



McInroy & Wood

PERSONAL INVESTMENT MANAGERS

BALANCED FUND

A pooled management service for private clients

INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31ST OCTOBER 2014

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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 principal investment objective of the fund is to maximise the total return to unitholders with an equal emphasis on the generation of income and on capital growth.

The fund may invest in any geographical areas and any economic sectors.

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

MANAGER'S INVESTMENT REPORT

At 31st October 2014, the total net assets of the fund amounted to £420,919,215 compared with £374,373,733 six months before. There were 987 unitholders, excluding ISAs, with an average holding worth £388,791.

Markets

Global equity markets diverged to an unusual extent over the year to 31st October 2014. Continuing economic growth in the USA and determinedly positive monetary policy statements from the Bank of Japan provided a favourable background for investment in those countries. However, elsewhere investors were concerned about the sustainability of the recovery in the UK, further weakness in Europe and slowdowns in several emerging markets, compounded by political concerns in Ukraine and the Middle East.

The UK FTSE 100 index fell by 3%, and Europe was also down by 1%, but the USA advanced by 7% and Japan rose sharply by no less than 15%. Emerging markets recorded a more modest gain of 2%. In sterling terms, the overall MSCI All Country World index showed a positive return and rose by 3%.

Bond prices also showed divergent trends. Shorter-dated issues were little changed but medium-dated conventional and index-linked gilts gained 3-5%. Shorter US Treasury inflation-protected stocks fell by about 2%.

The US dollar rose strongly against other major currencies, gaining 5% against sterling which itself rose by 4% against the Japanese yen and 5% against the euro.

Results

The price of Personal units in the fund at 31st October 2014 stood at £38.209, a rise of 3% from the level of the unit price at 30th April. The price of Legacy units stood at £37.855. The fund benefited from gains in US and Japanese equities and the strength of the US dollar against sterling. These factors outweighed weakness in UK and European equities and the fall in the euro.

Dividend Distribution

A dividend distribution of 30.000p per unit is now being paid to holders of both unit classes, 2% higher than the equivalent payment a year ago.

On current estimates the distribution for the next six months to 30th April 2015 is expected to be higher than the corresponding payment for the year before. This reflects an increased allocation to equities compared to the previous period, and a large special dividend from ARB.

MANAGER'S INVESTMENT REPORT

continued

Portfolio Strategy

No significant adjustments were made to the portfolio's strategic allocations during the six months. At 31st October 2014, 81% of the portfolio was allocated to equities (80% at 30th April 2014), 18% to bonds (19%), and 1% (1%) to cash deposits.

Investments

The portfolio's holdings in developing markets have been concentrated into a shorter list of somewhat larger positions reflecting an increased confidence in the operation and transparency of these markets. As a result there were a larger number of sales of existing investments than usual during the period. Full details are shown on the Summary of All Portfolio Changes on pages 10 to 12 of this report.

There were notably strong performances from Marico (+52%) and Sysmex (+46%); it was a disappointing period for Jeronimo Martins (-45%) and Gemalto (-24%).

Outlook

Growth in the US economy remains quite robust with a better than anticipated 3.5% rise in third quarter GDP. Unemployment fell to 5.8% in October and latest indicators of manufacturing activity were well above expectations. As a result the US Federal Reserve has announced the end of its 'quantitative easing' programme of bond purchases. However, it has also signalled that it does not anticipate any imminent rise in interest rates, as there is little sign of any inflationary pressures. Similar trends are evident in the UK economy, where consumer confidence indices are at their highest level in over a decade, though there is perhaps more room for doubt whether momentum here can be sustained.

Growth elsewhere has been patchy. Growth in the eurozone in the third quarter was a minimal 0.2%, and inflation has fallen to dangerously low levels, running at 0.4% in October. Economic growth has been disappointing in Japan too, with a lapse back into recession in the third quarter in spite of the best efforts of the Abe government. Both the European Central Bank and the Bank of Japan have committed to aggressive expansion of their balance sheets to try to reflate their economies.

In developing regions, however, gains continue to be much more rapid, even if the IMF has scaled its forecasts for growth back from 7% to 5%. Several indicators in China have decelerated sharply with the property sector looking particularly vulnerable, but growth of just over 7%, albeit the slowest since 1990, is still well ahead of that in developed economies. While there is still a great need for genuine restructuring and pro-business reform to provide the basis for long-term economic progress in many emerging markets such as India and Brazil, there should be considerable opportunities for investors if recent political initiatives from incoming governments can be implemented successfully.

MANAGER'S INVESTMENT REPORT

continued

Hitherto, rising company sales and earnings have provided support for equity valuations. However, concerns over the outlook for Europe and China have combined with falling commodity prices to generate considerable market volatility. Global economic prospects are certainly very mixed. Yet unless deflation becomes a more imminent threat, equity prices should at least hold their own at current levels.

After the latest fall in bond yields, the attraction of investing in fixed-interest issues consists very largely of their defensive qualities in the event of outright deflation.

The Scottish referendum result has moved the global spotlight away from some purely UK concerns. However, large constitutional and economic uncertainties still face the UK. These simply reinforce the desirability of limiting local risk by investing on a global basis. Overseas allocations remain a vital component of a sensibly constructed investment strategy, and a broad international diversification continues to form the bedrock of the fund's portfolio.

18th December 2014

CAPITAL RECORD

Highest and lowest unit prices.

Year	High		Low	
	<i>Legacy</i>	<i>Personal</i>	<i>Legacy</i>	<i>Personal</i>
2009	£27.504	—	£21.749	—
2010	£32.394	—	£26.595	—
2011	£33.569	—	£29.437	—
2012	£33.896	—	£31.088	—
2013	£37.736	£37.848	£34.166	£34.169
2014*	£38.587	£38.919	£35.631	£35.827

*Up to 31st October only.

INCOME RECORD

Year (to 30 th April)	Per unit (net)	
	<i>Legacy</i>	<i>Personal</i>
2010	53.511p	—
2011	56.301p	—
2012	62.813p	—
2013	66.629p	37.141p
2014	71.609p	71.768p
2015 (<i>interim only</i>)	30.000p	30.000p

NET ASSET VALUES

Date	Net asset value of fund	Net asset value per unit	Number of units
30.04.12 <i>Legacy</i>	£229,603,890	£32.631	7,036,480
30.04.13 <i>Legacy</i>	£50,577,901	£36.516	1,385,080
30.04.13 <i>Personal</i>	£244,871,019	£36.573	6,695,484
30.04.14 <i>Legacy</i>	£34,556,966	£36.331	951,171
30.04.14 <i>Personal</i>	£339,816,767	£36.577	9,290,379
31.10.14 <i>Legacy</i>	£32,771,627	£37.577	872,110
31.10.14 <i>Personal</i>	£388,147,588	£37.931	10,232,952

ONGOING CHARGES FIGURE **

Date	Annualised	
	<i>Legacy</i>	<i>Personal</i>
30.04.10	1.583%	—
30.04.11	1.568%	—
30.04.12	1.559%	—
30.04.13	1.566%	1.066%
30.04.14**	1.607%	1.108%
31.10.14**	1.619%	1.119%

PORTFOLIO TURNOVER

Date	Annualised
30.04.10	26%
30.04.11	28%
30.04.12	22%
30.04.13	3%
30.04.14	6%
31.10.14	39%

**An Ongoing Charges Figure (“OCF”) has replaced the Total Expense Ratio (“TER”). The main difference to the historic TER calculation is the inclusion of custodian handling charges in the OCF. The comparative figures have not been restated, and the historic TER is disclosed.

PORTFOLIO STATEMENT

as at 31st October 2014 (unaudited)

INVESTMENTS	Holding or Nominal Value of positions at 31 st Oct. 2014	Bid Market Value £	Percentage of Value of total net assets	
<i>Bonds</i>			31 st Oct. 2014	30 th Apr. 2014
UK				
UK Treasury 1% 2017	£10,161,000	10,150,585	2.4	
UK Treasury 1.25% I-L 2017	£7,047,000	10,128,786	2.4	
UK Treasury 2% 2016	£7,964,000	8,097,596	1.9	
UK Treasury 2.25% 2023	£10,361,000	10,451,918	2.5	
UK Treasury 3.75% 2021	£3,601,500	4,041,513	1.0	
		<u>42,870,398</u>	<u>10.2</u>	<u>10.4</u>
USA				
US Treasury 0.125% TIPS 2017	\$14,771,000	9,818,649	2.3	
US Treasury 0.75% 2017	\$5,415,000	3,362,480	0.8	
US Treasury 1.625% TIPS 2015	\$17,586,000	13,674,048	3.3	
US Treasury FRN 2016	\$11,354,700	7,096,995	1.7	
		<u>33,952,172</u>	<u>8.1</u>	<u>8.7</u>
TOTAL BONDS		<u><u>76,822,570</u></u>	<u><u>18.3</u></u>	<u><u>19.1</u></u>
<i>Equities</i>				
UK				
BG	240,990	2,506,296	0.6	
Keller	625,380	5,215,669	1.2	
Land Securities	955,215	10,555,126	2.5	
Majestic Wine	863,971	3,252,850	0.8	
Pearson	235,325	2,753,302	0.7	
Reckitt Benckiser	189,900	9,960,255	2.4	
Rio Tinto	205,440	6,101,568	1.4	
Rotork	264,365	6,754,526	1.6	
Royal Dutch Shell B	493,580	11,411,570	2.7	
RPS	2,172,263	5,072,234	1.2	
Spectris	206,175	3,713,212	0.9	
Spirax Sarco	345,477	9,832,275	2.3	
Standard Chartered	103,670	973,047	0.2	
		<u>78,101,930</u>	<u>18.5</u>	<u>18.0</u>
US				
Abbott Laboratories	356,570	9,708,528	2.3	
Anixter International	99,030	5,271,985	1.3	
Becton Dickinson	80,930	6,510,417	1.5	
Church & Dwight	126,660	5,731,902	1.4	
Donaldson	311,315	8,091,057	1.9	
Ecolab	97,120	6,749,866	1.6	
Grainger WW	55,615	8,576,637	2.0	
Mettler Toledo	57,345	9,257,426	2.2	
O'Reilly Automotive	64,845	7,128,350	1.7	
Paychex	323,130	9,478,695	2.3	
Roper Industries	68,415	6,766,023	1.6	

PORTFOLIO STATEMENT

continued

	Holding or Nominal Value of positions at 31 st Oct. 2014	Bid Market Value £	Percentage of Value of total net assets	
<i>Equities</i> (continued)			31 st Oct. 2014	30 th Apr. 2014
US (continued)				
RPM	226,070	6,401,207	1.5	
Schlumberger	96,455	5,946,405	1.4	
Tractor Supply	158,400	7,248,470	1.7	
Watsco	92,720	<u>5,888,852</u>	<u>1.4</u>	
		<u>108,755,820</u>	<u>25.8</u>	<u>24.9</u>
FRANCE				
Danone	66,120	2,807,602	0.7	
Essilor	85,510	5,897,772	1.4	
Total SA	91,720	3,405,111	0.8	
Unibail-Rodamco	35,680	<u>5,711,483</u>	<u>1.4</u>	
		<u>17,821,968</u>	<u>4.3</u>	<u>5.6</u>
GERMANY				
Fielmann	148,440	6,028,740	1.5	
Fresenius Medical Care	186,315	8,512,505	2.0	
Fuchs Petrolub	284,714	6,519,725	1.5	
SAP	179,230	<u>7,590,852</u>	<u>1.8</u>	
		<u>28,651,822</u>	<u>6.8</u>	<u>5.9</u>
IRELAND				
Kerry	186,650	<u>7,899,261</u>	<u>1.9</u>	<u>1.6</u>
NETHERLANDS				
Boskalis Westminster	179,430	5,973,506	1.4	
Gemalto	99,460	<u>4,747,503</u>	<u>1.2</u>	
		<u>10,721,009</u>	<u>2.6</u>	<u>2.8</u>
SWITZERLAND				
Kühne + Nagel	45,190	3,671,550	0.9	
Sonova	88,335	<u>8,593,981</u>	<u>2.0</u>	
		<u>12,265,531</u>	<u>2.9</u>	<u>3.2</u>
AUSTRALIA				
ARB	589,011	<u>4,242,588</u>	<u>1.0</u>	<u>1.1</u>
JAPAN				
Shimano	52,600	4,299,475	1.0	
Sysmex	227,800	<u>5,982,330</u>	<u>1.4</u>	
		<u>10,281,805</u>	<u>2.4</u>	<u>1.9</u>

PORTFOLIO STATEMENT

continued

	Holding or Nominal Value of positions at 31 st Oct. 2014	Bid Market Value £	Percentage of Value of total net assets	
<i>Equities</i> (continued)			31 st Oct. 2014	30 th Apr. 2014

DEVELOPING MARKETS

<i>Brazil</i>	Kroton Educacional	978,728	4,388,523	1.0	
	Localiza Rent A Car	425,000	3,855,713	0.9	
	WEG	548,000	4,080,873	1.0	
<i>Hong Kong</i>	Hong Kong & China Gas	2,797,150	4,076,075	1.0	
	Vitasoy	4,334,000	3,723,695	0.9	
<i>India</i>	Mahindra & Mahindra-GDR	188,020	2,526,756	0.6	
	Mahindra & Mahindra	100,000	1,321,378	0.3	
	Marico	1,486,154	4,708,211	1.1	
<i>Indonesia</i>	Kalbe Farma	45,041,600	3,972,028	0.9	
	Telekomunikasi Indonesia	28,747,000	4,081,398	1.0	
<i>Mexico</i>	Financiero Banorte	1,058,300	4,234,054	1.0	
	Wal-Mart de Mexico	2,513,860	3,631,410	0.9	
<i>Portugal</i>	Jeronimo Martins	556,000	3,038,428	0.7	
<i>SAfrica</i>	MTN	312,600	4,303,002	1.0	
<i>Singapore</i>	Thai Beverage	12,054,000	4,483,764	1.1	
<i>Taiwan</i>	Giant Manufacturing	847,673	4,241,692	1.0	
			<u>60,667,000</u>	<u>14.4</u>	<u>14.6</u>
<i>TOTAL EQUITIES</i>			<u>339,408,734</u>	<u>80.6</u>	<u>79.6</u>
TOTAL INVESTMENTS			416,231,304	98.9	98.7
Net other assets			<u>4,687,911</u>	<u>1.1</u>	<u>1.3</u>
<i>TOTAL NET ASSETS</i>			<u><u>420,919,215</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 31st October 2014 are investment grade.

SUMMARY OF ALL PORTFOLIO CHANGES

for the six months ended 31st October 2014 (unaudited)

Purchases	Cost £
79,110 Abbott Laboratories	2,053,055
2,600 Anixter International	156,652
6,000 Becton Dickinson	419,133
27,510 Boskalis Westminster	896,783
8,300 Church & Dwight	339,806
56,800 Donaldson	1,418,627
457,440 Ezion (<i>bonus issue</i>)	—
2,350 Fielmann	196,584
74,220 Fielmann (<i>stock Split</i>)	—
838,300 Financiero Banorte	3,273,628
46,360 Fresenius Medical Care	1,967,554
79,892 Fuchs Petrolub	2,094,048
106,312 Fuchs Petrolub (<i>bonus issue</i>)	—
18,080 Gemalto	1,117,910
350,000 Giant Manufacturing	1,666,346
16,040 Grainger WW	2,362,046
865,000 Hong Kong & China Gas	1,220,777
175,650 Hong Kong & China Gas (<i>bonus issue</i>)	—
382,255 Jeronimo Martins	2,816,936
21,500,000 Kalbe Farma	1,806,239
120,590 Keller	1,134,947
55,495 Kerry	2,385,060
131,155 Kerry (<i>spin off issue</i>)	—
498,460 Kroton Educacional	2,694,874
72,067 Kroton Educacional (<i>spin off issue</i>)	—
408,201 Kroton Educacional (<i>stock split</i>)	—
3,200 Kühne + Nagel	260,736
381,975 Land Securities	4,025,449
223,268 Localiza Rent A Car	2,079,520
100,000 Mahindra & Mahindra	1,380,245
170,655 Majestic Wine	803,222
630,000 Marico	1,785,301
12,000 Mettler Toledo	1,862,311
148,000 MTN	1,961,221
2,440 O'Reilly Automotive	214,469
87,385 Paychex	2,368,991
57,205 Reckitt Benckiser	2,956,130
10,025 Rio Tinto	325,399
32,265 Rotork	848,018
221,745 Royal Dutch Shell B	5,178,410

SUMMARY OF ALL PORTFOLIO CHANGES

continued

	Cost £
Purchases (continued)	
16,005 RPM	410,276
335,245 RPS	840,847
68,335 SAP	2,939,163
3,690 Schlumberger	224,184
3,300 Shimano	203,373
20,825 Sonova	1,963,329
39,100 Spectris	865,797
126,280 Spirax Sarco	3,470,985
11,460,000 Telekomunikasi Indonesia	1,655,863
4,280,000 Thai Beverage	1,504,630
11,420 Total SA	487,101
18,445 Tractor Supply	707,611
1,925,000 UK Treasury 1% 2017	1,904,172
1,673,000 UK Treasury 2.25% 2023	1,618,393
2,775 Unibail-Rodamco	446,998
5,415,000 US Treasury 0.75% 2017	3,196,584
2,170,000 Vitasoy	1,711,788
1,208,815 Wal-Mart de Mexico	1,985,810
3,950 Watsco	240,292
248,467 WEG	1,808,586
TOTAL	<u>84,256,209</u>
	Proceeds £
Sales	
232,700 Anhanguera Educacional	953,490
232,700 Anhanguera Educacional (<i>spin off issue</i>)	—
9,200 Anixter International	470,854
15,000 Becton Dickinson	1,137,224
120,000 BG	1,242,150
5,500 Boskalis Westminster	181,990
360,840 CEMIG - ADR	1,616,930
166,000 Cheung Kong	1,830,855
381,000 China Mobile	2,883,017
17,000 Church & Dwight	744,712
1,282,000 CNOOC	1,446,918
33,000 Danone	1,310,814
2,042,000 Digi.com	2,271,415
19,000 Ecolab	1,317,165
8,400 Essilor	547,566

SUMMARY OF ALL PORTFOLIO CHANGES

continued

Sales (continued)	Proceeds £
2,744,640 Ezion	2,437,008
698,000 Hang Lung Properties	1,368,408
1,447,105 IAM	1,387,019
296,800 Keppel	1,518,200
131,155 Kerry (<i>spin off issue</i>)	—
22,500 Kühne + Nagel	1,741,680
178,750 Larsen & Toubro-GDR	2,856,632
1,300,800 Lianhua Supermarkets	419,298
30 Lindt & Sprüngli	1,047,243
28,485 Majestic Wine	115,332
3,060,600 Manila Water	1,177,719
11,079 Marico	26,710
183,380 Natura Cosmetics	1,861,008
11,100 O'Reilly Automotive	1,143,747
120,000 Pearson	1,379,689
6,544,000 Perusahaan Gas Negara	2,007,176
8,190 POSCO	1,729,074
12,000 Roper Industries	1,092,703
36,500 RPM	996,269
14,000 Schlumberger	847,665
2,576,000 Shandong Weigao	1,627,197
2,570,700 Shenzhen Expressway	969,534
104,000 Spectris	1,708,384
46,000 Total SA	1,615,758
5,420,000 US Treasury 0.125% 2014	3,210,520
11,000 Watsco	641,674
TOTAL	<u>52,880,747</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.

Income Tax

All income distributions carry a notional tax credit of 10%. A basic rate taxpayer has no further liability in respect of this income but is unable to reclaim the tax.

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.

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.

GENERAL INFORMATION

continued

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.

The fund has been classed as 4 because its volatility has been measured as average.

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 October 2010.
- 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, 18th December 2014

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES

The Trustee is under a duty to take into custody and to hold the property of the Scheme in trust for the holders of units. Under the Rules relating to reports it is the duty of the Trustee to enquire into the conduct of the Manager in the management of the Scheme in each annual accounting period and report thereon to unitholders in a report which shall contain the matters prescribed by the Rules.

STATEMENT OF TOTAL RETURN

for the six months ended 31st October 2014 (unaudited)

	Notes	Six months ended 31 st Oct. 2014		Six months ended 31 st Oct. 2013	
		£	£	£	£
Income					
Net capital gains			15,278,638		5,313,418
Revenue	2	5,298,188		4,051,438	
Expenses	3	(2,322,571)		(1,896,674)	
Net revenue before taxation		2,975,617		2,154,764	
Taxation	4	(403,954)		(296,654)	
Net revenue after taxation			2,571,663		1,858,110
Total return before distributions			17,850,301		7,171,528
Finance costs: distributions			(3,117,300)		(2,406,273)
Change in net assets attributable to unitholders from investment activities			14,733,001		4,765,255

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six months ended 31st October 2014 (unaudited)

		Six months ended 31 st Oct. 2014		Six months ended 31 st Oct. 2013	
		£	£	£	£
Opening net assets attributable to unitholders			374,373,733		295,448,920
Amounts receivable on creation of units	43,161,359			48,775,529	
Amounts payable on cancellation of units	(11,348,614)			(8,904,756)	
			31,812,745		39,870,773
Stamp duty reserve tax			(264)		(8,258)
Change in net assets attributable to unitholders from investment activities			14,733,001		4,765,255
Closing net assets attributable to unitholders			420,919,215		340,076,690

The opening net assets for the current period do not equal the closing net assets for the comparative period as the above table relates to six month interim periods only.

BALANCE SHEET

as at 31st October 2014 (unaudited)

	31 st Oct. 2014		30 th Apr. 2014	
	£	£	£	£
ASSETS:				
Investment assets		416,231,304		369,387,312
Debtors	806,015		1,892,143	
Cash & bank balances	<u>8,082,391</u>		<u>7,858,450</u>	
Total other assets		<u>8,888,406</u>		<u>9,750,593</u>
Total assets		<u>425,119,710</u>		<u>379,137,905</u>
LIABILITIES:				
Creditors	(868,977)		(436,757)	
Distribution payable	<u>(3,331,518)</u>		<u>(4,327,415)</u>	
Total liabilities		<u>(4,200,495)</u>		<u>(4,764,172)</u>
Net assets attributable to unitholders		<u>420,919,215</u>		<u>374,373,733</u>

NOTES TO THE FINANCIAL STATEMENTS

as at 31st October 2014 (unaudited)

1. Accounting policies

The Interim Financial Statements have been prepared in accordance with accounting policies set out in the most recent Annual Financial Statements.

2. Revenue

	Six months ended 31 st Oct. 2014	Six months ended 31 st Oct. 2013
	£	£
Dividends on UK equities	1,020,209	807,298
Dividends on overseas equities	3,481,436	2,536,587
Interest on UK interest-bearing securities	548,517	447,085
Interest on overseas interest-bearing securities	149,346	260,468
Property income distributions	98,680	—
Total revenue	<u>5,298,188</u>	<u>4,051,438</u>

3. Expenses

Payable to the Manager, associates of the Manager and agents of either of them:

- Manager's periodic charge	2,099,052	1,744,053
- Transfer agency fee	81,234	23,336
- Registrar's fee	9,591	27,284

Payable to the Trustee, associates of the Trustee and agents of either of them:

- Trustee's fee	29,432	24,727
- Safe custody fee and activity charges	66,981	49,105

Other expenses:

- Accounts printing and postage	1,562	—
- Administration fee	17,571	17,459
- ADR commission charges	4,220	—
- Audit fee	3,569	3,541
- FCA fee	182	175
- FT listing fees	1,928	—
- Professional fees	1,901	1,679
- Sundry expenses	3,836	2,163
- Taxation advice	1,512	3,152

Total expenses	<u>2,322,571</u>	<u>1,896,674</u>
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4. Taxation

	£	£
Analysis of tax charge		
French withholding tax received	(1,327)	—
Overseas withholding tax	405,281	296,654
	<u>403,954</u>	<u>296,654</u>

NOTES TO THE FINANCIAL STATEMENTS

continued

5. Currency and interest rate profile

Currency	31 st Oct. 2014 %	30 th Apr. 2014 %
Australian Dollar	1.0	1.1
Brazilian Real	2.9	2.0
Chilean Peso	—	0.4
Euro	16.2	16.5
Hong Kong Dollar	1.9	3.5
Indian Rupee	1.4	0.5
Indonesian Rupiah	2.0	1.5
Japanese Yen	2.4	1.9
Malaysian Ringgit	—	0.5
Mexican Peso	1.9	0.8
Philippine Peso	—	0.3
South African Rand	1.0	0.5
Singaporean Dollar	1.1	1.6
Swiss Franc	2.9	3.2
South Korean Won	—	0.4
Taiwanese Dollar	1.0	0.6
UK Sterling	29.7	29.6
US Dollar	34.6	35.1
	<hr/> <hr/>	<hr/> <hr/>
	100.00	100.0

Fixed rate Interest

	Weighted average rates		Weighted average maturity	
	31 st Oct. 2014	30 th Apr. 2014	31 st Oct. 2014	30 th Apr. 2014
UK Sterling	1.74%	2.00%	4 years	5 years
US Dollar	0.78%	0.12%	1 year	—

DISTRIBUTION TABLES

in pence per unit

for the six months ended 31st October 2014 (unaudited)

INTERIM DISTRIBUTION

Group 1 - Units purchased prior to 1st May 2014

Group 2 - Units purchased 1st May 2014 to 31st October 2014

	Unit Class	Gross income	Tax credit @ 10%	Net income	Equalisation	Amount payable
Group 1	<i>Legacy</i>	33.333	3.333	30.000	—	30.000
Group 2	<i>Legacy</i>	12.328	1.233	11.095	18.905	30.000
Group 1	<i>Personal</i>	33.333	3.333	30.000	—	30.000
Group 2	<i>Personal</i>	5.919	0.592	5.327	24.673	30.000

DISTRIBUTION SUMMARY

in pence per unit

for the six months ended 31st October 2014 (unaudited)

	Six months to 31 st Oct. 2014 net rate		Year to 30 th Apr. 2014 net rate	
	<i>Personal</i>	<i>Legacy</i>	<i>Personal</i>	<i>Legacy</i>
Interim payable/paid	30.000	30.000	29.500	29.500
Final paid	—	—	42.268	42.109
	<u>30.000</u>	<u>30.000</u>	<u>71.768</u>	<u>71.609</u>

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