

UK EQUITY FUND FOR CHARITIES

INVESTMENT OBJECTIVE

The UK Equity Fund seeks to provide a level of income and investment growth greater than that of the FTSE All Share by investing ethically in the shares of UK companies.

ETHICAL INVESTING

Christian ethics are a first principle matter for Epworth. We aim to ensure that our investment decisions are consistent with the Christian faith. As such, all investments chosen by the fund must adhere to Epworth's established ethical pillars. To qualify for inclusion, each asset undergoes a meticulous due diligence process conducted by Epworth's experienced investment team and subsequently presented to the Asset Allocation Committee for evaluation. Continuous, rigorous monitoring of investments is conducted by the Epworth team. This involves regular interactions with the management of respective companies and third-party funds. The Responsible Investment Committee at Epworth is actively consulted in instances where specific stewardship concerns arise. For illustrative instances of fund investments and their qualification criteria, please refer to the accompanying case study map.

FUND SUMMARY

| | |
|--|--|
| Fund Type | Charity Authorised Investment Fund (CAIF) |
| Inception Date | 30 April 2019 |
| Fund Size (30 June 2024) | £49.1m |
| Valuation & Dealing Dates | Daily |
| Minimum Investment | £1,000 |
| ISIN | GB00BJBT2C42 (Income) GB00BJBT2D58 (Accumulation) |
| Benchmark | FTSE All Share Index |
| Management Fee | 0.55% p.a. |
| Ongoing Charges Figure (2023 Average) | 0.80% p.a. |
| Dilution Levy | 0.20% |
| Report Frequency | Quarterly |
| Historic Yield per Annum (Estimated to 30 June 2024) | 3.18% |

TOP 10 HOLDINGS

| AS AT 30 JUNE 2024 | WEIGHTING (%) |
|-------------------------------|---------------|
| 1 AstraZeneca | 6.1 |
| 2 HSBC Holdings | 6.1 |
| 3 Unilever | 5.9 |
| 4 Relx | 5.4 |
| 5 GSK | 3.4 |
| 6 Rio Tinto | 3.1 |
| 7 Ashtead Group | 2.6 |
| 8 London Stock Exchange Group | 2.5 |
| 9 National Grid | 2.1 |
| 10 Segro REIT | 2.1 |

CARBON FOOTPRINT ANALYSIS



FUND VS FTSE ALL-SHARE

At 30 June 2024
Source: Clarity AI

COMMENTARY

UK equities recovered a little of their recent underperformance against global markets in sterling terms, as a pick-up in leading economic indicators was further bolstered by the cheap valuations of UK stocks attracting significant bidding interest from foreign purchasers looking to pick up good quality assets for bargain prices.

Epworth's UK funds significantly outperformed the FTSE All-Share benchmark in the second quarter, principally due to strength in the IT sector. Specifically, conviction holding Keywords Studios was approached by a private equity group at a 67% premium to previous close. As Keywords is not part of the benchmark this resulted in a sizeable contribution to relative performance.

Other principal conviction outperformers during the period were IntegraFin, a leading UK investment platform provider, and Softcat, a leading provider of IT infrastructure to the corporate and public sector. Although not subject to takeover interest themselves, a number of takeover negotiations within these sectors has seen share prices of peers rally, helping to recover some of the valuation gap that has opened up to US comparators. The UK funds also benefitted from excluding the alcohol brewer Diageo, one of the largest stocks in the FTSE 100 which was weak over the period.

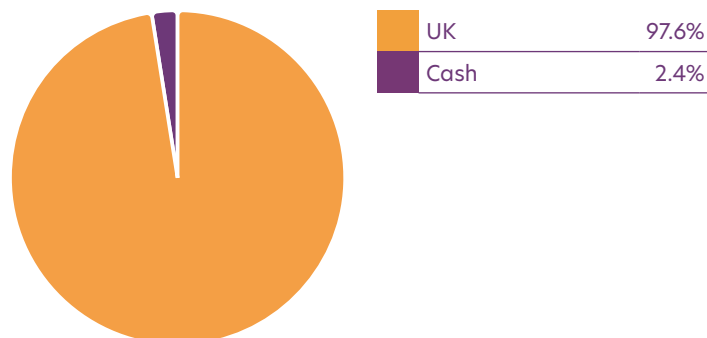
GlobalData Plc was added as a new conviction position during the quarter, funded by exiting positions in FDM Group and XP Power. GlobalData is a data analytics and consulting company providing proprietary data, analytics, and insights to clients across multiple sectors, as stock that the team has been tracking for some time. It has a blue-chip global client base resulting in a high level of recurring revenues and cash flow, some of which is deployed into small bolt-on acquisitions that help to increase the importance of these services to existing clients, as well as drawing in new ones. It was felt that this stock would provide the portfolio with a higher quality and less cyclical conviction exposure than the companies it replaced.

PERFORMANCE

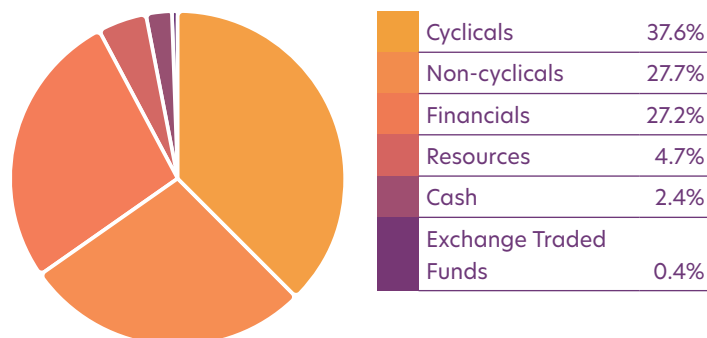
| | 1 year % | 3 years % p.a. | Since 30.04.19 % p.a. |
|------------------------|----------|----------------|-----------------------|
| To 30 June 2024 | | | |
| Fund | 12.8 | 3.9 | 4.5 |
| Benchmark | 13.0 | 7.4 | 5.5 |

| | 2024 % | 2023 % | 2022 % | 2021 % | 2020 % |
|-----------------------------|--------|--------|--------|--------|--------|
| 12 Months to 30 June | | | | | |
| Fund | 12.8 | 5.2 | -5.6 | 24.5 | -10.5 |
| Benchmark | 13.0 | 7.9 | 1.6 | 21.5 | -13.0 |

SPREAD OF INVESTMENTS BY MARKET



SPREAD OF INVESTMENTS BY SECTOR



NEXT STEPS

Please visit our website
epworthim.com

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RISK WARNING

Epworth Investment Management Limited ("Epworth") is authorised and regulated by the Financial Conduct Authority (FCA Registered Number 175451). It is incorporated in England and Wales (Registered Number 3052894), with a registered office at 9 Bonhill Street, London EC2A 4PE and is wholly owned by the Central Finance Board of the Methodist Church. Epworth-managed funds are designed for long term investors. The value of units in funds can fall as well as rise and past performance is not a guide to future returns. The level of income is also variable and investing in Epworth funds will not be suitable for you if you cannot accept the possibility of capital losses or reduced income. Any estimates of future capital or income returns or details of past performance are for information purposes and are not to be relied on as a guide to future performance.