MINERVA FUND MANAGEMENT SOLUTIONS LIMITED

MF VELA FUND

INTERIM REPORT AND FINANCIAL STATEMENTS
For the period 1 April 2024 to 30 September 2024 (unaudited)

Directory

Authorised Corporate Director (ACD) and Alternative Investment Fund Manager
Minerva Fund Management Solutions Limited
Townfield House
27 – 29 Townfield Street
Chelmsford
Essex
CM1 1QL
(Authorised and regulated by the Financial Conduct Authority)

Directors of the ACD
Chris Edmeades – Managing Director
Mark Catmull – Sales and Marketing Director
Keith Meeres – Chairman and Non-Executive Director
Gareth Roblin – Non-Executive Director
Keith Lovett – Non-Executive Director

Administrator (Fund Accountant)
CACEIS Bank, UK Branch
Broadwalk House
5 Appold Street
London
EC2A 2DA

Depositary
CACEIS UK Trustee & Depositary Services Ltd
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EC2A 2DA
United Kingdom
(The Depositary is authorised and regulated by the Financial Conduct Authority (FCA))

Registrar
Apex Fund Administration Services (UK) Limited
Hamilton Centre
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(The Register can be inspected at this address)

Investment Manager

Sentinel Portfolio Management Limited
Unit 2-2A, The Old Flour Mill
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Hampshire
PO10 7BT
(Authorised and regulated by the Financial Conduct Authority)

Sponsor
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Auditor
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Authorised Corporate Director's Report

Authorised Status

MF Vela Fund (the "Company") is an open-ended investment company with variable capital incorporated in England and Wales (number: IC145349) under the Open-Ended Investment Companies Regulations 2001 as amended from time to time (the "OEIC Regulation"). The authorisation from the Financial Conduct Authority (the "FCA") was made effective on 29 March 2023. The company's PRN number is 994051.

The Company is a non-UCITS retail scheme for the purposes of the FCA Sourcebook (the "Sourcebook") and an umbrella scheme. The Company is also an Alternative Investment Fund ("AIF") for the purpose of the Alternative Investment Fund Manager Directive (the "AIFM Directive").

Each fund of the Company will be invested in accordance with its Prospectus and the provisions of the Sourcebook applicable to a non-UCITS retail scheme. Each fund has a specific portfolio to which that fund's assets and liabilities are attributable. So as far as the Shareholders are concerned, each fund is treated as a separate entity.

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

Shareholders are not liable for the debts of the Funds. Shareholders do not have any proprietary interest in the underlying assets of the funds.

Prices

The prices of Shares will be calculated as at the valuation point on each Dealing Day and will be on a forward basis. They will be published daily on the internet at www.minerva-funds.com (except where the Authorised Corporate Director (the "ACD") is excused from the requirements to deal in the relevant Shares) and will therefore be published on an historic basis. Prices are also available by telephoning the Registrar.

Classes of Shares

In the future the Company may issue other classes of Shares with the approval of the FCA.

Creation of such classes will not affect the rights of holders of Shares of the existing classes.

Risk Warning

An investment in an open-ended investment company should be regarded as a medium-term to long-term investment with a recommended minimum investment period of 5 years. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a reliable indicator of future results. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, as a result the return may increase or decrease as a result of currency fluctuations.

Assessment of Value

Following the FCA Policy Statement 18/8 (policy that sets rules and guidance for AIFMs that focuses on the duties of AIFMs have as agents of investors to their funds) and related Sourcebook amendments effective for accounting periods ending 30 September 2019 and later, the ACD must conduct annual assessment of the overall value delivered to shareholders and publish a statement summarising the process. The ACD will issue this statement for the MF Vela Fund by 31 July each year. The report will be available on the ACD's website at www.minerva-funds.com.

Directors

The directors of the ACD who served during the period were:

Chris Edmeades
Mark Catmull
Keith Meeres
Gareth Roblin
Keith Lovett
David Ridge
Sally Rigg

Authorised Corporate Director's Report (continued)

Significant Events During the Reporting Period

There were no significant events during the reporting period.

Significant Events After the Reporting Period

There were no significant events after the reporting period end.

The NAV per share on 18 November 2024 are presented in the table below.

Sub-Fund	Class	NAV per Share 18 November 2024
MF VELA ADVENTUROUS FUND	A Accumulation	1.1747
MF VELA DEFENSIVE FUND	A Accumulation	1.1165

Director's Statement

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Company consist predominately of securities that are readily realisable and, accordingly, the Company has adequate resources to continue in operational existence for the foreseeable future.

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

DocuSigned by:
Chris Edmeades
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Chris Edmeades
(on behalf of the Directors of the Authorised Corporate Director)

Minerva Fund Management Solutions Limited
Authorised Corporate Director of MF Vela Fund
28 November 2024

Statement of Accounting Policies

1. Accounting Policies

Statement of Compliance

The Financial Statements have been prepared in compliance with FRS 102 "The Financial Reporting Standards Applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice ("SORP") for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in July 2017.

As described in the Directors Statement of the ACD on page 6, the ACD continues to adopt the going concern basis in the preparation of the Financial Statements of the Fund.

The financial statements have been prepared under the historical cost basis as modified by the revaluation of investments. The functional and presentational currency of the sub-funds is GBP Sterling.

a) Recognition of revenue

Rebates of annual management charges on underlying investments are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the charge on the underlying fund.

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

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Reportable income from funds with 'Reporting Fund' status for UK tax purposes is recognised when the information is made available by the Reporting Fund.

Revenue on debt securities is recognised on an effective yield basis.

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

Revenue from distributions on accumulation shares in Collective Investment Schemes is recognised (net of attributable tax credits) when the security is quoted ex-distribution.

b) Treatment of stock and special dividends

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

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

c) Treatment of expenses

All expenses are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to capital.

d) Taxation

Corporation tax is provided at the prevailing tax rate on taxable revenue, after deduction of allowable expenses.

Offshore income gains, from funds without reporting status, are liable to capital gains tax at 20% and any resulting charge is deducted from capital.

Statement of Accounting Policies (continued)

d) Taxation (continued)

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

Authorised Open Ended investment Companies (OEICs) are exempt from tax on capital gains made within the sub-fund.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

e) Distribution policy

Surplus revenue, as disclosed in the financial statements, after adjustment for items of a capital nature, are reallocated to shareholders semi-annually. Any deficit of revenue is deducted from capital.

f) Basis of valuation of investments

Quoted investments are valued at closing bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period. Accrued interest on fixed interest securities is included in revenue. Collective investment schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting period.

The valuation point of the Sub-Funds is 12 noon London time on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

g) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Monetary assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

h) Going concern

The ACD is of the opinion it is appropriate to continue to adopt a going concern basis in the preparation of the accounts as the assets of the Company consist predominantly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future of at least 12 months from approval of these financial statements.

i) Use of estimates and judgements

In the application of the company's accounting policies as detailed above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

No critical judgments have been made by management in applying the accounting policies of the entity. Furthermore, there are no significant areas of estimation uncertainty affecting the carrying amounts of assets and liabilities at reporting date.

Statement of Accounting Policies (continued)

j) Portfolio transaction costs

Portfolio transaction costs are charges on the purchases and sales of securities traded in by the Sub-Funds. Transaction costs on certain derivatives are embedded in the cost of the derivatives and cannot be separately identified. Transaction costs are recorded in the Statement of Total Return.

k) Cash and bank balances

Cash account balances are deposits held at call with the Depositary. Broker account balances consist of cash holdings with brokers transferred as collateral against derivative instruments. There is no distinction between revenue and capital for cash balances held at CACEIS UK Trustee & Depositary Services Ltd.

l) Dilution adjustments

The ACD may require a dilution adjustment on the purchase and redemption of Shares if, in its opinion, the existing shareholders (for purchases) or continuing shareholders (for redemptions) might otherwise be adversely affected.

For example, the dilution adjustment may be made where a Fund experiences large levels of net inflows or outflows relative to its size (typically being a purchase or redemption of Shares to a size equivalent to or greater than 5% of the Net Asset Value of the relevant Sub-Fund); or in any case where the ACD is of the opinion that the interests of existing or continuing Shareholders require the imposition of a dilution adjustment.

m) Income equalisation

Equalisation applies only to Shares purchased during the distribution period (Group 2 Shares). It is calculated as the average amount of income included in the issue price of all Shares of the Fund issued during the period.

Where income equalisation applies to Income Shares the part of the issue price of Shares which reflects accrued income is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the Shares for Capital Gains tax purposes. In the case of Accumulation Shares, the capital is not distributed but remains invested throughout.

n) Cash flow statement

The Company is taking advantage of the cash flow exemption under FRS 102 7,1A and IA SORP 2.5. The Sub-Funds meet the cash flow exemption requirements of the IA SORP.

- Substantially all of the entity's investments are highly liquid;
- Substantially all of the entity's investments are carried at fair value; and
- The entity provides a statement of change in net assets.

MF Vela Adventurous Fund

Investment Objective and Policy

Investment Objective

To provide capital growth over rolling five-year periods, with a target volatility between 12% and 15%.[1]

Investment Policy

The Sub-Fund may invest between 60-100% of its assets in equities (which are shares of companies), indirectly through other regulated collective investment schemes, (including exchange traded funds) and investment trusts ("Underlying Funds"). Typically the Sub-Fund will invest between 75-100% of its assets in equities though this allocation may fall closer to 60% in adverse market conditions.

The Sub-Fund may also be indirectly exposed to a range of other asset classes, including fixed income (including bonds issued by governments and companies), convertible bonds (bonds that can convert into company shares), company shares, commodities and hedge fund strategies, deposits, cash and near cash.

The Sub-Fund may also invest directly in fixed interest securities, deposits, cash and near cash.

The Underlying funds may be managed by the ACD or the Investment Manager or their affiliates.

The Sub-Fund may only use derivatives (instruments whose returns are linked to another asset, market or variable factor) and forward transactions, (whose returns are linked to exchange rates in order to reduce currency risk, also known as hedging), for Efficient Portfolio Management purposes.

The Underlying funds may use derivatives for investment purposes to varying degrees, although this is expected to be minimal.

The Sub-Fund will be actively managed, which means the Investment Manager decides which investments to buy or sell and when.

[1] The volatility range is a target over five-year rolling periods and the Sub-Fund is managed to stay within this range most of the time. The volatility range is regularly reviewed and may change from time to time due to changes in market dynamics.

MF Vela Adventurous Fund

Investment Manager's Report

For the reporting period, markets and economies continued to be dominated by inflation, growth, interest rate fears and geopolitical tensions. Government bond yields essentially trod water for the six months, after falling significantly in late 2023/early 2024 in anticipation of interest rate cuts. Equity markets largely rose over the reporting period, although there were significant bouts of volatility, in particular at the beginning of August, as markets fretted about recession in the US.

This bout of volatility coincided with/was caused by the Bank of Japan unexpectedly hiking interest rates for only the second time in 17 years as it tries to normalise monetary policy, leading to a sharp appreciation in the Yen. The stronger Yen, made debt more expensive and caused the Japanese carry trade to unwind rapidly, exacerbating market moves.

Concerns however were short lived, with equity markets bouncing back rapidly.

A similar 'volatility event' was seen in April 2024 at the beginning of the reporting period, with the UK market surprisingly the beneficiary, becoming the best performing major equity market for the month, with the Nasdaq (home to most large and small tech companies) selling off. The UK equity market broke a psychological barrier that month by going through the 8000 mark for the first time ever. This eclipsed the previous 7877 peak in 2018 and is now meaningfully ahead of the long lasting 6930 level, reached at the end of 1999, which stood as the UK market's high-water mark for 15 years. While it is worth celebrating, in comparison (in sterling terms and on a total return basis to account for UK's favourable dividend yield) the UK is up 180% since the end of the dot com bubble whereas the US has gained over 500%.

Another asset class making record highs over the reporting period (before adjusting for inflation at least) was gold. Gold hit a nominal high of $2400 with various plausible theories as to why this was. Middle Eastern political tensions were often cited, as was inflation. Gold is generally considered a hedge against inflation (although some take the contrary view and both sides of the argument can be proven depending on your time period). While the worsening situation in the Middle East and higher inflation in the US could be the cause, this seems unlikely given global gold Exchange Traded Fund (ETF) flows. ETFs are the most convenient and cost-effective way to buy gold and are widely used by retail and institutional investors alike hence they are a useful barometer to investment sentiment. Collectively these funds experienced their tenth consecutive month of outflows according to the latest data.

The most likely true cause for the rise of the gold price was due to huge purchasing by the Chinese Central Bank. The People's Bank of China bought 60,000 troy ounces or 1.87 tonnes in March alone, taking its total holding to 2264.3 tonnes (the UK has 310 tonnes). There are two key arguments to China catching the gold bug. Firstly, China is the secondly largest owner of US government bonds behind Japan. The US is less attractive to lend money to than it used to be. The government spending deficit widened to 6.3% (this is the highest excluding COVID, great financial crisis in 2008 and WW2), and debt to GDP levels are over 120% of GDP. This naturally makes a loan to the US government less attractive. According to Reuters, 60% of China's foreign reserves are already in US dollar assets therefore a little further diversification isn't surprising. Secondly there is a theory that China has been concerned as to how effective the US was in its ability to freeze Russia out of the global financial system. Again, it is natural China would wish to protect its strong economic position should their relationship deteriorate further. With Trump on the horizon and Taiwan in the news a deterioration looks like the most likely path.

Returns in fixed income assets were mixed. UK Government bond yields rose between 0.06% and 0.18% depending on maturity. Credit spreads, the additional return offered by a corporate bond over the equivalent government bonds, narrowed. The two competing factors lead to positive returns in bonds with shorter maturities, whereas longer maturity bonds experienced mark to market losses.

MF Vela Adventurous Fund

Investment Manager's Report (continued)

We believe that within equity markets, the best opportunities are seen away from the largest US companies and as such we have positions in Emerging Markets as well as American and European smaller companies.

Market Outlook

We believe that the next reporting period will see the current economic trends persisting. Inflation should continue falling, allowing Central Banks to cut interest rates. However, inflation is unlikely to fall to the extent that would warrant a return to the zero-interest rate regime experienced pre-2022. Several long term geopolitical and demographic trends will mean that inflation is likely to remain embedded. Tariffs and government spending plans in the US and UK will contribute to inflation.

Similarly, investment becoming less dependent on fossil fuels will initially be inflationary until the technologies can lower the price of energy. The West (together with China and Japan) have ageing populations, leading to shrinking labour forces and increased demand for healthcare. Again, both are inflationary.

Key risks to our outlook would be a general economic slowdown. We are cognisant that consumers have now exhausted their COVID savings and are now increasing credit card balances to spend which is clearly unsustainable. Geopolitically, risks would be an escalation in the conflicts in Ukraine or the Middle East. Likewise, the Sino-US relations are strained and would likely deteriorate further should Trump gain re-election, or China choose to pursue its agenda against Taiwan or in the South China Sea.

Finally, the higher-interest rate environment is quietly impacting the private equity world. Companies acquired through largely debt financing are now struggling to cope with the higher rates. Should company failures increase and/or losses to private equity investors increase this could cause an economic slowdown with the potential for the negative sentiment to spill over into the public markets and the real economy.

Fund Positioning

For the equity weighting an overweight position to US equities, directly and through themes, such as Healthcare and Financials is retained. Conversely, we remain underweight UK equities, although have switched some of our exposure to an active 'Value' fund, which has significant exposure to Oil and Energy.

The yields on offer within the Fixed Interest sector remain attractive and significant returns were made from our allocation over the reporting period, although we suspect that there will be a number of bumps along the road, until one wants to significantly increase duration.

With interest rates anticipated to fall during the year and bond yields to follow suit, 2024 should continue to be a positive year for markets. However, there remains the possibility of central bank policy error, especially if inflation remains stickier than projected and/or, interest rate cuts are on a larger and quicker scale, than the economic environment warrants.

We remain watchful, but believe that both equities and fixed interest offer significant opportunity.

Sentinel Portfolio Management Limited
Investment Manager
September 2024

MF Vela Adventurous Fund

Comparative Tables

Changes in net asset per share

	30 September 2024 'A' Accumulation £	31 March 2024 'A' Accumulation £
Opening net asset value per share	1.1147	1.0000
Return before operating charges[1]	0.0285	0.1196
Operating charges[2]	(0.0028)	(0.0049)
Return after operating charges[3]	0.0257	0.1147
Gross distributions on shares	(0.0070)	(0.0075)
Accumulation distributions reinvested	0.0070	0.0075
Closing net asset value per share	1.1404	1.1147
*After direct transaction costs of[4]	0.0000	0.0002
Performance		
Return after charges[5]	2.31%	11.47%
Other information		
Closing net asset value (£)	60,686,478	56,913,128
Closing number of shares	53,216,546	51,058,763
Operating charges[6]	0.90%	0.88%
Direct transaction costs[7]	0.00%	0.02%
Prices		
Highest share price[8]	1.1429	1.1124
Lowest share price[8]	1.0866	0.9698

*Share class launched 3 April 2023.

Footnotes:

1 The “return before operating charges” is calculated as the “return after operating charges” plus the “operating charges”.

2 The operating charges shows the relevant operating expenses, excluding performance fees, expressed by reference to the average number of shares in issue during the period.

3 Calculated as the “closing net asset value per share” plus the “distributions” minus the “opening net asset value per share”.

4 Total direct transaction costs expressed by reference to the average number of shares in issue during the period.

5 The “return after charges” is calculated as the “return after operating charges” per share divided by the “opening net asset value per share”.

6 The operating charges shows the relevant annualised operating expenses, excluding performance fees, expressed by reference to the average of the net asset values during the period.

7 Total direct transaction costs expressed by reference to the average of the net asset values during the period.

8 The highest and lowest price from the published net asset value.

MF Vela Adventurous Fund

Fund Information

Synthetic Risk and Reward Indicator

Typically lower rewards						Typically higher rewards
Lower risk						Higher risk
1	2	3	4	**5**	6	7

This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

This Sub-Fund is ranked 5. This is due to historical price movement of such investments. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.

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

Any specific risks as a result of investing in this Sub-Fund can be found in the Risk section of the Prospectus.

Performance

The Sub-Fund's performance since inception is as follows:

Class	Percentage Growth 6 months 01/04/2024 to 30/09/2024	Percentage Growth Year to 31/03/2024
MF Vela Adventurous Fund (Accumulation)	2.74%	11.24%

The performance of the Sub-Fund is based on a mid to mid basis in Sterling, with income reinvested (Source: Morningstar).

The Sub-Fund was launched on 3 April 2023.

MF Vela Adventurous Fund

Portfolio Statement

As at 30 September 2024

Holding	Portfolio of Investments	Value (£)	Total Net Assets	31 March 2024
	Open-Ended Funds			
13,728	Vanguard Global Small-Cap Index Fund GBP Accumulation	5,896,213	9.72%	
3,497,672	LF Lightman European Fund I Accumulation	5,576,688	9.19%	
5,501,857	Legal & General Global Health & Pharmaceuticals Index Trust C Class Accumulation	4,535,731	7.47%	
3,019,021	TM Redwheel UK Equity Income S Accumulation	4,434,942	7.30%	
129,500	First Trust Cloud Computing UCITS ETF Class A USD	4,133,640	6.81%	
432,061	Janus Henderson Global Financials Fund I Accumulation	3,780,963	6.23%	
4,169,443	Legal & General Global Emerging Markets Index Fund C Class Accumulation	3,754,583	6.19%	
116,095	GS Japan Equity Partners Portfolio I Accumulation GBP	3,068,393	5.06%	
659,614	Fidelity Index US Fund P Accumulation	3,001,640	4.95%	
1,167,164	Legal & General Pacific Index Trust C Class Accumulation	2,943,589	4.85%	
11,724	Stonehage Fleming Global Best Ideas Equity Fund H GBP Income	2,843,589	4.69%	
595,000	iShares S&P 500 Equal Weight UCITS ETF USD Accumulation	2,814,053	4.64%	
232,900	Lyxor Core UK Equity All Cap (DR) UCITS ETF	2,760,331	4.55%	
47,462	Xtrackers MSCI World Materials UCITS ETF	2,283,902	3.76%	
1,755,953	Royal London Sterling Credit Fund Z Income	2,144,019	3.53%	
194,739	Janus Henderson Pan European Small and Mid-Cap Fund H2 EUR	2,039,471	3.36%	
16,710	First Eagle US Small Cap Opportunity Fund	1,805,013	2.97%	
854,165	Artemis SmartGARP Global Emerging Markets Equity Fund	1,761,629	2.90%	
	Open-Ended Total	59,578,389	98.17%	97.65%
	Portfolio Of Investments	59,578,389	98.17%	97.65%
	Net Other Assets	1,108,089	1.83%	2.35%
	Net Assets	60,686,478	100.00%	100.00%

MF Vela Adventurous Fund

Summary of Material Portfolio Changes

For the Period Ended 30 September 2024

Purchases	Cost (£)
Stonehage Fleming Global Best Ideas Equity Fund H GBP Income	2,979,000
GS Japan Equity Partners Portfolio I Accumulation GBP	2,979,000
Janus Henderson Pan European Small and Mid-Cap Fund H2 EUR	1,955,149
First Eagle US Small Cap Opportunity Fund	1,800,000
Artemis SmartGARP Global Emerging Markets Equity Fund	1,770,000
Total	**11,483,149**

The above table represents all purchases for the period.

MF Vela Adventurous Fund

Summary of Material Portfolio Changes (continued)

For the Period Ended 30 September 2024

Sales	Proceeds (£)
Lindsell Train Global Equity Fund B GBP Income	2,705,994
FTF Martin Currie Japan Equity Fund W Accumulation	2,376,420
Xtrackers MSCI World Materials UCITS ETF	2,090,545
Legal & General Global Emerging Markets Index Fund C Class Accumulation	1,700,000
Total	**8,872,959**

The above table represents all sales for the period.

MF Vela Adventurous Fund

Statement of Total Return

For the Period Ended 30 September 2024 | For the Period Ended 30 September 2023*

	2024 £	2024 £	2023 £	2023 £
Income				
Net Capital Gains		988,087		275,345
Revenue	516,707		246,135	
Expenses	(145,052)		(102,929)	
Interest payable and similar charges	(676)		-	
Net revenue before taxation	370,979		143,206	
Taxation	-		-	
Net revenue after taxation		370,979		143,206
Total return before distributions		**1,359,066**		**418,551**
Distributions		(370,979)		(143,206)
Change in net assets attributable to shareholders from investment activities		**988,087**		**275,345**

Statement of Changes in Net Assets Attributable to Shareholders

For the Period Ended 30 September 2024 | For the Period Ended 30 September 2023*

	2024 £	2024 £	2023 £	2023 £
Opening net assets attributable to shareholders		56,913,128		-
Amounts receivable on issue of shares	5,448,995		45,694,214	
Amounts payable on cancellation of shares	(3,036,801)		(1,570,572)	
		2,412,194		44,123,642
Dilution Adjustment		-		3,694
Change in net assets attributable to shareholders from investment activities		988,087		275,345
Retained distribution on accumulation shares		373,069		153,728
Closing net assets attributable to shareholders		**60,686,478**		**44,556,409**

*The above statements show the comparative closing net assets as at 30 September 2023 whereas the current accounting period commenced 1 April 2024.

MF Vela Adventurous Fund

Balance Sheet

	As at 30 September 2024		As at 31 March 2024	
Assets	**£**	**£**	**£**	**£**
Fixed Assets				
Investment Assets		59,578,389		55,573,556
Current Assets				
Debtors	368,456		464,280	
Cash and bank balances	788,709		1,007,208	
Total Current Assets		**1,157,165**		**1,471,488**
Total Assets		**60,735,554**		**57,045,044**
Liabilities				
Creditors				
Other Creditors	(49,076)		(131,916)	
Total creditors		**(49,076)**		**(131,916)**
Total liabilities		**(49,076)**		**(131,916)**
Net assets attributable to shareholders		**60,686,478**		**56,913,128**

MF Vela Defensive Fund

Investment Objective and Policy

Investment Objective

To provide a combination of capital growth and income over rolling five-year periods, with a target volatility between 4% and 7%. [1]

Investment Policy

The Sub-Fund will typically invest indirectly through other regulated collective investment schemes, (including exchange traded funds) and investment trusts (”Underlying Funds”), in a range of asset classes, including fixed income (including bonds issued by governments and companies), company shares, commodities and hedge fund strategies, deposits, cash and near cash. The Sub-Fund may also invest indirectly in convertible bonds (bonds that can convert into company shares). In particular, the Sub-Fund will have the following exposures:

- between 20% and 60% of the Sub-Fund’s assets will be exposed to equities (which are shares of companies); and
- at least 30% of the Sub-Fund’s assets will be exposed to fixed income products (which are bonds typically issued by companies, governments and other institutions) and cash.

The Sub-Fund may also invest directly in fixed interest securities, deposits, cash and near cash.

The Underlying funds may be managed by the ACD or the Investment Manager or their affiliates.

The Sub-Fund may only use derivatives (instruments whose returns are linked to another asset, market or variable factor) and forward transactions, (whose returns are linked to exchange rates in order to reduce currency risk, also known as hedging), for Efficient Portfolio Management purposes.

The Underlying funds may use derivatives for investment purposes to varying degrees, although this is expected to be minimal.

The Sub-Fund will be actively managed, which means the Investment Manager decides which investments to buy or sell and when.

[1] The volatility range is a target over five-year rolling periods and the Sub-Fund is managed to stay within this range most of the time. The volatility range is regularly reviewed and may change from time to time due to changes in market dynamics.

MF Vela Defensive Fund

Investment Manager's Report

For the reporting period, markets and economies continued to be dominated by inflation, growth, interest rate fears and geopolitical tensions. Government bond yields essentially trod water for the six months, after falling significantly in late 2023/early 2024 in anticipation of interest rate cuts. Equity markets largely rose over the reporting period, although there were significant bouts of volatility, in particular at the beginning of August, as markets fretted about recession in the US.

This bout of volatility coincided with/was caused by the Bank of Japan unexpectedly hiking interest rates for only the second time in 17 years as it tries to normalise monetary policy, leading to a sharp appreciation in the Yen. The stronger Yen made debt more expensive and caused the Japanese carry trade to unwind rapidly, exacerbating market moves.

Concerns however were short lived, with equity markets bouncing back rapidly.

A similar 'volatility event' was seen in April 2024 at the beginning of the reporting period, with the UK market surprisingly the beneficiary, becoming the best performing major equity market for the month, with the Nasdaq (home to most large and small tech companies) selling off. The UK equity market broke a psychological barrier that month by going through the 8000 mark for the first time ever. This eclipsed the previous 7877 peak in 2018 and is now meaningfully ahead of the long lasting 6930 level, reached at the end of 1999, which stood as the UK market's high-water mark for 15 years. While it is worth celebrating, in comparison (in sterling terms and on a total return basis to account for UK's favourable dividend yield) the UK is up 180% since the end of the dot com bubble whereas the US has gained over 500%.

Another asset class making record highs over the reporting period (before adjusting for inflation at least) was gold. Gold hit a nominal high of $2400 with various plausible theories as to why this was. Middle Eastern political tensions were often cited, as was inflation. Gold is generally considered a hedge against inflation (although some take the contrary view and both sides of the argument can be proven depending on your time period). While the worsening situation in the Middle East and higher inflation in the US could be the cause, this seems unlikely given global gold Exchange Traded Fund (ETF) flows. ETFs are the most convenient and cost-effective way to buy gold and are widely used by retail and institutional investors alike hence they are a useful barometer to investment sentiment. Collectively these funds experienced their tenth consecutive month of outflows according to the latest data.

The most likely true cause for the rise of the gold price was due to huge purchasing by the Chinese Central Bank. The People's Bank of China bought 60,000 troy ounces or 1.87 tonnes in March alone, taking its total holding to 2264.3 tonnes (the UK has 310 tonnes). There are two key arguments to China catching the gold bug. Firstly, China is the secondly largest owner of US government bonds behind Japan. The US is less attractive to lend money to than it used to be. The government spending deficit widened to 6.3% (this is the highest excluding COVID, great financial crisis in 2008 and WW2), and debt to GDP levels are over 120% of GDP. This naturally makes a loan to the US government less attractive. According to Reuters, 60% of China's foreign reserves are already in US dollar assets therefore a little further diversification isn't surprising. Secondly there is a theory that China has been concerned as to how effective the US was in its ability to freeze Russia out of the global financial system. Again, it is natural China would wish to protect its strong economic position should their relationship deteriorate further. With Trump on the horizon and Taiwan in the news a deterioration looks like the most likely path.

Returns in fixed income assets were mixed. UK Government bond yields rose between 0.06% and 0.18% depending on maturity. Credit spreads, the additional return offered by a corporate bond over the equivalent government bonds, narrowed. The two competing factors lead to positive returns in bonds with shorter maturities, whereas longer maturity bonds experienced mark to market losses.

MF Vela Defensive Fund

Investment Managers Report (continued)

We believe that within equity markets, the best opportunities are seen away from the largest US companies and as such we have positions in Emerging Markets as well as American and European smaller companies.

Market Outlook

We believe that the next reporting period will see the current economic trends persisting. Inflation should continue falling, allowing Central Banks to cut interest rates. However, inflation is unlikely to fall to the extent that would warrant a return to the zero-interest rate regime experienced pre-2022. Several long term geopolitical and demographic trends will mean that inflation is likely to remain embedded. Tariffs and government spending plans in the US and UK will contribute to inflation.

Similarly, investment becoming less dependent on fossil fuels will initially be inflationary until the technologies can lower the price of energy. The West (together with China and Japan) have ageing populations, leading to shrinking labour forces and increased demand for healthcare. Again, both are inflationary.

Key risks to our outlook would be a general economic slowdown. We are cognisant that consumers have now exhausted their COVID savings and are now increasing credit card balances to spend which is clearly unsustainable. Geopolitically, risks would be an escalation in the conflicts in Ukraine or the Middle East. Likewise, the Sino-US relations are strained and would likely deteriorate further should Trump gain re-election, or China choose to pursue its agenda against Taiwan or in the South China Sea.

Finally, the higher-interest rate environment is quietly impacting the private equity world. Companies acquired through largely debt financing are now struggling to cope with the higher rates. Should company failures increase and/or losses to private equity investors increase this could cause an economic slowdown with the potential for the negative sentiment to spill over into the public markets and the real economy.

Fund Positioning

For the equity weighting an overweight position to US equities, directly and through themes, such as Financials is retained. Conversely, we remain underweight UK equities, although have switched some of our exposure to an active 'Value' fund, which has significant exposure to Oil and Energy.

The yields on offer within the Fixed Interest sector remain attractive and significant returns were made from our allocation over the reporting period, although we suspect that there will be a number of bumps along the road, until one wants to significantly increase duration.

With interest rates anticipated to fall during the year and bond yields to follow suit, 2024 should continue to be a positive year for markets. However, there remains the possibility of central bank policy error, especially if inflation remains stickier than projected and or, interest rate cuts are on a larger and quicker scale, than the economic environment warrants.

We remain watchful, but believe that both equities and fixed interest offer significant opportunity.

Sentinel Portfolio Management Limited
Investment Manager
September 2024

MF Vela Defensive Fund

Comparative Tables

Changes in net asset per share

	30 September 2024 'A' Accumulation £	31 March 2024 'A' Accumulation £
Opening net asset value per share	1.0710	1.0000
Return before operating charges[1]	0.0405	0.0762
Operating charges[2]	(0.0031)	(0.0052)
Return after operating charges[3]	0.0374	0.0710
Gross distributions on shares	(0.0115)	(0.0086)
Accumulation distributions reinvested	0.0115	0.0086
Closing net asset value per share	1.1084	1.0710
*After direct transaction costs of[4]	0.0001	0.0002
Performance		
Return after charges[5]	3.49%	7.10%
Other information		
Closing net asset value (£)	41,828,294	39,313,973
Closing number of shares	37,739,275	36,707,633
Operating charges[6]	0.93%	0.87%
Direct transaction costs[7]	0.01%	0.02%
Prices		
Highest share price[8]	1.1114	1.0702
Lowest share price[8]	1.0532	0.9741

*Share class launched 3 April 2023

Footnotes:

1 The “return before operating charges” is calculated as the “return after operating charges” plus the “operating charges”.

2 The operating charges shows the relevant operating expenses, excluding performance fees, expressed by reference to the average number of shares in issue during the period.

3 Calculated as the “closing net asset value per share” plus the “distributions” minus the “opening net asset value per share”.

4 Total direct transaction costs expressed by reference to the average number of shares in issue during the period.

5 The “return after charges” is calculated as the “return after operating charges” per share divided by the “opening net asset value per share”.

6 The operating charges shows the relevant annualised operating expenses, excluding performance fees, expressed by reference to the average of the net asset values during the period.

7 Total direct transaction costs expressed by reference to the average of the net asset values during the period.

8 The highest and lowest price from the published net asset value.

MF Vela Defensive Fund

Fund Information

Synthetic Risk and Reward Indicator

Typically lower rewards						Typically higher rewards
Lower risk						Higher risk
1	2	3	**4**	5	6	7

This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

This Sub-Fund is ranked 4. This is due to historical price movement of such investments. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.

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

Any specific risks as a result of investing in this Sub-Fund can be found in the Risk section of the Prospectus.

Performance

The Sub-Fund's performance since inception is as follows:

Class	Percentage Growth 6 months 01/04/2024 to 30/09/2024	Percentage Growth Year to 31/03/2024
MF Vela Defensive Fund (Accumulation)	3.67%	6.98%

The performance of the Sub-Fund is based on a mid to mid basis in Sterling, with income reinvested (Source: Morningstar).

The Sub-Fund was launched on 3 April 2023.

MF Vela Defensive Fund

Portfolio Statement

As at 30 September 2024

Holding	Portfolio of Investments	Value (£)	Total Net Assets	31 March 2024
	Debt Securities			
432,500	United Kingdom Index Linked Gilt 1.25% 22/11/2032	823,506	1.97%	
	Debt Securities Total	823,506	1.97%	2.09%
	Open-Ended Funds			
3,941,064	Franklin UK Gilt Fund W Accumulation	3,568,240	8.53%	
2,444,869	Fortem Capital Progressive Growth Fund A GBP Accumulation	3,263,411	7.80%	
3,529,686	Legal & General Global Infrastructure Index Fund C Accumulation	3,005,881	7.19%	
23,856	Vanguard UK ST Investment Grade Bond Index Fund GBP Accumulation	2,856,615	6.83%	
308,787	Janus Henderson Global Financials Fund I Accumulation	2,702,193	6.46%	
23,518	Muzinich Global Market Duration Investment Grade Fund	2,483,217	5.93%	
2,027,095	Artemis Target Return Bond Fund I GBP Accumulation	2,453,394	5.87%	
19,707	Twentyfour Corporate Bond Fund GBP I Accumulation	2,440,493	5.83%	
1,905,981	Royal London Sterling Credit Fund Z Income	2,327,203	5.56%	
1,520,862	TM Redwheel UK Equity Income S Accumulation	2,234,146	5.34%	
1,486,290	AXA Sterling Credit Short Duration Bond Z Gross Accumulation	2,024,327	4.84%	
41,850	Vanguard USD Corporate Bond UCITS ETF GBP Hedged Accumulation	1,994,780	4.77%	
109,144	HSBC Global Emerging Market Government Bond Index Fund	1,265,341	3.03%	
97,000	Amundi US Treasury Bond 7-10Y UCITS ETF GBP Hedged	1,033,438	2.47%	
192,902	Fidelity Index US Fund P Accumulation	877,820	2.10%	
942,572	Legal & General Global Emerging Markets Index Fund C Class Accumulation	848,786	2.03%	
329,110	Legal & General Pacific Index Trust C Class Accumulation	830,016	1.98%	
31,606	GS Japan Equity Partners Portfolio I Accumulation GBP	835,336	2.00%	
7,427	First Eagle US Small Cap Opportunity Fund	802,228	1.92%	
169,500	iShares S&P 500 Equal Weight UCITS ETF USD Accumulation	801,650	1.92%	
496,602	LF Lightman European Fund I Accumulation	791,783	1.89%	
	Open-Ended Total	39,440,298	94.29%	94.23%
	Portfolio Of Investments	40,263,804	96.26%	96.32%
	Net Other Assets	1,564,490	3.74%	3.68%
	Net Assets	41,828,294	100.00%	100.00%

MF Vela Defensive Fund

Summary of Material Portfolio Changes

For the Period Ended 30 September 2024

Purchases	Cost (£)
GS Japan Equity Partners Portfolio I Accumulation GBP	811,000
First Eagle US Small Cap Opportunity Fund	800,000
Total	**1,611,000**

The above table represents all purchases for the period.

MF Vela Defensive Fund

Summary of Material Portfolio Changes (continued)

For the Period Ended 30 September 2024

Sales	Proceeds (£)
FTF Martin Currie Japan Equity Fund W Accumulation	707,143
Total	**707,143**

The above table represents all sales for the period.

MF Vela Defensive Fund

Statement of Total Return

	For the Period Ended 30 September 2024		For the Period Ended 30 September 2023*	
	£	£	£	£
Income				
Net Capital Gains/(Losses)		967,786		(82,976)
Revenue	628,542		226,312	
Expenses	(116,003)		(83,201)	
Net revenue before taxation	512,539		143,111	
Taxation	(79,897)		(8,656)	
Net revenue after taxation		432,642		134,455
Total return before distributions		**1,400,428**		**51,479**
Distributions		(432,642)		(134,455)
Change in net assets attributable to shareholders from investment activities		**967,786**		**(82,976)**

Statement of Changes in Net Assets Attributable to Shareholders

	For the Period Ended 30 September 2024		For the Period Ended 30 September 2023*	
	£	£	£	£
Opening net assets attributable to shareholders		39,313,973		-
Amounts receivable on issue of shares	2,979,263		32,095,096	
Amounts payable on cancellation of shares	(1,868,170)		(1,325,195)	
		1,111,093		30,769,901
Change in net assets attributable to shareholders from investment activities		967,786		(82,976)
Retained distribution on accumulation shares		435,442		147,085
Closing net assets attributable to shareholders		**41,828,294**		**30,834,010**

*The above statements show the comparative closing net assets as at 30 September 2023 whereas the current accounting period commenced 1 April 2024.

MF Vela Defensive Fund

Balance Sheet

	As at 30 September 2024		As at 31 March 2024	
Assets	**£**	**£**	**£**	**£**
Fixed Assets				
Investment Assets		40,263,804		37,866,995
Current Assets				
Debtors	264,516		317,192	
Cash and bank balances	1,458,003		1,307,475	
Total Current Assets		**1,722,519**		**1,624,667**
Total Assets		**41,986,323**		**39,491,662**
Liabilities				
Creditors				
Other Creditors	(158,029)		(177,689)	
Total creditors		**(158,029)**		**(177,689)**
Total liabilities		**(158,029)**		**(177,689)**
Net assets attributable to shareholders		**41,828,294**		**39,313,973**

MINERVA FUND MANAGEMENT SOLUTIONS LIMITED

MF VELA FUND