plus Fund	1,478	350
Cash at bank	30	18
Total cash and bank balances	1,508	368

### 9. Other creditors

	31.10.22 £'000s	31.10.21 £'000s
Amounts payable on cancellation of units	70	20
Accrued expenses	13	13
Total other creditors	83	33

### 10. Reconciliation of units

	Income units	Accum units	CFB Income units
Opening number of units at beginning of year 01.11.21	3,169,818	68,141	26,880,663
Units issued in year	116,047	125,824	1,042,282
Units cancelled in year	-	-	(1,201,773)
Conversions in year	(54,660)	(64,211)	122,137
Closing number of units at end of year 31.10.22	3,231,205	129,754	26,843,309

### 11. Financial instruments

In accordance with the investment objective, the Sub-fund holds certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short term debtors and creditors arising directly from operations.

The main risks arising from the Sub-fund's financial instruments and the Manager's policies for managing these risks are summarised below. These policies have been applied consistently throughout the year and the comparative period.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. The Sub-fund's investment portfolio is exposed to market fluctuations which are monitored by the Manager in pursuit of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Collective Investment Schemes Sourcebook ("the Sourcebook") mitigates the risk of excessive exposure to any particular type of security or issuer.

#### Counterparty risk

The Sub-fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Sub-fund only deals with an approved list of brokers maintained by the Manager.

#### Liquidity risk

The Sub-fund's assets are comprised of mainly readily realisable securities. If insufficient cash is available to finance unitholder redemptions then securities held by the Sub-fund may need to be sold. The risk of low market liquidity, through reduced trading volumes, may affect the ability of the Sub-fund to trade financial instruments at values previously indicated by financial brokers. From time to time, liquidity may also be affected by stock specific or economic events. The Manager has a Liquidity Management Policy designed to monitor the liquidity risk of the Sub-fund and ensure that its investment strategy and liquidity profile allows the Sub-fund to meet its daily redemption obligations.

# Epworth Multi-Asset Fund for Charities

## Notes to the financial statements

### Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The total currency exposure at the year end was:

	31.10.22		
	Monetary	Non-	
Currency	exposures	monetary	Total
	£'000s	exposures	£'000s
Sterling	1,220	30,333	31,553
US dollar	18	-	18
Total	1,238	30,333	31,571

	31.10.21		
	Monetary	Non-	
Currency	exposures	monetary	Total
	£'000s	exposures	£'000s
Sterling	165	35,438	35,603
US dollar	7	-	7
Total	172	35,438	35,610

### Interest rate risk

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

At the year end 4.78% (31.10.21: 1.03%) of the Sub-fund's assets by value were interest bearing.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

### 12. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 October 2022 (31.10.21: none).

### 13. Unitholders' funds

There are three unit classes in issue within the Sub-fund. These are Income, Accumulation and CFB Income units. The Manager's periodic charge in respect of these units is expressed as an annual percentage of the value of the property of the Sub-fund attributable to each unit class and is currently 0.60% in respect of Income and Accumulation units and 0% in respect of CFB Income units. Consequently, the level of net revenue attributable to each unit class will differ. Should it be necessary to wind-up the Sub-fund, each unit class will have the same rights as regards to the distribution of the property of the Sub-fund.

### 14. Related party transactions

The Manager's periodic charge is paid to Epworth Investment Management Limited, a related party to the Sub-fund. The amounts paid in respect of the Manager's periodic charge are disclosed in note 4. The amount outstanding as at 31 October 2022 was £1,777 (31.10.21: £1,927).

In addition, the Sub-fund placed deposits during the year with the Epworth Cash Plus Fund, a fund managed by Epworth Investment Management Limited. All charges levied for the management of these deposits have been refunded to the Sub-fund by Epworth. There were no other related party transactions during the year.

# Epworth Multi-Asset Fund for Charities

## Notes to the financial statements

### 15. Portfolio transaction costs

For the year ended 31 October 2022

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Equity transactions	845	-	-	-	-	-	-	845
Pooled investment vehicles	2,246	-	-	-	-	-	-	2,246
Total	3,091	-	-	-	-	-	-	3,091

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Equity transactions	400	-	-	-	-	-	-	400
Pooled investment vehicles	3,730	-	-	-	-	-	-	3,730
Total	4,130	-	-	-	-	-	-	4,130

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

For the year ended 31 October 2021

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Equity transactions	668	-	-	-	-	-	-	668
Pooled investment vehicles	3,272	-	-	-	-	-	-	3,272
Total	3,940	-	-	-	-	-	-	3,940

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Pooled investment vehicles	2,734	-	-	-	-	-	-	2,734
Total	2,734	-	-	-	-	-	-	2,734

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

Portfolio transaction costs are incurred by the Sub-fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: "Dealing spread" - the difference between buying and selling prices of the underlying investments.

At the Balance sheet date the portfolio dealing spread was 0.03% (31.10.21: 0.02%) being the difference between the respective bid and offer prices for the Sub-fund's investments.

# Epworth Multi-Asset Fund for Charities

## 16. Sensitivity analysis

### Interest rate risk sensitivity

As the majority of the Sub-fund's financial assets are non-interest bearing, the Sub-fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore, no sensitivity analysis has been provided.

### Foreign currency risk sensitivity

As the majority of the Sub-fund's financial assets are in the base currency of the Sub-fund (Sterling), the Sub-fund is only subject to limited exposure to fluctuations in foreign currency and therefore, no sensitivity analysis has been provided.

### Market price risk sensitivity

A five percent increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £1,516,652 (31.10.21: £1,771,883). A five percent decrease would have an equal and opposite effect.

## 17. Fair value of financial assets and financial liabilities

The fair value of the Sub-fund's investments has been determined using the hierarchy below. This complies with the 'Amendments to FRS 102 - Fair value hierarchy disclosures' issued by the Financial Reporting Council in March 2016.

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 October 2022

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Equities	2,491	-	-	2,491
Pooled Investment Vehicles	27,842	-	-	27,842
	30,333	-	-	30,333

For the year ended 31 October 2021

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Equities	2,169	-	-	2,169
Pooled Investment Vehicles	33,269	-	-	33,269
	35,438	-	-	35,438

# Epworth Multi-Asset Fund for Charities

## Distribution tables

For the year ended 31 October 2022

### First interim distribution in pence per unit

Group 1: units purchased prior to 1 November 2021

Group 2: units purchased 1 November 2021 to 31 January 2022

	Net income	Equalisation	2022 pence per unit paid 15 Mar	2021 pence per unit paid 15 Mar
<b>Income units</b>				
Group 1	0.70	-	0.70	0.34
Group 2	0.70	0.00	0.70	0.34
<b>Accumulation units</b>				
Group 1	0.72	-	0.72	0.33
Group 2	0.72	0.00	0.72	0.33
<b>CFB Income units</b>				
Group 1	0.69	-	0.69	0.49
Group 2	0.58	0.11	0.69	0.49

### Second interim distribution in pence per unit

Group 1: units purchased prior to 1 February 2022

Group 2: units purchased 1 February 2022 to 30 April 2022

	Net income	Equalisation	2022 pence per unit paid 15 Jun	2021 pence per unit paid 15 Jun
<b>Income units</b>				
Group 1	0.96	-	0.96	0.82
Group 2	0.89	0.07	0.96	0.82
<b>Accumulation units</b>				
Group 1	1.00	-	1.00	0.83
Group 2	1.00	0.00	1.00	0.83
<b>CFB Income units</b>				
Group 1	0.96	-	0.96	0.97
Group 2	0.93	0.03	0.96	0.97



# Epworth Multi-Asset Fund for Charities

## Distribution tables

### Third interim distribution in pence per unit

Group 1: units purchased prior to 1 May 2022

Group 2: units purchased 1 May 2022 to 31 July 2022

	Net income	Equalisation	2022 pence per unit paid 15 Sep	2021 pence per unit paid 15 Sep
<b>Income units</b>				
Group 1	0.83	-	0.83	0.59
Group 2	0.73	0.10	0.83	0.59
<b>Accumulation units</b>				
Group 1	0.87	-	0.87	0.61
Group 2	0.87	0.00	0.87	0.61
<b>CFB Income units</b>				
Group 1	0.83	-	0.83	0.76
Group 2	0.75	0.08	0.83	0.76

### Final distribution in pence per unit

Group 1: units purchased prior to 1 August 2022

Group 2: units purchased 1 August 2022 to 31 October 2022

	Net income	Equalisation	2022 pence per unit payable 15 Dec	2021 pence per unit paid 15 Dec
<b>Income units</b>				
Group 1	0.75	-	0.75	0.53
Group 2	0.64	0.11	0.75	0.53
<b>Accumulation units</b>				
Group 1	0.80	-	0.80	0.55
Group 2	0.74	0.06	0.80	0.55
<b>CFB Income units</b>				
Group 1	0.76	-	0.76	0.71
Group 2	0.76	0.00	0.76	0.71

### Equalisation

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

# Epworth Climate Stewardship Fund for Charities

## Statement of total return

For the year ended 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
Income: net capital (losses)/gains	2	(6,701)	8,224
Income: revenue	3	1,421	1,119
Expenses	4	(228)	(221)
Taxation	5	-	-
Net revenue after taxation		1,193	898
Total (deficit)/return before distributions		(5,508)	9,122
Distributions	6	(1,422)	(1,242)
Change in net assets attributable to unitholders from investment activities		(6,930)	7,880

## Statement of change in net assets attributable to unitholders

For the year ended 31 October 2022

	31.10.22 £'000s	31.10.21 £'000s
Opening net assets attributable to unitholders	36,438	27,426
Amounts receivable on issue of units	8,812	3,218
Amounts payable on cancellation of units	(3,591)	(2,120)
	41,659	28,524
Dilution adjustment	10	9
Change in net assets attributable to unitholders from investment activities	(6,930)	7,880
Retained distributions on accumulation units	108	25
Closing net assets attributable to unitholders	34,847	36,438

## Balance sheet

As at 31 October 2022

	Note	31.10.22 £'000s	31.10.21 £'000s
<b>Assets</b>			
Investments		34,520	35,995
Current assets:			
Debtors	7	52	38
Cash and bank balances	8	624	633
Total assets		35,196	36,666
<b>Liabilities</b>			
Creditors:			
Distributions payable		(324)	(202)
Other creditors	9	(25)	(26)
Total liabilities		(349)	(228)
Net assets attributable to unitholders		34,847	36,438

Balance sheet approved and signed on behalf of the Manager by:



David Palmer, Director  
24 February 2023



Michelle Edward, Secretary  
24 February 2023

# Epworth Climate Stewardship Fund for Charities

## Comparative table

### Income units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 <sup>^</sup> pence per unit
Opening net asset value per unit	122.06	107.25
Return before operating charges*	(15.78)	19.00
Operating charges	(0.90)	(0.77)
Return after operating charges*	(16.68)	18.23
Distributions on income units	(4.37)	(3.42)
Closing net asset value per unit	101.01	122.06
* after direct transaction costs of (pence per unit):	0.03	0.03

### Performance

Return after charges	(13.67)%	17.00%
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### Other information

Closing net asset value (£'000s)	1,096	1,913
Closing number of units	1,085,579	1,567,361
Operating charges**	0.94%	0.81%
Direct transaction costs	0.03%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	126.84	123.11
Lowest unit price (bid)	96.06	105.40

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

<sup>^</sup> The Income units launched on 5 January 2021.

\*\* The operating charges % now includes a synthetic OCF, for the underlying closed ended investments held, as per the new IMA guidelines.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Climate Stewardship Fund for Charities

## Comparative table

### Income B units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 <sup>^</sup> pence per unit
Opening net asset value per unit	121.46	94.90	100.00
Return before operating charges*	(15.72)	31.40	(4.02)
Operating charges	(0.78)	(0.81)	(0.35)
Return after operating charges*	(16.50)	30.59	(4.37)
Distributions on income units	(4.35)	(4.03)	(0.73)
Closing net asset value per unit	100.61	121.46	94.90
* after direct transaction costs of (pence per unit):	0.03	0.03	0.02

### Performance

Return after charges	(13.58)%	32.23%	(4.37)%
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### Other information

Closing net asset value (£'000s)	23,919	29,199	24,250
Closing number of units	23,774,176	24,040,740	25,552,805
Operating charges**	0.84%	0.72%	0.76%
Direct transaction costs	0.03%	0.02%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	126.23	122.53	102.53
Lowest unit price (bid)	95.67	95.58	95.34

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

<sup>^</sup> The Income B units launched on 28 May 2020.

\*\* The operating charges % now includes a synthetic OCF, for the underlying closed ended investments held, as per the new IMA guidelines.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Climate Stewardship Fund for Charities

## Comparative table

### Accumulation units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 <sup>^</sup> pence per unit
Opening net asset value per unit	126.28	95.37	99.50
Return before operating charges*	(16.74)	31.86	(4.07)
Operating charges	(0.94)	(0.95)	(0.06)
Return after operating charges*	(17.68)	30.91	(4.13)
Distributions on accumulation units	(4.58)	(3.97)	-
Retained distributions on accumulation units	4.58	3.97	-
Closing net asset value per unit	108.60	126.28	95.37
* after direct transaction costs of (pence per unit):	0.03	0.03	0.02

### Performance

Return after charges	(14.00)%	32.41%	(4.15)%
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### Other information

Closing net asset value (£'000s)	2,549	902	96
Closing number of units	2,347,046	714,560	100,503
Operating charges**	0.94%	0.81%	0.87%
Direct transaction costs	0.03%	0.02%	0.02%

### Prices (pence per unit)<sup>+</sup>

Highest unit price (offer)	131.23	126.71	100.23
Lowest unit price (bid)	102.24	96.06	95.33

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

<sup>^</sup> The Accumulation units launched on 7 July 2020 and all units were liquidated on 25 July 2020. The class was relaunched on 16 October 2020.

<sup>\*\*</sup> The operating charges % now includes a synthetic OCF, for the underlying closed ended investments held, as per the new IMA guidelines.

<sup>+</sup> High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Climate Stewardship Fund for Charities

## Comparative table

### CFB Income units

Change in net assets per unit	31.10.22 pence per unit	31.10.21 pence per unit	31.10.20 <sup>^</sup> pence per unit
Opening net asset value per unit	121.45	94.89	100.00
Return before operating charges*	(15.78)	31.40	(4.03)
Operating charges	(0.14)	(0.19)	(0.11)
Return after operating charges*	(15.92)	31.21	(4.14)
Distributions on income units	(4.35)	(4.65)	(0.97)
Closing net asset value per unit	101.18	121.45	94.89
* after direct transaction costs of (pence per unit):	0.03	0.03	0.02

### Performance

Return after charges	(13.11)%	32.89%	(4.14)%
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### Other information

Closing net asset value (£'000s)	7,283	4,424	3,080
Closing number of units	7,197,725	3,642,671	3,245,625
Operating charges**	0.29%	0.17%	0.21%
Direct transaction costs	0.03%	0.02%	0.02%

### Prices (pence per unit)\*

Highest unit price (offer)	126.35	122.70	102.54
Lowest unit price (bid)	96.18	95.58	95.47

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the Sub-fund's performance disclosed in the Report of the Investment Manager.

<sup>^</sup> The CFB Income units launched on 28 May 2020.

\*\* The operating charges % now includes a synthetic OCF, for the underlying closed ended investments held, as per the new IMA guidelines.

+ High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

# Epworth Climate Stewardship Fund for Charities

## Portfolio of investments

As at 31 October 2022

Holding	Market value £'000s	Total net assets %
<b>United Kingdom (31.10.21 - 90.97%)</b>		<b>89.50</b>
<b>Basic Materials</b>		<b>1.30</b>
Croda International	1,040	70
Mondi	26,130	382
<b>Consumer Goods</b>		<b>11.53</b>
Burberry	12,890	234
Cranswick	17,270	514
Hilton Food Group	60,017	366
Persimmon	15,730	205
Reckitt Benckiser	8,120	469
Unilever	56,080	2,229
<b>Consumer Services</b>		<b>9.96</b>
Compass Group	14,230	261
Next	6,230	307
Next Fifteen Communications	60,064	527
RELX	46,950	1,099
Ten Entertainment	237,343	498
Tesco	362,648	780
<b>Financials</b>		<b>33.35</b>
3i Group	49,220	571
Aviva	157,686	659
Barclays	758,540	1,121
Berkeley Group	14,269	495
Brooks Macdonald Group	21,500	402
Derwent London REIT	20,350	438
Greencoat UK Wind	720,000	1,045
HgCapital Trust	112,498	390
HSBC Holdings	422,160	1,888
Impax Environmental Markets	120,527	495
Legal & General	270,420	630
Lloyds Banking Group	1,424,690	599
London Stock Exchange Group	3,560	269
NatWest Group	239,664	563
North Atlantic Smaller Companies Investment Trust	12,994	412
PRS REIT	391,673	345
Prudential	24,330	197
Scottish Mortgage Investment Trust	7,780	57
Segro REIT	15,390	121
St. James's Place	26,470	282
Standered Chartered	39,070	203
Watkin Jones	473,353	443
<b>Healthcare</b>		<b>10.84</b>
AstraZeneca	20,040	2,055
GSK	94,240	1,347
Haleon	103,950	279
Smith & Nephew	9,330	96

Holding	Market value £'000s	Total net assets %
<b>Industrials</b>		<b>10.35</b>
Ashtead Group	15,780	718
Bunzl	3,890	111
Diploma	16,052	399
Howden Joinery	88,330	454
IntegraFin	199,820	504
Intertek Group	2,720	99
Keywords Studios	19,690	474
M J Gleeson	105,992	394
Oxford Instruments	19,640	376
Rentokil Initial	14,450	79
<b>Technology</b>		<b>5.09</b>
FDM Group Holdings	63,405	398
Kainos Group	38,187	472
Rightmove	75,668	372
Sage	13,230	96
Softcat	38,775	434
<b>Telecommunications</b>		<b>3.11</b>
BT Group	349,180	453
Vodafone Group	618,790	629
<b>Utilities</b>		<b>3.97</b>
National Grid	81,070	769
Severn Trent	12,120	303
United Utilities Group	33,070	311
<b>Channel Islands (31.10.21 - 5.68%)</b>		<b>6.18</b>
<b>Consumer Services</b>		<b>1.26</b>
WPP	57,510	441
<b>Financials</b>		<b>4.38</b>
3i Infrastructure	153,230	480
Renewables Infrastructure Group	809,000	1,048
<b>Industrials</b>		<b>0.54</b>
Experian Group	6,730	187
<b>Ireland (31.10.21 - 0.78%)</b>		<b>2.09</b>
<b>Financials</b>		<b>1.01</b>
UBS MSCI United Kingdom IMI Socially Responsible UCITS ETF	25,000	353
<b>Industrials</b>		<b>1.08</b>
Smurfit Kappa	13,060	375

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# Epworth Climate Stewardship Fund for Charities

## Portfolio of investments

As at 31 October 2022

	Holding	Market value £'000s	Total net assets %
<b>Singapore (31.10.21 - 1.35%)</b>			<b>1.29</b>
<b>Industrials</b>			<b>1.29</b>
XP Power	25,591	448	1.29
<hr/>			
Portfolio of investments		34,520	99.06
Net other assets		327	0.94
Net assets		34,847	100.00

Unless otherwise stated, all investments are approved securities being either officially listed in the UK or an EEA state or traded on or under the rules of an eligible securities market.



# Epworth Climate Stewardship Fund for Charities

## Summary of material portfolio changes

For the year ended 31 October 2022

	Cost £'000s
<b>Purchases</b>	
UBS MSCI United Kingdom IMI	
Socially Responsible UCITS ETF	930
Barclays	915
Rightmove	666
BT Group	615
IntegraFin	510
WPP	464
XP Power	419
NatWest Group	418
AstraZeneca	401
3i Group	395
	5,733
Other purchases	8,858
Total purchases	14,591

	Proceeds £'000s
<b>Sales</b>	
AstraZeneca	826
HSBC Holdings	765
GlaxoSmithKline	647
UBS MSCI United Kingdom IMI	
Socially Responsible UCITS ETF	607
Reckitt Benckiser	506
Tesco	499
National Grid	377
Victrex	360
Ferguson	342
Vodafone Group	334
	5,263
Other sales	4,056
Total sales	9,319

# Epworth Climate Stewardship Fund for Charities

## Notes to the financial statements

### 1. Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in compliance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for financial statements of Authorised Funds issued by The Investment Association in May 2014 (and amended in June 2017), the Charities Act 2011 and the relevant scheme of Charity Commissioners.

Unless otherwise stated all accounting policies are consistent with those of the prior year.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

The Manager does not consider that there were any significant areas of estimation uncertainty or application of critical judgements.

#### (b) Basis of valuation

The quoted investments of the Sub-fund have been valued at bid dealing prices as at close of business on 31 October 2022, the last valuation point in the accounting year, in accordance with the Trust Deed. Investments in collective investment schemes have been valued at bid price for dual priced funds or the single price for single priced funds. Where these investments are managed by the Manager or an associate of the Manager, the holdings have been valued at the cancellation price for dual priced funds or the single price for single priced funds. This price is the last available published price at the year end.

#### (c) Recognition of income

Dividends on ordinary stocks and distributions are credited to revenue when the securities are quoted ex-dividend. Interest on bank deposits are accounted for on a receipts basis.

In the case where revenue is received after the deduction of withholding tax, the revenue is shown gross of taxation and the tax consequences are shown within the tax charge.

#### (d) Stock dividends

The ordinary element of stock received in lieu of cash dividends is recognised as revenue of the Sub-fund. Any enhancement above the cash dividend is treated as capital.

#### (e) Special dividends, share buy-back or additional share issue

The underlying circumstances behind a special dividend, share buy-back or additional share issue are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue form part of the distribution.

#### (f) Expenses

Expenses are accounted for on an accruals basis. From 1 November 2021, all expenses of the Sub-fund are charged against capital. Previously, expenses of the Sub-fund were charged against revenue, except for the costs associated with the purchase and sale of investments, which are charged to capital.

#### (g) Distribution policy

Revenue produced by the Sub-fund's investments accumulates during each accounting period. At the end of each accounting period, the net revenue of the Sub-fund is available to be distributed/accumulated to unitholders.

In determining the net revenue available for distributions, charges in relation to management, safe custody, registration, audit and other expenses are ultimately borne by the capital of the Sub-Fund.

A total return approach is used in that transfers between the capital account and the income account can be made to allow for distributions.

#### (h) Foreign exchange

Transactions in foreign currencies during the year are translated into sterling (the functional currency of the Sub-fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at close of business, 31 October 2022, the last valuation point in the accounting year.

#### (i) Apportionment to multiple unit classes

With the exception of the Manager's periodic charge, the allocation of revenue and expenses to each unit class is based upon the proportion of the Sub-fund's assets attributable to each unit class on the day the revenue is earned or the expense is suffered. The Manager's periodic charge is specific to each unit class. Consequently, the revenue available to distribute for each unit class will differ.

### 2. Net (losses)/gains on investments

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

	31.10.22 £'000s	31.10.21 £'000s
Unrealised (losses)/gains on non-derivative securities	(7,014)	6,143
Realised gains on non-derivative securities	269	1,746
Unrealised currency gains	1	-
Realised currency losses	-	(5)
Special dividends	-	344
Capital special dividends	48	-
SDRT Charges	(3)	-
Transaction charges	(2)	(4)
Net (losses)/gains on investments	(6,701)	8,224

### 3. Revenue

	31.10.22 £'000s	31.10.21 £'000s
UK dividends	1,282	1,002
Overseas dividends	104	94
UK REIT property income distributions	21	16
Interest on debt securities	8	6
Bank interest	6	1
Total revenue	1,421	1,119

# Epworth Climate Stewardship Fund for Charities

## Notes to the financial statements

### 4. Expenses

	31.10.22 £'000s	31.10.21 £'000s
Payable to the Manager or associates of the Manager and agents of either of them:		
Manager's periodic charge	183	167
Registration fees	11	12
	194	179
Payable to the Corporate Trustee or associates of the Trustee and agents of either of them:		
Corporate Trustee's fees	27	25
Safe custody fees	2	2
	29	27
Auditor's fee	2	2
Other expenses	3	13
	5	15
Total expenses	228	221

### 5. Taxation

The Sub-fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid and reinvested revenue credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue.

	31.10.22 £'000s	31.10.21 £'000s
Taxation	-	-

### 6. Distributions

Distributions are materially different from net revenue as a result of special dividends of capital nature which have been correctly distributed to unit holders in line with the total return approach used.

Distributions take account of income received on creation of units and income deducted on the cancellation of units, and comprise:

	31.10.22 £'000s	31.10.21 £'000s
31 January	198	160
30 April	431	650
31 July	464	221
31 October	349	207
	1,442	1,238
Income deducted on cancellation of units	27	11
Income received on creation of units	(47)	(7)
Net distribution for the year	1,422	1,242
Net revenue after taxation	1,193	898
Expenses taken to capital	228	-
Capital special dividend	-	344
Movement of undistributed revenue	1	-
Net distribution for the year	1,422	1,242

### 7. Debtors

	31.10.22 £'000s	31.10.21 £'000s
Accrued income	52	38
Total debtors	52	38

### 8. Cash and bank balances

	31.10.22 £'000s	31.10.21 £'000s
Epworth Cash Plus Fund	578	82
Cash at bank	46	551
Total cash and bank balances	624	633

### 9. Other creditors

	31.10.22 £'000s	31.10.21 £'000s
Accrued expenses	25	26
Total other creditors	25	26

### 10. Reconciliation of units

	Income units	Income B units	Accum units	CFB Income units
Opening number of units at beginning of year 01.11.21	1,567,361	24,040,740	714,560	3,642,671
Units issued in year	1,032,264	4,432,056	1,695,713	419,890
Units cancelled in year	(1,376,170)	(1,686,303)	(63,227)	-
Conversion in year	(137,876)	(3,012,317)	-	3,135,164
Closing number of units at end of year 31.10.22	1,085,579	23,774,176	2,347,046	7,197,725

### 11. Financial instruments

In accordance with the investment objective, the Sub-fund holds certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short term debtors and creditors arising directly from operations.

The main risks arising from the Sub-fund's financial instruments and the Manager's policies for managing these risks are summarised below. These policies have been applied consistently throughout the year and the comparative year.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. The Sub-fund's investment portfolio is exposed to market fluctuations which are monitored by the Manager in pursuit of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Collective Investment Schemes Sourcebook ("the Sourcebook") mitigates the risk of excessive exposure to any particular type of security or issuer.

#### Counterparty risk

The Sub-fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Sub-fund only deals with an approved list of brokers maintained by the Manager.

# Epworth Climate Stewardship Fund for Charities

## Notes to the financial statements

### Liquidity risk

The Sub-fund's assets are comprised of mainly readily realisable securities. If insufficient cash is available to finance unitholder redemptions then securities held by the Sub-fund may need to be sold. The risk of low market liquidity, through reduced trading volumes, may affect the ability of the Sub-fund to trade financial instruments at values previously indicated by financial brokers. From time to time, liquidity may also be affected by stock specific or economic events. The Manager has a Liquidity Management Policy designed to monitor the liquidity risk of the Sub-fund and ensure that its investment strategy and liquidity profile allows the Sub-fund to meet its daily redemption obligations.

### Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The total currency exposure at the year end was:

Currency	31.10.22		Total £'000s
	Monetary exposures £'000s	Non- monetary exposures £'000s	
Sterling	307	34,520	34,827
Euro	15	-	15
US Dollar	5	-	5
Total	327	34,520	34,847

Currency	31.10.21		Total £'000s
	Monetary exposures £'000s	Non- monetary exposures £'000s	
Sterling	432	35,995	36,427
Euro	4	-	4
US Dollar	7	-	7
Total	443	35,995	36,438

### Interest rate risk

The majority of the Sub-fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

At the year end 1.79% (31.10.21: 1.74%) of the Sub-fund's assets by value were interest bearing.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

### 12. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 October 2022 (31.10.21: none).

### 13. Unitholders' funds

There are four unit classes in issue within the Sub-fund. These are Income, Income B, Accumulation and CFB Income units. The Manager's periodic charge in respect of these units is expressed as an annual percentage of the value of the property of the Sub-fund attributable to each unit class and is currently 0.65% in respect of Income and Accumulation units, 0.55% in respect of Income B units and 0% in respect of CFB Income units. Consequently, the level of net revenue attributable to each unit class will differ. Should it be necessary to wind-up the Sub-fund, each unit class will have the same rights as regards to the distribution of the property of the Sub-fund.

### 14. Related party transactions

The Manager's periodic charge is paid to Epworth Investment Management Limited, a related party to the Sub-fund. The amounts paid in respect of the Manager's periodic charge are disclosed in note 4. The amount outstanding as at 31 October 2022 was £13,008 (31.10.21: £15,044).

In addition, the Sub-fund placed deposits during the year with the Epworth Cash Plus Fund, a fund managed by Epworth Investment Management Limited. All charges levied for the management of these deposits have been refunded to the Sub-fund by Epworth. There were no other related party transactions during the year.

# Epworth Climate Stewardship Fund for Charities

## Notes to the financial statements

### 15. Portfolio transaction costs

For the year ended 31 October 2022

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Equity transactions	13,655	6	0.04	-	-	-	-	13,661
Pooled investment vehicles	930	-	-	-	-	-	-	930
Total	14,585	6		-		-		14,591

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Equity transactions	8,715	(4)	(0.05)	-	-	-	-	8,711
Pooled investment vehicles	608	-	-	-	-	-	-	608
Total	9,323	(4)		-		-		9,319

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.03%
Taxes	0.00%
Other expenses	0.00%

For the period ended 31 October 2021

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total purchases costs</b>								
Equity transactions	9,851	4	0.04	-	-	-	-	9,855
Pooled investment vehicles	738	-	-	-	-	-	-	738
Corporate actions	79	-	-	-	-	-	-	79
Total	10,668	4		-		-		10,672

	Value £'000s	Commissions £'000s	%	Taxes £'000s	%	Other expenses £'000s	%	Total £'000s
<b>Analysis of total sales costs</b>								
Equity transactions	7,396	(3)	(0.04)	-	-	-	-	7,393
Pooled investment vehicles	1,005	-	-	-	-	-	-	1,005
Corporate actions	1,220	-	-	-	-	-	-	1,220
Total	9,621	(3)		-		-		9,618

Commissions, taxes and other expenses as a percentage of average net assets:

Commissions	0.02%
Taxes	0.00%
Other expenses	0.00%

Portfolio transaction costs are incurred by the Sub-fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: "Dealing spread" - the difference between buying and selling prices of the underlying investments.

At the Balance sheet date the portfolio dealing spread was 0.25% (31.10.21: 0.16%) being the difference between the respective bid and offer prices for the Sub-fund's investments.

# Epworth Climate Stewardship Fund for Charities

## Notes to the financial statements

### 16. Sensitivity analysis

#### Interest rate risk sensitivity

As the majority of the Sub-fund's financial assets are non-interest bearing, the Sub-fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore, no sensitivity analysis has been provided.

#### Foreign currency risk sensitivity

As the majority of the Sub-fund's financial assets are in the base currency of the Sub-fund (Sterling), the Sub-fund is only subject to limited exposure to fluctuations in foreign currency and therefore, no sensitivity analysis has been provided.

#### Market price risk sensitivity

A five percent increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £1,726,015 (31.10.21: £1,799,741). A five percent decrease would have an equal and opposite effect.

### 17. Fair value of financial assets and financial liabilities

The fair value of the Sub-fund's investments has been determined using the hierarchy below. This complies with the 'Amendments to FRS 102 - Fair value hierarchy disclosures' issued by the Financial Reporting Council in March 2016.

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 October 2022

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Equities	34,167	-	-	34,167
Pooled investment vehicles	353	-	-	353
	34,520	-	-	34,520

For the period ended 31 October 2021

Category	1 £'000s	2 £'000s	3 £'000s	Total £'000s
Equities	35,888	-	-	35,888
Pooled investment vehicles	107	-	-	107
	35,995	-	-	35,995

# Epworth Climate Stewardship Fund for Charities

## Distribution tables

For the year ended 31 October 2022

### First interim distribution in pence per unit

Group 1: units purchased prior to 1 November 2021

Group 2: units purchased 1 November 2021 to 31 January 2022

	Net income	Equalisation	2022 pence per unit paid 15 Mar	2021 pence per unit paid 15 Mar
<b>Income units</b>				
Group 1	0.67	-	0.67	0.02
Group 2	0.67	0.00	0.67	0.02
<b>Income B units</b>				
Group 1	0.66	-	0.66	0.53
Group 2	0.47	0.19	0.66	0.53
<b>Accumulation units</b>				
Group 1	0.69	-	0.69	0.49
Group 2	0.25	0.44	0.69	0.49
<b>CFB Income units</b>				
Group 1	0.66	-	0.66	0.67
Group 2	0.66	0.00	0.66	0.67

### Second interim distribution in pence per unit

Group 1: units purchased prior to 1 February 2022

Group 2: units purchased 1 February 2022 to 30 April 2022

	Net income	Equalisation	2022 pence per unit paid 15 Jun	2021 pence per unit paid 15 Jun
<b>Income units</b>				
Group 1	1.29	-	1.29	2.07
Group 2	0.17	1.12	1.29	2.07
<b>Income B units</b>				
Group 1	1.29	-	1.29	2.12
Group 2	0.73	0.56	1.29	2.12
<b>Accumulation units</b>				
Group 1	1.34	-	1.34	2.12
Group 2	0.17	1.17	1.34	2.12
<b>CFB Income units</b>				
Group 1	1.29	-	1.29	2.27
Group 2	1.29	0.00	1.29	2.27

# Epworth Climate Stewardship Fund for Charities

## Third interim distribution in pence per unit

Group 1: units purchased prior to 1 May 2022

Group 2: units purchased 1 May 2022 to 31 July 2022

	Net income	Equalisation	2022 pence per unit paid 15 Sep	2021 pence per unit paid 15 Sep
<b>Income units</b>				
Group 1	1.39	-	1.39	0.69
Group 2	0.47	0.92	1.39	0.69
<b>Income B units</b>				
Group 1	1.39	-	1.39	0.71
Group 2	1.07	0.32	1.39	0.71
<b>Accumulation units</b>				
Group 1	1.47	-	1.47	0.70
Group 2	0.10	1.37	1.47	0.70
<b>CFB Income units</b>				
Group 1	1.39	-	1.39	0.87
Group 2	0.05	1.34	1.39	0.87

## Final distribution in pence per unit

Group 1: units purchased prior to 1 August 2022

Group 2: units purchased 1 August 2022 to 31 October 2022

	Net income	Equalisation	2022 pence per unit payable 15 Dec	2021 pence per unit paid 15 Dec
<b>Income units</b>				
Group 1	1.02	-	1.02	0.64
Group 2	0.27	0.75	1.02	0.64
<b>Income B units</b>				
Group 1	1.01	-	1.01	0.67
Group 2	0.58	0.43	1.01	0.67
<b>Accumulation units</b>				
Group 1	1.08	-	1.08	0.66
Group 2	1.08	0.00	1.08	0.66
<b>CFB Income units</b>				
Group 1	1.01	-	1.01	0.84
Group 2	1.01	0.00	1.01	0.84

## Equalisation

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



# Epworth Investment Funds for Charities

## Responsibilities of the Manager and the Trustee

- a) The Manager of the Trust is required by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the Sourcebook') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Trust at the end of that period and the net revenue or expense and the net gains or losses on the property of the Trust for the period then ended.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Trust will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Trust in accordance with the Trust Deed, the Prospectus and the Sourcebook, maintain proper financial records to enable them to ensure that the financial statements comply with the Statement of Recommended Practice for Authorised Funds as issued by the IA in May 2014 (amended June 2017) and the Sourcebook and take reasonable steps for the prevention and detection of fraud and other irregularities.

- b) The Depositary must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, 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 Regulation") 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 Scheme and its investors.

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

The Depositary must ensure that:

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

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

## Trustee's report and directors' statement

### Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the Epworth Investment Funds for Charities ('the Trust') for the Period Ended 31st October 2022.

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

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

- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme in accordance with the Regulations and the Scheme documents of the Scheme.

London  
HSBC Bank plc  
24 February 2023

## Directors' statement

In accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority, we hereby certify the report on behalf of the Directors of Epworth Investment Management Limited.

London  
David Palmer, Director  
Michelle Edward, Secretary  
24 February 2023

# Epworth Investment Funds for Charities

## Independent auditor's report to the trustee of Epworth Investment Funds for Charities

### Opinion

We have audited the financial statements of Epworth Investment Funds for Charities ("the Trust") for the year ended 31 October 2022. The financial statements comprise the statement of accounting policies and combined notes and individual financial statements of each of the following sub-funds ("the sub-funds") of the Trust:

- Epworth UK Equity Fund for Charities
- Epworth Global Equity Fund for Charities
- Epworth Corporate Bond Fund for Charities
- Epworth Sterling Sovereign Bond Fund for Charities
- Epworth Multi-Asset Fund for Charities
- Epworth Climate Stewardship Fund for Charities

The individual financial statements for each of the Trust's sub-funds comprise the Statement of total return, the Statement of change in net assets attributable to unitholders, the Balance sheet, the Distribution tables where applicable, the Portfolio of investments, the Summary of material portfolio changes, the Credit ratings where applicable and related notes to the financial statements.

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

- give a true and fair view of the state of the Trust's funds' affairs as at 31 October 2022 and of its revenue/expense and net capital gains/losses for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 6 of the Charities (Accountants and Reports) Regulations 2008.

### 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 Trust 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 (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.

### Emphasis of matter - financial statements prepared on a basis other than that of a going concern for the Epworth Corporate Bond Fund for Charities and the Epworth Sterling Sovereign Bond fund for Charities

We draw attention to note 1a) of the financial statements for the Epworth Corporate Bond Fund for Charities and the Epworth Sterling Sovereign Bond fund for Charities, which explains that the manager intends to close down the funds and does not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements in respect of these funds. As explained in note 1a), the asset value of both funds has significantly dropped in 2022 and the Manager has proceeded with an application to FCA to close down each fund.

Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

In auditing the financial statements, except for the Epworth Corporate Bond Fund for Charities and the Epworth Sterling Sovereign Bond fund for charities as detailed in the Emphasis of matter paragraph above, we have concluded that the Manager'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 Trust'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 Managers with respect to going concern are described in the relevant sections of this report.

### Other information

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

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

We have nothing to report in this regard.

### Matters on which we report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Manager's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the Manager

As described in the Responsibilities of the Manager and the Trustee, the Manager is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Trustee is required to take reasonable care to ensure compliance by the Manager with all relevant requirements.

# Epworth Investment Funds for Charities

## Independent auditor's report to the trustee of Epworth Investment Funds for Charities

In preparing the financial statements, the Manager is responsible for assessing the Trust'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 trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the Trust through discussions with directors and other management at the planning stage;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust including Charities Act 2011, Regulation 6 of the Charities (Accounts and Reports) Regulations 2008 and The Financial Services and Markets Act 2000.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the Trust to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior year;
- identified and challenged assumptions and judgements made by management in its significant accounting estimates;
- tested the completeness of net gains/(losses) on investments by recalculating realised and unrealised gains/losses and investigated any material differences to expectations;
- tested the completeness of income by recalculating dividend and interest income and investigated any material differences to expectations; and
- carried out substantive testing, including random samples, to check the occurrence and cut-off of expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.
- reviewing correspondence with the Financial Conduct Authority and the Trust's legal advisors.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Manager and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 charity's trustee in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the trustee 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 Trust and the trustee, for our audit work, for this report, or for the opinions we have formed.

Jonathan West (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

23 February 2023

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# Epworth Investment Funds for Charities

## Corporate information

The information in this report is designed to enable unitholders to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the period.

Epworth Investment Management Limited is a private limited company (registered number 03052894) owned by the Central Finance Board of the Methodist Church, and is authorised and regulated by the Financial Conduct Authority.

Administration & Dealing: 020 7496 3636 (between the hours of 9am & 5pm).

### Value for Money (VfM) Assessment

The Financial Conduct Authority (FCA) has introduced rules and guidance to improve the quality of information available to investors. We have performed an annual assessment for Epworth Investment Management Ltd (Epworth) designed to meet the FCA's requirements and assess whether each Epworth Sub-fund provides value for money for the investor. If the assessment determines that one or more Sub-fund(s) does not provide value for money, an action plan to rectify the situation is proposed.

Broadly speaking, the VfM assessment requires consideration of a combination of factors, including comparable market rates, Epworth costs, comparable services, performance, quality of service, economies of scale and share classes.

However, subsequently the Manager has decided to close the Epworth Corporate Bond Fund and Epworth Sterling Sovereign Bond Fund and pay redemption proceeds to unitholders. The closure will be 30 April 2023

Based on our VfM assessment of each Sub-fund, the Board believes that Epworth provides good value for money for its clients.

Further details of the VfM Assessment for Epworth can be found at: <https://www.epworthinvestment.co.uk/news-library/reports/assessment-of-value-report/>

### Risks

The price of units and the revenue from them can go down as well as up and investors may not get back the amount they invested, particularly in the case of early withdrawal.

Management charges on some funds may be charged to capital and therefore a reduction in capital may occur.

Depending on the fund, the value of your investment may change with currency movements.

### Manager

Epworth Investment Management Limited  
2nd Floor  
9 Bonhill Steet  
London EC2A 4PE

### Administrator, Delegate Registrar, Fund Accountant and Transfer Agent

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ  
Authorised and regulated by the Financial Conduct Authority.

### Delegate Registrar correspondence address

Epworth Investment Management Limited  
Floor 1, 1 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
Ireland  
Authorised and regulated by the Financial Conduct Authority.

### Investment Manager

Epworth Investment Management Limited  
2nd Floor  
9 Bonhill Steet  
London EC2A 4PE

### Trustee

HSBC Bank plc  
1-2 Lochside Way  
Edinburgh Park  
Edinburgh EH12 9DT  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Independent Auditor

Buzzacott LLP  
130 Wood Street  
London EC2V 6DL

### Authorised status

The Trust, Epworth Investment Funds for Charities, is an authorised unit trust. The Trust is also registered with the Charity Commission as a charity.

For the purposes of the Regulations, the Trust is:

- a Charity Authorised Investment Fund (CAIF);
- an Alternative Investment Fund (AIF); and
- a Non-UCITS Retail Scheme.