

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Annual Financial Statements
For the year ended 30 November 2025

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

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* These items, the Statement of Crossholding and the fund's Investment Report and Portfolio Statement collectively comprise the Authorised Corporate Director's ("ACD") Report.

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Company Information

Authorised Corporate Director (ACD)
Scottish Friendly Asset Managers Limited

Head Office
Galbraith House
16 Blythswood Square
Glasgow
G2 4HJ

Telephone: 0141 275 5000

Fax: 0141 221 4864

The ACD is a member of the Investment Management Association and is authorised and regulated by the Financial Conduct Authority.

Authorised Corporate Director (ACD)

Directors

A Balfour

S Beckett

S McGee

J McGuigan

A Rankine

M Fenton

O Gaughan

M Laidlaw

K Luscombe (resigned 30 April 2025)

Investment Manager

River Global

7 Castle Street

Edinburgh

EH2 3AH

Authorised and regulated by the Financial Conduct Authority.

Depositary

J.P. Morgan Europe Limited

25 Bank Street

Canary Wharf

London

E14 5JP

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

Custodian

J.P. Morgan Chase Bank, NA, London Branch

25 Bank Street

Canary Wharf

London

E14 5JP

Authorised and regulated by the Financial Conduct Authority.

Registrar

Scottish Friendly Asset Managers Limited

Head office

Galbraith House

16 Blythswood Square

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Telephone: 0141 275 5000

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Authorised and regulated by the Financial Conduct Authority.

Administrator

J.P. Morgan Chase Bank

3 Lochside View

Edinburgh Park

Edinburgh

EH12 9DH

Authorised and regulated by the Financial Conduct Authority.

Independent Auditors

PricewaterhouseCoopers LLP

120 Bothwell Street

Glasgow

G2 7JS

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Report of the Authorised Corporate Director

The Company

The Scottish Friendly Investment Funds is an open-ended investment company with variable capital ("OEIC") under regulation 12 of the OEIC Regulations 2001 and authorised by the Financial Conduct Authority ("FCA"). The Company is incorporated in Scotland under registered number S1-11. Individual shareholders will not be held liable for the debts of the Company.

The Company is structured as an "umbrella" company for the purposes of the Financial Conduct Authority Regulations. The purpose of this structure is to give investors access to a series of funds with differing objectives, within the flexibility of one single corporate structure. Different funds may be established from time to time by the Authorised Corporate Director ("ACD") with the approval of the Financial Conduct Authority and the agreement of the Depositary. The Company currently has one 'securities' fund, the Scottish Friendly Managed Growth Fund. The Scottish Friendly UK Growth Fund closed on 26 September 2025 and was terminated on 27 November 2025.

Authorised Status

From 1999 the Company has been authorised as an Open-Ended Investment Company under Regulation 7 of the Open-Ended Investment Companies Regulations 1996 (superseded by Regulation 12 of the Open-Ended Investment Companies Regulations 2001). The Company is authorised to operate as a "UCITS Scheme" for the purposes of the Collective Investment Schemes Sourcebook ("COLL") and as an "umbrella" company for the purposes of the OEIC Regulations.

The Financial Statements

We are pleased to present the Annual Financial Statements of the Company for the year ended 30 November 2025. As required by the Regulations, information for the fund has also been included in these financial statements. On the following pages we review the performance of fund during the period.

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements of the Scottish Friendly Managed Growth Fund as the assets of the Fund consist predominately of securities that are readily realisable and, accordingly, the Fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

Annual General Meetings

The Company will not be holding Annual General Meetings.

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director ("ACD") of Scottish Friendly Investment Funds is responsible for preparing the Annual Report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association ("IMA SORP") in May 2014 (and amended in 2017); and
- give a true and fair view of the financial position of the Company and the fund as at the end of that period and the net revenue and the net capital gains on the property of the Company and the fund for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IMA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IMA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the audited financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 25 March 2026.

Authorised Corporate Director's Statement

We hereby approve the Report and Financial Statements of Scottish Friendly Investment Funds for the year ended 30 November 2025 on behalf of Scottish Friendly Asset Managers Limited in accordance with the requirements of the FCA's COLL.

A Rankine
Director

J McGuigan
Director

Scottish Friendly Asset Managers Limited
25 March 2026

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of The Scottish Friendly Investment Funds ICVC ("the Company")

for the year ended 30 November 2025

The Depositary must ensure that the company is managed in accordance with the Financial Conduct Authority'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 Corporate Director ("the ACD"), 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 ACD:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the company's shares and the application of the company's 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.

J.P. Morgan Europe Limited
25 March 2026

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Independent auditors' report to the shareholders of The Scottish Friendly Investment Funds ICVC

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Scottish Friendly Investment Funds ICVC (the "company"):

- give a true and fair view of the financial position of the Company and its sub-fund as at 30 November 2025 and of the net revenue and the net capital gains on the scheme property of the Company and its sub-fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook ("the sourcebook") and the Instrument of Incorporation.

The Scottish Friendly Investment Funds ICVC is an Open-Ended Investment Company ("OEIC") with a single sub-fund. The financial statements of the Company comprise the financial statements of its sub-fund. We have audited the financial statements, included within the Annual Financial Statements (the "Annual Report"), which comprise:

- the Balance Sheet as at 30 November 2025;
- the Statement of Total Return for the year then ended;
- the Statement of Change in Net Assets Attributable to Shareholders for the year then ended;
- the Distribution Table; and
- the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability or the ability of its sub-fund to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability or the ability of its sub-fund to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Independent auditors' report to the shareholders of The Scottish Friendly Investment Funds ICVC (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Directors' Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for 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.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate revenue or to increase the net asset value of the Company or the sub-fund. Audit procedures performed by the engagement team included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Independent auditors' report to the shareholders of The Scottish Friendly Investment Funds ICVC (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
25 March 2026

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Accounting Policies and Risks

Accounting Policies

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 the Prospectus and with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014 (SORP 2014, as amended in 2017), and United Kingdom Generally Accepted Accounting Practice as defined within Financial Reporting Standard 102 ('FRS 102') as applicable in the UK and Republic of Ireland.

The base currency of the Company is Sterling which is the Company's functional currency.

Amounts are rounded to the nearest £'000 [thousand].

As stated in the Report of the Authorised Corporate Director on page 3, the Fund has been prepared on a going concern basis.

Revenue

Dividends from equities and dividends from Real Estate Investment Trusts (REITs), are recognised when the security is quoted ex-dividend. Bank interest is accounted for as earned. Ordinary scrip dividends are recognised as revenue, based on the market value of the shares on the date they are quoted ex-dividend. Revenue on unquoted stocks is recognised when the entitlement to the dividend is established. Interest on fixed interest securities is recognised on an accruals basis, taking into account the effective yield on the investment. The effective yield basis amortises any discount or premium on the purchase of an investment over its remaining life.

Distributions from collective investment schemes are recognised when the security is quoted ex-dividend. Equalisation on distributions received is deducted from the cost of the investment. Distributions on investments in accumulation shares / units are recognised gross in the revenue statement, with a transfer being made from the capital property to the revenue property of the fund.

Special Dividends

The underlying circumstances behind special dividends are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature. Any tax treatment thereon will follow the accounting treatment of the principal amount. Amounts recognised as revenue will form part of the Fund's distribution.

Expenses

All expenses, other than those relating to the purchase and sale of investments, are charged against income on an accrual basis. For purposes of determining the accumulation, security transaction charges are allocated to capital.

Equalisation Policy

The first distributions received from investments in collective investment schemes may include an element of equalisation which represents the average amount of income included in the price paid for shares/units. The equalisation is treated as a return of capital for taxation purposes and does not carry a tax credit. Equalisation received from the underlying investments has been treated as a reduction in the book cost of the investments and is not distributed.

Valuations

For the purposes of the financial statements, it is acceptable to use the prices and the portfolio holdings determined at the last valuation point of the accounting period, rather than perform an additional valuation, provided the authorised fund manager is satisfied that the resultant portfolio valuation would not be materially different from a valuation carried out at close of business on the balance sheet date. The precise valuation point should be disclosed in the notes.

All investments are valued net of any accrued interest which is included in the balance sheet as a revenue related item.

Delisted securities have been valued at nil pence per share.

Dilution Levy

The Company reserve the right to charge a dilution levy to protect existing investors in a fund from the costs of buying or selling investments that result from large investors joining or leaving the fund. The amount of any such dilution levy is calculated by reference to the estimated costs of dealing in the underlying investments, including any dealing spreads and broker commissions. Any dilution imposed on a particular investor or group of investors is paid into the fund and helps to protect existing investors from the costs of the resultant transactions.

Taxation

Provision is made for tax at the current rates on the excess of taxable revenue over allowable expenses.

Overseas dividends are disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the tax note.

Corporation tax is charged at 20% of the revenue liable to corporation tax less expenses.

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Accounting Policies and Risks (continued)

Foreign Exchange

The Company is required to identify its functional currency, being the currency of the primary economic environment in which the Company operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that Sterling is the functional currency. Sterling is also the currency in which the financial statements are presented.

Assets and liabilities denominated in foreign currencies at the end of the accounting year are translated into sterling at the exchange rates ruling at close of business on the last valuation day of the accounting year. Revenue items denominated in foreign currencies are translated into sterling at the exchange rates ruling at the date of the transaction.

Statement of Crossholding

There are no cross holdings as at 30 November 2025. (2024: nil)

Distribution policy - Accumulations

Where the income from investments exceeds the expenses (for any share class), an accumulation will be made to that share class, except where due to a deficit in which case the accumulation is restricted and a capital transfer will be made. Should expenses exceed income, there will be no accumulation and the shortfall will be transferred from capital. The policy of the fund is to make dividend accumulations on a semi-annual basis.

Financial instruments

In pursuing the investment objectives of the individual fund, the Company may hold a number of financial instruments which comprise:

- equity and non-equity shares, Collective Investment Schemes, fixed income securities, and floating rate securities.
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations.
- shares/units in collective investment schemes which are either a money market scheme or a scheme of a category that is equivalent to a money market scheme.

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Accounting Policies and Risks (continued)

Risk of financial instruments

The main risks arising from the Company's financial instruments are market, foreign currency, interest rate and liquidity risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks as summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate:

- Market risk - arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

The ACD meets regularly to consider the asset allocation of the portfolios in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolios selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The ACD does not currently use derivative instruments to hedge the investment portfolios against market risk, as in its opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

- Foreign currency risk - the revenue and capital value of the Company's investments can be affected by foreign currency translation movements as a proportion of the Company's assets and revenue is denominated in currencies other than sterling which is the Company's functional currency.

The ACD has identified three principal areas where foreign currency risk could impact the Company. These are movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment purchase or sale is entered into and the date of settlement, and finally movements in exchange rates affecting revenue received by the Company. The Company converts all receipts of revenue, received in currency, into sterling on the day of receipt.

- Interest rate risk - the Company invests in fixed rate securities. Thus any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the revenue potential of the Company also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Company). A decline in interest rates will in general have the opposite effect.

- Liquidity risk - the Company's assets comprise mainly realisable securities, which can be readily sold. The main liability of the Company is the redemption of any shares that investors wish to sell.
- Other risk - certain transactions in securities that the Company may enter into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Company has fulfilled its responsibilities.

The Company only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time and these limits are reviewed regularly.

- Fair value - there is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value
- Derivatives and other financial instruments - The fund does not hold any derivatives.

The numerical disclosures required by FRS 102 are shown within the fund.

Report & Financial Statements of Scottish Friendly Managed Growth Fund

Investment Report

Fund Objective

The aim of the Fund is to achieve medium to long term capital growth.

Investment Policy

The investment policy is to invest in equities and fixed interest securities both in the UK and in other international stock markets. Fixed interest securities will comprise UK gilts or fixed interest securities denominated in sterling or foreign currencies issued by sovereign governments, supranational bodies, or local authorities. The Fund may also invest in corporate bonds denominated in sterling and other foreign currencies. The use of derivatives, stock lending or borrowing as permitted by the regulations for efficient portfolio management purposes may also take place when deemed appropriate for the achievement of the objectives of the Fund.

Market Background

Investors began the reporting period concerned that President Trump's threats to aggressively use tariffs in pursuit of his policy agenda would unnerve markets and lead to a policy induced slowdown. These fears appeared warranted when the US administration unveiled an aggressive tariff regime under the moniker 'Liberation Day'. The prospect of a significant global supply shock, and subsequent knock-on effect on corporate profitability, led to a marked sell-off in financial markets. After this drama played out in the first half, however, the balance of the year was relatively benign. While US tariff noise still flared up on occasion, it was mostly related to a specific country on any given day and didn't have the same impact as the initial announcements. With this calmer backdrop, global equities continued to make progress. Following a first-half wobble, the AI-basket reasserted itself with the likes of Nvidia reaching new highs.

In the UK, the Labour government continued to generate uncertainty. While recent supply side measures may prove beneficial over time, meaningful positive effects remain some way off. In the near term, doubts persist regarding the government's ability to foster conditions conducive to private investment or to exercise effective control over public expenditure. The third quarter was marked by extensive public debate regarding potential tax increases, while the Chancellor's decision to delay the budget announcement until late November heightened uncertainty. Although corporate and household debt levels remain low, improved confidence will be necessary before consumers and businesses increase spending.

In the US, the economy has continued to prove resilient with both GDP growth and PMI indicators strong through the period. There is still a significant amount of uncertainty, however, and labour force data has indicated that there has been a hiatus in hiring. This has led to the US Federal Reserve resuming its rate-cutting cycle. The eventual average-weighted tariff and its impact on the economy is uncertain, albeit so far most of the burden appears to have been absorbed by corporates and therefore has proven less inflationary than anticipated.

Portfolio Review

Over the twelve-month period under review, the Managed Growth Fund delivered a total return of 12.8%. This compares to a return for the MSCI UK Investable Market index of 20.2% and 9.8% for the IA Mixed Investment 40-85% shares sector average. Over the five years to 30th November 2025 the fund has returned 56.9% versus a return for the IA Mixed Investment sector average of 33.8% and against the MSCI UK Investable Market Index of 79.4%

The largest single contributor to performance was Babcock as defence stocks rerated and the company delivered impressive full-year results. Mid-term operating margin guidance was increased and with a strong order pipeline the revenue-growth target of 4-6% is looking increasingly conservative. After several years where the focus has been on divesting non-core businesses and deleveraging, the balance sheet has improved to a point where management felt comfortable announcing a £200m share buyback. Natwest, Lloyds, and Standard Chartered rose substantially as banking stocks benefitted from a steepening yield curve, cheap valuations and positive earnings momentum. Advanced Micro Devices (AMD) shares doubled as investors gained confidence that the company's chips could provide a lower cost alternative to Nvidia's. Prudential gained as sentiment towards emerging markets improved. Other notable performers included healthcare stocks, AstraZeneca, GSK and Smith & Nephew.

The single largest negative contributor was Fiserv. After 39 consecutive years of double-digit eps (earnings per share) growth the shares have lost over half their value since the start of the year. While the broader fintech sector has faced headwinds, Fiserv's downturn was accelerated by a combination of disappointing financial results, a major strategic "reset", and execution struggles within its flagship products. We reduced the position earlier in the year but failed to recognise the extent of the problems. Other notable underperformers included Flutter and Smurfit Westrock.

Trading activity was focused on recycling capital from stocks that had outperformed and had limited upside into more attractive opportunities. New positions taken during the period included AMD, Persimmon, Convatec, and Tate & Lyle. The fund holdings exited included AMD, Babcock, Allianz, Smith & Nephew, Alphabet, and Visa. The fund retained its exposure to US treasuries but used concerns around the UK's fiscal position to rebuild its exposure to 10yr Gilts.

Report & Financial Statements of Scottish Friendly Managed Growth Fund

Investment Report (continued)

Investment Outlook

Fiscal sustainability and its impact on inflation remains the biggest risk to the stock market. The US continues to run an unprecedented budget deficit for this stage of the economic cycle. For the time being, however, bond markets appear to have given the US administration the benefit of the doubt. Despite the positive performance of equities market, breadth has remained very narrow. Financials and Aerospace & Defence stocks have been substantial outperformers. Indeed, without these sectors the index return would have been substantially lower as economically sensitive sectors have generally struggled. The prospect for an industrial recovery continues to be pushed to the right and has weighed on stocks exposed to industrial production. Similarly, after a promising start to the year, the UK housing market has slowed of late. Should confidence improve and economic activity pick-up then the equity market rally should broaden out to the benefit of active funds.

Synthetic Risk and Reward Indicator (SRR)

The SRR is a numerical indicator of the risk and return profile of the Fund. This indicator is disclosed in the Key Investor Information Document (KIID) for each share class which can be found on the website www.scottishfriendly.co.uk. The values range from 1 through to 7 in a non-linear manner, where 1 denotes the lowest risk and therefore typically the lower rewards, while a 7 denotes the highest risk and therefore typically higher rewards. The SRR is based on return volatility over the last five years. Historical data may not be a reliable indication for the future. The risk category shown is not guaranteed and may vary over time. The lowest category does not mean 'risk free'. The current SRR for Scottish Friendly Managed Growth Fund is 5.

Scottish Friendly Managed Growth Fund

Comparative tables

Financial year to 30 November	A Accumulation shares		
	2025 p per share	2024 p per share	2023 p per share
Change in net asset value			
Opening net asset value	415.59	353.36	344.22
Return before operating charges*	59.45	67.79	14.15
Operating charges	(6.36)	(5.56)	(5.01)
Return after operating charges*	53.09	62.23	9.14
Distributions	(5.78)	(3.67)	(5.80)
Retained distributions	5.78	3.67	5.80
Closing net asset value	468.68	415.59	353.36
*after direct transaction costs of	(0.38)	(0.67)	(0.53)
Performance			
Return after charges (%)	12.77	17.61	2.66
Other information			
Closing net asset value (£000's)	135,885	153,064	151,972
Closing number of shares	28,993,388	36,830,710	43,007,676
Operating charges (%)	1.47	1.44	1.43
Direct transaction costs (%)	0.09	0.17	0.15
Prices			
Highest dealing price	474.26p	418.61p	363.87p
Lowest dealing price	382.21p	352.58p	335.76p

Scottish Friendly Managed Growth Fund

Portfolio Statement (unaudited)
As at 30 November 2025

Investment	Currency	Holding	Market Value £000's	% of Net Assets
Equities 75.03% (77.70%)				
Communication Services 0.00% (4.70%)				
Interactive Media & Services 0.00% (4.70%)				
Consumer Discretionary 7.21% (6.51%)				
Hotels, Restaurants & Leisure 4.29% (5.67%)				
Entain plc	GBP	354,429	2,720	2.00
Flutter Entertainment plc	GBP	20,196	3,113	2.29
			5,833	4.29
Household Durables 2.47% (0.00%)				
Persimmon plc	GBP	250,000	3,355	2.47
			3,355	2.47
Textiles, Apparel & Luxury Goods 0.45% (0.84%)				
Puma SE	EUR	35,000	609	0.45
			609	0.45
Consumer Discretionary total			9,797	7.21
Consumer Staples 5.60% (3.89%)				
Consumer Staples Distribution & Retail 4.77% (3.89%)				
Marks & Spencer Group plc	GBP	1,850,000	6,483	4.77
			6,483	4.77
Food Products 0.83% (0.00%)				
Tate & Lyle plc	GBP	300,000	1,124	0.83
			1,124	0.83
Consumer Staples total			7,607	5.60
Energy 2.67% (2.89%)				
Oil, Gas & Consumable Fuels 2.67% (2.89%)				
BP plc	GBP	804,000	3,622	2.67
			3,622	2.67
Energy total			3,622	2.67
Financials 27.97% (22.98%)				
Banks 16.94% (8.18%)				
Lloyds Banking Group plc	GBP	5,515,000	5,294	3.90
NatWest Group plc	GBP	1,335,000	8,440	6.21
Standard Chartered plc	GBP	557,500	9,285	6.83
			23,019	16.94
Financial Services 1.02% (9.23%)				
Fiserv, Inc.	USD	30,000	1,381	1.02
			1,381	1.02
Insurance 10.01% (5.57%)				
AXA SA	EUR	75,000	2,549	1.88
Muenchener Rueckversicherungs-Gesellschaft AG	EUR	10,000	4,745	3.49
Prudential plc	GBP	581,250	6,307	4.64
			13,601	10.01
Financials total			38,001	27.97

Scottish Friendly Managed Growth Fund

Portfolio Statement (unaudited) (continued)
As at 30 November 2025

Investment	Currency	Holding	Market Value £000's	% of Net Assets
Health Care 7.82% (4.46%)				
Health Care Equipment & Supplies 1.86% (1.47%)				
ConvaTec Group plc	GBP	1,075,000	2,526	1.86
			2,526	1.86
Pharmaceuticals 5.96% (2.99%)				
AstraZeneca plc	GBP	31,725	4,440	3.27
GSK plc	GBP	203,250	3,665	2.69
			8,105	5.96
Health Care total			10,631	7.82
Industrials 6.83% (12.93%)				
Aerospace & Defense 0.00% (2.01%)				
Building Products 2.44% (2.81%)				
Cie de Saint-Gobain SA	EUR	44,000	3,323	2.44
			3,323	2.44
Commercial Services & Supplies 2.17% (1.67%)				
Rentokil Initial plc	GBP	703,750	2,942	2.17
			2,942	2.17
Machinery 0.00% (2.13%)				
Professional Services 0.00% (2.00%)				
Trading Companies & Distributors 2.22% (2.31%)				
RS Group plc	GBP	521,000	3,022	2.22
			3,022	2.22
Industrials total			9,287	6.83
Investment Funds 2.95% (2.68%)				
Investment Companies 2.95% (2.68%)				
International Oil and Gas Technology Ltd. ^	USD	170,000	–	–
Oryx International Growth Fund Ltd.	GBP	330,000	4,009	2.95
			4,009	2.95
Investment Funds total			4,009	2.95
Materials 11.46% (15.06%)				
Construction Materials 5.51% (7.88%)				
CRH plc	GBP	83,250	7,484	5.51
			7,484	5.51
Containers & Packaging 3.11% (4.72%)				
Smurfit WestRock plc	GBP	157,000	4,228	3.11
			4,228	3.11
Metals & Mining 2.84% (2.46%)				
Glencore plc	GBP	1,082,500	3,865	2.84
			3,865	2.84
Materials total			15,577	11.46
Real Estate 2.52% (1.60%)				
Diversified REITs 2.52% (1.60%)				
British Land Co. plc (The)	GBP	663,750	2,705	1.99
Land Securities Group plc	GBP	118,750	716	0.53

Scottish Friendly Managed Growth Fund

Portfolio Statement (unaudited) (continued)
As at 30 November 2025

Investment	Currency	Holding	Market Value £000's	% of Net Assets
Diversified REITs 2.52% (1.60%) (continued)			<u>3,421</u>	<u>2.52</u>
Real Estate total			<u>3,421</u>	<u>2.52</u>
Equities total			<u>101,952</u>	<u>75.03</u>
Government Bonds 21.57% (7.08%)				
UK Treasury 3.75% 07/03/2027	GBP	1,000,000	1,000	0.74
UK Treasury 4.50% 07/03/2035	GBP	17,500,000	17,577	12.93
US Treasury 3.50% 15/02/2033	USD	10,500,000	7,814	5.75
US Treasury 3.88% 15/08/2033	USD	3,850,000	2,927	2.15
Government Bonds total			<u>29,318</u>	<u>21.57</u>
Investment assets			131,270	96.60
Net other assets			4,615	3.40
Net assets			<u>135,885</u>	<u>100.00</u>

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 30 November 2024.

^ Unlisted, suspended or delisted security.

Scottish Friendly Managed Growth Fund

Statement of Total Return For the year ended 30 November 2025

	Notes	2025 £000's	2024 £000's
Income			
Net capital gains	2		23,719
Revenue	3	4,033	4,120
Expenses	4	(2,174)	(2,257)
Net revenue before taxation		1,859	1,863
Taxation	5	106	(367)
Net revenue after taxation		1,965	1,496
Total return before distributions		17,420	25,215
Distributions	6	(1,965)	(1,496)
Change in net assets attributable to shareholders from investment activities		15,455	23,719

Statement of Change in Net Assets Attributable to shareholders For the year ended 30 November 2025

	2025 £000's	2024 £000's
Opening net assets attributable to shareholders		151,972
Amounts receivable on issue of shares	6,655	40
Amounts payable on cancellation of shares	(41,144)	(24,134)
	(34,489)	(24,094)
Change in net assets attributable to shareholders from investment activities	15,455	23,719
Retained distribution on accumulation shares	1,855	1,467
Closing net assets attributable to shareholders	135,885	153,064

Scottish Friendly Managed Growth Fund

Balance Sheet

As at 30 November 2025

	Notes	2025 £000's	2024 £000's
Assets			
Fixed assets			
Investments	7	131,270	129,760
Current assets			
Debtors	8	1,009	804
Cash and bank balances	9	4,905	23,014
Total assets		137,184	153,578
Liabilities			
Creditors			
Other creditors	10	(1,299)	(514)
Total liabilities		(1,299)	(514)
Net assets attributable to shareholders		135,885	153,064

Scottish Friendly Managed Growth Fund

Notes to the Financial Statements for the year ended 30 November 2025

1. Accounting policies

Please see pages 9 to 10 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

	2025 £000's	2024 £000's
Foreign currency losses	(55)	(135)
Non-derivative securities	15,512	23,852
Transaction costs	(2)	2
Net capital gains	15,455	23,719

3. Revenue

	2025 £000's	2024 £000's
Bank interest	67	77
Interest on debt securities	979	528
Overseas dividends	975	1,788
Real estate income distributions	146	75
UK dividends	1,866	1,652
Total revenue	4,033	4,120

4. Expenses

	2025 £000's	2024 £000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	2,031	2,104
	2,031	2,104
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	79	80
Safe custody fees	19	22
	98	102
Other expenses:		
Audit fee*	39	16
Accounting and Administration fee	1	5
Interest payable	3	21
Price publication	2	9
	45	51
Total expenses	2,174	2,257

*The audit fee paid was £26,000 (2024: £15,834) net of VAT.

Scottish Friendly Managed Growth Fund

Notes to the Financial Statements for the year ended 30 November 2025

5. Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax (credit)/charge for the year

	2025 £000's	2024 £000's
Overseas withholding tax	(106)	367
Total current tax (Note 5(b))	(106)	367

(b) Factors affecting the current tax (credit)/charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for OEICs of 20% (2024 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2025 £000's	2024 £000's
Net revenue before taxation	1,859	1,863
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	372	373
Effects of:		
Irrecoverable overseas withholding tax	(106)	367
Movement in excess management expenses	199	316
Revenue not subject to corporation tax	(571)	(689)
Current tax (credit)/charge for the year (Note 5(a))	(106)	367

Open-ended investment companies are exempt from tax on capital gains, therefore, any capital returns are not included in the above reconciliation.

(c) Factors affecting the current tax charge for the year

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £23,554,000 (2024: £23,753,000) creating a potential deferred tax asset of £4,711,000 (2024: £4,751,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6. Distributions

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

	2025 £000's	2024 £000's
Interim dividend distribution	1,135	1,219
Final dividend distribution	720	248
	1,855	1,467
Add: Revenue deducted on cancellation of shares	140	169
Deduct: Revenue received on issue of shares	(30)	(140)
Distributions	1,965	1,496

Scottish Friendly Managed Growth Fund

Notes to the Financial Statements for the year ended 30 November 2025

7. Fair value hierarchy

All investments are designated at fair value through profit or loss on initial recognition. The following table provides an analysis of these investments based on the fair value hierarchy in accordance with FRS 102 which reflects the reliability and significance of the information used to measure their fair value.

The disclosure is split into the following categories:

Level 1 – Investments with unadjusted quoted prices in an active market;

Level 2 – Investments whose fair value is based on inputs other than quoted prices that are either directly or indirectly observable;

Level 3 – Investments whose fair value is based on inputs that are unobservable (i.e. for which market data is unavailable).

	2025		2024*	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	131,270	–	129,760	–
Level 2: Observable market data	–	–	–	–
Level 3: Unobservable data	–	–	–	–
Total	131,270	–	129,760	–

*Fixed interest and exchange traded debt securities classified as level 2 in 2024 have been reclassified to level 1 in 2025.

8. Debtors

	2025 £000's	2024 £000's
Accrued revenue	546	334
Overseas withholding tax recoverable	463	470
Total debtors	1,009	804

9. Cash and bank balances

	2025 £000's	2024 £000's
Cash and bank balances	4,905	23,014
Total cash and bank balances	4,905	23,014

10. Other creditors

	2025 £000's	2024 £000's
Accrued expenses	382	205
Amounts payable for cancellation of shares	290	309
Purchases awaiting settlement	627	–
Total other creditors	1,299	514

11. Contingent liabilities

There were no contingent liabilities as at the year end (2024: nil).

12. Post balance sheet events

There were no material post balance sheet events which have a bearing on the financial statements.

Scottish Friendly Managed Growth Fund

Notes to the Financial Statements for the year ended 30 November 2025

13. Related parties

Scottish Friendly Asset Managers Limited is regarded as the controlling party in respect of the operations of the Company.

Scottish Friendly Asset Managers Limited, a related party, acts as principal on all transactions of shares in the Company. The aggregate monies received and paid through creations and cancellations is disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due from Scottish Friendly Asset Managers Limited in respect of share transactions at the end of the year are disclosed in note 8. Amounts due to Scottish Friendly Asset Managers Limited in respect of share transactions at the end of the year are disclosed in note 10.

The amounts paid to Scottish Friendly Asset Managers Limited in respect of Authorised Corporate Director's periodic charges are disclosed in note 4. The amounts due at the year end are £318,536 (2024: £161,023).

Scottish Friendly Asset Managers Limited did not enter into any other transactions with the Company during the year.

There were no directors with any invested units in the fund.

Scottish Friendly Asset Managers Limited held 20,118 (2024: 13,615) accumulation shares in the Managed Growth Fund as at 30 November 2025.

Scottish Friendly Asset Managers Limited's parent company, Scottish Friendly Assurance Society Limited, held nil (2024: 4,275,653) accumulation shares in the Managed Growth Fund as at 30 November 2025.

14. Shares in issue reconciliation

	Number of shares in issue as at 01.12.24	Number of shares issued	Number of shares cancelled	Number of shares in issue as at 30.11.25
A Accumulation shares	36,830,710	1,489,755	(9,327,077)	28,993,388

15. Financial instruments

The analysis and tables provided below refer to the narrative disclosure on 'Risk of financial instruments' on page 11.

Currency exposure

At the year end date a proportion of the net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by exchange rate movement.

	2025			2024		
	Monetary £000's	Non Monetary £000's	Total £000's	Monetary £000's	Non Monetary £000's	Total £000's
Danish krone	6	–	6	6	–	6
Euro	413	11,225	11,638	477	11,209	11,686
US dollar	540	12,123	12,663	484	32,166	32,650

If the value of sterling exchange rate increased by 10% against all other currencies, the net asset value of the fund would decrease by the amount shown below. If the value of sterling exchange rate decreased by 10% against all other currencies, the net asset value of the fund would increase by the amount shown below. These calculations assume all other variables remain constant.

	2025 £000's	2024 £000's
Increased Other currencies to Sterling rate	2,701	4,927
Decreased Other currencies to Sterling rate	(2,210)	(4,031)

Scottish Friendly Managed Growth Fund

Notes to the Financial Statements for the year ended 30 November 2025

Interest rate risk

Interest rate risk profile of financial assets and financial liabilities of the Fund as at 30 November 2025.

	Assets	
	2025 £000's	2024 £000's
Fixed rate	29,318	10,834
Floating rate	4,905	23,014
No interest	102,961	119,730
	137,184	153,578

	Liabilities	
	2025 £000's	2024 £000's
No interest	(1,299)	(514)
	(1,299)	(514)

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

The floating rate financial assets earn interest which is based on the Sterling Overnight Index Average (SONIA).

	2025 £000's	2024 £000's
Fixed rate financial assets		
Weighted average interest rate:		
Sterling	1.85%	0.00%
Fixed rate financial liabilities		
Weighted average maturity:		
Sterling	4.46 yrs	0.00 yrs

Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the fund would have increased by the following amounts. If market prices had decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased by the following amounts. These calculations assume all other variables remain constant.

	2025 £000's	2024 £000's
Increase 10%	13,127	12,976
Decrease 10%	(13,127)	(12,976)

16. Debt security credit analysis

	2025 £000's	2024 £000's
Investment grade securities	29,318	10,834
Total debt securities	29,318	10,834

Scottish Friendly Managed Growth Fund

Notes to the Financial Statements for the year ended 30 November 2025

17. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
2025						
Purchases						
Purchases ¹ :						
Bonds	18,308	5	–	18,313	0.03	–
Equities	24,858	13	78	24,949	0.05	0.31
In-specie purchases:						
Equities	5,937	–	–	5,937	–	–
	49,103	18	78	49,199		
Sales						
Equities	63,277	(33)	–	63,244	0.05	–
Total cost of the Fund's average net asset value (%)		0.04	0.05			

¹ Excluding in-specie transfers.

	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
2024						
Purchases						
Equities	63,102	37	176	63,315	0.06	0.28
Sales						
Bonds	5,410	–	–	5,410	–	–
Equities	96,734	(57)	–	96,677	0.06	–
	102,144	(57)	–	102,087		
Total cost of the Fund's average net asset value (%)		0.06	0.11			

Dealing spread

As at 30 November 2025, the average portfolio dealing spread was 0.26% (2024: 0.34%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Scottish Friendly Managed Growth Fund

Distribution Tables

Interim annual distribution for the six months ending 31 May 2025

Group 1 - Shares purchased prior to 1 December 2024

Group 2 - Shares purchased 1 December 2024 to 31 May 2025

	Net revenue per share	Equalisation per share	Distribution paid 30.09.25 per share	Distribution paid 30.09.24 per share
A Accumulation shares				
Group 1	3.2949p	–	3.2949p	2.9936p
Group 2	2.6614p	0.6335p	3.2949p	2.9936p

Final annual distribution for the six months ending 30 November 2025

Group 1 - Shares purchased prior to 1 June 2025

Group 2 - Shares purchased 1 June 2025 to 30 November 2025

	Net revenue per share	Equalisation per share	Distribution payable 31.03.26 per share	Distribution paid 31.03.25 per share
A Accumulation shares				
Group 1	2.4832p	–	2.4832p	0.6714p
Group 2	0.5319p	1.9513p	2.4832p	0.6714p

Scottish Friendly Managed Growth Fund

SIGNIFICANT INFORMATION (unaudited)

Under the UCITS V and the UCITS Remuneration Code, the ACD are required to disclose how those whose actions have a material impact on the Fund are remunerated.

The remuneration policy, including but not limited to (i) a description of how remuneration and benefits are calculated and (ii) the identities of persons responsible for awarding remuneration and benefits, including the composition of the Scottish Friendly Remuneration Committee, are available from the ACD's website at www.scottishfriendly.co.uk/about-us/Board-committee-terms-reference/. A paper copy of the information available from the ACD's website in relation to remuneration is also available free of charge on request from the ACD.

The ACD considers its activities as non complex due to the fact that the regulation limits the UCITS strategies conducted and the scope of investment in such a way that investor risk is mitigated. The discretion of the ACD and the portfolio manager is strictly controlled within certain pre-defined parameters as determined in the prospectus of each UCITS.

In its role as an UCITS Manager, the ACD deems itself as lower risk due to the nature of the activities it conducts. Therefore the ACD have provided a basic overview of how staff whose actions have a material impact on the Fund are remunerated.

November 2025	Number of Beneficiaries	Total Remuneration paid	Fixed Remuneration	Variable Remuneration	Carried interest paid by the UCITS
Remuneration paid to employees who have a material impact on the risk profile of the UCITS.	8	£209,754.10	£209,754.10	-	-

Scottish Friendly Managed Growth Fund

GENERAL INFORMATION (unaudited)

Subscription Days

Shares may be purchased or sold on any dealing day. The price of shares and the estimated yield are calculated daily. A forward pricing basis is used. Prices are listed in the Financial Times and the Herald.

Redemption of Shares

Shares in the fund may be redeemed on any dealing day. All sale instructions must be made to the ACD in writing. The shares will be purchased from the shareholder at the next valuation point and a contract note confirming the sale will be sent.

Dilution

The actual cost to the Company of purchasing or selling the fund's investments may be higher or lower than the mid-market value used in calculating the share price, e.g., due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances (e.g., large volumes of deals) this may have an adverse effect on the interests of shareholders generally. In order to prevent this effect, called 'dilution', Scottish Friendly Asset Managers Limited has the power to charge a dilution levy on the sale and/or redemption of shares. The dilution levy will be applied at outset and will be paid into that fund and become part of the relevant fund. The dilution levy for the fund will be calculated by reference to the costs of dealing in the underlying investments of that fund, including any dealing spreads, commission and transfer taxes.

Charges

Certain charges are levied to cover the operating costs of the ACD. An initial charge of 4% of the price paid to the depositary is levied when shares are created. A management fee of 1.35% per annum of the net asset value of the fund is levied. This was reduced from 1.4% per annum in August 2019. In addition a number of other fees are payable out of the fund. These include audit, custody, regulatory and depositary fees. The current estimated effect of these fees is 0.50% per annum and is levied on the net asset value of the fund. The charges are deducted daily from the revenue of the fund.

In addition shareholders are permitted to make six free switches in each tax period, however, an administration charge of up to 3% may be levied on additional switches.

Taxation

The fund is exempt from UK tax on capital gains realised on the disposal of investments held within them. Dividends from UK companies is received by the Fund with the tax already deducted and no further tax is payable by the fund on that revenue. Other types of revenue (after deducting allowable expenses) are subject to corporation tax of 20%.

The revenue accumulated by the fund has an attaching tax credit of 10% of the accumulation plus the tax credit.

Lower and basic rate taxpayers do not have any further tax to pay, although higher rate taxpayers are liable to tax on the net revenue accumulated at the difference between higher rate tax and the tax already deducted (currently 40% and 30%).

Details of the tax paid on behalf of shareholders is sent in the form of a tax voucher at each accumulation date.

Shareholders may be liable to capital gains tax when they sell their investments if the gains exceed the exempt amount in that year. For the tax year 2024/2025 the exempt amount was £3,000 and for the tax year 2025/2026 the exempt amount is £3,000.

Stamp Duty Reserve Tax

This is disclosed on the face of the Statements of Change in Net Assets Attributable to Shareholders in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Financial Conduct Authority. Stamp Duty was abolished on 30 March 2014.

Prospectus

Further details concerning the Fund is contained in the Prospectus, which is available on application from the ACD.

Publication of Prices

The most recent prices are published daily in the Financial Times and the Herald. Prices are also published on the Scottish Friendly web site at www.scottishfriendly.co.uk.

Application for Shares

All applications should be made by post to the ACD at Scottish Friendly Asset Managers Limited, 16 Blythswood Square, Glasgow G2 4HJ or by fax on 0141 221 4864. Shares will be purchased at the next valuation point following receipt of a valid application form and cheque. A contract note will be sent to the purchaser.

Scottish Friendly Managed Growth Fund

GENERAL INFORMATION (unaudited)

Prospective shareholders should note that the price of shares can fluctuate and the revenue from them can go down as well as up and is not guaranteed. On redemption investors may receive less than the original amount invested. Past performance is not necessarily a guide to future performance.

Scottish Friendly Managed Growth Fund

Assessment of Value - The Scottish Friendly Investment Funds ICVC (unaudited)

1. Introduction

The Financial Conduct Authority (FCA) has introduced rules to strengthen the duty of asset managers to act in investors' best interests. These require Scottish Friendly Asset Managers Limited (SFAM) to assess the value of the Scottish Friendly Managed Growth Fund (MGF) at least annually. SFAM's Board is responsible for considering the outcomes of the assessment and communicating if value has been delivered along with any improvements that are required.

2. Assessment Criteria

Assessing value is more than just looking at the fees paid or the fund performance in isolation. The following describes the criteria used in SFAM's value assessment and our conclusions:

2.1 Quality of Service

SFAM has considered a range of services it provides to investors, including access to daily online valuations via the My Plans portal, service level attainment, customer communications and complaint volumes and how these were handled.

Assessment Outcome: The Board has concluded that, based on the areas considered, SFAM offers a good level of service to investors in the Scottish Friendly Managed Growth Fund.

2.2 Performance

The objective of the Scottish Friendly Managed Growth Fund is to achieve medium to long term capital growth. We have therefore considered how the fund has performed over 5 and 10 years, while considering prevailing market conditions. The performance of the fund was also compared against its comparator benchmark (the FTSE All Share).

For the period ending 30 November 2025, customers invested in the Scottish Friendly Managed Growth Fund over a 5- and 10-year period achieved capital growth (after charges). The fund has therefore achieved its objective. The Scottish Friendly UK Growth Fund was merged into the Scottish Friendly Managed Growth Fund during the year, and Scottish Friendly UK Growth Fund was subsequently terminated.

Assessment Outcome: While the fund has met its objective, the Board will continue to monitor the performance of the Scottish Friendly Managed Growth Fund and take the action with the fund manager to help support performance and ensure the best outcome for investors.

2.3 Costs and Charges

Consideration has been given to the amount customers pay to invest in the Scottish Friendly Managed Growth Fund and whether these charges are fair, compared to the cost to SFAM of providing the service.

Assessment Outcome: The Board has concluded that SFAM's charges for managing the Scottish Friendly Managed Growth Fund offer value for money, noting in particular that the fund is not a tracker fund and the absence of an exit charge, in absolute terms in the context of the size of the average investor.

2.4 Economies of scale

Consideration has been given to whether SFAM has been able to achieve economies of scale in the accounting period and whether these benefits have been passed on to investors in the Scottish Friendly Managed Growth Fund.

Assessment Outcome: The Board has concluded that, as the Scottish Friendly Managed Growth Fund has not increased in size during period, there are no additional savings or benefits to be passed on to investors at this time.

2.5 Comparable Market Rates

Consideration has been given to whether the fees paid for the services provided to the Scottish Friendly Managed Growth Fund is reasonable compared to fees for similar services in the market. The main expenses of Fund (periodic fees, registrar fees, custody fees and depositary fees) were compared to those of other fund management groups to determine if they were comparable.

Assessment Outcome: Direct comparisons were difficult because fees can be impacted by a number of factors, such as size of funds. A review of fees was commissioned as part of this year's review and the review confirmed that the overall fees were reasonable. Charges will continue to be reviewed on an ongoing basis.

Scottish Friendly Managed Growth Fund

Assessment of Value - The Scottish Friendly Investment Funds ICVC (unaudited) (continued)

2.6 Comparable Services

It is important that investors receive fair terms when they invest in the Scottish Friendly Managed Growth Fund. The Board has considered the terms offered to all classes of investors and has determined these are the same.

Assessment Outcome: The Board has concluded that investors in the Scottish Friendly Managed Growth Fund receive fair terms.

2.7 Classes of Units

Some funds can offer different share classes with different costs. This is not the case for the Scottish Friendly Managed Growth Fund, which only has one class of share available to investors.

Assessment Outcome: The Board has concluded that there is no other share class that would be more suitable for investors in the Scottish Friendly Managed Growth Fund.

3. Overall Assessment Conclusion

In conclusion, the Board confirms that all components of the value assessment have been considered and that overall, the fund offers reasonable value for money. Of the seven assessments made, there were no further improvements identified. The further improvement highlighted in the previous year regarding the 4% initial charge has been addressed by a review taking place during 2025 and a recommendation for removal of this charge on a forward-looking basis during 2026. Generally, the level of fees should continue to be reviewed, particularly the SFAM fee component. In particular, where fixed fees bite, consideration should be given to actions that can reduce the impact should the fund fall further in size.