Investment Fund Services

IFSL Hathaway Fund

Interim Report and Unaudited Financial Statements

for the six month period ended 31 March 2025

Hathaway
Investment Management

CONTACT INFORMATION

Authorised Fund Manager (AFM)

Investment Fund Services Limited (IFSL)
Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Directors of IFSL

Andrew Staley (Non-Executive)
Allan Hamer
Dom Clarke
Helen Redmond
Sally Helston
Simon Chalkley - appointed, 27 November 2024
Katherine Damsell (Independent Non-Executive)
Sarah Peaston (Independent Non-Executive)

Investment Manager

Hathaway Investment Management Limited
Grosvenor House
14 Bennetts Hill
Birmingham
B2 5RS

Authorised and regulated by the Financial Conduct Authority.

Depositary (in it's capacity as Trustee)

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Administrator and Registrar

SS&C Financial Services International Limited
New Marlborough House
55-57 Chorley New Road
Bolton
BL1 4QR

Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

IFSL HATHAWAY FUND

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AUTHORISED INVESTMENT MANAGER'S REPORT
for the six month period ended 31 March 2025

Performance to 31 March 2025

	Six months	1 year	3 years	5 years	10 years	25/11/2002*
IFSL Hathaway Fund	(4.46)%	6.48%	5.02%	36.48%	78.58%	392.61%
IA Mixed Investment 40% - 85% Shares	(0.08)%	3.25%	8.52%	44.51%	61.36%	290.91%

* Launch date of IFSL Hathaway Fund.
External Source of Economic Data: Morningstar (Accumulation - quoted price to quoted price).
The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.
Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this unit class is calculated in sterling.

Investment commentary

Recent performance

Following our second-best year ever, we saw a slight consolidation/retrenchment afterwards and, in the six months ended 31st March 2025, our accumulation units returned minus 4.46%, following a fall in price of 11.06p and no movement in our benchmark*.

Launched in 2002 at 50p, that class reached 236.80p at the halfway stage, reflecting annual compounding* at 7.2% over our first 22½ years (down slightly from the 7.5% annual run rate recorded in September). We remain ahead of our peer group benchmark, the Investment Association Mixed Investment 40% - 85% Shares sector, over one year, ten years and since launch, although we clearly have ground to make up over shorter periods.

To summarize recent performance: with our long-term percentage advantage remaining very much in place, shorter periods are slowly falling in line and of course the one-year column was encouragingly ahead.

Investing conditions – portfolio and general developments

We are now investing against a background of a continuing unstable world security situation and a particularly difficult economic outlook: we have an incumbent in The White House who appears to be determined to pursue protectionism and tariffs.

Under this long shadow, we have seen much that we like about our holdings, with further gratifying business reports from Next and Tesco, as examples, but President Trump's proposed tariffs appear to have - very recently - hit share prices generally [and could one day hurt the businesses of some of our investees too]. The very strong advance in the portfolio last year, stalled/reversed slightly after President Trump arrived, a process which may reoccur…

At the sharp end, there has been, and continues, profound - and irrational - volatility in individual stocks: we are seeing some holdings up 8%, 10% or 12% in a week and then, abruptly, marched back down again; times like this call for great patience and concentration upon the long term.

That stance is greatly helped by the flow of dividends though, which continues completely unabated.

Equally, our fund has outperformed the stock market over the period since launch in 2002 [and is way ahead of its benchmark in that time], something which they teach at business school as being impossible [long-term] and noteworthy given our 15% - 45% in lower risk/return government bond holdings in that time; this puts the last six months - and 2022 [when we faltered] - in perspective.

Meanwhile, our cohort of quality investees continued to post mostly satisfactory business reports, although their share prices again generally lagged their owners' economic performance.

Games Workshop (tabletop war games) was one of the glamorous exceptions: its shares went up 30% in the six months, and Next (UK clothes retailing) added a further 13%; Britvic (soft drinks) provided healthy takeover proceeds, while Tesco (food retailing), retreated 7.5%.

U.S. and Hong Kong stocks [but global businesses] respectively - Somero (cement screeding) and Techtronic (electric DIY tools) - both retreated 11.5%.

Diageo (Gordon's Gin & Johnnie Walker whisky worldwide) was down 22.5%, as President Trump trained his sights on scotch whisky -a huge US import - and concerns about adverse consumer trends added to investors' nerves.

The conclusion about the last six months is clear though: a tough market period under review in terms of volatility from week to week [less so in business terms], the upsets calmed by our government bond holding, a large cash reserve, and certain holdings escaping the trend.

AUTHORISED INVESTMENT MANAGER'S REPORT
for the six month period ended 31 March 2025

Investment commentary (continued)

Outlook – what our investors may expect

We anticipate healthy business performance from almost all our investees, but we expect further turbulence. Generally, investors continue to concentrate on the very short term: hence the volatility still stalking stock markets worldwide and, for example, the feverish speculation in gold.

Meanwhile, while it might be tempting not to consider President Trump, it is slightly disturbing to look at history and the clear parallels with current events. Indeed, fifty years or so ago - albeit with most of the colourful rhetoric kept behind closed doors - President Nixon brought in a raft of draconian tariffs and measures which lit the blue touch paper of The Great Inflation of the 1970s.

The U.S. and the rest of the world took more than a decade to recover from the profoundly rising prices, and there was considerable pain and dislocation along the way; tariffs are a measure which truly hurt the imposer more than the punished.

It is disappointing then that we seem destined perhaps to go through the same process again.

So, while we continue value investing amidst the mayhem, as ever we ask unitholders to keep their expectations sharply rational; remember though, that markets always turn upwards, two or three years before economic conditions improve. Patience is always rewarded.

In closing, we again thank IFSL for their accurate administration & we look forward to reporting our annual results in the autumn, while unitholders requiring up to date prices etc., should refer to our website.

Graham Englefield / Graham Shaw CFA
Hathaway Investment Management Limited
28 April 2025

www.hathawayinvestment.com

Glossary

* Launch date of the IFSL Hathaway Fund.

* A *benchmark* is a comparator fund or appropriate group of funds/index, against which a fund's performance is measured; it is used to evaluate a fund by comparing its returns over time, most usefully over the long term.

* *Annual compounding* means that interest rate which, if uniformly applied each year over a given period, would arrive at the actual result; thus: 50p becomes 236.80p over 22.5 years at a continuous annual rate of 7.2%. Returns naturally differ widely in fact from period to period; compounding smooths the numbers, without compromising accuracy.

Distributions

	Year 2025	Year 2024	Year 2023	Year 2022
Income (pence per unit)				
Net income paid 31 May	2.1676	1.9829	1.2185	1.0475
Net income paid 30 November		2.0375	1.6914	0.7505
Accumulation (pence per unit)				
Net accumulation paid 31 May	3.194	2.8494	1.7139	1.4555
Net accumulation paid 30 November		2.9640	2.3983	1.0459

Portfolio changes

There were no purchases during the period to 31 March 2025.

Sales	Proceeds (£)
Britvic	843,660
Games Workshop Group	498,430
Next	375,164
Total sales for the period	1,717,254

AUTHORISED STATUS

IFSL Hathaway Fund (the Fund) is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000 and is a UCITS scheme operating under the Collective Investment Schemes Sourcebook (COLL) as issued by the Financial Conduct Authority.

GENERAL INFORMATION

Investment objective

The investment objective of the Fund is to grow the value of a unitholder's capital and income, over a period of at least 5 years. This growth is expected to come from a combination of gains in investments held and income received by the Fund - such as bond interest and dividends from shares.

Investment policy

The Fund is actively managed, which means the Investment Manager decides which investments to buy or sell, and when, across different industries and regions of the world.

The Investment Manager considers economic and market conditions, but the focus is on individual company analysis. The aim is to identify companies which show good long-term growth potential, and which appear to be undervalued given their prospects.

The Fund will invest between 40 - 85% of its portfolio in the shares of companies. There will be a bias towards enterprises that are expected to pay steady dividends; however, the Fund may occasionally invest in securities which do not pay dividends.

The Fund will invest between 15 - 60% of its portfolio in bonds, which are loans typically issued by companies, governments and other institutions. These will typically be investment grade bonds, where the issuer has a high and reliable capacity to repay the debt. However, from time to time, our operations may include sub-investment grade bonds (which can be more vulnerable to changing market conditions, but typically pay a higher rate of interest) where we judge them to be incorrectly downgraded.

The Fund may also invest in money market instruments, which are shorter term loans.

The Fund will hold cash to enable the ready settlement of liabilities and for the efficient management of the portfolio. The Fund may hold cash up to a maximum of 30%, in extreme market conditions.

Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics.

The Fund's investment policy puts it in the IA Mixed investment 40-85% Shares sector. You may want to assess the Fund's performance compared to the performance of this sector.

Rights and terms attaching to each unit class

A unit of each class represents a proportional entitlement to the assets of the Fund. The allocation of income and taxation and the rights of each unit in the event the Fund is wound up are on the same proportional basis.

Taskforce on climated related financial disclosures

A statement of the climate related financial disclosures is published on the website https://www.ifslfunds.com/tcfd-reporting.

Changes in prospectus

There have been no significant changes since the last report.

Up to date Key Investor Information Documents, Prospectus and Long Reports and Financial Statements for any fund within the AFM's range, can be requested by the investor at any time.

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 Financial Conduct Authority.

Allan Hamer	Helen Redmond
Director	Director

Investment Fund Services Limited

COMPARATIVE TABLE

Income units **Change in net assets per unit**	**Period to 31.03.2025 pence**	**Year to 30.09.2024 pence**	**Year to 30.09.2023 pence**	**Year to 30.09.2022 pence**
Opening net asset value per unit	168.04	144.16	135.40	172.24
Return before operating charges*	(7.19)	29.58	13.28	(34.24)
Operating charges	(0.90)	(1.68)	(1.61)	(1.85)
Return after operating charges*	(8.09)	27.90	11.67	(36.09)
Distributions on income units	(2.17)	(4.02)	(2.91)	(0.75)
Closing net asset value per unit	157.78	168.04	144.16	135.40
* after direct transaction costs of:	0.03	0.04	0.09	0.10
Performance				
Return after charges[A]	(4.81)%	19.35%	8.62%	(20.95)%
Other information				
Closing net asset value (£)	5,164,977	5,687,307	5,360,014	5,471,994
Closing number of units	3,273,585	3,384,513	3,718,144	4,041,219
Operating charges	1.09%[B,C]	1.09%[B]	1.11%[B]	1.15%
Direct transaction costs	0.02%	0.02%	0.06%	0.06%
Prices (pence per unit)				
Highest unit price	168.41	170.44	153.06	174.69
Lowest unit price	160.87	138.39	133.60	137.10

Accumulation units **Change in net assets per unit**	**Period to 31.03.2025 pence**	**Year to 30.09.2024 pence**	**Year to 30.09.2023 pence**	**Year to 30.09.2022 pence**
Opening net asset value per unit	247.43	206.96	190.57	239.47
Return before operating charges*	(10.58)	42.89	18.67	(46.31)
Operating charges	(1.32)	(2.42)	(2.28)	(2.59)
Return after operating charges*	(11.90)	40.47	16.39	(48.90)
Distributions on accumulation units	(3.19)	(5.81)	(4.11)	(1.05)
Retained distributions on accumulation units	3.19	5.81	4.11	1.05
Closing net asset value per unit	235.53	247.43	206.96	190.57
* after direct transaction costs of:	0.04	0.05	0.13	0.13
Performance				
Return after charges[A]	(4.81)%	19.55%	8.60%	(20.42)%
Other information				
Closing net asset value (£)	10,354,482	11,020,239	9,696,227	9,239,750
Closing number of units	4,396,188	4,453,962	4,684,997	4,848,467
Operating charges	1.09%[B,C]	1.09%[B]	1.11%[B]	1.15%
Direct transaction costs	0.02%	0.02%	0.06%	0.06%
Prices (pence per unit)				
Highest unit price	247.90	247.86	215.31	242.79
Lowest unit price	236.80	198.66	187.94	191.81

[A] The return after charges is calculated using the underlying investments bid prices.
[B] On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.
[C] These figures have been annualised.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each unit class in the period. Where it is considered unsuitable to use the total expenses paid by each unit class in the period to calculate the OCF because of material changes to the Fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, www.ifslfunds.com) give an estimate of future costs.

Direct transaction costs are the total charges for the period, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the average net asset value over the period and the average units in issue for the pence per unit figures.

SYNTHETIC RISK AND REWARD INDICATOR (all unit classes)

Lower risk ⟷ Higher risk

Typically lower rewards — Typically higher rewards

1	2	3	4	5	6	7

This indicator aims to give you a measure of the price movement of the Fund based on past data. It uses historic returns over the last five years. If five years' data is not available, simulated data based on a representative portfolio is used.

This Fund has been measured as 5 because its investments have experienced moderate to high volatility in the past. During the period the synthetic risk and reward indicator has remained unchanged.

PORTFOLIO STATEMENT
as at 31 March 2025

Holding or nominal value		Bid value £	Percentage of total net assets %
	LOAN STOCKS (30 September 2024 - 15.88%)		
2,710,000	UK Treasury 2% 07.09.25	2,682,101	17.28
	Total Loan Stocks	2,682,101	17.28
	BEVERAGES (30 September 2024 - 8.13%)		
20,000	Diageo	400,300	2.57
	Total Beverages	400,300	2.57
	CLOSED END INVESTMENTS (30 September 2024 - 6.63%)		
211,000	Downing Strategic Micro-Cap Investment Trust[A]	8,546	0.06
163,250	Henderson High Income Trust	272,627	1.76
92,300	Law Debenture Corp	803,010	5.18
	Total Closed End Investments	1,084,183	7.00
	INDUSTRIAL ENGINEERING (30 September 2024 - 2.93%)		
170,000	Somero Enterprises	433,500	2.79
	Total Industrial Engineering	433,500	2.79
	INDUSTRIAL SUPPORT SERVICES (30 September 2024 - 13.56%)		
110,500	PayPoint	689,520	4.44
103,035	RS Group	576,481	3.71
71,061	Travis Perkins	389,414	2.51
	Total Industrial Support Services	1,655,415	10.66
	LEISURE GOODS (30 September 2024 - 7.53%)		
8,110	Games Workshop Group	1,124,857	7.25
	Total Leisure Goods	1,124,857	7.25
	PERSONAL CARE, DRUG AND GROCERY STORES (30 September 2024 - 5.72%)		
265,959	Tesco	877,399	5.65
	Total Personal Care, Drug and Grocery Stores	877,399	5.65
	REAL ESTATE INVESTMENT TRUSTS (30 September 2024 - 9.22%)		
59,000	Big Yellow Group	548,700	3.54
785,435	Primary Health Properties	741,058	4.78
	Total Real Estate Investment Trusts	1,289,758	8.32
	RETAILERS (30 September 2024 - 6.24%)		
6,925	Next	760,711	4.90
	Total Retailers	760,711	4.90
	OVERSEAS SECURITIES (30 September 2024 - 16.04%)		
4,625	Fresenius Medical Care	173,056	1.12
230	Givaudan	767,268	4.94
17,870	KONE 'B'	758,152	4.89
69,000	Techtronic Industries Co	637,986	4.11
	Total Overseas Securities	2,336,462	15.06
	Portfolio of investments	12,644,686	81.48
	Net other assets	2,874,773	18.52
	Total net assets	15,519,459	100.00

[A] These shares are suspended and applied a 6% write down to all equity FVP's to reflect market movements.

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.

PORTFOLIO TRANSACTIONS
for the six month period ended 31 March 2025

	£
Total purchases costs, including transaction charges	-
Total sales proceeds, net of transaction charges	1,717,254

STATEMENT OF TOTAL RETURN
for the six month period ended 31 March 2025

	31 March 2025		31 March 2024	
	£	£	£	£
Income:				
Net capital (losses)/gains		(1,005,048)		888,439
Revenue	304,234		291,221	
Expenses	(88,415)		(83,219)	
Net revenue before taxation	215,819		208,002	
Taxation	(3,288)		(2,075)	
Net revenue after taxation		212,531		205,927
Total return before distributions		(792,517)		1,094,366
Distributions		(212,531)		(205,927)
Change in net assets attributable to unitholders from investment activities		(1,005,048)		888,439

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the six month period ended 31 March 2025

	31 March 2025		31 March 2024	
	£	£	£	£
Opening net assets attributable to unitholders		[A] 16,707,546		15,056,241
Amounts receivable on issue of units	146,138		58,323	
Amounts payable on cancellation of units	(469,593)		(291,493)	
Amounts payable on unit class conversions	-		3	
		(323,455)		(233,167)
Change in net assets attributable to unitholders from investment activities		(1,005,048)		888,439
Retained distribution on accumulation units		140,416		130,389
Closing net assets attributable to unitholders		15,519,459		[A] 15,841,902

[A] These figures are not the same as the comparatives are taken from the preceding interim period and not the last final accounts.

BALANCE SHEET
as at 31 March 2025

	31 March 2025 £	30 September 2024 £
Assets:		
Fixed Assets:		
Investments	12,644,686	15,350,121
Current Assets:		
Debtors	122,066	99,842
Cash and cash equivalents	2,863,665	1,370,229
Total assets	15,630,417	16,820,192
Current Liabilities:		
Creditors:		
Bank overdrafts	-	103
Distribution payable on income units	70,961	68,960
Other creditors	39,997	43,583
Total liabilities	110,958	112,646
Net assets attributable to unitholders	15,519,459	16,707,546

NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the six month period ended 31 March 2025

Basis for preparation
The interim financial statements have been prepared in compliance with UK Financial Reporting Standard 102 (“FRS 102”) and in accordance with the Statement of Recommended Practice (“SORP”) for UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The interim financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The interim financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value.

Accounting policies
The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 September 2024 and are described in those annual financial statements.

The investments of the Fund have been valued at their fair value at 12 noon on 31 March 2025.

Investment Fund Services Limited
Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP

Investor Support: (0808) 178 9321 (FREEPHONE)
Email. ifslclientsupport@ifslfunds.com
Website. www.ifslfunds.com
Fax. (01204) 533 045

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Authorised and regulated by the Financial Conduct Authority and a
member of The Investment Association.

Investment Fund Services