

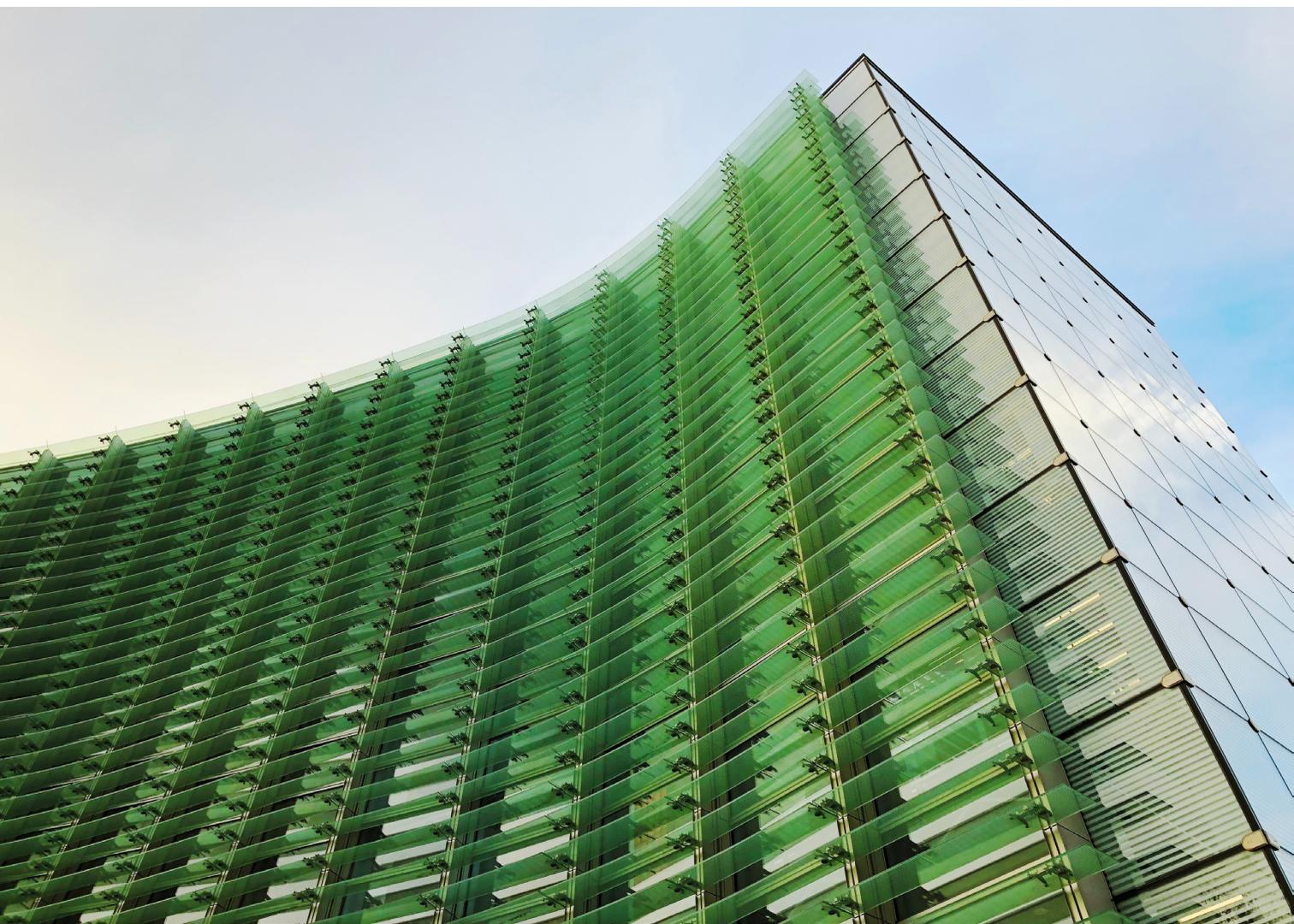


WS Blue Whale Investment Funds

(Formerly LF Blue Whale Investment Funds)

WS Blue Whale Growth Fund
(Formerly LF Blue Whale Growth Fund)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



AUTHORISED CORPORATE DIRECTOR (‘ACD’)

WAYSTONE MANAGEMENT (UK) LIMITED

Head Office:
2nd Floor
20-22 Bedford Row
Holborn
London WC1R 4EB
Telephone: 0345 922 0044
Email: investorservices@linkgroup.co.uk
(Authorised and regulated by
the Financial Conduct Authority)

DIRECTORS OF THE ACD

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

* Non-Executive Directors of the ACD.

INVESTMENT MANAGER

BLUE WHALE CAPITAL LLP

21-22 Grosvenor Street
London W1K 4QJ
Email: info@bluewhale.co.uk
(Authorised and regulated by
the Financial Conduct Authority)

DEPOSITARY

NORTHERN TRUST INVESTOR SERVICES LIMITED

50 Bank Street
Canary Wharf
London E14 5NT
(Authorised and regulated by
the Financial Conduct Authority)

REGISTRAR AND ADMINISTRATOR

LINK FUND ADMINISTRATORS LIMITED

Customer Service Centre:
Central Square
29 Wellington Street
Leeds LS1 4DL
Telephone: 0345 922 0044
Fax: 0113 224 6001
(Authorised and regulated by
the Financial Conduct Authority)

INDEPENDENT AUDITOR

KPMG LLP

319 St Vincent Street
Glasgow G2 5AS

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ACD'S REPORT

for the year ended 31 December 2023

Authorised Status

WS Blue Whale Investment Funds ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC001095 and authorised by the Financial Conduct Authority ('FCA') with effect from 14 August 2017. The Company has an unlimited duration.

The Company and its sub-fund is a UK UCITS scheme and the base currency of the Company and its sub-fund is pounds sterling.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

ACD's Statement

ECONOMIC UNCERTAINTY

Whilst the outbreak of COVID-19 in March 2020 now seems a distant memory, Russia's incursion into Ukraine in February 2022 remains an unresolved conflict, that has led to inflationary pressures globally. Add to this the Israeli – Hamas conflict, that commenced in October 2023, and we are faced with consequences in both the domestic and global economy. Significant increases in the prices of energy and commodities have reverberated around the world, leading to many countries seeing inflation rates at levels not seen for many years. To curb the increase in inflation, many nations' central banks have, over recent times, been progressively increasing interest rates. One might suggest we are now close to the peak of interest rates as inflation, in most economies, is heading in a downward trajectory. What is not clear at this time is whether the consequences of these events will culminate in local, or even a global recession or whether a 'soft-landing' is attainable.

Important Information

With effect from 9 October 2023:

- The Authorised Corporate Director of the Company changed to Waystone Management (UK) Limited 'WMUK';
- In addition to the sub-fund name change with 'WS' replacing 'LF', the Company name changed to WS Blue Whale Investment Funds;
- The head office and registered office of the Company changed to 2nd floor, 20-22 Bedford Row, Holborn, London WC1R 4EB; and
- The website for the publication of prices and obtaining documents of the Company changed to www.waystone.com.

ACD'S REPORT *continued*

for the year ended 31 December 2023

Remuneration Disclosure

On 9 October 2023 the ACD of the Company changed. This report and these accounts are being produced by the Company's current ACD and the disclosures below relate to the most recent period for which audited information in respect of the current ACD is available, being the year ended 31 December 2022.

Investors' attention is drawn to the following:

- The remuneration arising in respect of the accounting period for which this report and accounts is being prepared related to the Company's previous ACD. We understand that the previous ACD discloses information in respect of that remuneration on its website.
- The change of ACD was part of a wider corporate transaction whereby substantially all the previous ACD's Funds were transferred to the current ACD. As a result circa £83 billion of funds under management were transferred to the current ACD. The effects of this transaction in terms of remuneration will be reported to investors in due course once more recent audited accounts for the current ACD are available.

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.

The fixed remuneration paid by the ACD to its staff in respect of all funds that it manages in the year ended 31 December 2022 was £823,929 and was shared amongst 12 members of staff (2021: £751,344; 12 members of staff). The fixed remuneration paid by the ACD to the Remuneration Code Staff for the year ended 31 December 2022 was £292,500, shared amongst 3 employees. All 12 ACD staff members were fully or partially involved in the activities of the Company. The ACD did not pay any variable remuneration. 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 actions had a material impact on the risk profile of the Company.

Securities Financing Transactions

The Company has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

Task Force on Climate-related Financial Disclosures ('TCFD')

In accordance with current Financial Conduct Authority rules, the ACD is required to publish its own TCFD report and that of each fund. The report can be found at <https://www.fundsolutions.net/tcf-d-reporting/> and the report of the Fund can be found at <https://www.fundsolutions.net/uk/blue-whale-capital-llp/ws-blue-whale-investment-funds/tcf-d-reporting/>.

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

ACD'S REPORT *continued*

for the year ended 31 December 2023

Value Assessment

In accordance with current FCA rules, the ACD is required to carry out an annual assessment on whether the Company provides value to investors. The outcome of the latest assessment is available on the ACD's website.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Blue Whale Investment Funds

27 March 2024

DIRECTOR'S STATEMENT

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

K.J. MIDL
WAYSTONE MANAGEMENT (UK) LIMITED
ACD of WS Blue Whale Investment Funds
27 March 2024

STATEMENT OF ACD'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Collective Investment Schemes sourcebook published by the FCA ('the COLL Rules') requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Company, comprising its sub-fund, and of the net revenue/expense and net capital gains/losses on the property of the Company's sub-fund for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE WS BLUE WHALE INVESTMENT FUNDS ('THE COMPANY')

The Depositary must ensure that the Company is managed in accordance with the FCA's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the 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, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are 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 Authorised Fund Manager ('the AFM'), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

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

Having carried out such procedures as we consider 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 AFM:

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

NORTHERN TRUST INVESTOR SERVICES LIMITED

UK Trustee and Depositary Services

27 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE WS BLUE WHALE INVESTMENT FUNDS ('THE COMPANY')

Opinion

We have audited the financial statements of the Company for the year ended 31 December 2023 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Shareholders, the Balance Sheet, the Related Notes and Distribution tables for the Company and the accounting policies set out on pages 28 and 29.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Company as at 31 December 2023 and of the net revenue and the net capital gains on the property of the Company for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Authorised Corporate Director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE WS BLUE WHALE INVESTMENT FUNDS ('THE COMPANY') *continued*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the ACD, the Depositary, the Administrator and the Investment Manager;

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the ACD and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Company’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE WS BLUE WHALE INVESTMENT FUNDS ('THE COMPANY') *continued*

Fraud and breaches of laws and regulations – ability to detect *continued*

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with those accounting records.

Authorised Corporate Director's (Waystone Management (UK) Limited) responsibilities

As explained more fully in their statement set out on page 7, the Authorised Corporate Director is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-fund or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE WS BLUE WHALE INVESTMENT FUNDS ('THE COMPANY') *continued*

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>.

The purpose of our audit work and to whom we owe our responsibilities

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 ('the COLL Rules') 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 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.

**GRANT ARCHER
FOR AND ON BEHALF OF KPMG LLP, STATUTORY AUDITOR**

Chartered Accountants

319 St Vincent Street

Glasgow G2 5AS

27 March 2024

WS BLUE WHALE GROWTH FUND ACD'S REPORT

for the year ended 31 December 2023

Important Information

Refer to the 'Important Information' section for the ACD on page 3.

Investment Objective and Policy

The investment objective of the WS Blue Whale Growth Fund ('the Fund') is to achieve capital growth over any five year period, after all costs and charges have been taken. Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest directly and/or indirectly at least 80% of its Scheme Property by value worldwide (including emerging markets) in equities. The portfolio will be concentrated, comprising of 25 to 35 stocks.

The Fund may also invest up to 20% of its Scheme Property by value in government and public securities, money market instruments, deposits and cash.

Investment in collective investment schemes will be limited to 10%.

The Fund can invest across different geographic regions and industry sectors without limitations.

The Fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Investment Manager or their associates.

The Fund may use derivatives for the purpose of efficient portfolio management.

The minimum investment amount and ranges referenced above will not apply under extraordinary market conditions, in which circumstances the Fund may invest in asset classes other than those in which it normally invests in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, closure of a relevant market(s), or any events which give rise to high downside risk.

During such periods, the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments, or have substantial holdings in cash and cash equivalents.

WS BLUE WHALE GROWTH FUND *continued*

ACD'S REPORT *continued*

for the year ended 31 December 2023

Benchmark

The Fund's comparator benchmark is the IA Global Sector.

The Fund's performance may be compared against the IA Global Sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The comparator benchmark has been selected as we consider it assists in investors in evaluating the Fund's performance against the performance of other funds invested in similar assets.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Blue Whale Growth Fund

27 March 2024

WS BLUE WHALE GROWTH FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the year ended 31 December 2023

We started 2023 with a portfolio of companies that we felt would reassert themselves to drive outperformance for the Fund following a tricky first six months of 2022. This was certainly the case with the Fund delivering 30.4% vs. the IA Global Sector with 12.7%.

With a figure of 17.7% outperformance, this was our best year of beating our benchmark so far.

Our assertion that those companies which were so heavily hit in 2022 would come back more strongly than before was certainly the case with several key portfolio holdings. Among the top performers were Nvidia, Microsoft and Lam Research – all of which saw a reversal of fortunes from their previous 12 months to get back above their earlier high-water marks. Canadian Natural Resources was a relative newcomer to the Fund last year but was also a key contributor to performance. Visa and Mastercard were two of the companies which were able to deliver satisfying growth in both 2022 and 2023.

Notable detractors from performance were Charles Schwab and Sartorius. Schwab was hit hard during the mini banking crisis in early 2023 and struggled to regain its ground. However, with a likely higher-interest rate environment we believe the fundamentals of this business remain firmly intact and bought more of the stock as the price became even more attractive. Sartorius shares took a dip early in the year following news of an acquisition, and investors stayed away from the bioprocessing business for much of the rest of the year. However, again we felt the business remained sound and purchased more of the stock at its depressed price.

We devote a huge amount of our time to continuous research on companies in our portfolio, however, we also give considerable time to idea generation – finding new investment ideas from around the globe. Accordingly, notable new additions to the portfolio this year were Applied Materials and Danaher, and a re-entry into Meta. Making way were Autodesk, Intuit and ASML.

Looking forward in 2024, we remain of the view we hold a portfolio of high-quality companies whose strong fundamentals, and importance in an ever technologically advancing world, should continue to deliver outperformance for our investors over the long term.

BLUE WHALE CAPITAL LLP

Investment Manager

16 January 2024

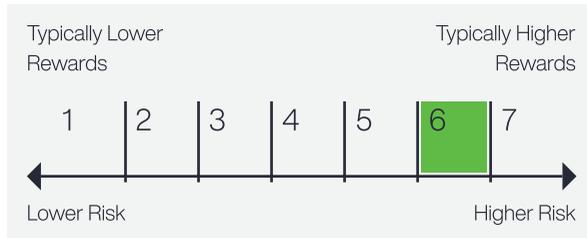
WS BLUE WHALE GROWTH FUND

ACD'S REPORT *continued*

FUND INFORMATION

for the year ended 31 December 2023

Risk and Reward Profile



This indicator shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns may have varied. It is a measure of a fund's volatility.

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

The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

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

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

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

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

Concentration Risk: The Fund intentionally holds a small number of investments (25 to 35 stocks) and so will be more concentrated than many other funds. The Fund may also invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single stock, industry sector or geographical region within the Fund may have a greater effect (loss or gain) on the value of the Fund.

For more information about the fund's risks please see the Risk Factors section of the prospectus which is available at www.waystone.com.

WS BLUE WHALE GROWTH FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the year ended 31 December 2023

Comparative Tables

I Sterling Accumulation shares

CHANGE IN NET ASSETS PER SHARE	31.12.23	31.12.22	31.12.21
	pence per share	pence per share	pence per share
Opening net asset value per share	157.11	216.35	180.87
Return before operating charges*	49.68	(57.83)	37.13
Operating charges	(1.51)	(1.41)	(1.65)
Return after operating charges	48.17	(59.24)	35.48
Distributions	(0.71)	(0.05)	–
Retained distributions on accumulation shares	0.71	0.05	–
Closing net asset value per share	205.28	157.11	216.35
* after direct transaction costs of: ¹	0.21	0.11	0.17

PERFORMANCE

Return after charges	30.66%	(27.38)%	19.62%
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OTHER INFORMATION

Closing net asset value (£'000)	513,496	433,607	655,440
Closing number of shares	250,140,085	275,995,089	302,953,692
Operating charges	0.84%	0.84%	0.83%
Direct transaction costs ¹	0.12%	0.07%	0.09%

PRICES

Highest share price	205.99	215.19	229.11
Lowest share price	157.15	143.65	169.57

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Comparative operating charges for the period ended 31 December 2019 is an annualised figure due to Fund launched less than 1 year.

WS BLUE WHALE GROWTH FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the year ended 31 December 2023

Comparative Tables *continued*

I Sterling Income shares

CHANGE IN NET ASSETS PER SHARE	31.12.23	31.12.22	31.12.21
	pence per share	pence per share	pence per share
Opening net asset value per share	156.90	216.15	180.70
Return before operating charges*	49.62	(57.78)	37.10
Operating charges	(1.51)	(1.41)	(1.65)
Return after operating charges	48.11	(59.19)	35.45
Distributions on income shares	(0.71)	(0.06)	–
Closing net asset value per share	204.30	156.90	216.15
* after direct transaction costs of: ¹	0.21	0.11	0.17

PERFORMANCE

Return after charges	30.66%	(27.38)%	19.62%
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OTHER INFORMATION

Closing net asset value (£'000)	76,015	72,550	121,675
Closing number of shares	37,207,366	46,240,978	56,293,012
Operating charges	0.84%	0.84%	0.83%
Direct transaction costs ¹	0.12%	0.07%	0.09%

PRICES

Highest share price	205.72	214.99	228.89
Lowest share price	156.95	143.52	169.41

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

WS BLUE WHALE GROWTH FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the year ended 31 December 2023

Comparative Tables *continued*

R Euro Accumulation shares (EUR)

CHANGE IN NET ASSETS PER SHARE	31.12.23 € per share	31.12.22 € per share	31.12.21 € per share
Opening net asset value per share	1.2586	1.8436	1.4504
Return before operating charges*	2.7368	(0.5635)	0.4198
Operating charges	(0.0233)	(0.0215)	(0.0266)
Return after operating charges	0.4068	(0.5850)	0.3932
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	1.6654	1.2586	1.8436
* after direct transaction costs of: ¹	0.1700	0.0900	0.0015

PERFORMANCE

Return after charges	32.32%	(31.73)%	27.11%
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OTHER INFORMATION

Closing net asset value (£'000)	11,158	9,129	14,272
Closing number of shares	7,709,048	8,178,932	9,217,147
Operating charges	1.59%	1.59%	1.58%
Direct transaction costs ¹	0.12%	0.07%	0.09%

PRICES

Highest share price	1.6700	1.8400	1.9600
Lowest share price	1.2700	1.2000	1.4100

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

WS BLUE WHALE GROWTH FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the year ended 31 December 2023

Comparative Tables *continued*

R Sterling Accumulation shares

	31.12.23	31.12.22	31.12.21
	pence per share	pence per share	pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	155.08	214.09	179.43
Return before operating charges*	48.99	(57.20)	36.79
Operating charges	(1.94)	(1.81)	(2.13)
Return after operating charges	47.05	(59.01)	34.66
Distributions	(0.26)	–	–
Retained distributions on accumulation shares	0.26	–	–
Closing net asset value per share	202.13	155.08	214.09
* after direct transaction costs of: ¹	0.21	0.11	0.17

PERFORMANCE

Return after charges	30.34%	(27.56)%	19.32%
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OTHER INFORMATION

Closing net asset value (£'000)	249,402	202,368	289,534
Closing number of shares	123,388,552	130,495,557	135,238,919
Operating charges	1.09%	1.09%	1.08%
Direct transaction costs ¹	0.12%	0.07%	0.09%

PRICES

Highest share price	202.83	212.94	226.78
Lowest share price	155.12	141.99	168.14

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

WS BLUE WHALE GROWTH FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the year ended 31 December 2023

Comparative Tables *continued*

R Sterling Income shares

	31.12.23	31.12.22	31.12.21
	pence per share	pence per share	pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	155.06	214.06	179.41
Return before operating charges*	48.99	(57.20)	36.78
Operating charges	(1.94)	(1.80)	(2.13)
Return after operating charges	47.05	(59.00)	34.65
Distributions on income shares	(0.26)	–	–
Closing net asset value per share	201.85	155.06	214.06
* after direct transaction costs of: ¹	0.21	0.11	0.17

PERFORMANCE

Return after charges	30.34%	(27.56)%	19.31%
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OTHER INFORMATION

Closing net asset value (£'000)	27,165	21,810	28,766
Closing number of shares	13,458,090	14,065,080	13,438,312
Operating charges	1.09%	1.09%	1.08%
Direct transaction costs ¹	0.12%	0.07%	0.09%

PRICES

Highest share price	202.81	212.91	226.75
Lowest share price	155.10	141.97	168.12

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

WS BLUE WHALE GROWTH FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the year ended 31 December 2023

Fund Performance to 31 December 2023 (%)

	1 year	3 years	5 years
WS Blue Whale Growth Fund	30.35	13.47	82.09
IA Global Sector ¹	12.65	17.48	64.55

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per R Sterling Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Tables due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Tables on pages 42 and 43.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not necessarily 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.

WS BLUE WHALE GROWTH FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 31 December 2023

Holding	Portfolio of investments	Value £'000	31.12.23 %
	UNITED KINGDOM – 1.80% (31.12.22 – 0.54%)		
170,000	London Stock Exchange	15,766	1.80
	IRELAND – 2.70% (31.12.22 – 0.00%)		
124,500	Flutter Entertainment	17,330	1.97
75,000	iShares USD Treasury Bond 0-1yr UCITS ETF ¹	6,371	0.73
		23,701	2.70
	ASIA – 3.97% (31.12.22 – 4.10%)		
	JAPAN – 3.97% (31.12.22 – 4.10%)		
855,000	Nintendo	34,832	3.97
	CONTINENTAL EUROPE – 21.21% (31.12.22 – 23.85%)		
	FRANCE – 2.29% (31.12.22 – 1.85%)		
145,000	Safran	20,093	2.29
	GERMANY – 4.89% (31.12.22 – 5.12%)		
148,122	Sartorius	42,895	4.89
	ITALY – 4.81% (31.12.22 – 0.00%)		
842,874	Leonardo	10,941	1.25
645,000	Moncler	31,225	3.56
		42,166	4.81
	NETHERLANDS – 7.77% (31.12.22 – 13.69%)		
24,500	Adyen	24,841	2.83
258,000	BE Semiconductor Industries	30,597	3.49
570,000	Universal Music	12,771	1.45
		68,209	7.77
	SWEDEN – 1.45% (31.12.22 – 3.19%)		
135,000	Evolution	12,740	1.45
	NORTH AMERICA – 66.28% (31.12.22 – 66.48%)		
	CANADA – 2.87% (31.12.22 – 7.07%)		
490,000	Canadian Natural Resources TSX	25,162	2.87

WS BLUE WHALE GROWTH FUND
ACD'S REPORT
PORTFOLIO STATEMENT *continued*

as at 31 December 2023

Holding	Portfolio of investments	Value £'000	31.12.23 %
UNITED STATES – 63.41% (31.12.22 – 59.41%)			
60,656	Adobe	28,398	3.24
195,000	Applied Materials	24,795	2.83
80,384	Atlassian	14,993	1.71
60,000	Celanese	7,318	0.83
1,119,000	Charles Schwab	60,450	6.89
184,000	Danaher	33,410	3.81
114,000	Dexcom	11,100	1.26
370,000	H&R Block	14,042	1.60
86,800	Lam Research	53,337	6.08
110,750	Mastercard	37,063	4.23
128,000	Meta Platforms	35,548	4.05
237,764	Microsoft	70,128	7.99
197,523	NVIDIA	76,742	8.75
330,000	Philip Morris International	24,362	2.78
417,000	Roblox	14,966	1.71
89,500	Veeva Systems	13,520	1.54
176,500	Visa	36,082	4.11
		<u>556,254</u>	<u>63.41</u>
	Portfolio of investments	841,818	95.96
	Net other assets	<u>35,418</u>	<u>4.04</u>
	Net assets	<u>877,236</u>	<u>100.00</u>

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

¹ Collective Investment Scheme.

Definition:

TSX - Toronto Stock Exchange

WS BLUE WHALE GROWTH FUND

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 December 2023

Total purchases for the period £'000 (note 15)	516,934	Total sales for the period £'000 (note 15)	587,778
	Cost £'000		Proceeds £'000
Major purchases		Major sales	
Moncler	34,634	ASML	41,402
Danaher	33,692	IDEXX Laboratories	34,244
Meta Platforms	33,006	Intuit	34,128
Compagnie Financiere Richemont	31,095	Compagnie Financiere Richemont	30,626
Flutter Entertainment	25,950	BE Semiconductor Industries	30,229
LVMH Moët Hennessy Louis Vuitton	24,572	Veeva Systems	28,617
Philip Morris International	24,560	Canadian National Railway	27,532
Applied Materials	22,565	NVIDIA	25,955
Microsoft	19,179	Dexcom	23,629
Canadian Natural Resources TSX	19,046	Canadian Natural Resources TSX	22,460

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS BLUE WHALE GROWTH FUND FINANCIAL STATEMENTS STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	£'000	31.12.23 £'000	£'000	31.12.22 £'000
Income					
Net capital gains/(losses)	3		209,908		(310,992)
Revenue	4	11,227		8,354	
Expenses	5	(7,333)		(7,883)	
Interest payable and similar charges	7	(36)		–	
Net revenue before taxation		3,858		471	
Taxation	6	(1,379)		(840)	
Net revenue/(expense) after taxation			2,479		(369)
Total return before distributions			212,387		(311,361)
Distributions	8		(2,513)		(242)
Change in net assets attributable to shareholders from investment activities			209,874		(311,603)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 December 2023

	£'000	31.12.23 £'000	£'000	31.12.22 £'000
Opening net assets attributable to shareholders		739,464		1,109,688
Amounts receivable on issue of shares	85,444		140,345	
Amounts payable on redemption of shares	(159,646)		(199,131)	
		(74,202)		(58,786)
Dilution adjustment ¹		6		19
Change in net assets attributable to shareholders from investment activities		209,874		(311,603)
Retained distribution on accumulation shares		2,094		146
Closing net assets attributable to shareholders		877,236		739,464

¹ See note 1(H)

WS BLUE WHALE GROWTH FUND
FINANCIAL STATEMENTS *continued*
BALANCE SHEET

as at 31 December 2023

	Notes	31.12.23 £'000	31.12.22 £'000
ASSETS			
Fixed assets			
Investments		841,818	702,238
Current assets			
Debtors	9	3,835	1,000
Cash and bank balances	10	<u>41,373</u>	<u>39,167</u>
Total assets		<u>887,026</u>	<u>742,405</u>
LIABILITIES			
Creditors			
Distribution payable	11	(298)	(29)
Other creditors	11	<u>(9,492)</u>	<u>(2,912)</u>
Total liabilities		<u>(9,790)</u>	<u>(2,941)</u>
Net assets attributable to shareholders		<u>877,236</u>	<u>739,464</u>

WS BLUE WHALE GROWTH FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting Policies

The principal accounting policies, which have been applied in both the current year and prior year, are set out below.

(A) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, fluctuations in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

(B) RECOGNITION OF REVENUE

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

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

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

All other revenue is recognised on an accruals basis.

(C) TREATMENT OF EXPENSES

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

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

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

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

(E) TAXATION

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Offshore income gains, from funds without reporting status, are liable to corporation 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.

WS BLUE WHALE GROWTH FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2023

1. Accounting Policies *continued*

(E) 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. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(F) BASIS OF VALUATION OF INVESTMENTS

All investments are valued at their fair value as at close of business on the last business day of the financial year.

Quoted investments are valued at fair value which generally is the bid price.

Collective investment schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds.

For investments for which there is no quoted price or for which the quoted price is unreliable, fair value is determined by the ACD, taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

(G) EXCHANGE RATES

The base and functional currency of the Fund is pounds sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rate prevailing at the close of business on the last business day of the financial year.

(H) 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 remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution adjustment may be charged in the following circumstances: where the Fund is expanding or contracting; where the Fund is experiencing a large net subscription position or a large net redemption position relative to its size on any Dealing Day; and in any case where the ACD is of the opinion that the interests of shareholders requires the imposition of a dilution adjustment.

The ACD reserves the right to make a dilution adjustment every Dealing Day. The dilution adjustment is calculated using the estimated dealing costs of the Fund's underlying investments and taking into consideration any dealing spread, commission and transfer taxes.

(I) DIRECT TRANSACTION COSTS

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread disclosed is the difference between the bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

WS BLUE WHALE GROWTH FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2023

2. Distribution Policies

Surplus revenue after expenses and taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the ACD's discretion. Final distributions are made in accordance with the COLL Sourcebook.

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

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

3. Net Capital Gains/(Losses)

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

	31.12.23 £'000	31.12.22 £'000
Non-derivative securities	210,423	(308,965)
Forward currency contracts	–	19
Transaction charges	(4)	5
Currency losses	(511)	(2,051)
Net capital gains/(losses)	<u>209,908</u>	<u>(310,992)</u>

4. Revenue

	31.12.23 £'000	31.12.22 £'000
Bank interest	703	238
Non-taxable dividends	210	–
Overseas dividends	10,314	8,116
Total revenue	<u>11,227</u>	<u>8,354</u>

WS BLUE WHALE GROWTH FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 31 December 2023

5. Expenses

	31.12.23 £'000	31.12.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	6,649	7,138
Legal and professional fees	14	5
Registration fees	227	263
	<u>6,890</u>	<u>7,406</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	155	176
Safe custody and other bank charges	59	54
	<u>214</u>	<u>230</u>
Other expenses:		
Administration fees	218	237
Audit fees	11	10
	<u>229</u>	<u>247</u>
Total expenses	<u>7,333</u>	<u>7,883</u>

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

6. Taxation

	31.12.23 £'000	31.12.22 £'000
a) Analysis of charge for the year		
Corporation tax at 20% (2022: 20%)	–	–
Overseas withholding tax	1,379	840
Deferred tax - origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	<u>1,379</u>	<u>840</u>

WS BLUE WHALE GROWTH FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 31 December 2023

6. Taxation *continued*

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.12.22: 20%).

The difference is explained below:

	31.12.23 £'000	31.12.22 £'000
Net revenue before tax	3,858	471
Corporation tax at 20% (2022: 20%)	772	94
Effects of:		
Unutilised excess management expenses	1,333	1,529
Non-taxable dividends	(42)	–
Non-taxable overseas dividends	(2,063)	(1,623)
Overseas withholding tax	1,379	840
Total tax charge (note 6a)	1,379	840

c) Deferred tax

At the year end, there is a potential deferred tax asset of £5,675,000 (31.12.22: £4,342,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

7. Interest Payable and Similar Charges

	31.12.23 £'000	31.12.22 £'000
Interest payable	36	–
Total interest payable and similar charges	36	–

WS BLUE WHALE GROWTH FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 31 December 2023

8. Distributions

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

	31.12.23 £'000	31.12.22 £'000
Interim	–	–
Final	2,392	175
	<u>2,392</u>	<u>175</u>
Add: Revenue deducted on redemption of shares	238	81
Deduct: Revenue received on shares issued	(117)	(14)
Net distribution for the year	<u>2,513</u>	<u>242</u>

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

	31.12.23 '000	31.12.22 '000
Distributions represented by:		
Net revenue/(expense) after taxation	2,479	(369)
Equalisation uplift on RDR conversions	(2)	–
Income deficit	36	611
Net distribution for the year	<u>2,513</u>	<u>242</u>

WS BLUE WHALE GROWTH FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 31 December 2023

9. Debtors

	31.12.23 £'000	31.12.22 £'000
Amount receivable for issue of shares	568	374
Sales awaiting settlement	2,266	–
Accrued revenue:		
Bank interest	54	58
Overseas dividends	713	422
	<u>767</u>	<u>480</u>
Taxation recoverable:		
Overseas withholding tax	234	146
	<u>234</u>	<u>146</u>
Total debtors	<u>3,835</u>	<u>1,000</u>

10. Cash and Bank Balances

	31.12.23 £'000	31.12.22 £'000
Bank balances	<u>41,373</u>	<u>39,167</u>
Total cash and bank balances	<u>41,373</u>	<u>39,167</u>

WS BLUE WHALE GROWTH FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 31 December 2023

11. Other Creditors

	31.12.23 £'000	31.12.22 £'000
Distribution payable	298	29
Other creditors:		
Amounts payable for redemption of shares	88	2,294
Purchases awaiting settlement	8,698	–
Currency deals awaiting settlement	9	–
	<u>8,795</u>	<u>2,294</u>
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	608	535
Legal and professional fees	1	1
Registration fees	20	19
	<u>629</u>	<u>555</u>
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	27	25
Safe custody and other bank charges	10	10
Transaction charges	1	–
	<u>38</u>	<u>35</u>
Other expenses:		
Administration fees	19	18
Audit fees	11	10
	<u>30</u>	<u>28</u>
Total other creditors	<u>9,492</u>	<u>2,912</u>

12. Related Party Transactions

The Annual Management Charge and legal and professional fees payable to Waystone Management (UK) Limited ('WMUK') and registration fees payable to Link Fund Administrators Limited (an associate of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.

WS BLUE WHALE GROWTH FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2023

12. Related Party Transactions *continued*

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 26 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 5,012,009 (31.12.22: 5,056,037) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date, the following shareholder held in excess of 20% of the shares in issue of the Fund:

Hargreaves Lansdown Nominees Limited	48.84% (31.12.22: 46.20%)
--------------------------------------	---------------------------

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.12.22: none).

14. Shares in Issue

	I Sterling Accumulation shares	I Sterling Income shares	R Euro Accumulation shares (EUR)	R Sterling Accumulation shares	R Sterling Income shares
Annual Management Charge ¹	0.75%	0.75%	1.50%	1.00%	1.00%
Opening shares in issue	275,995,089	46,240,978	8,178,932	130,495,557	14,065,080
Issues	9,504,963	1,302,633	474,761	35,904,710	1,422,797
Redemptions	(34,334,967)	(10,820,733)	(944,645)	(44,053,161)	(1,537,783)
Conversions	(1,025,000)	484,488	–	1,041,446	(492,004)
Closing shares in issue	<u>250,140,085</u>	<u>37,207,366</u>	<u>7,709,048</u>	<u>123,388,552</u>	<u>13,458,090</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for efficient portfolio management (including hedging) purposes.

WS BLUE WHALE GROWTH FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 31 December 2023

15. Risk Management Policies *continued*

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

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the fund. The ACD requires that the appointed Investment Manager to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

As the Fund seeks to obtain its return from investing mainly in equities and has no significant exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

(C) FOREIGN CURRENCY RISK

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

Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk.

WS BLUE WHALE GROWTH FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 31 December 2023

15. Risk Management Policies *continued*

(C) FOREIGN CURRENCY RISK *continued*

The table below shows the direct foreign currency risk profile:

31.12.23 Currency	Non Monetary exposures £'000	Monetary exposures £'000	Total £'000
Canadian Dollar	25,162	258	25,420
Euro	173,363	(1,682)	171,681
Japanese Yen	34,832	–	34,832
Sterling	33,096	33,363	66,459
Swedish Krona	12,740	–	12,740
Swiss Franc	–	2,266	2,266
US Dollar	562,625	1,213	563,838
	<u>841,818</u>	<u>35,418</u>	<u>877,236</u>

31.12.22 Currency	Non Monetary exposures £'000	Monetary exposures £'000	Total £'000
Canadian Dollar	45,779	243	46,022
Euro	152,730	162	152,892
Japanese Yen	30,343	–	30,343
Sterling	3,981	7,090	11,071
Swedish Krona	23,619	–	23,619
US Dollar	445,786	29,731	475,517
	<u>702,238</u>	<u>37,226</u>	<u>739,464</u>

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £40,539,000 on the net assets of the Fund (31.12.22: £36,420,000).

WS BLUE WHALE GROWTH FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2023

15. Risk Management Policies *continued*

(D) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 97.90% of the portfolio can be liquidated within 5 days and 100.00% within 21 working days (31.12.22: 97.90% within 5 days and 100.00% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

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

(E) MARKET PRICE RISK

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

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

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £42,091,000 (31.12.22: 35,112,000). A 5% decrease would have an equal and opposite effect.

(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) DERIVATIVE RISK

The Fund held no derivatives of a material nature in the current or prior year.

(H) LEVERAGE

The Fund did not employ any significant leverage in the current or prior year.

WS BLUE WHALE GROWTH FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2023

16. Portfolio Transaction Costs

31.12.23	Purchase/ Sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	516,207	176	551	516,934
Purchases total	516,207	176	551	516,934
Transaction cost % of purchases total		0.03	0.11	
Transaction cost % of average NAV		0.02	0.07	
Ordinary shares	587,981	(200)	(3)	587,778
Sales total	587,981	(200)	(3)	587,778
Transaction cost % of sales total		0.03	–	
Transaction cost % of average NAV		0.03	–	

Average portfolio dealing spread at 31 December 2023 is 0.05% (31.12.22: 0.06%).

31.12.22	Purchase/ Sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	637,752	255	57	638,064
Purchases total	637,752	255	57	638,064
Transaction cost % of purchases total		0.04	0.01	
Transaction cost % of average NAV		0.03	0.01	
Ordinary shares	702,119	(281)	(8)	701,830
Sales total	702,119	(281)	(8)	701,830
Transaction cost % of sales total		0.04	–	
Transaction cost % of average NAV		0.03	–	

WS BLUE WHALE GROWTH FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 December 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

All investments held in the current and prior year are ordinary shares categorised as Level 1.

18. Subsequent Events

Since the balance sheet date, the price of each of the Fund's share classes has moved as follows:

Share Class	31.12.23	19.03.24	% Movement
I Sterling Accumulation shares	205.98	238.40	15.74
I Sterling Income shares	205.71	237.26	15.34
R Euro Accumulation shares (EUR)	145.24	167.82	15.55
R Sterling Accumulation shares	202.82	234.61	15.67
R Sterling Income shares	202.79	234.28	15.53

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 27 March 2024.

WS BLUE WHALE GROWTH FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES

for the year ended 31 December 2023

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.01.23
To	31.12.23

Interim

There was no interim distribution in the current or prior year.

I STERLING ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 29.02.24	Allocated 28.02.23
Group 1	0.7087	–	0.7087	0.0528
Group 2	0.3064	0.4023	0.7087	0.0528

I STERLING INCOME SHARES

Final	Net Revenue	Equalisation	Payable 29.02.24	Paid 28.02.23
Group 1	0.7092	–	0.7092	0.0624
Group 2	0.3385	0.3707	0.7092	0.0624

R EURO ACCUMULATION SHARES (EUR)

Final	Net Revenue	Equalisation	Allocation 29.02.24	Allocated 28.02.23
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

WS BLUE WHALE GROWTH FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLES *continued*
for the year ended 31 December 2023

R STERLING ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Payable 29.02.24	Paid 28.02.23
Group 1	0.2603	–	0.2603	0.0000
Group 2	0.0508	0.2095	0.2603	0.0000

R STERLING INCOME SHARES

Final	Net Revenue	Equalisation	Allocation 29.02.24	Allocated 28.02.23
Group 1	0.2566	–	0.2566	0.0000
Group 2	0.0435	0.2131	0.2566	0.0000

GENERAL INFORMATION

Share Capital

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

Structure of the Company

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new sub-fund or class, a revised Prospectus will be prepared setting out the relevant details on each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The only sub-fund currently available is:

WS Blue Whale Growth Fund

In future, there may be other sub-funds of the Company.

Classes of Share

The company may issue income and accumulation shares in respect of each sub-fund.

Holders of income shares are entitled to be paid the distributable income attributed to such shares on any relevant interim and annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant sub-fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation share.

Valuation Point

The current valuation point of the Fund is 12.00 noon (London time) on each business day. Valuations may be made at other times with the Depositary's approval.

Buying and Selling Shares

The dealing office of the ACD is normally open from 8.30 a.m. to 5.30 p.m. (London time) on each business day to receive postal requests for the purchase, sale and switching of shares. The ACD may vary these times at its discretion. Requests to deal in shares may also be made by telephone on each business day (at the ACD's discretion) between 8.30 a.m. and 5.30 p.m. (London time) directly to the office of the ACD (telephone: 0345 307 3439 or such other number as published from time to time).

Prices

The prices of all shares are published on every dealing day on the website of the ACD: www.waystone.co.uk and by calling 0345 307 3439 during the ACD's normal business hours.

GENERAL INFORMATION *continued*

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Documents and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.waystone.com.

Shareholders who have any complaints about the operation of the Fund should contact the Administrator in writing. In the event that a shareholder finds the response unsatisfactory, they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

Waystone

2nd Floor
20-22 Bedford Row
Holborn
London WC1R 4EB

www.waystone.com