MINERVA FUND MANAGEMENT SOLUTIONS LIMITED

MF VELA FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended
31 March 2024 (audited)

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
Adrian McCrory – Risk and Compliance Director[+]
David Ridge – Operations Director
Mark Catmull – Sales and Marketing Director
Keith Meeres – Chairman and Non-Executive Director
Gareth Roblin – Non-Executive Director
Keith Lovett – Non-Executive Director
Sally Rigg – Compliance Director & MLRO[++]

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

Depositary
CACEIS UK Trustee & Depositary Services Ltd
Broadwalk House
5 Appold Street
London
EC2A 2DA
United Kingdom
(The Depositary is authorised and regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA))

Registrar
Apex Fund Administration Services (UK) Limited
Hamilton Centre
Rodney Way
Chelmsford, Essex
CM1 3BY
(The Register can be inspected at this address)

Investment Manager

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

Sponsor
W Wealth Management Ltd
10 Little Park Farm Road
Segensworth Office Park
Segensworth West
Fareham
Hampshire
PO15 5TD

Auditor
Beever and Struthers
One Express
1 George Leigh Street
Manchester
M4 5DL

Legal Advisor
Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

[+] Resigned 31 August 2023
[++] Appointed 25 June 2024

Contents

Authorised Corporate Director's (ACD) 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 Sourcebook (the "Sourcebook") and an umbrella scheme. The Company is also an 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 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. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

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.

Authorised Corporate Director's Report (continued)

Significant Events During the Reporting Year

The Company launched 3 April 2023. As at 31 March 2024 the Company has two Sub-Funds (MF Vela Adventurous Fund and MF Vela Defensive Fund).

There were no other significant events during the reporting year.

Significant Events After the Reporting Year

Global Market Events:

Inflation and the direction of interest rates are still driving global markets, with good economic news in the UK & US often received negatively by markets, as investors fret about the first rate cut. Politics are also beginning to take centre stage, with French and UK elections preceding the main event, as Trump and Biden go head to head in the race to the White House. While elections are unlikely to move equity markets, they do have more impact on bond markets, as has been seen in the French treasury market. We anticipate that the current equity rally will broaden out over the coming months, with US year to date returns again driven by a very narrow leadership, with Nvidia responsible for 30% of the gain in the S&P 500 year to date. This is unlikely to continue.

There were no other significant events after the reporting year end.

The NAV per share on 12 July 2024 are presented in the table below.

Sub-Fund	Class	NAV per Share 12 July 2024
MF VELA ADVENTUROUS FUND	A Accumulation	1.1278
MF VELA DEFENSIVE FUND	A Accumulation	1.0841

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
16 July 2024

Statement of Authorised Corporate Director's Responsibilities

The ACD is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The FCA's COLL Sourcebook and the FUND Sourcebook require the ACD to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company and of the net revenue and of the net capital gains/losses on the scheme property of the Company for that year. In preparing these financial statements, the ACD is required to:

- select suitable accounting policies, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in accordance with the requirements of the Investment Association Statement of Recommended Practice (the "IA SORP");
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the COLL Sourcebook and the FUND Sourcebook; and
- take reasonable steps to prevent and detect fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the ACD has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditor is aware of that information.

Statement of Depositary's Responsibilities

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

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

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

The Depositary must ensure that:

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

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

Report of the Depositary

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

i. has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the rules in the COLL Sourcebook, the FUND Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and the Prospectus of the Company; and

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

CACEIS UK Trustee & Depositary Services Ltd
Depositary of MF Vela Fund
16 July 2024

Alternative Investment Fund Manager's Directive

In accordance with the Alternative Investment Fund Managers Directive (the 'AIFMD'), the ACD in its capacity as Alternative Investment Fund Manager ('AIFM') is required to disclose specific information in relation to the following aspects of the Company's management:

Leverage and Borrowing

Leverage is defined as any method by which the Company increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways – the 'Gross method' and the 'Commitment method' – and the Company must not exceed maximum exposures under both methods.

The Funds will not employ leverage in respect of the management of the Funds, save to the extent where it results from the Fund's investment in closed-ended funds such as investment trusts, which may themselves have an element of leverage within them. Therefore, the Funds will not be regarded as a type of fund using leverage on a substantial basis, as described in the AIFMD.

If the Funds were to employ leverage, the ACD is required to calculate and monitor the level of leverage of a fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value (Exposure/NAV), under both the gross method and the commitment method.

'Gross method' exposure is calculated as the sum of the absolute values of all positions of the Company (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes.

'Commitment method' exposure is also calculated as the sum of the absolute values of all positions of the Company (both positive and negative), but after netting off derivatives and security positions as specified by the Directive.

For the "Gross method", the following has been excluded:

- the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the Alternative Investment Fund ('AIF') that are readily convertible to a known amount of cash, subject to an insignificant risk of changes in value and which provide a return no greater than the rate of the 3-month high quality government bond;
- cash borrowings that remain in cash or cash equivalents as defined above and where the amounts of that payable are known.

The maximum level of leverage for the Sub-Fund's expressed as a ratio of the Fund's total exposure to its Net Asset Value:

- under the Gross method is 1:1; and
- under the Commitment method is 1.1:1.

The total amount of leverage employed as at 31 March 2024 is as follows:

Sub-Fund	Gross method	Commitment method
MF Vela Defensive Fund	0.96:1	0.96:1
MF Vela Adventurous Fund	0.98:1	0.98:1

Alternative Investment Fund Manager's Directive (continued)

Liquidity

The ACD has a liquidity management policy and maintains tools and methods of monitoring the liquidity of the Funds, so that the ACD can aim to ensure that the AIF can carry out redemption requests. The liquidity risk management policies and procedures include the management, implementation and maintaining of appropriate levels of liquidity for each Fund. In normal circumstances, dealing requests will be processed as set out above. In exceptional circumstances, other procedures, such as suspending dealings in a Fund, borrowing cash, deferring the redemption of Shares, or applying in specie redemptions may be used. The circumstances in which such tools may be used are as set out in the Prospectus.

This policy has been applied consistently throughout the review period and as a result the ACD has not introduced any new arrangements for managing the Company's liquidity. If the ACD's policy for managing liquidity should change materially, investors will be notified appropriately.

Risk Management

Please refer to Note 13, Derivative and other financial instruments, in the Notes to the financial statements, of each sub-fund, where the current risk profile of the Company and the risk management systems employed by the Manager to manage those risks are set out.

Remuneration

The ACD is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the Directive and the remuneration principles as set out in the FCA's Handbook under SYSC 19B. The fixed remuneration paid by the ACD to its staff in respect of all funds that it manages in the year ended 31 March 2024 was £214,125 and was shared amongst 10 members of staff. The fixed remuneration paid by the ACD to the Remuneration Code Staff for the year ended 31 March 2024 was £111,000, shared amongst 4 employees. All 10 ACD staff members were fully or partially involved in the activities of the Company. The ACD did not pay any variable remuneration. There were no Staff with Material Impact during the year. The ACD staff remuneration is established with reference to the market remuneration of each equivalent position and is not linked to the performance of the Company or any other alternative investment fund the ACD is the AIFM of. None of the ACD's staff had an adverse effect or impact on the risk profile of the Company.

Independent Auditor's report to the Shareholders of MF Vela Fund for the year ended 31 March 2024

Opinion

We have audited the financial statements of the MF Vela Fund ("the Company") for the year ended 31 March 2024 which comprise the statements of total return and statements of changes in net assets attributable to shareholders together with the balance sheet for each of the Company's sub-funds, the accounting policies of the Company and the related notes and the distribution tables for each of the Company's sub-funds. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice issued by the Investment Association (IA) in May 2014 "Financial Statements of UK Authorised Firms" and the 2017 amendments.

In our opinion the Financial Statements:

- the give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 March 2024 and of the net revenue/expenses and the net capital gains/losses on the property of the company comprising each of its sub-funds for the year then ended; and
- the have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law, the Instrument of Incorporation, the Statement of Recommended Practice issued by the IA relating to UK Authorised Funds and the Collective Investment Schemes Sourcebook rules.

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 financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's report to the Shareholders of MF Vela Fund for the year ended 31 March 2024 (continued)

Responsibilities of the Authorised Corporate Director for the Financial Statements

As explained more fully in the Authorised Corporate Director's responsibilities statement, the Authorised Corporate Director is responsible for; the preparation of the financial statements in accordance with the applicable framework; and for being satisfied that they give a true and fair view; and for such internal control that the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation; and
- the information given in the Authorised Corporate Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Collective Investment Schemes Sourcebook we are also required to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- proper accounting records have not been kept or that the financial statements are not in accordance with those records.

We have no exceptions to report arising from this responsibility.

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.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements based on our understanding of the company and through discussion with the Authorised Corporate Director and other management (as required by auditing standards).

We also had regard to laws and regulations in areas that directly affect the financial statements including financial reporting. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements.

Independent Auditor's report to the Shareholders of MF Vela Fund for the year ended 31 March 2024 (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to overstate the value of investments and increase the net asset value of the company.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Audit procedures performed included:

- Discussions with management, inquiring over known or suspected instances of non-compliance with laws, regulations, and fraud;
- Review of all approved minutes of Board meetings of the Authorised Corporate Director;
- Review and testing of transactions (including journals) posted as part of the financial statements preparation process by the Fund Accountant;
- Review of key business processes and evaluation of internal controls implemented by the Fund Accountant designed to prevent and detect irregularities; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We did not identify any irregularities however as with any audit, there remained a higher risk of non-detection of irregularities due to fraud, as these may involve deliberate concealment, collusion, forger, intentional omissions, misrepresentations, or the override of internal controls.

The maintenance and integrity of the Funds website is the responsibility of the Authorised Corporate Director. The work carried out by the auditors does not involve consideration of these matters.

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. This description forms part of our auditor's report.

Use of Our Report

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

Signed by:
Beever and Struthers
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Caroline Monk BA FCA
For and on behalf of Beever and Struthers
Chartered Accountant and Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

16 July 2024

Statement of Accounting Policies and Combined Notes

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 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.

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.

Statement of Accounting Policies and Combined Notes (continued)

d) Taxation (continued)

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.

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.

Statement of Accounting Policies and Combined Notes (continued)

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.

2. Related Party Transactions

Minerva Fund Management Solutions Limited ('the ACD') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Company.

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 9 in each Sub-Fund. The monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to shareholders of the Sub-Funds. The amounts outstanding at the year end in respect of these monies are shown in notes 7 and 9 in each Sub-Fund.

3. Share Classes

Only Accumulation Shares are in issue on the Sub-Funds. The Company is charged an annual management fee by the ACD, which is calculated separately in respect of each class of Share of the Sub-Funds, as follows:

First £50m: 0.40% pa*
Next £50m: 0.39% pa*
Over £100m: 0.37% pa*
Over £150m: 0.35% pa*

*Subject to a minimum annual charge of £200,000 (which may be reduced at the discretion of the ACD)

4. Derivatives and Other Financial Instruments

In pursuing the investment objectives, a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as options, futures or forward currency contracts, may be utilised for investment and hedging purposes to reduce or eliminate risks or to enhance the performance of the Company.

The ACD has in place risk management policies and procedures that sets out the risks that may impact a Sub-Fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives.

Statement of Accounting Policies and Combined Notes (continued)

4. Derivatives and Other Financial Instruments (continued)

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

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Sub-Funds enter into expose them to the risk of the inability of any counterparty to fulfil their obligation with respect to transactions, whether due to insolvency, bankruptcy or other causes. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence.

b) Interest rate risk

Interest rate risk is the risk that the value of the Sub-Funds investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. The amount of revenue receivable from floating rate securities and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

Investment in collective investment schemes exposes the Sub-Funds to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

Numerical disclosure of the interest rate risk profile is made in note 13 i of the Notes to the Financial Statements of the Sub-Funds.

c) Foreign currency risk

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

Numerical disclosure of the currency risk profile is made in note 13 iv of the Notes to the Financial Statements of the Sub-Funds, where applicable.

The Sub-Funds are also exposed to indirect foreign currency risk in the form of foreign currency risk of the underlying investments.

d) Liquidity risk

The main liability of the Company is the cancellation of any Shares that investors want to sell. Investments may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the ACD will ensure that a substantial portion of the Sub-Funds' assets consist of readily realisable securities.

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

e) Market price risk

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

Statement of Accounting Policies and Combined Notes (continued)

4. Derivatives and Other Financial Instruments (continued)

e) Market price risk (continued)

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

Numerical disclosure of the market price sensitivity is made in note 13 iii of the Notes to the financial statements of the Sub-Funds.

f) Fair value of financial assets and financial liabilities

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

g) Derivatives

Disclosure is made in note 13ii of the Notes to the Financial Statements of the Sub-Funds.

h) Counterparty risk

Counterparty risk is the risk of entering into an arrangement with a counterparty, which is itself subject to financial risks which may affect its ability to trade as a going concern.

Cash and bank balances consist primarily of cash. It is included in "Cash and bank balances" on the balance sheet.

i) Capital Management

The capital structure of the Sub-funds at year end consists of the net assets of the Sub-Funds attributable to Shareholders.

The Sub-Funds are not subject to any external capital requirements.

To fund redemptions as they arise, the ACD will ensure a substantial portion of the Sub-Fund's assets consist of readily realisable securities.

The Sub-Funds have not employed any significant levels of leverage during the year.

5. Portfolio Transaction Costs

Disclosure is made in note 14 of the Notes to the Financial Statements of the Sub-Funds.

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 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 general inflation, wage inflation, interest rate projections and geopolitical tensions. This rate rise dynamic has now been replaced by a 'when will they cut' playbook, although the first cut has been pushed back almost on a monthly basis since the start of 2024.

Markets largely moved sideways for the first half of the reporting period, posting very little returns and heading slowly downwards, unless an investor had significant exposure to 'the magnificent seven' (Apple, Microsoft, Amazon, NVIDIA, Meta, Tesla and Alphabet), in particular, NVIDIA, Microsoft and Meta. The excitement around Artificial Intelligence (AI) picked up globally, which further boosted the likes of NVIDIA (designing chips to support this technology) and almost any other company which could benefit from AI, such as Amazon, Meta, Alphabet etc. The performance of 'the magnificent seven' saw the NASDAQ 100 up nearly 35% for the period at the mid-point, when most markets were languishing close to 0%. 'The magnificent seven' also contributed a 10% gain to the S&P 500, while the rest of the index constituents failed to provide decent returns during the period.

Over this first half of the reporting period, interest rates were still rising and inflation proved to be stickier than some had hoped which saw investors at the end of October looking at flat to negative returns for most multi-asset portfolios.

From the end of October 2023, things changed which was welcomed by nearly all investors. Inflation had started to fall, growth figures in the US looked robust and markets concluded that interest rate rises would now plateau and start falling in 2024.

This was a prime environment for both equities and fixed income markets to thrive. Fixed income was already providing a decent yield, having seen rates rising for 12-18 months previously, and then investors benefitted from interest rate expectations falling, and the subsequent leap in prices for bonds.

Equities also rallied strongly, the expectation that interest rates might fall fuelling the fire for an asset class which thrives on growth and cheaper borrowing costs. All assets, with the most notable exception of oil, rallied in November and December to provide most of 2023's returns in just those two months.

In the first three months of 2024, markets have continued to move upwards, with the rally broadening out, away from 'the magnificent seven', with both oil and gold pushing higher, as tensions in the Middle East continue to escalate.

Market Outlook

Following the rise in equity markets and bond prices it would not be unexpected for markets to pause or even decline marginally in the coming months. However, over the medium term we are optimistic about the prospects for both asset classes.

Global equity markets look moderately expensive on traditional valuation metrics, that is when weighting an equity market index by the constituent companies' value (market capitalisation). However, we believe that this does not tell the whole story. The aforementioned 'magnificent seven' represented almost 30% of the US market at the end of the period, these companies need, and may very well generate, significant growth to justify their high valuations. Conversely the other 70% of companies in the market offer better value. According to Blackrock, the market capitalisation weighted price to earnings ratio for the US is 23.6x whereas for an equal weighed measure 19.2x, above, but far closer to the long-term average.

MF Vela Adventurous Fund

Investment Manager's Report (continued)

Looking globally, valuations are at or below average in other major geographies such as Europe, Asia excluding Japan and the UK. Japanese equities, like US equities, are above their long-term average however justifying this we see meaningful evidence in a permanent improvement in the Japanese economy as well as to corporate governance in listed companies.

Bond markets also appear fair value, after a recent rise in yields. Ten-year maturity UK & US government bonds offer investors 3.92% and 4.33% per annum redemption yields respectively, this looks adequate given, inflation appears to be under control and interest rates are expected to fall.

The investment outlook is not without concerns, and we remain vigilant toward inflation, the commercial property market, and geopolitical risks stemming from the US election. There is a risk that victory on the war on inflation is called too soon. A second round of inflation would almost certainly cause meaningful declines in both equity and bond markets. Further economic data will confirm whether or not investors are correct that inflation is declining permanently.

Secondly the property market hasn't yet reached an equilibrium following higher interest rates and lower demand for office and retail space. The fall in valuations has left many commercial borrowers in negative equity. Other business models have been undermined by the lower occupancy rates meaning they are unable to cover the higher interest costs on their debt. Losses will be realised and reported as loans come up for repayment.

Current polling predicts Trump will gain a second term as President. Should he become the next president we believe there are five key polices areas that will impact investors; tariffs, lower interest rates, fossil fuel production, tax cuts and NATO reform. Firstly, Trump appears relatively serious about 10% tariffs on virtually all imports and 60% on Chinese imports. In his previous term he was able to implement tariffs without going through Congress using the Section 232 loophole that allows the President to unilaterally adjust tariffs in the interest of national security. Tariffs will disrupt global trade and cause higher inflation in the US potentially leading to higher global interest rates. Interestingly Biden has not repealed the majority of Trump's last set of tariffs.

Connected to higher inflation would be interest rates and Trump has been vocal about sacking Federal Reserve chair Jay Powell unless he lowers interest rates. Trump appointed Powell in 2018 over Janet Yellen whom he disliked for supporting the US economy under Obama's administration. While Trump may (or may not) have the power to sack Powell, it is the Federal Open Market Committee (FOMC) that sets rates. It is a committee consisting of 12 members who have often voted unanimously. It is less likely he would be able to sack all 12 members. It is more likely he has them remain in post and then blame them if the economy suffers.

Trump is keen to expand production of fossil fuels and repeal many environmental subsidies which could bring down the cost of energy and therefore inflation but make sustainable investment less attractive.

Finally, NATO. Trump is an isolationist and, with justification, thinks the US is paying too much to protect Europe. The consequence of a weaker NATO would likely mean Ukraine losing the Russian occupied land with Putin then setting his sights on Latvia and Estonia, who also have large populations of "ethnic Russians". Trump's America First policy may also give China the confidence to take Taiwan. Trump's foreign policy will lead to more geopolitical insecurity, albeit maybe less war but certainly more short-term volatility in equity markets.

MF Vela Adventurous Fund

Investment Manager's Report (continued)

Fund Positioning

We have retained an overweight position in US equities, directly and through themes, such as Healthcare and Technology. Conversely, we remain underweight UK equities, although we have switched some of our exposure to an active 'Value' fund, which has significant exposure to oil and energy.

Exposure was increased to an equally weighted S&P500 ETF tracker, as we retain conviction that the market will broaden out during 2024, away from 'the magnificent seven'.

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. We increased duration during September and then decreased duration in December, banking a sizable return over the period.

With interest rates anticipated to fall during the year and bond yields to follow suit, 2024 should be a positive year for markets. However, there remains the possibility of central bank policy error, especially if inflation remains stickier than projected and wage growth remains elevated, against slowing growth numbers.

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

Sentinel Portfolio Management Limited
Investment Manager
March 2024

MF Vela Adventurous Fund

Comparative Tables

Changes in net asset per share

31 March 2024	'A' Accumulation £
Opening net asset value per share	1.0000
Return before operating charges[1]	0.1196
Operating charges[2]	(0.0049)
Return after operating charges[3]	0.1147
Gross distributions on shares	(0.0075)
Accumulation distributions reinvested	0.0075
Closing net asset value per share	1.1147
*After direct transaction costs of[4]	0.0002
Performance	
Return after charges[5]	11.47%
Other information	
Closing net asset value (£)	56,913,128
Closing number of shares	51,058,763
Operating charges[6]	0.88%
Direct transaction costs[7]	0.02%
Prices	
Highest share price[8]	1.1124
Lowest share price[8]	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 year.

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 year.

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 year.

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

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 Year to 31/03/2024
MF Vela Adventurous Fund (Accumulation)	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 31 March 2024

Holding	Portfolio of Investments	Value (£)	Total Net Assets
	Open-Ended Funds		
13,728	Vanguard Global Small-Cap Index Fund GBP Acc	5,880,598	10.33%
3,497,672	LF Lightman European Fund I Acc	5,372,075	9.44%
6,150,333	Legal & General Global Emerging Markets Index Fund C Class Acc	4,994,685	8.78%
5,501,857	Legal & General Global Health & Pharmaceuticals Index Trust C Class Acc	4,487,315	7.88%
91,600	MSCI World Materials UCITS ETF 1C	4,384,768	7.70%
129,500	First Trust Cloud Computing UCITS ETF Class A USD	4,136,230	7.27%
3,019,021	TM Redwheel UK Equity Income Fund S Acc	4,015,298	7.06%
432,061	Janus Henderson Global Financials Fund I Acc	3,625,853	6.37%
659,614	Fidelity Index US Fund P Acc	2,904,281	5.10%
595,000	iShares S&P 500 Equal Weight UCITS ETF USD Acc	2,808,698	4.94%
1,167,164	Legal & General Pacific Index Trust C Class Acc	2,794,192	4.91%
616,723	Lindsell Train Global Equity Fund B GBP Inc	2,737,077	4.81%
746,597	FTF Martin Currie Japan Equity Fund W Acc	2,704,175	4.75%
232,900	Lyxor Core UK Equity All Cap (DR) UCITS ETF	2,600,096	4.57%
1,755,953	Royal London Sterling Credit Fund Z Inc	2,128,215	3.74%
	Open-Ended Total	55,573,556	97.65%

Portfolio Of Investments	55,573,556	97.65%
Net Other Assets	1,339,572	2.35%
Net Assets	56,913,128	100.00%

MF Vela Adventurous Fund

Summary of Material Portfolio Changes

For the Year Ended 31 March 2024

Purchases	Cost (£)
Vanguard Global Small-Cap Index Fund GBP Acc	5,140,000
LF Lightman European Fund I Acc	5,087,000
Legal & General Global Emerging Markets Index Fund C Class Acc	4,685,000
Legal & General Global Health & Pharmaceuticals Index Trust C Class Acc	4,075,000
MSCI World Materials UCITS ETF 1C	3,890,630
TM Redwheel UK Equity Income Fund S Acc	3,679,000
Fidelity Index US Fund P Acc	3,563,000
First Trust Cloud Computing UCITS ETF Class A USD	3,188,852
Janus Henderson Global Financials Fund I Acc	2,828,000
FTF Martin Currie Japan Equity Fund W Acc	2,825,000
Lindsell Train Global Equity Fund B GBP Inc	2,572,000
Legal & General Pacific Index Trust C Class Acc	2,542,000
Lyxor Core UK Equity All Cap (DR) UCITS ETF	2,480,924
iShares S&P 500 Equal Weight UCITS ETF USD Acc	2,472,732
Premier Miton UK Growth C Income	2,254,000
Royal London Sterling Credit Fund Z Inc	1,990,000
iShares UK Equity Index Fund (UK) Class D	1,948,000
Royal London Short Term Fixed Income Fund Y Acc	1,612,000
Total	**56,833,138**

The above table represents all purchases for the year.

MF Vela Adventurous Fund

Summary of Material Portfolio Changes (continued)

For the Year Ended 31 March 2024

Sales	Proceeds (£)
Premier Miton UK Growth C Income	2,199,284
iShares UK Equity Index Fund (UK) Class D	1,937,025
Royal London Short Term Fixed Income Fund Y Acc	1,627,826
Fidelity Index US Fund P Acc	1,300,000
Total	**7,064,135**

The above table represents all sales for the year.

MF Vela Adventurous Fund

Statement of Total Return

For the Year Ending 31 March 2024*

	Note	£	£
Income			
Net Capital Gain	2		5,521,197
Revenue	3	556,373	
Expenses	4	(224,546)	
Net revenue before taxation		331,827	
Taxation	5	-	
Net revenue after taxation			331,827
Total return before distributions			**5,853,024**
Distributions	6		(331,827)
Change in net assets attributable to shareholders from investment activities			**5,521,197**

Statement of Changes in Net Assets Attributable to Shareholders

For the Year Ending 31 March 2024*

		£	£
Opening net assets attributable to shareholders			-
Amounts receivable on issue of shares		54,765,266	
Amounts payable on cancellation of shares		(3,734,697)	
			51,030,569
Dilution Adjustment			3,694
Change in net assets attributable to shareholders from investment activities			5,521,197
Retained distribution on accumulation shares			357,668
Closing net assets attributable to shareholders			**56,913,128**

*The above details and those in the accompanying notes represent the total for the Sub-Fund for the period 3 April 2023 (date of initial offer period) to 31 March 2024. There are no comparative figures.

MF Vela Adventurous Fund

Balance Sheet

As at 31 March 2024*

Assets	Note	£	£
Fixed Assets			
Investment Assets	15		55,573,556
Current Assets			
Debtors	7	464,280	
Cash and bank balances	8	1,007,208	
Total Current Assets			**1,471,488**
Total Assets			**57,045,044**
Liabilities			
Creditors			
Other Creditors	9	(131,916)	
Total creditors			**(131,916)**
Total liabilities			**(131,916)**
Net assets attributable to shareholders	13		**56,913,128**

*The above details and those in the accompanying notes represent the total for the Sub-Fund for the period 3 April 2023 (date of initial offer period) to 31 March 2024. There are no comparative figures.

The notes on pages 29-35 form part of these financial statements.

MF Vela Adventurous Fund

Notes to the Financial Statements as at 31 March 2024

1. Accounting Policies

Refer to the Statement of Accounting Policies and Combined Notes.

2. Net Capital Gains/(Losses)

	31.03.24
	£
The net capital gains during the year comprise:	
Non-derivative securities' gains*	5,529,418
Currency gains	1,350
Transaction charges	(9,571)
Net capital gains	**5,521,197**

*Includes realised gains of £22,631 and unrealised gains of £5,506,787.

3. Revenue

	31.03.24
	£
Bank Interest	95,302
Franked UK dividends	303,031
Unfranked UK dividends	68,656
Overseas dividends	89,239
Other income	145
Total revenue	**556,373**

4. Expenses

	31.03.24
	£
Payable to the ACD, associates of the ACD and agents of either of them:	
Annual management charge	165,374
	165,374
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary Fee	10,930
Custody Safekeeping Charge	2,959
	13,889
Other expenses:	
Fees paid to auditor - audit of financial statements	10,800
Other Fees and Expenses	34,483
	45,283
Total expenses	**224,546**

MF Vela Adventurous Fund

Notes to the Financial Statements as at 31 March 2024 (continued)

5. Taxation

	31.03.24
	£
(a) Analysis of charge in the year:	
Overseas tax	-
Total tax charge (note 5b)	-

(b) Factors affecting current tax charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%). The difference is explained below:	
Net revenue before taxation	331,827
Corporation tax at 20%	66,365
Effects of:	
Franked UK dividends	(60,606)
Non-taxable overseas dividend	(17,848)
Movement in surplus management expenses	12,089
Total Taxation (note 5a)	-

(c) Provision for deferred tax

At the year end, the Sub-Fund has unutilised management expenses of £60,445 and a potential deferred tax asset of £12,089. It is unlikely the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

6. Distributions

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

	31.03.24
	£
Interim distributions	153,728
Final distributions	203,940
Add income deducted on cancellation of shares	(37,062)
Deduct income received on issue of shares	11,221
Net distributions for the year	**331,827**
Distributions represented by:	
Net revenue after taxation	331,827
Allocation to capital:	
Revenue deficit for the year	-
Net distributions for the year	**331,827**

MF Vela Adventurous Fund

Notes to the Financial Statements as at 31 March 2024 (continued)

7. Debtors

	31.03.24
	£
Amounts receivable on issue of shares	430,784
Dividends receivable	28,998
Interest receivable	4,498
Total debtors	**464,280**

8. Cash and Bank Balances

	31.03.24
	£
Bank balances:	
Cash account	1,007,208
Total bank balances	**1,007,208**

9. Creditors

	31.03.24
	£
Amounts payable on cancellation of shares	93,579
	93,579
Accrued expenses:	
Amounts payable to the ACD, associates of the ACD and agents of either of them:	
Annual Management Charge	18,857
	18,857
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary Fee	3,227
Custody Transaction Charge	1,053
Custody Safekeeping Charge	981
	5,261
Other accrued expenses:	
Fees payable to auditor - audit of financial statements	10,800
Other Fees and Payables	3,419
	14,219
Total other creditors	**131,916**

10. Related Party Transactions

Disclosure is made in note 2 of the Statement of Accounting Policies and Combined Notes.

11. Share Classes

Disclosure is made in note 3 of the Statement of Accounting Policies and Combined Notes.

12. Commitments and Contingent Liabilities

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date.

MF Vela Adventurous Fund

Notes to the Financial Statements as at 31 March 2024 (continued)

13. Derivatives and Other Financial Instruments

The main risks from the Sub-Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 4 of the Statement of Accounting Policies and Combined Notes. Disclosures specific to this Sub-Fund are made below:

i. Interest rate risk

The table below shows the direct interest rate risk profile:

	31.03.24
	£
Floating rate assets:	
Euro	1,239
Pound Sterling	1,005,969
	1,007,208
Assets on which interest is not paid:	
Euro	4,384,772
Pound Sterling	51,653,064
	56,037,836
Liabilities on which interest is not paid:	
Pound Sterling	(131,916)
	(131,916)
Net assets	**56,913,128**

The floating rate financial assets and financial liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the UK SONIA or its international equivalents.

The Sub-Fund is also exposed to indirect interest rate risk in the form of interest rate risk of the underlying investments.

ii. Derivatives

The Sub-Fund may use derivatives for efficient portfolio management; the Net Asset Value may therefore, at times, increase in volatility and the risk profile may change. However, it is the Investment Manager's intention that the Sub-Fund, owing to its portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of its underlying investments.

iii. Market price risk

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

Market price risk represents the potential loss the Sub-Fund may suffer through holding market positions in the face of price movements. The Sub-Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

The NAV would increase or decrease by the following amounts if the market prices increased or decreased by the following percentages and if all other variables remained constant.

	31.03.24
	£
1%	555,736
3%	1,667,207
5%	2,778,678

MF Vela Adventurous Fund

Notes to the Financial Statements as at 31 March 2024 (continued)

13. Derivatives and Other Financial Instruments (continued)

iv. Foreign currency risk

The table below shows the direct foreign currency risk profile as at the balance sheet date:

	31.03.24
Currency:	**£**
Euro	4,386,011
Pound Sterling	52,527,117
	56,913,128

The NAV would increase or decrease by the following amounts if the Pound Sterling increased or decreased by the following percentages and if all other variables remained constant.

	31.03.24
	£
1%	43,860
3%	131,580
5%	219,301

14. Portfolio Transaction Costs

Commissions and taxes as a % of average net assets:

	2024
Commissions	0.02%
Taxes	0.00%

Commissions and taxes as a % of relevant purchase and sale amounts:

31.03.24 Purchases	Base Currency	Value (base)	Commissions	%	Tax	%
Open-Ended Funds	GBP	56,833,138	9,571	0.0168%	-	0.0000%
Total purchases including commissions and taxes	£56,842,709					

31.03.24 Sales	Base Currency	Value (base)	Commissions	%	Tax	%
Open-Ended Funds	GBP	7,064,135	-	0.0000%	-	0.0000%
Total sales net of commissions and taxes	£7,064,135					

The Sub-Fund incurred £9,571 direct transaction costs during the year on total purchases and sales. Due to the nature of the instruments held by the Sub-Fund, purchases and sales do not usually attract direct explicit transaction costs. Implied trade costs are incurred during the year as a result of the dealing spread between the bid and offer prices for the specific instruments traded.

The average portfolio dealing spread for the year ended 31 March 2024 is 0.0677%. This spread is the difference between the values determined respectively by reference to the bid and offer prices of investment.

MF Vela Adventurous Fund

Notes to the Financial Statements as at 31 March 2024 (continued)

15. Valuation of Financial Instruments

Fair values

In the opinion of the ACD there is no material difference between the book values and the fair values of the other financial assets and financial liabilities.

FRS 102 establishes a hierarchy to be used to estimate the fair value of investments that are publicly traded or whose fair value can be reliably measured if they are not publicly traded. The levels of the hierarchy are as follows:

1. Fair value based on a quoted price for an identical instrument in an active market.
2. Fair value based on a valuation technique using observable market data.
3. Fair value based on a valuation technique that relies significantly on non-observable market data and will include values not primarily derived from observable market data.

The following table presents the Sub-Funds' investment assets by level within the valuation hierarchy as at 31 March 2024.

	Level 1 £	Level 2 £	Level 3 £	Total £
Investments valued at fair value	55,573,556	-	-	55,573,556

16. Reconciliation of Movement in Shares

	'A' Accumulation
Opening number of shares	-
Shares created	54,678,284
Shares cancelled	(3,619,521)
Closing number of shares	**51,058,763**

MF Vela Adventurous Fund

Distribution Table for the Year Ended 31 March 2024 - Pence per Share

Interim Distribution

Group 1 - Shares purchased on or after 3 April 2023 and on or before 30 September 2023

'A' Accumulation Shares	Net revenue	Equalisation	Reinvested 30.09.2023
Group 1	0.3478	0.0000	0.3478
Group 2	0.3187	0.0291	0.3478

Final Distribution

Group 1 - Shares purchased prior to 1 October 2023

Group 2 - Shares purchased on or after 1 October 2023 and on or before 31 March 2024

'A' Accumulation Shares	Net revenue	Equalisation	Reinvested 31.03.2024
Group 1	0.3994	0.0000	0.3994
Group 2	0.1335	0.2659	0.3994

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 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 general inflation, wage inflation, interest rate projections and geopolitical tensions. This rate rise dynamic has now been replaced by a 'when will they cut' playbook, although the first cut has been pushed back almost on a monthly basis since the start of 2024.

Markets largely moved sideways for the first half of the reporting period, posting very little returns and heading slowly downwards, unless an investor had significant exposure to 'the magnificent seven' (Apple, Microsoft, Amazon, NVIDIA, Meta, Tesla and Alphabet), in particular, NVIDIA, Microsoft and Meta. The excitement around Artificial Intelligence (AI) picked up globally, which further boosted the likes of NVIDIA (designing chips to support this technology) and almost any other company which could benefit from AI, such as Amazon, Meta, Alphabet etc. The performance of 'the magnificent seven' saw the NASDAQ 100 up nearly 35% for the period at the mid-point, when most markets were languishing close to 0%. 'The magnificent seven' also contributed a 10% gain to the S&P 500, while the rest of the index constituents failed to provide decent returns during the period.

Over this first half of the reporting period, interest rates were still rising and inflation proved to be stickier than some had hoped which saw investors at the end of October looking at flat to negative returns for most multi-asset portfolios.

From the end of October 2023, things changed which was welcomed by nearly all investors. Inflation had started to fall, growth figures in the US looked robust and markets concluded that interest rate rises would now plateau and start falling in 2024.

This was a prime environment for both equities and fixed income markets to thrive. Fixed income was already providing a decent yield, having seen rates rising for 12-18 months previously, and then investors benefitted from interest rate expectations falling, and the subsequent leap in prices for bonds.

Equities also rallied strongly, the expectation that interest rates might fall fuelling the fire for an asset class which thrives on growth and cheaper borrowing costs. All assets, with the most notable exception of oil, rallied in November and December to provide most of 2023's returns in just those two months.

In the first three months of 2024, markets have continued to move upwards, with the rally broadening out, away from 'the magnificent seven', with both oil and gold pushing higher, as tensions in the Middle East continue to escalate.

Market Outlook

Following the rise in equity markets and bond prices it would not be unexpected for markets to pause or even decline marginally in the coming months. However, over the medium term we are optimistic about the prospects for both asset classes.

Global equity markets look moderately expensive on traditional valuation metrics, that is when weighting an equity market index by the constituent companies' value (market capitalisation). However, we believe that this does not tell the whole story. The aforementioned 'magnificent seven' represented almost 30% of the US market at the end of the period, these companies need, and may very well generate, significant growth to justify their high valuations. Conversely the other 70% of companies in the market offer better value. According to Blackrock, the market capitalisation weighted price to earnings ratio for the US is 23.6x whereas for an equal weighed measure 19.2x, above, but far closer to the long-term average.

MF Vela Defensive Fund

Investment Managers Report (continued)

Looking globally, valuations are at or below average in other major geographies such as Europe, Asia excluding Japan and the UK. Japanese equities, like US equities, are above their long-term average however justifying this we see meaningful evidence in a permanent improvement in the Japanese economy as well as to corporate governance in listed companies.

Bond markets also appear fair value, after a recent rise in yields. Ten-year maturity UK & US government bonds offer investors 3.92% and 4.33% per annum redemption yields respectively, this looks adequate given, inflation appears to be under control and interest rates are expected to fall.

The investment outlook is not without concerns, and we remain vigilant toward inflation, the commercial property market, and geopolitical risks stemming from the US election. There is a risk that victory on the war on inflation is called too soon. A second round of inflation would almost certainly cause meaningful declines in both equity and bond markets. Further economic data will confirm whether or not investors are correct that inflation is declining permanently.

Secondly the property market hasn't yet reached an equilibrium following higher interest rates and lower demand for office and retail space. The fall in valuations has left many commercial borrowers in negative equity. Other business models have been undermined by the lower occupancy rates meaning they are unable to cover the higher interest costs on their debt. Losses will be realised and reported as loans come up for repayment.

Current polling predicts Trump will gain a second term as President. Should he become the next president we believe there are five key polices areas that will impact investors; tariffs, lower interest rates, fossil fuel production, tax cuts and NATO reform. Firstly, Trump appears relatively serious about 10% tariffs on virtually all imports and 60% on Chinese imports. In his previous term he was able to implement tariffs without going through Congress using the Section 232 loophole that allows the President to unilaterally adjust tariffs in the interest of national security. Tariffs will disrupt global trade and cause higher inflation in the US potentially leading to higher global interest rates. Interestingly Biden has not repealed the majority of Trump's last set of tariffs.

Connected to higher inflation would be interest rates and Trump has been vocal about sacking Federal Reserve chair Jay Powell unless he lowers interest rates. Trump appointed Powell in 2018 over Janet Yellen whom he disliked for supporting the US economy under Obama's administration. While Trump may (or may not) have the power to sack Powell, it is the Federal Open Market Committee (FOMC) that sets rates. It is a committee consisting of 12 members who have often voted unanimously. It is less likely he would be able to sack all 12 members. It is more likely he has them remain in post and then blame them if the economy suffers. Trump is keen to expand production of fossil fuels and repeal many environmental subsidies which could bring down the cost of energy and therefore inflation but make sustainable investment less attractive.

Finally, NATO. Trump is an isolationist and, with justification, thinks the US is paying too much to protect Europe. The consequence of a weaker NATO would likely mean Ukraine losing the Russian occupied land with Putin then setting his sights on Latvia and Estonia, who also have large populations of "ethnic Russians". Trump's America First policy may also give China the confidence to take Taiwan. Trump's foreign policy will lead to more geopolitical insecurity, albeit maybe less war but certainly more short-term volatility in equity markets.

MF Vela Defensive Fund

Investment Managers Report (continued)

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 we 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. We increased duration during September and then decreased duration in December, banking a sizable return over the period.

With interest rates anticipated to fall during the year and bond yields to follow suit, 2024 should be a positive year for markets. However, there remains the possibility of central bank policy error, especially if inflation remains stickier than projected and wage growth remains elevated, against slowing growth numbers.

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

Sentinel Portfolio Management Limited
Investment Manager
March 2024

MF Vela Defensive Fund

Comparative Tables

Changes in net asset per share

31 March 2024	'A' Accumulation £
Opening net asset value per share	1.0000
Return before operating charges[1]	0.0762
Operating charges[2]	(0.0052)
Return after operating charges[3]	0.0710
Gross distributions on shares	(0.0086)
Accumulation distributions reinvested	0.0086
Closing net asset value per share	1.0710
*After direct transaction costs of[4]	0.0002
Performance	
Return after charges[5]	7.10%
Other information	
Closing net asset value (£)	39,313,973
Closing number of shares	36,707,633
Operating charges[6]	0.87%
Direct transaction costs[7]	0.02%
Prices	
Highest share price[8]	1.0702
Lowest share price[8]	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 year.

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 year.

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 year.

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

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 Year to 31/03/2024
MF Vela Defensive Fund (Accumulation)	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 31 March 2024

Holding	Portfolio of Investments	Value (£)	Total Net Assets
	Government Bonds		
432,500	UK Index-linked Gilt 125% 22/11/2032	822,855	2.09%
	Government Bonds Total	822,855	2.09%
	Open-Ended Funds		
3,941,064	FTF Franklin UK Gilt Fund W Acc	3,516,612	8.94%
2,444,869	Fortem Capital Progressive Growth Fund A GBP	3,172,706	8.07%
3,529,686	Legal & General Global Infrastructure Index Fund Class C	2,781,393	7.07%
23,856	Vanguard UK Short Term Investment Grade Bond Index Fund	2,764,998	7.03%
308,787	Janus Henderson Global Financials Fund I Acc	2,591,338	6.59%
23,518	Muzinich Global Market Duration Investment Grade Fund	2,365,864	6.01%
2,027,095	Artemis Target Return Bond Fund I GBP Acc	2,359,133	6.00%
19,707	TwentyFour Corporate Bond Fund GBP I Acc Class	2,359,104	6.00%
1,905,981	Royal London Sterling Credit Fund Z Inc	2,310,049	5.88%
1,520,862	TM Redwheel UK Equity Income Fund S Acc	2,022,746	5.15%
1,486,290	AXA Sterling Credit Short Duration Bond Z Gross Acc	1,964,876	5.00%
41,850	Vanguard USD Corporate Bond UCITS ETF	1,893,713	4.82%
109,144	HSBC Global Funds ICAV Global EM Government Bond Index Fund	1,189,933	3.03%
97,000	Amundi US Treasury Bond 7-10Y UCITS ETF GBP Hedged Dist	981,446	2.50%
192,902	Fidelity Index US Fund P Acc	849,347	2.16%
222,163	FTF Martin Currie Japan Equity Fund W Acc	804,673	2.05%
169,500	iShares S&P 500 Equal Weight UCITS ETF USD Acc	800,125	2.04%
329,110	Legal & General Pacific Index Trust C Class Acc	787,890	2.00%
942,572	Legal & General Global Emerging Markets Index Fund C Class Acc	765,463	1.95%
496,602	LF Lightman European Fund I Acc	762,731	1.94%
	Open-Ended Total	37,044,140	94.23%

Portfolio Of Investments	37,866,995	96.32%
Net Other Assets	1,446,978	3.68%
Net Assets	39,313,973	100.00%

MF Vela Defensive Fund

Summary of Material Portfolio Changes

For the Year Ended 31 March 2024

Purchases	Cost (£)
FTF Franklin UK Gilt Fund W Acc	3,421,000
Royal London Sterling Credit Fund Z Inc	3,282,000
AXA Sterling Credit Short Duration Bond Z Gross Acc	3,270,000
TwentyFour Corporate Bond Fund GBP I Acc Class	3,251,000
Vanguard UK Short Term Investment Grade Bond Index Fund	3,134,000
Fortem Capital Progressive Growth Fund A GBP	3,068,000
MGTS Sentinel Navigator B Acc	2,957,000
Legal & General Global Infrastructure Index Fund Class C	2,706,000
Royal London Short Term Fixed Income Fund Y Acc	2,602,000
Muzinich Global Market Duration Investment Grade Fund	2,352,000
Artemis Target Return Bond Fund I GBP Acc	2,163,000
Janus Henderson Global Financials Fund I Acc	2,035,000
TM Redwheel UK Equity Income Fund S Acc	1,843,000
Vanguard USD Corporate Bond UCITS ETF	1,765,358
Fidelity Index US Fund P Acc	1,224,000
HSBC Global Funds ICAV Global EM Government Bond Index Fund	1,054,000
Amundi US Treasury Bond 7-10Y UCITS ETF GBP Hedged Dist	994,075
Premier Miton UK Growth C Income	902,000
iShares $ Treasury Bond 20+yr UCITS ETF GBP Hedged Dist	869,280
FTF Martin Currie Japan Equity Fund W Acc	840,000
UK Index-linked Gilt 125% 22/11/2032	785,528
LF Lightman European Fund I Acc	724,000
iShares S&P 500 Equal Weight UCITS ETF USD Acc	720,348
Legal & General Pacific Index Trust C Class Acc	720,000
Legal & General Global Emerging Markets Index Fund C Class Acc	719,000
Total	**47,401,589**

The above table represents all purchases for the year.

MF Vela Defensive Fund

Summary of Material Portfolio Changes (continued)

For the Year Ended 31 March 2024

Sales	Proceeds (£)
MGTS Sentinel Navigator B Acc	2,976,544
Royal London Short Term Fixed Income Fund Y Acc	2,629,911
AXA Sterling Credit Short Duration Bond Z Gross Acc	1,450,000
Royal London Sterling Credit Fund Z Inc	1,180,000
TwentyFour Corporate Bond Fund GBP I Acc Class	1,160,000
iShares $ Treasury Bond 20+yr UCITS ETF GBP Hedged Dist	955,800
Premier Miton UK Growth C Income	877,942
Fidelity Index US Fund P Acc	604,000
Vanguard UK Short Term Investment Grade Bond Index Fund	542,000
Total	**12,376,197**

The above table represents all sales for the year.

MF Vela Defensive Fund

Statement of Total Return

For the Year Ending 31 March 2024*

	Note	£	£
Income			
Net Capital Gain	2		2,531,937
Revenue	3	475,934	
Expenses	4	(173,269)	
Net revenue before taxation		302,665	
Taxation	5	(36,392)	
Net revenue after taxation			266,273
Total return before distributions			**2,798,210**
Distributions	6		(266,273)
Change in net assets attributable to shareholders from investment activities			**2,531,937**

Statement of Changes in Net Assets Attributable to Shareholders

For the Year Ending 31 March 2024*

		£	£
Opening net assets attributable to shareholders			-
Amounts receivable on issue of shares		39,424,846	
Amounts payable on cancellation of shares		(2,932,043)	
			36,492,803
Change in net assets attributable to shareholders from investment activities			2,531,937
Retained distribution on accumulation shares			289,233
Closing net assets attributable to shareholders			**39,313,973**

*The above details and those in the accompanying notes represent the total for the Sub-Fund for the period 3 April 2023 (date of initial offer period) to 31 March 2024. There are no comparative figures.

MF Vela Defensive Fund

Balance Sheet

As at 31 March 2024*

Assets	Note	£	£
Fixed Assets			
Investment Assets	15		37,866,995
Current Assets			
Debtors	7	317,192	
Cash and bank balances	8	1,307,475	
Total Current Assets			**1,624,667**
Total Assets			**39,491,662**
Liabilities			
Creditors			
Other Creditors	9	(177,689)	
Total creditors			**(177,689)**
Total liabilities			**(177,689)**
Net assets attributable to shareholders	13		**39,313,973**

*The above details and those in the accompanying notes represent the total for the Sub-Fund for the period 3 April 2023 (date of initial offer period) to 31 March 2024. There are no comparative figures.

The notes on pages 47-53 form part of these financial statements.

MF Vela Defensive Fund

Notes to the Financial Statements as at 31 March 2024

1. Accounting Policies

Refer to the Statement of Accounting Policies and Combined Notes.

2. Net Capital Gains/(Losses)

	31.03.24 £
The net capital gains during the year comprise:	
Non-derivative securities' gains*	2,538,974
Transaction charges	(7,037)
Net capital gains	**2,531,937**

*Includes realised gains of £282,209 and unrealised gains of £2,256,765.

3. Revenue

	31.03.24 £
Bank Interest	76,105
Unfranked interest	13,282
Franked UK dividends	120,704
Unfranked UK dividends	258,785
Interest from debt securities	6,640
Other income	418
Total revenue	**475,934**

4. Expenses

	31.03.24 £
Payable to the ACD, associates of the ACD and agents of either of them:	
Annual management charge	116,514
	116,514
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary Fee	9,048
Custody Safekeeping Charge	2,130
	11,178
Other expenses:	
Fees paid to auditor - audit of financial statements	10,800
Other Fees and Expenses	34,777
	45,577
Total expenses	**173,269**

MF Vela Defensive Fund

Notes to the Financial Statements as at 31 March 2024 (continued)

5. Taxation

	31.03.24
	£
(a) Analysis of charge in the year:	
Corporation tax	36,392
Total tax charge (note 5b)	36,392

(b) Factors affecting current tax charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%). The difference is explained below:	
Net revenue before taxation	302,665
Corporation tax at 20%	60,533
Effects of:	
Franked UK dividends	(24,141)
Total Taxation (note 5a)	**36,392**

6. Distributions

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

	31.03.24
	£
Interim distributions	147,085
Final distributions	142,148
Add income deducted on cancellation of shares	7,720
Deduct income received on issue of shares	(30,680)
Net distributions for the year	**266,273**
Distributions represented by:	
Net revenue after taxation	266,273
Allocation to capital:	
Revenue deficit for the year	-
Net distributions for the year	**266,273**

MF Vela Defensive Fund

Notes to the Financial Statements as at 31 March 2024 (continued)

7. Debtors

	31.03.24
	£
Amounts receivable on issue of shares	276,372
Dividends receivable	30,696
Interest receivable	10,124
Total debtors	**317,192**

8. Cash and Bank Balances

	31.03.24
	£
Bank balances:	
Cash account	1,307,475
Total bank balances	**1,307,475**

9. Creditors

	31.03.24
	£
Amounts payable on cancellation of shares	109,752
	109,752
Accrued expenses:	
Amounts payable to the ACD, associates of the ACD and agents of either of them:	
Annual Management Charge	13,208
	13,208
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary Fee	2,298
Custody Transaction Charge	956
Custody Safekeeping Charge	689
	3,943
Other accrued expenses:	
Fees payable to auditor - audit of financial statements	10,800
Other Fees and Payables	3,594
Corporation tax payable	36,392
	50,786
Total other creditors	**177,689**

10. Related Party Transactions

Disclosure is made in note 2 of the Statement of Accounting Policies and Combined Notes.

11. Share Classes

Disclosure is made in note 3 of the Statement of Accounting Policies and Combined Notes.

12. Commitments and Contingent Liabilities

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date.

MF Vela Defensive Fund

Notes to the Financial Statements as at 31 March 2024 (continued)

13. Derivatives and Other Financial Instruments

The main risks from the Sub-Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 4 of the Statement of Accounting Policies and Combined Notes. Disclosures specific to this Sub-Fund are made below:

i. Interest rate risk

The table below shows the direct interest rate risk profile:

	31.03.24
	£
Floating rate assets:	
Pound Sterling	1,307,475
	1,307,475
Fixed rate assets:	
Pound Sterling	822,855
	822,855
Assets on which interest is not paid:	
Pound Sterling	37,361,332
	37,361,332
Liabilities on which interest is not paid:	
Pound Sterling	(177,689)
	(177,689)
Net assets	**39,313,973**

The floating rate financial assets and financial liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the UK SONIA or its international equivalents.

The Sub-Fund is also exposed to indirect interest rate risk in the form of interest rate risk of the underlying investments.

ii. Derivatives

The Sub-Fund may use derivatives for efficient portfolio management; the Net Asset Value may therefore, at times, increase in volatility and the risk profile may change. However, it is the Investment Manager's intention that the Sub-Fund, owing to its portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of its underlying investments.

iii. Market price risk

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

Market price risk represents the potential loss the Sub-Fund may suffer through holding market positions in the face of price movements. The Sub-Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

The NAV would increase or decrease by the following amounts if the market prices increased or decreased by the following percentages and if all other variables remained constant.

	31.03.24
	£
1%	378,670
3%	1,136,010
5%	1,893,350

MF Vela Defensive Fund

Notes to the Financial Statements as at 31 March 2024 (continued)

13. Derivatives and Other Financial Instruments (continued)

iv. Foreign currency risk

The Sub-Fund was not exposed to foreign currency risk as at the balance sheet date.

14. Portfolio Transaction Costs

Commissions and taxes as a % of average net assets:

	2024
Commissions	0.02%
Taxes	0.00%

Commissions and taxes as a % of relevant purchase and sale amounts:

31.03.24 Purchases	Base Currency	Value (base)	Commissions	%	Tax	%
Government Bonds	GBP	785,528	235	0.0299%	-	0.0000%
Open-Ended Funds	GBP	46,616,061	6,467	0.0139%	-	0.0000%
Total purchases including commissions and taxes	£47,408,291					

31.03.24 Sales	Base Currency	Value (base)	Commissions	%	Tax	%
Open-Ended Funds	GBP	12,376,197	335	0.0027%	-	0.0000%
Total sales net of commissions and taxes	£12,375,862					

The Sub-Fund incurred £7,037 direct transaction costs during the year on total purchases and sales. Due to the nature of the instruments held by the Sub-Fund, purchases and sales do not usually attract direct explicit transaction costs. Implied trade costs are incurred during the year as a result of the dealing spread between the bid and offer prices for the specific instruments traded.

The average portfolio dealing spread for the year ended 31 March 2024 is 0.0141%. This spread is the difference between the values determined respectively by reference to the bid and offer prices of investment.

15. Valuation of Financial Instruments

Fair values

In the opinion of the ACD there is no material difference between the book values and the fair values of the other financial assets and financial liabilities.

FRS 102 establishes a hierarchy to be used to estimate the fair value of investments that are publicly traded or whose fair value can be reliably measured if they are not publicly traded. The levels of the hierarchy are as follows:

1. Fair value based on a quoted price for an identical instrument in an active market.
2. Fair value based on a valuation technique using observable market data.
3. Fair value based on a valuation technique that relies significantly on non-observable market data and will include values not primarily derived from observable market data.

MF Vela Defensive Fund

Notes to the Financial Statements as at 31 March 2024 (continued)

15. Valuation of Financial Instruments (continued)

Fair values (continued)

The following table presents the Sub-Funds' investment assets by level within the valuation hierarchy as at 31 March 2024.

	Level 1 £	Level 2 £	Level 3 £	Total £
Investments valued at fair value	37,866,995	-	-	37,866,995

16. Reconciliation of Movement in Shares

	'A' Accumulation
Opening number of shares	-
Shares created	39,598,484
Shares cancelled	(2,890,851)
Closing number of shares	**36,707,633**

MF Vela Defensive Fund

Distribution Table for the Year Ended 31 March 2024 - Pence per Share

Interim Distribution

Group 1 - Shares purchased on or after 3 April 2023 and on or before 30 September 2023

'A' Accumulation Shares	Net revenue	Equalisation	Reinvested 30.09.2023
Group 1	0.4743	0.0000	0.4743
Group 2	0.4239	0.0504	0.4743

Final Distribution

Group 1 - Shares purchased prior to 1 October 2023

Group 2 - Shares purchased on or after 1 October 2023 and on or before 31 March 2024

'A' Accumulation Shares	Net revenue	Equalisation	Reinvested 31.03.2024
Group 1	0.3872	0.0000	0.3872
Group 2	0.1887	0.1985	0.3872

MINERVA FUND MANAGEMENT SOLUTIONS LIMITED

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