



# McInroy & Wood

PERSONAL INVESTMENT MANAGERS

## BALANCED FUND

*A pooled management service for private clients*

ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2016

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*\*The information provided on the back of this booklet also forms part of the Authorised Fund Manager's Report.*

## INTRODUCTION

McInroy & Wood Balanced Fund (the fund) is an authorised unit trust for investors who wish to have their assets personally managed by McInroy & Wood Limited (MW) and for whom a discretionary managed portfolio may not be appropriate. Investors will gain access, through the fund, to a portfolio which it might well be impracticable for them to assemble themselves.

The fund has been established with the aim of providing clients with professional investment management at an economic cost.

Through the fund, investors who have similar objectives are able to pool their resources in order to secure the benefits of scale.

The investment objective of the fund is to maximise the total return to unitholders, by preserving and growing the real value of investors' capital and income, placing an equal emphasis on the generation of income and on capital growth.

The fund may invest in any geographical areas and any economic sectors. The Manager has power to invest more than 35% in value of the scheme property of the fund in government and other public securities. This power is restricted to bonds or other securities issued by the Governments of the United Kingdom or the United States of America.

Further information and application forms may be obtained from McInroy & Wood Portfolios Limited, Easter Alderston, Haddington, EH41 3SF. (Tel.+44 (0)1620 825867) or through the website [www.mcinroy-wood.co.uk](http://www.mcinroy-wood.co.uk).

## MANAGER'S INVESTMENT REPORT

At 30<sup>th</sup> April 2016, total net assets of the fund amounted to £509,787,873 compared with £451,757,482 twelve months before. There were 1,060 unitholders, excluding ISAs, with an average holding worth £436,199.

### Markets

Global equity markets lost ground over the year to 30<sup>th</sup> April 2016. Weak commodity prices and worries about sluggish global growth continued to unsettle confidence. Investors became increasingly cautious about the state of consumer demand and the resilience of corporate profitability, which put pressure on already stretched equity market valuations. In the UK, the commencement of the EU referendum campaign increased nervousness.

The UK FTSE 100 fell 10% over the year to 30<sup>th</sup> April. Europe and Japan were also weak in local currency terms, declining by 13% and 18% respectively. The USA fared somewhat better, but still lost 2% over the period. Emerging markets were also down, receding 16% in US dollar terms. The movements of overseas markets are measured by the MSCI indices. In sterling terms, the overall MSCI All Country world index ended the period 3% lower.

Bond markets in the UK and USA were more stable. Although shorter-dated government issues in both countries fell by 1-2%, their longer-dated counterparts rose by 2-3%.

Sterling weakened against other major currencies, falling 7% against the euro and 5% against the US dollar.

### Results

The price of Personal units in the fund at 30<sup>th</sup> April 2016 stood at £41.337, an increase of 2% over the course of the year. The price of Legacy units stood at £40.644. The fall in equity markets was more than offset by the strength of overseas currencies and the increased allocation to longer-dated bonds, as well as an emphasis on companies with strong market positions and positive cash flows.

### Dividend Distribution

A final dividend distribution of 42.566p per unit is now being paid to holders of the Personal class. This brings the total distributions for the year to 72.566p, down by 2% on the 2015 figure.

The distribution for the next six months is expected to be broadly similar to that for the corresponding period in 2015.

## MANAGER'S INVESTMENT REPORT

### Portfolio Strategy

The portfolio's equity allocation was reduced by 10% in early October with an equivalent increase in the bond allocation. This shift in policy reflected concerns about excessive valuations in equity markets in the context of slowing global growth.

At 30<sup>th</sup> April 2016, 62% of the portfolio was allocated to equities (70% at 30<sup>th</sup> April 2015), 36% to bonds (29%), and 2% to cash deposits (1%).

### Investments

Net new funds for investment of £46 million were subscribed during the year and these were used to increase existing positions. As part of the reduction in the equity allocation, holdings were sold in Majestic Wine, RPS, Donaldson and Weg.

Telekomunikasi Indonesia (+36%) and Marico (+29%) recorded the strongest gains during the period in local currency terms; it was a disappointing period for Giant Manufacturing (-27%) and MTN Group (-38%).

Within the bond allocation in the portfolio, a shorter-dated UK Treasury stock matured. New investments were made in shorter-dated issues in the UK and USA.

### Outlook

Looking ahead, there are grounds for caution. Economic growth appears to be faltering and the IMF is expecting little improvement in the UK or USA next year. Recent surveys of business sentiment and productivity growth have been disappointing in both countries. At the time of writing, the possibility of the UK leaving the European Union had injected further uncertainty and, if it should happen, the fall-out will have a significant impact on UK and European capital and foreign exchange markets.

In the USA, the Presidential election may also begin to worry markets, particularly as, until recently, Donald Trump's appeal has been greatly underestimated – and may still be. Even if his campaign should founder on the national stage, his success shows that he is more than a lightning conductor for occasional flashes of popular resentment. Limited improvement in living standards, indignation at the behaviour of the establishment elites, asset inflation caused by quantitative easing, and populism are all linked. They combine to provide a wonderful platform for an opportunist such as Trump and other populists across the world.

Nevertheless, there are positive factors for investment. Employment statistics remain healthy in the USA; the UK unemployment rate is near record lows. Wages here and in the USA are growing in real terms and consumer confidence has picked up in the USA. The

## MANAGER'S INVESTMENT REPORT

### **Outlook continued**

Eurozone has finally surpassed its pre-crisis level of output and grew slightly faster than expected in the first quarter of the year. Commodity prices have recovered from recent lows, but consumers should continue to benefit from historically depressed energy costs. Central bank policies are still strongly supportive of asset prices, not least because interest rate rises in the major economies look likely to be deferred until later in the year.

Prospects are equally mixed in developing markets. Impeachment proceedings are underway against President Dilma Rousseff in Brazil. Deep economic recession and a widespread corruption scandal have exposed years of mismanagement and wasted opportunities for reform, but political change may herald a new willingness to make the necessary (but difficult) structural change. In China, the task of shifting the economy from reliance on investment-driven to consumption-led growth remains a formidable one. While there has been some improvement in the immediate outlook, concerns linger about the authorities' ability to manage a mounting debt burden without causing significant disruption.

Given the limited prospects for the global economy, corporate valuations still look stretched and sales growth is likely to be unexciting. However, provided that the world does not slip back into recession, any weakening in equity markets may throw up investment opportunities for the long-term investor.

*15<sup>th</sup> June 2016*

## COMPARATIVE TABLE — PERSONAL CLASS

	30 <sup>th</sup> April 2016 (pence per unit)	30 <sup>th</sup> April 2015 (pence per unit)	30 <sup>th</sup> April 2014 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	3,988.30	3,657.73	3,657.26
Return before operating charges*	202.17	448.17	113.05
Operating charges	(44.53)	(43.45)	(40.81)
Return after operating charges	157.64	404.72	72.24
Distributions on income units	(72.57)	(74.15)	(71.77)
<b>Closing net asset value per unit</b>			
	4,073.37	3,988.30	3,657.73
*After direct transaction costs of	(1.57)	(7.58)	(2.98)
<b>Performance**</b>			
Return after charges	3.95%	11.06%	1.98%
<b>Other information</b>			
Closing net asset value (£'000)	483,075	420,428	339,817
Closing number of units	11,859,360	10,541,545	9,290,379
Operating charges	1.13%	1.13%	1.11%
Direct transaction costs	0.04%	0.20%	0.08%
<b>Prices</b>			
Highest unit price	£42.233	£42.049	£38.190
Lowest unit price	£37.281	£36.087	£35.030
<b>Portfolio turnover</b>			
Annualised	68%	78%	6%

This table is a new disclosure requirement, as defined by the updated accounting standards. See Note 1(a).

\*\*Performance is capital gains (or losses) plus income earned.

Please note that the capital return element, reflected in the performance figure noted above, may vary from the unit price movement noted in the Manager's Report. The unit price is struck at the daily valuation point at noon, whereas the valuation of investments reported in financial statements are struck at the close of business on the last business day of the period (See note 1 (g)), creating a timing difference.

## COMPARATIVE TABLE — LEGACY CLASS

	30 <sup>th</sup> April 2016 (pence per unit)	30 <sup>th</sup> April 2015 (pence per unit)	30 <sup>th</sup> April 2014 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	3,941.44	3,633.10	3,651.60
Return before operating charges*	198.70	443.92	112.05
Operating charges	(63.31)	(62.09)	(58.94)
Return after operating charges	135.39	381.83	53.11
Distributions on income units	(71.55)	(73.49)	(71.61)
<b>Closing net asset value per unit</b>			
	4,005.28	3,941.44	3,633.10
*After direct transaction costs of	(1.55)	(7.51)	(2.97)
<b>Performance**</b>			
Return after charges	3.44%	10.51%	1.45%
<b>Other information</b>			
Closing net asset value (£'000)	26,713	31,329	34,557
Closing number of units	666,932	794,868	951,171
Operating charges	1.63%	1.63%	1.61%
Direct transaction costs	0.04%	0.20%	0.08%
<b>Prices</b>			
Highest unit price	£41.533	£41.563	£38.123
Lowest unit price	£36.768	£35.760	£34.944

This table is a new disclosure requirement, as defined by the updated accounting standards. See Note 1(a).

\*\*Performance is capital gains (or losses) plus income earned.



## PORTFOLIO STATEMENT

as at 30<sup>th</sup> April 2016

INVESTMENTS	Holding or Nominal Value of positions at 30 <sup>th</sup> April 2016	Bid Market Value £'000	Percentage of Value of total net assets	
			30 <sup>th</sup> April 2016	30 <sup>th</sup> April 2015
<i>Bonds</i>				
<b>UK</b>				
UK Treasury 1% 2017	£13,687,000	13,776	2.7	
UK Treasury 1.25% I-L 2017	£6,220,000	8,744	1.7	
UK Treasury 2.25% 2023	£14,568,000	15,474	3.1	
UK Treasury 2.75% 2024	£12,682,000	13,917	2.7	
UK Treasury 4.25% 2036	£11,405,000	14,981	2.9	
UK Treasury Bill 0% 2016	£29,530,000	29,507	5.8	
		<u>96,399</u>	<u>18.9</u>	<u>15.8</u>
<b>USA</b>				
US Treasury 0.125% I-L 2024	\$44,860,000	30,759	6.0	
US Treasury 0.75% I-L 2042	\$13,125,000	9,161	1.8	
US Treasury 2% 2025	\$16,336,000	11,350	2.2	
US Treasury 2.25% 2024	\$17,147,000	12,162	2.4	
US Treasury 2.75% 2042	\$15,015,000	10,493	2.1	
US Treasury Bill 0% 2016	\$21,000,000	14,332	2.8	
		<u>88,257</u>	<u>17.3</u>	<u>12.7</u>
<b>TOTAL BONDS</b>		<u><u>184,656</u></u>	<u><u>36.2</u></u>	<u><u>28.5</u></u>
<i>Equities</i>				
<b>UK</b>				
Keller	781,992	6,909	1.4	
Land Securities	1,188,000	13,448	2.6	
Reckitt Benckiser	246,000	16,369	3.2	
Rio Tinto	391,950	9,017	1.8	
Rotork	3,077,830	5,756	1.1	
Spirax Sarco	346,621	11,837	2.3	
		<u>63,336</u>	<u>12.4</u>	<u>13.8</u>
<b>US</b>				
Abbott Laboratories	391,000	10,386	2.0	
Becton Dickinson	89,200	9,815	1.9	
Church & Dwight	99,340	6,287	1.2	
Ecolab	83,900	6,584	1.3	
Mettler Toledo	59,350	14,502	2.8	
O'Reilly Automotive	41,900	7,510	1.5	
Paychex	348,500	12,395	2.4	
Roper Industries	52,435	6,302	1.2	
RPM International	156,400	5,395	1.1	
Schlumberger	102,700	5,634	1.1	
Tractor Supply Company	110,560	7,141	1.4	
Watsco	79,320	7,283	1.4	
WW Grainger	43,000	6,884	1.4	
		<u>106,118</u>	<u>20.7</u>	<u>22.6</u>

## PORTFOLIO STATEMENT

continued

<i>Equities (continued)</i>	Holding or Nominal Value of positions at 30 <sup>th</sup> April 2016	Bid Market Value £'000	Percentage of Value of total net assets	
			30 <sup>th</sup> April 2016	30 <sup>th</sup> April 2015
<b>FRANCE</b>				
Essilor International	60,860	5,377	1.1	
Unibail-Rodamco	37,350	6,830	1.3	
		<u>12,207</u>	<u>2.4</u>	<u>2.7</u>
<b>GERMANY</b>				
Fielmann	97,400	4,908	1.0	
Fresenius Medical Care	173,950	10,343	2.0	
Fuchs Petrolub	401,000	10,096	2.0	
SAP	208,100	11,110	2.2	
		<u>36,457</u>	<u>7.2</u>	<u>8.6</u>
<b>IRELAND</b>				
Kerry 'A'	181,670	10,985	2.2	2.5
<b>NETHERLANDS</b>				
Boskalis Westminster	149,800	4,261	0.8	
Royal Dutch Shell 'B'	818,340	14,616	2.9	
		<u>18,877</u>	<u>3.7</u>	<u>3.8</u>
<b>SWITZERLAND</b>				
Sonova	69,000	6,295	1.2	2.2
<b>AUSTRALIA</b>				
ARB	589,011	4,946	1.0	0.8
<b>JAPAN</b>				
Shimano	47,600	4,883	1.0	
Sysmex	123,800	5,529	1.1	
		<u>10,412</u>	<u>2.1</u>	<u>2.1</u>

## PORTFOLIO STATEMENT

continued

		Holding or Nominal Value of positions at 30 <sup>th</sup> April 2016	Bid Market Value £'000	Percentage of Value of total net assets	
<i>Equities (continued)</i>				30 <sup>th</sup> April 2016	30 <sup>th</sup> April 2015
<b>DEVELOPING MARKETS</b>					
<i>Brazil</i>	Localiza Rent A Car	538,730	3,517	0.7	
<i>Hong Kong</i>	Hong Kong & China Gas	1,743,468	2,222	0.4	
	Vitasoy International	3,784,000	4,835	0.9	
<i>India</i>	Mahindra & Mahindra	188,020	2,541	0.5	
	Mahindra & Mahindra-GDR	139,000	1,903	0.4	
	Marico	2,016,000	5,396	1.1	
<i>Indonesia</i>	Telekomunikasi Indonesia	29,500,000	5,413	1.1	
<i>Mexico</i>	Wal-Mart de Mexico	2,831,390	4,798	0.9	
<i>Portugal</i>	Jeronimo Martins	345,800	3,864	0.8	
<i>S.Africa</i>	MTN	312,600	2,242	0.4	
<i>Singapore</i>	Thai Beverage	12,054,000	4,561	0.9	
<i>Taiwan</i>	Giant Manufacturing	865,000	3,543	0.7	
			<u>44,835</u>	<u>8.8</u>	<u>11.3</u>
<b>TOTAL EQUITIES</b>			<u>314,468</u>	<u>61.7</u>	<u>70.4</u>
<b>TOTAL INVESTMENTS</b>			499,124	97.9	98.9
Net Other Assets			<u>10,664</u>	<u>2.1</u>	<u>1.1</u>
<b>TOTAL NET ASSETS</b>			<u><u>509,788</u></u>	<u><u>100.0</u></u>	<u><u>100.0</u></u>

Note: Unless otherwise stated, the above securities are admitted to official stock exchange listings or traded on a regulated market.

All debt securities in the portfolio at 30<sup>th</sup> April 2016 are investment grade.

## SUMMARY OF ALL PORTFOLIO CHANGES

for the year to 30<sup>th</sup> April 2016

	Cost £'000
Purchases	
19,200 Becton Dickinson	1,775
25,420 Ecolab	1,773
5,980 Essilor International	500
8,650 Fresenius Medical Care	502
21,000 Fuchs Petrolub	507
157,327 Giant Manufacturing	761
279,715 Hong Kong & China Gas ( <i>bonus issue</i> )	—
228,000 Land Securities	2,453
55,730 Localiza Rent A Car	298
1,008,000 Marico ( <i>bonus issue</i> )	—
2,350 Mettler Toledo	510
4,570 O'Reilly Automotive	759
15,500 Paychex	509
29,000 Reckitt Benckiser	1,756
186,510 Rio Tinto	3,839
10,015 Roper Industries	1,049
607,830 Rotork	1,014
2,470,000 Rotork ( <i>stock split</i> )	—
315,340 Royal Dutch Shell 'B'	4,731
15,830 RPM International	495
19,740 Schlumberger	995
5,600 Sonova	499
44,800 Spirax Sarco	1,337
301,821 Spirax Sarco ( <i>spin off issue</i> )	—
23,160 Tractor Supply Company	1,293
1,809,000 UK Treasury 2.25% 2023	1,888
1,155,000 UK Treasury 4.25% 2036	1,486
8,858,000 UK Treasury Bill 0% 2015	8,849
31,020,000 UK Treasury Bill 0% 2016	30,997
29,530,000 UK Treasury Bill 0% 2016	29,498
29,530,000 UK Treasury Bill 0% 2016	29,502
2,850 Unibail-Rodamco	496
31,011,000 US Treasury 0.125% I-L 2024	21,445
1,160,000 US Treasury 2% 2025	745
1,920,000 US Treasury 2.25% 2024	1,249
1,814,000 US Treasury 2.75% 2042	1,123
32,553,000 US Treasury Bill 0% 2015	21,129
21,000,000 US Treasury Bill 0% 2016	14,712
31,390,000 US Treasury Bill 0% 2016	22,238
317,530 Wal-Mart de Mexico	452
5,110 Watsco	390
143,250 Weg	418
TOTAL	<u><u>213,972</u></u>

## SUMMARY OF ALL PORTFOLIO CHANGES

continued

Sales	Proceeds £'000
29,000 Abbott Laboratories	761
46,000 Boskalis Westminster	1,325
364,730 Donaldson	6,592
22,120 Essilor International	1,775
42,600 Fielmann	1,917
43,700 Fresenius Medical Care	2,253
1,333,397 Hong Kong & China Gas	1,700
210,200 Jeronimo Martins	1,855
51,700 Kerry 'A'	2,547
571,432 Majestic Wine	2,224
92,000 Marico	371
6,100 Mettler Toledo	1,130
247,000 Rotork ( <i>stock split</i> )	—
2,543,000 RPS	5,808
29,600 SAP	1,267
45,600 Sonova	3,833
313,000 Spirax Sarco ( <i>spin off issue</i> )	—
21,200 Sysmex	745
8,860,000 UK Treasury Bill 0% 2015	8,860
8,858,000 UK Treasury Bill 0% 2015	8,858
31,020,000 UK Treasury Bill 0% 2016	31,020
29,530,000 UK Treasury Bill 0% 2016	29,530
8,407,000 US Treasury 2% 2025	5,947
8,200,000 US Treasury 2.25% 2024	5,923
32,553,000 US Treasury Bill 0% 2015	21,968
31,390,000 US Treasury Bill 0% 2016	22,229
556,000 Vitasoy International	539
1,239,250 Weg	3,098
26,000 WW Grainger	3,604
TOTAL	<u>177,679</u>

## GENERAL INFORMATION

### **Authorisation**

The Balanced Fund is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000 and is categorised as a UCITS scheme under the rules contained in the Collective Investment Schemes Sourcebook made by the Financial Conduct Authority.

McInroy & Wood Limited and its subsidiary, McInroy & Wood Portfolios Limited, are authorised and regulated by the Financial Conduct Authority.

### **Capital Gains Tax**

Authorised unit trusts are exempt from corporation tax on realised capital gains.

### **Applications**

The minimum initial and subsequent investment in the Fund is £1,000. Regular monthly contributions may be made for a minimum of £100.

### **Data Protection**

Unitholders' names will be added to a mailing list which may be used by the Manager, or its associate, to provide investors with information related to their investment, including occasional topical articles. Unitholders who would not like to receive such information can write to the Manager requesting their removal from any such mailing list.

### **Remuneration Policy**

McInroy & Wood Portfolios Limited ("MWP") delegates investment management of the fund to McInroy & Wood Ltd ("MW"), the Investment Advisor. Directors and staff working on the fund are not remunerated by MWP, but they are subject to remuneration requirements which are equally as effective as those in place under the UCITS Directive. The group remuneration policy is approved annually by the Board and is designed to ensure that the remuneration of directors and staff is consistent with and promotes sound and effective risk management. MW pays no variable remuneration to its directors. No other employees have authority to influence the risk profile of the funds. It is, therefore, not possible for variable remuneration incentives to encourage risk-taking which is inconsistent with the risk profile of the funds managed. MWP's compliance with its duty to act in the best interests of the funds it manages is therefore not subject to any conflict of interest.

## GENERAL INFORMATION

continued

### Remuneration Policy (continued)

UCITS V rules, adopted on 18<sup>th</sup> March 2016, require certain disclosures concerning remuneration. Disclosure of the relative proportion of fixed and variable remuneration, the latter not being applicable to directors, is published annually with the group's published statutory accounts, which are also available on request. Further information on the remuneration policy is available on our website.

### A Word of Caution

You should remember that the price of units and the income from them may go down as well as up. Gains are not necessarily achieved in the short term. Exchange rate fluctuations may also cause the value of an investment to rise and fall. Investment in emerging markets can be subject to risk not normally associated with developed markets.

### Synthetic Risk and Reward Indicator (Volatility measure)

1	2	3	4	5	6	7
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**Lower risk**

Typically lower rewards

**Higher risk**

Typically higher rewards

Please note, the category stated above is the same for each class of unit within the fund.

This indicator shows how much a fund's price has risen and fallen in the past and therefore how much its returns have varied: it is a measure of the fund's volatility. The higher the past volatility, the higher the number on the scale. The lowest number on the scale does not mean that a fund is risk free.

This indicator is prescribed by EU reporting guidelines and is based on historical data. It should not be used as an indicator of the fund's future risk profile. The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

## **STATEMENT OF THE MANAGER'S RESPONSIBILITIES**

The Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority (“the Rules”) requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the fund and of its net revenue and the net capital gains on the property of the fund for the year. In preparing the financial statements the Manager is required to:

- Select suitable accounting policies and then apply them consistently.
- Comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the IMA in May 2014.
- Follow generally accepted accounting principles and applicable accounting standards.
- Prepare the accounts on the basis that the fund will continue in operation unless it is inappropriate to do so.
- Keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The Manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and the Rules and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The maintenance and integrity of the McInroy & Wood website is the responsibility of the Authorised Fund Manager.

## **DIRECTORS' STATEMENT**

In accordance with the requirements of the rules in the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority, we hereby certify the Report and Financial Statements of the fund on behalf of the Directors of McInroy & Wood Portfolios Limited.

T A U Wood  
*Director*

J C McAulay  
*Director*

*Haddington, 15<sup>th</sup> June 2016*



## **STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES**

The Trustee is responsible for the safekeeping of all the property of the Trust (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), the Trust Deed and Prospectus, in relation to the pricing of, and dealings in, units in the Trust; the application of income of the Trust; and the investment and borrowing powers and restrictions applicable to the Trust.

## **REPORT OF THE TRUSTEE**

### **to the unit holders of McInroy & Wood Balanced Fund for the year ended 30<sup>th</sup> April 2016**

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Sourcebook, the Trust Deed and Prospectus, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

For and on behalf of  
BNY Mellon Trust & Depositary  
(UK) Limited  
London

*15<sup>th</sup> June 2016*

# INDEPENDENT AUDITORS' REPORT

## Report on the financial statements

### *Our opinion*

In our opinion, McInroy & Wood Balanced Fund's financial statements, (the "financial statements"):

- give a true and fair view of the financial position of the Trust as at 30<sup>th</sup> April 2016 and of the net revenue and the net capital gains of the scheme property of the Trust for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

### *What we have audited*

The financial statements, which are prepared by McInroy & Wood Portfolios Limited (the "Authorised Fund Manager"), comprise:

- the balance sheet as at 30<sup>th</sup> April 2016;
- the statement of total return for the year then ended;
- the statement of change in net assets attributable to unitholders for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for UK Authorised Funds"), the Collective Investment Schemes Sourcebook and the Trust Deed.

In applying the financial reporting framework, the Authorised Fund Manager has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, the Authorised Fund Manager has made assumptions and considered future events.

# INDEPENDENT AUDITORS' REPORT

continued

## **Opinions on matters prescribed 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; and
- the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Other matters on which we are required to report by exception**

*Propriety of accounting records and information and explanations received*

Under the Collective Investment Schemes Sourcebook we are 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 and returns.

We have no exceptions to report arising from this responsibility.

## **Responsibilities for the financial statements and the audit**

*Our responsibilities and those of the Authorised Fund Manager*

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 15, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook 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.

## INDEPENDENT AUDITORS' REPORT

continued

### **Responsibilities for the financial statements and the audit continued**

*What an audit of financial statements involves*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and
- the overall presentation of the financial statements.
- We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.
- We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP  
Chartered Accountants  
and Statutory Auditors  
Edinburgh

15<sup>th</sup> June 2016

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## STATEMENT OF TOTAL RETURN

for the year ended 30<sup>th</sup> April 2016

	Notes	Year ended 30 <sup>th</sup> April 2016		Year ended 30 <sup>th</sup> April 2015	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		16,007		40,468
Revenue	3	10,229		9,408	
Expenses	4	<u>(5,410)</u>		<u>(4,882)</u>	
Net revenue before taxation		4,819		4,526	
Taxation	5	<u>(508)</u>		<u>(577)</u>	
Net revenue after taxation			<u>4,311</u>		<u>3,949</u>
Total return before distributions			20,318		44,417
Distributions	6		<u>(8,614)</u>		<u>(8,053)</u>
Change in net assets attributable to unitholders from investment activities			<u>11,704</u>		<u>36,364</u>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 30<sup>th</sup> April 2016

	Year ended 30 <sup>th</sup> April 2016		Year ended 30 <sup>th</sup> April 2015	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		451,757		374,374
Amounts receivable on creation of units	58,717		62,214	
Amounts payable on cancellation of units	<u>(12,390)</u>		<u>(21,195)</u>	
		46,327		41,019
Change in net assets attributable to unitholders from investment activities		<u>11,704</u>		<u>36,364</u>
Closing net assets attributable to unitholders		<u>509,788</u>		<u>451,757</u>

## BALANCE SHEET

as at 30<sup>th</sup> April 2016

	Notes	30 <sup>th</sup> April 2016		30 <sup>th</sup> April 2015	
		£'000	£'000	£'000	£'000
<b>ASSETS:</b>					
Investments			499,124		446,819
Current assets					
Debtors	7	6,684		2,150	
Cash & bank balances		11,498		8,512	
			<u>18,182</u>		<u>10,662</u>
Total other assets					
			<u>517,306</u>		<u>457,481</u>
<b>LIABILITIES:</b>					
Creditors					
Distribution payable		(5,325)		(5,000)	
Other creditors	8	(2,193)		(724)	
			<u>(7,518)</u>		<u>(5,724)</u>
Total liabilities					
Net assets attributable to unitholders			<u>509,788</u>		<u>451,757</u>

# NOTES TO THE FINANCIAL STATEMENTS

as at 30<sup>th</sup> April 2016

## 1. Accounting policies

- (a) The financial statements have been prepared on a going concern basis in accordance with FRS 102 and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the IMA (now known as the Investment Association) in May 2014 (the "SORP").

In applying UK GAAP, the financial statements have been prepared in compliance with FRS 102 as adopted for the first time. While there have not been any changes in underlying accounting treatments or accounting policies and there is no impact on net assets attributable to unitholders or distributions, certain additional disclosures must now be included in the financial statements, with related prior year comparatives.

- (b) Dividends receivable from equity investments are recognised net of attributable tax credits and are credited to revenue when they are first quoted ex dividend. Interest receivable from debt securities is accounted for on an effective yield basis. All other income is recognised on an accruals basis.
- (c) Special dividends are treated as revenue or capital depending on the facts of each particular case.
- (d) Expenses of the fund are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the fund. The annual management charge is initially charged to revenue but ultimately borne by the capital of the fund.
- (e) Corporation tax is provided for on the revenue liable to corporation tax less deductible expenses.

Deferred taxation is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences regarded as permanent. Any liability to deferred taxation is provided for at the average rate of taxation expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

- (f) The revenue available for distribution is the total revenue earned by the fund, less deductible expenses and taxation charged to revenue. This revenue is distributed annually on the last business day of June. An interim distribution based on available revenue is distributed on the last day of December. The ordinary element of scrip dividends is treated as revenue but does not form part of the distribution.
- (g) All investments have been valued at their fair value, at close of business on the last business day of the period, which is generally the bid market value net of any accrued revenue.

# NOTES TO THE FINANCIAL STATEMENTS

continued

## 1. Accounting policies continued

- (h) Foreign currency transactions are translated at the rates ruling on the date of the transaction. Assets and liabilities valued in foreign currencies have been translated into sterling at exchange rates prevailing at the balance sheet date.
- (i) Stamp Duty Reserve Tax (SDRT) suffered on the surrender of units has been charged against the capital assets of the fund.

## 2. Net gains on investments:

	Year ended 30 <sup>th</sup> April 2016 £'000	Year ended 30 <sup>th</sup> April 2015 £'000
Non-derivative securities	15,497	40,076
Currency gains	537	432
Custodial transaction fees	(27)	(40)
Net capital gains*	<u>16,007</u>	<u>40,468</u>
<i>*includes realised gains on investments sold</i>	<u>7,493</u>	<u>34,467</u>

## 3. Revenue

Dividends on overseas equities	4,418	5,363
Dividends on UK equities	2,653	2,169
Interest on bank deposits	1	1
Interest on overseas interest-bearing securities	984	372
Interest on UK interest-bearing securities	1,920	1,241
Property income distributions	253	262
Total revenue	<u>10,229</u>	<u>9,408</u>



## NOTES TO THE FINANCIAL STATEMENTS

continued

### 4. Expenses

	Year ended 30 <sup>th</sup> April 2016 £'000	Year ended 30 <sup>th</sup> April 2015 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
- Manager's periodic charge	4,834	4,381
- Registrar's fee	—	10
- Transfer agency fee	300	211
Payable to the Trustee, associates of the Trustee and agents of either of them:		
- Trustee's fee	67	61
- Safe custody fee	124	147
Other expenses:		
- Audit fee	7	7
- French withholding tax recovery fee	15	9
- Fund accounting fee	37	33
- Legal and professional fees	5	2
- Sundry fees*	21	21
Total expenses	<u>5,410</u>	<u>4,882</u>

\*Includes accounts printing and postage, tax computation fees and other fees.

## NOTES TO THE FINANCIAL STATEMENTS

continued

### 5. Taxation

	Year ended 30 <sup>th</sup> April 2016 £'000	Year ended 30 <sup>th</sup> April 2015 £'000
<b>(a) Analysis of tax charge</b>		
French withholding tax recoverable	(1)	(1)
Overseas withholding tax	509	578
	<u>508</u>	<u>577</u>

### **(b) Factors affecting the tax charge for the year**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%). The differences are explained below:

Net revenue before taxation	<u>4,819</u>	<u>4,526</u>
Corporation tax at 20%	964	905

*Effects of:*

French withholding tax recoverable	(1)	(1)
Irrecoverable overseas withholding tax	509	578
Movement in excess management expenses	403	589
Revenue not subject to corporation tax	(1,359)	(1,492)
Overseas tax expensed	<u>(8)</u>	<u>(2)</u>
Current tax charge for the year	<u>508</u>	<u>577</u>

### **(c) Deferred tax**

At the balance sheet date, there is a potential deferred tax asset of £3,000,975 (2015 - £2,537,782) in respect of excess management expenses. The fund may not generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

## NOTES TO THE FINANCIAL STATEMENTS

continued

### 6. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	Year ended 30 <sup>th</sup> April 2016 £'000	Year ended 30 <sup>th</sup> April 2015 £'000
Interim	3,547	3,331
Final	5,325	5,000
	<u>8,872</u>	<u>8,331</u>
Add: Revenue deducted on cancellation of units	75	132
Deduct: Revenue received on creation of units	(333)	(410)
Net distribution for the year	<u>8,614</u>	<u>8,053</u>
Net revenue after taxation	4,311	3,949
Expenses taken to capital	4,834	4,383
Tax attributable to capital	(531)	(279)
Net distribution for the year	<u>8,614</u>	<u>8,053</u>

*Details of the distributions per unit are shown in the Distribution Tables on page 33.*

### 7. Debtors

	30 <sup>th</sup> April 2016 £'000	30 <sup>th</sup> April 2015 £'000
Amounts receivable for creation of units	1,801	439
Foreign currency contracts awaiting settlement	1,695	—
Overseas withholding tax recoverable	351	214
Prepaid expenses	5	4
Revenue receivable:		
Overseas bond interest	251	285
Overseas equities	169	353
UK bond interest	236	223
UK equities	480	632
Sales awaiting settlement	1,696	—
	<u>6,684</u>	<u>2,150</u>

## NOTES TO THE FINANCIAL STATEMENTS

continued

<b>8. Other creditors</b>	30 <sup>th</sup> April 2016 £'000	30 <sup>th</sup> April 2015 £'000
Accrued expenses:		
Audit fee	7	7
Fund accounting fee	1	10
Manager's periodic charge	422	397
Registrar's fee	2	2
Safe custody fee	23	28
Trustee's fee	6	6
Custodial transaction fees	4	6
Other	31	27
Amounts payable for cancellation of units	1	241
Foreign currency contracts awaiting settlement	1,696	—
	<u>2,193</u>	<u>724</u>

### 9. Unit movement

For the year 1<sup>st</sup> May 2015 to 30<sup>th</sup> April 2016

	Legacy	Personal
Opening units	794,868	10,541,545
Units created	2,258	1,499,711
Units cancelled	(54,189)	(259,498)
Units converted	(76,005)	77,602
Closing units	<u>666,932</u>	<u>11,859,360</u>

### 10. Related Party Transactions

The Manager actively exercises control over the fund and is therefore a related party by virtue of their controlling influence.

Amounts paid during the year or due to the Manager at the balance sheet date are disclosed under Expenses and Creditors in the Notes to the Financial Statements.

The Manager acts as principal on all transactions of units in the fund. The aggregate monies received through the creation and cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the Notes to the Financial Statements. Amounts due to or from the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Creditors in the Notes to the Financial Statements.

Units held or managed by the Manager or associates of the Manager as a percentage of the fund's value at the balance sheet date were 1.4% (2015 - 1.6%).

continued

### 11. Portfolio Risk Analysis

In pursuing its investment objectives, the fund invests in a variety of financial assets. These comprise securities and other investments. There are also cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and debtors for accrued revenue.

#### **Credit and Cashflow Risk**

The fund has little exposure to credit risk. There are no borrowings or unlisted securities of a material nature and so there is little exposure to liquidity risk.

The fund's assets comprise mainly readily realisable securities. There are no borrowings or unlisted securities of a material nature. The main potential liability of the fund is the redemption of any units that investors wish to sell. Assets of the fund may need to be sold if insufficient cash is available to finance such redemptions. The Manager has reviewed the portfolio's investments and considers them to be sufficiently liquid for these purposes.

#### **Credit quality**

All debt securities in the portfolio at the balance sheet date are investment grade (2015 - same).

#### **Market Price Risk**

Market price risk arises from the effect which falls in the price or value of the assets held could have on the property of the fund. The Manager seeks to mitigate such risk by maintaining a prudent diversification of its investments.

The Manager adheres to investment guidelines and to investment borrowing powers set out in the Trust Deed, Prospectus and in the rules of the Collective Investment Schemes Sourcebook. This mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Manager's Investment Report and Portfolio Statement.

## NOTES TO THE FINANCIAL STATEMENTS

continued

### 11. Portfolio Risk Analysis continued

#### Interest Rate Risk

The fund holds cash on deposit. Changes in interest rates may have an adverse effect on the value of such deposits and on the amount of income derived from them.

The Manager reviews policies for managing these risks in pursuance of Investment Objective and Policy.

The interest rate profile of portfolio investments at 30<sup>th</sup> April was:

#### Interest rate profile

	Floating rate Investments £'000	Fixed rate Investments £'000	Non interest bearing Investments £'000	Total £'000
<b>30<sup>th</sup> April 2016</b>				
Investment assets	—	184,656	314,468	499,124
<b>30<sup>th</sup> April 2015</b>				
Investment assets	—	128,957	317,862	446,819

#### Foreign Currency Risk

The fund invests in overseas securities and the balance sheet can be significantly affected by movements in foreign exchange rates. The fund has not hedged the sterling value of investments that are priced in other currencies. Revenue received in other currencies is translated to sterling on or near the date of receipt. The fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

#### Currency profile

The currency profile of the fund's net assets at 30<sup>th</sup> April was:

	Monetary (Cash/Other assets) £'000	Non-monetary (Securities) £'000	Total £'000	Total %
<b>30<sup>th</sup> April 2016</b>				
US Dollar	309	196,917	197,226	38.7
UK Sterling	9,907	174,350	184,257	36.1
Euro	290	67,773	68,063	13.4
Japanese Yen	15	10,412	10,427	2.0
Hong Kong Dollar		7,057	7,057	1.4
Indian Rupee		7,300	7,300	1.4
Swiss Franc	125	6,295	6,420	1.3
Indonesian Rupiah		5,413	5,413	1.1
Australian Dollar		4,946	4,946	1.0
Mexican Peso		4,798	4,798	0.9
Singapore Dollar		4,561	4,561	0.9
Brazilian Real	18	3,517	3,535	0.7
Taiwan Dollar		3,543	3,543	0.7
South African Rand		2,242	2,242	0.4
	10,664	499,124	509,788	100.0

# NOTES TO THE FINANCIAL STATEMENTS

continued

## 11. Portfolio Risk Analysis continued

### Currency profile continued

	Monetary (Cash/Other assets) £'000	Non-monetary (Securities) £'000	Total £'000	Total %
<b>30<sup>th</sup> April 2015</b>				
US Dollar	390	161,722	162,112	35.9
UK Sterling	3,832	144,560	148,392	32.8
Euro	176	74,115	74,292	16.5
Swiss Franc	91	9,819	9,910	2.2
Japanese Yen	11	9,646	9,657	2.1
Hong Kong Dollar		9,511	9,511	2.1
Brazilian Real	21	7,497	7,518	1.7
Indian Rupee		6,152	6,152	1.4
Singapore Dollar		4,234	4,234	0.9
South African Rand	122	4,066	4,188	0.9
Indonesian Rupiah	113	3,873	3,985	0.9
Taiwan Dollar		3,977	3,977	0.9
Mexican Peso	83	3,844	3,927	0.9
Australian Dollar		3,803	3,803	0.8
Thai Baht	99		99	0.0
	<u>4,938</u>	<u>446,819</u>	<u>451,757</u>	<u>100.0</u>

### Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
<b>30<sup>th</sup> April 2016</b>		
Quoted prices for identical instruments in active markets	314,468	—
Valuation techniques using observable market data	184,656	—
	<u>499,124</u>	<u>—</u>
<b>30<sup>th</sup> April 2015</b>		
Quoted prices for identical instruments in active markets	317,862	—
Valuation techniques using observable market data	128,957	—
	<u>446,819</u>	<u>—</u>

## NOTES TO THE FINANCIAL STATEMENTS

continued

### 12. Portfolio Transaction Costs

For the year 1<sup>st</sup> May 2015 to 30<sup>th</sup> April 2016

Purchases	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	28,973	60	0.21	77	0.27
Debt instruments (direct)	184,862	—	—	—	—
<b>Total purchases</b>	<b>213,835</b>	<b>60</b>		<b>77</b>	

#### **Total purchases including transaction costs**

**213,972**

Sales	Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	43,394	47	0.11	3	0.01
Debt instruments (direct)	134,335	—	—	—	—
<b>Total sales</b>	<b>177,729</b>	<b>47</b>		<b>3</b>	

#### **Total sales net of transaction costs**

**177,679**

Total transaction costs 107 80

Total transaction costs as a % of average net assets 0.02% 0.02%



## NOTES TO THE FINANCIAL STATEMENTS

continued

### 12. Portfolio Transaction Costs continued

For the year 1<sup>st</sup> May 2014 to 30<sup>th</sup> April 2015

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases					
Equity instruments (direct)	114,357	265	0.23	199	0.17
Debt instruments (direct)	109,689	—	—	—	—
<b>Total purchases</b>	<b>224,046</b>	<b>265</b>		<b>199</b>	

**Total purchases including  
transaction costs** 224,510

	Value £'000	Commissions £'000	%	Taxes £'000	%
Sales					
Equity instruments (direct)	135,172	324	0.24	44	0.03
Debt instruments (direct)	52,664	—	—	—	—
<b>Total sales</b>	<b>187,836</b>	<b>324</b>		<b>44</b>	

**Total sales net of  
transaction costs** 187,468

Total transaction costs 589 243

Total transaction costs  
as a % of average net assets 0.14% 0.06%

The above analysis covers any direct transaction costs carried by the fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the fund's purchase and sale of equity shares. Additionally for equity shares there are dealing spread costs (the difference between the buying and selling prices) which are payable on purchase and sale transactions.

For the fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

Dealing spread costs incurred by the fund vary depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.10% (2015 - 0.15%).

### 13. Post Balance Sheet Events

There are no post balance sheet events that require disclosure or adjustments to the financial statements.

## DISTRIBUTION TABLES

in pence per unit  
for the year ended 30<sup>th</sup> April 2016

### INTERIM DISTRIBUTION

Group 1 - Units purchased prior to 1<sup>st</sup> May 2015

Group 2 - Units purchased 1<sup>st</sup> May 2015 to 31<sup>st</sup> October 2015

	Unit Class	Dividend income	Equalisation*	Amount paid
Group 1	<i>Legacy</i>	30.000	—	30.000
Group 2	<i>Legacy</i>	12.859	17.141	30.000
Group 1	<i>Personal</i>	30.000	—	30.000
Group 2	<i>Personal</i>	8.017	21.983	30.000

### FINAL DISTRIBUTION

Group 1 - Units purchased prior to 1<sup>st</sup> November 2015

Group 2 - Units purchased 1<sup>st</sup> November 2015 to 30<sup>th</sup> April 2016

	Unit Class	Dividend income	Equalisation*	Amount payable
Group 1	<i>Legacy</i>	41.546	—	41.546
Group 2	<i>Legacy</i>	24.621	16.925	41.546
Group 1	<i>Personal</i>	42.566	—	42.566
Group 2	<i>Personal</i>	19.816	22.750	42.566

\*Income arises throughout each reporting period. Equalisation is the average amount of income included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital it is not liable to income tax. Instead, it must be deducted from the cost of units for capital gains purposes.

### DISTRIBUTION SUMMARY

in pence per unit  
for the year ended 30<sup>th</sup> April 2016

	Year to 30 <sup>th</sup> April 2016		Year to 30 <sup>th</sup> April 2015	
	<i>Personal</i>	<i>Legacy</i>	<i>Personal</i>	<i>Legacy</i>
Interim paid	30.000	30.000	30.000	30.000
Final payable/paid	42.566	41.546	44.149	43.487
	<u>72.566</u>	<u>71.546</u>	<u>74.149</u>	<u>73.487</u>







*Manager*

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AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY

McInroy & Wood Portfolios Limited is a subsidiary of  
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MWBF0416