



# McInroy & Wood

PERSONAL INVESTMENT MANAGERS

## INCOME FUND

*A pooled management service for private clients*

## INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30<sup>TH</sup> JUNE 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 Income 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 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 Income Fund is to preserve and to grow the real value of investors' capital and income, with an emphasis on the generation of income.

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 Limited, Easter Alderston, Haddington, EH41 3SE. (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> June 2016, total net assets of the fund amounted to £294,444,282 compared with £275,008,856 six months earlier. At 30<sup>th</sup> June, there were 883 investors (excluding ISA holders), with an average holding worth £282,043.

### Markets

Global equity market movements were mixed over the six months to 30<sup>th</sup> June 2016. The UK FTSE 100 rose 4%, while the US market strengthened 2%. Europe and Japan, by contrast, were significantly weaker, falling 10% and 20% respectively. Emerging Markets as a group were up 2%. The movements of overseas markets are each expressed in local currency terms, as measured by the MSCI indices. Expressed in sterling, the overall MSCI All Country World index gained 11%.

In the first half of the period, fears that the weakness of commodity prices heralded a slowdown in economic growth gradually eased. However, global financial markets were rocked by the UK's decision to leave the European Union. This has led to considerable political and economic uncertainty and a sharp fall in the value of sterling. In the short term at least, the latter has boosted the UK equity market, particularly those companies with overseas activities. It has also raised the valuation of overseas holdings for UK investors.

Longer-dated government bonds in the UK and USA rose strongly over the period, up 17% and 13% respectively; shorter-dated issues recorded little movement. Index-linked stocks followed a similar pattern.

In the foreign exchange markets, sterling weakened against all major currencies. It fell by 10% against the dollar and by 12% against the euro.

### Results

The price of Personal units in the fund at 30<sup>th</sup> June 2016 stood at £25.618, a rise of 7% from the level of the unit price at 31<sup>st</sup> December 2015. The fund benefited from the strength of overseas currencies and its allocation to bonds. The latter generally outperformed equities, particularly medium and longer-dated issues.

### Dividend Distribution

A dividend distribution of 28.000p per unit is now being paid to holders of both unit classes, the same as the equivalent payment a year ago.

On current estimates, the distribution for the next 6 months to 31<sup>st</sup> December is expected to be broadly similar to the corresponding payment last year.

## MANAGER'S INVESTMENT REPORT

continued

### **Portfolio Strategy**

No significant adjustments were made to the portfolio's strategic allocations over the period.

At 30<sup>th</sup> June 2016, 61% of the portfolio was allocated to equities (61% at 31<sup>st</sup> December 2015), 37% to bonds (37%), and 2% (2%) to cash deposits.

### **Investments**

New positions were purchased in Berkeley Group, Close Brothers, Greene King, Mitie Group and Next (all UK). Holdings in Telekomunikasi Indonesia (Indonesia), Watsco (USA), RELX and AG Barr (both UK) were sold over the course of the period.

Realty Income (+34%) and Royal Dutch Shell (+34%) recorded the strongest gains during the period; Berkeley Group (-32%) and Next (-32%) were the weakest performing stocks in the portfolio.

Within the bond allocation, a short-dated UK Treasury bill matured. A new investment was made in a medium-dated US Treasury bond.

### **Outlook**

The UK's decision to leave the European Union has led to enormous uncertainty. Aside from the political turmoil that has erupted in the UK, the economic impact of the vote may prove damaging to the country. Some forecasters have reduced estimates for 2017 growth to a minimal 0.3%. Nevertheless, the sharp slump in the value of sterling has made UK exporters much more competitive, and unemployment remains low. Theresa May is now prime minister but, unencumbered by the pressures of an election campaign, she has yet to provide concrete details of many of her policies. Much will depend on whether the UK's fiscal and financial credibility can be maintained. In any event, separation from the EU will take some time to be implemented.

The longer term implications for the EU itself may also be testing. Marine Le Pen, leader of France's nationalist party, is expected to receive considerable support in the presidential election next year. Polls suggest euroscepticism is also growing in the Netherlands; there must be some prospect of fragmentation across the union if such political movements gain momentum. EU leaders are well aware of these dynamics, so fear of 'contagion' may colour future negotiations with the UK.

## MANAGER'S INVESTMENT REPORT

continued

### **Outlook continued**

In the USA, the presidential election may also begin to influence markets, particularly as, until recently, Donald Trump's appeal was greatly underestimated – and may still be. Even if his campaign should founder on the national stage, the significance of his success so far may prove more enduring than an expression of occasional flashes of popular resentment. Limited improvement in living standards, indignation at the behaviour of establishment elites, asset inflation caused by quantitative easing, and rising political populism are all linked. They combine to provide an ideal platform for Trump and other similar opportunists to feed on discontent in developed nations.

Even before the EU referendum, global economic growth looked lacklustre. Productivity gains have slowed sharply, while growth has almost entirely disappeared in emerging regions exposed to commodity production.

Nonetheless, positive factors remain. In the US, companies are hiring at the quickest rate for several months and, although still tepid, wage growth is accelerating. Business sentiment indicators have been better than expected and consumer spending remains robust.

There has also been some improvement in the outlook for growth in China. Commodity prices show signs of stabilisation, while consumers should continue to benefit from historically depressed energy costs. Interest rate rises in the major economies look likely to be deferred, sustaining the looseness of monetary policy which has already provided considerable support to financial markets.

Equity market valuations remain quite demanding and may come under further pressure, should political anxiety intensify. Nevertheless, the world is not in recession and short-term weakness might throw up good long-term investment opportunities. Against this very confused background, it becomes more important than ever to maintain a broad diversification across asset classes and currencies in the portfolio.

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

## CAPITAL RECORD

Highest and lowest unit prices.

Accounting year (to 31 <sup>st</sup> Dec)	High		Low	
	Legacy	Personal	Legacy	Personal
2011	£21.617	—	£19.325	—
2012	£22.056	—	£19.925	—
2013	£24.251	£24.297	£21.820	£21.822
2014	£24.239	£24.472	£22.496	£22.700
2015	£25.381	£25.674	£22.534	£22.838
2016*	£25.521	£25.974	£22.484	£22.832

\*Up to 30<sup>th</sup> June only.

## INCOME RECORD

Accounting year (to 31 <sup>st</sup> Dec)	Per unit (net)	
	Legacy	Personal
2011	66.965p	—
2012	71.013p	—
2013	70.651p	70.732p
2014	68.487p	68.736p
2015	69.667p	70.542p
2016 (interim only)	28.000p	28.000p

## NET ASSET VALUES

Date	Net asset value of fund	Net asset value per unit	Number of units
31.12.13 Legacy	£19,766,781	£23.481	841,823
31.12.13 Personal	£265,272,848	£23.605	11,238,142
31.12.14 Legacy	£17,329,329	£23.528	736,539
31.12.14 Personal	£269,868,913	£23.768	11,354,448
31.12.15 Legacy	£13,586,935	£23.141	587,148
31.12.15 Personal	£261,421,921	£23.492	11,127,985
30.06.16 Legacy	£12,541,019	£25.241	496,855
30.06.16 Personal	£281,903,263	£25.694	10,971,740

## OPERATING CHARGES

Date	Annualised	
	Legacy	Personal
31.12.11	1.552%	—
31.12.12	1.550%	—
31.12.13	1.561%	1.094%
31.12.14	1.606%	1.106%
31.12.15	1.627%	1.127%
30.06.16	1.622%	1.122%

## PORTFOLIO TURNOVER

Date	Annualised
31.12.11	9%
31.12.12	17%
31.12.13	8%
31.12.14	17%
31.12.15	51%
30.06.16	30%

## PORTFOLIO STATEMENT

as at 30<sup>th</sup> June 2016 (unaudited)

INVESTMENTS	Holding or Nominal Value of positions at 30 <sup>th</sup> June 2016	Bid Market Value £'000	Percentage of Value of total net assets	
			30 <sup>th</sup> June 2016	31 <sup>st</sup> Dec. 2015
<i>Bonds</i>				
<b>UK</b>				
UK Treasury 1.75% 2022	£8,263,000	8,860	3.0	
UK Treasury 2.25% 2023	£14,679,000	16,274	5.5	
UK Treasury 2.5% I-L 2020	£3,202,000	11,775	4.0	
UK Treasury 3.75% 2019	£3,941,000	4,392	1.5	
UK Treasury 4% 2016	£6,942,000	6,985	2.4	
UK Treasury 4.25% 2036	£6,870,000	9,915	3.4	
UK Treasury 4.25% 2032	£10,569,000	14,766	5.0	
		<u>72,967</u>	<u>24.8</u>	<u>27.2</u>
<b>USA</b>				
US Treasury 0.125% I-L 2024	\$11,400,000	8,694	3.0	
US Treasury 1.75% 2022	\$5,300,000	4,101	1.4	
US Treasury 2% 2025	\$11,360,000	8,903	3.0	
US Treasury 2.25% 2024	\$11,126,000	8,891	3.0	
US Treasury 2.75% 2042	\$6,542,000	5,407	1.8	
		<u>35,996</u>	<u>12.2</u>	<u>9.7</u>
<b>TOTAL BONDS</b>		<u><u>108,963</u></u>	<u><u>37.0</u></u>	<u><u>36.9</u></u>
<i>Equities</i>				
<b>UK</b>				
Berkeley Group	126,900	3,200	1.1	
Close Brothers	280,800	3,181	1.1	
GlaxoSmithKline	453,605	7,274	2.5	
Greene King	615,000	4,797	1.6	
Hill & Smith	716,300	6,350	2.1	
Inmarsat	783,715	6,301	2.1	
Keller	573,345	5,183	1.8	
Land Securities	568,067	5,902	2.0	
Mitie Group	1,219,500	3,024	1.0	
National Grid	974,483	10,675	3.6	
Next	39,500	1,947	0.7	
Reckitt Benckiser	103,500	7,752	2.6	
Rio Tinto	279,180	6,400	2.2	
Spirax Sarco	162,795	6,090	2.1	
Standard Life	2,263,300	6,634	2.3	
Vodafone	2,487,100	5,658	1.9	
		<u>90,368</u>	<u>30.7</u>	<u>34.7</u>



## PORTFOLIO STATEMENT

continued

	Holding or Nominal Value of positions at 30 <sup>th</sup> June 2016	Bid Market Value £'000	Percentage of Value of total net assets	
			30 <sup>th</sup> June 2016	31 <sup>st</sup> Dec. 2015
<i>Equities continued</i>				
<b>USA</b>				
AbbVie	123,895	5,736	2.0	
AT&T	204,020	6,593	2.2	
National Retail Properties	131,800	5,098	1.7	
Paychex	148,120	6,592	2.2	
Realty Income	107,600	5,582	1.9	
Schlumberger	54,220	3,207	1.1	
		<u>32,808</u>	<u>11.1</u>	<u>9.6</u>
<b>FRANCE</b>				
Total	185,380	6,682	2.2	
Unibail-Rodamco	31,400	6,097	2.1	
		<u>12,779</u>	<u>4.3</u>	<u>3.6</u>
<b>GERMANY</b>				
Fielmann	101,605	5,540	1.9	1.9
<b>NETHERLANDS</b>				
Royal Dutch Shell 'B'	479,451	9,886	3.4	1.5
<b>SWITZERLAND</b>				
Kuehne & Nagel	56,550	5,910	2.1	1.4

## PORTFOLIO STATEMENT

continued

		Holding or Nominal Value of positions at 30 <sup>th</sup> June 2016	Bid Market Value £'000	Percentage of Value of total net assets	
				30 <sup>th</sup> June 2016	31 <sup>st</sup> Dec. 2015
<i>Equities continued</i>					
<b>DEVELOPING MARKETS</b>					
<b>Chile</b>	Embotelladora Andina	183,150	2,895	1.0	
<b>China</b>	CNOOC	2,965,000	2,750	0.9	
<b>Hong Kong</b>	Hang Lung Properties	1,646,000	2,482	0.8	
	MTR	1,020,000	3,855	1.3	
	Vitasoy International	2,510,000	3,403	1.1	
<b>Mexico</b>	Wal-Mart de Mexico	1,732,440	3,088	1.1	
<b>Singapore</b>	Keppel	634,870	1,937	0.7	
<b>South Africa</b>	MTN	321,760	2,349	0.8	
			<u>22,759</u>	<u>7.7</u>	<u>8.3</u>
TOTAL EQUITIES			<u>180,050</u>	<u>61.2</u>	<u>61.0</u>
TOTAL INVESTMENTS			289,013	98.2	97.9
Net other assets			<u>5,431</u>	<u>1.8</u>	<u>2.1</u>
TOTAL NET ASSETS			<u><u>294,444</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> June 2016 are investment grade.*

## SUMMARY OF ALL PORTFOLIO CHANGES

for the six months ended 30<sup>st</sup> June 2016 (unaudited)

	Cost £'000
Purchases	
126,900 Berkeley Group	4,000
280,800 Close Brothers	3,635
615,000 Greene King	5,342
15,100 Kuehne & Nagel	1,532
1,219,500 Mitie Group	3,617
89,300 MTN	541
19,700 National Retail Properties	649
39,500 Next	2,719
14,500 Realty Income	647
30,110 Rio Tinto	488
145,750 Royal Dutch Shell 'B'	2,443
519,321 Standard Life	1,817
39,890 Total	1,286
5,715,000 UK Treasury 1.75% 2022	7,961
6,610,000 UK Treasury 2.25% 2023	6,955
5,300,000 US Treasury 1.75% 2022	3,571
	<hr/>
TOTAL	47,203 <hr/> <hr/>

## SUMMARY OF ALL PORTFOLIO CHANGES

continued

Disposals	Proceeds £'000
663,790 AG Barr	3,432
382,844 Hill & Smith	2,803
18206 Reckitt Benckiser	1,230
361,906 RELX	4,436
1,624,100 Rotork	2,675
339,290 Severn Trent	7,273
30900 Spirax Sarco	1,038
18,284,200 Telekomunikasi Indonesia	3,281
19,210,000 UK Treasury 0% 2016	19,210
2,065,000 UK Treasury 1.75% 2022	2,190
578,830 Vodafone	1,300
32,990 Watsco	3,101
TOTAL	<u>51,969</u>

## GENERAL INFORMATION

### **Authorisation**

The Income 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 capital gains 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.

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 period. 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> August 2016*

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

The Trustee is under a duty to take into its custody and to hold the property of the Trust in trust for the holders of units. It is also the duty of the Trustee to enquire into the conduct of the Manager in the management of the Trust and to ensure that the Trust is managed in accordance with all applicable rules and restrictions in each annual accounting period, and to report thereon to unitholders.



## STATEMENT OF TOTAL RETURN

for the six months ended 30<sup>th</sup> June 2015 (unaudited)

	Notes	Six months ended 30 <sup>th</sup> June 2016		Six months ended 30 <sup>th</sup> June 2015	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)			24,969		(1,632)
Revenue	2	4,876		5,514	
Expenses	3	<u>(1,574)</u>		<u>(1,677)</u>	
Net revenue before taxation		3,302		3,837	
Taxation	4	<u>46</u>		<u>(216)</u>	
Net revenue after taxation			<u>3,348</u>		<u>3,621</u>
Total return before distributions			28,317		1,989
Distributions			<u>(3,205)</u>		<u>(3,339)</u>
Change in net assets attributable to unitholders from investment activities			<u>25,112</u>		<u>(1,350)</u>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six months ended 30<sup>th</sup> June 2016 (unaudited)

	Six months ended 30 <sup>th</sup> June 2016		Six months ended 30 <sup>th</sup> June 2015	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		275,009		287,198
Amounts receivable on creation of units	5,690		7,354	
Amounts payable on cancellation of units	<u>(11,367)</u>		<u>(12,683)</u>	
		(5,677)		(5,329)
Change in net assets attributable to unitholders from investment activities		<u>25,112</u>		<u>(1,350)</u>
Closing net assets attributable to unitholders		<u>294,444</u>		<u>280,519</u>

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 30<sup>th</sup> June 2016 (unaudited)

	30 <sup>th</sup> June 2016		31 <sup>st</sup> Dec. 2015	
	£'000	£'000	£'000	£'000
ASSETS:				
Investments		289,013		269,245
Current assets				
Debtors	2,699		1,660	
Cash & bank balances	6,243		9,404	
		<u>8,942</u>		<u>11,064</u>
Total other assets				
		<u>8,942</u>		<u>11,064</u>
Total assets		<u>297,955</u>		<u>280,309</u>
LIABILITIES:				
Creditors				
Distribution payable	(3,211)		(4,979)	
Other creditors	(300)		(321)	
		<u>(3,511)</u>		<u>(5,300)</u>
Total liabilities				
		<u>(3,511)</u>		<u>(5,300)</u>
Net assets attributable to unitholders		<u>294,444</u>		<u>275,009</u>

## NOTES TO THE FINANCIAL STATEMENTS

as at 30<sup>th</sup> June 2016 (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 30 <sup>th</sup> June 2016 £'000	Six months ended 30 <sup>th</sup> June 2015 £'000
Dividends on overseas equities	1,629	2,021
Dividends on UK equities	2,189	2,689
Interest on overseas interest bearing securities	268	131
Interest on UK interest bearing securities	744	579
Property income distributions on UK REITs	46	94
Total revenue	<u>4,876</u>	<u>5,514</u>

### 3. Expenses

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

- Manager's periodic charge	1,413	1,510
- Transfer agency fee	80	87

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

- Trustee's fee	22	23
- Safe custody fee	20	29

Other expenses:

- Audit fee	7	4
- French withholding tax recovery fee	9	—
- Fund accounting fee	18	16
- Sundry fees*	5	7

Total expenses	<u>1,574</u>	<u>1,676</u>
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\*Includes FTSE Licence fee, tax computation fees and other fees.

# NOTES TO THE FINANCIAL STATEMENTS

continued

## 4. Taxation

	Six months ended 30 <sup>th</sup> June 2016 £'000	Six months ended 30 <sup>th</sup> June 2015 £'000
<b>Analysis of tax charge</b>		
French withholding tax recoverable	(187)	—
Overseas tax	141	216
	<u>(46)</u>	<u>216</u>

## 5. Currency and interest rate profile

<i>Currency</i>	30 <sup>th</sup> June 2016 %	31 <sup>st</sup> Dec. 2015 %
UK Sterling	60.3	62.6
US Dollar	24.4	21.5
Euro	6.3	7.0
Hong Kong Dollar	4.4	4.2
Swiss Franc	2.0	1.4
Mexican Peso	1.0	1.1
South African Rand	0.8	0.5
Singapore Dollar	0.7	0.7
Indonesian Rupiah	0.1	1.0
	<u>100.0</u>	<u>100.0</u>

### Fixed rate interest

	Weighted average rates		Weighted average maturity	
	30 <sup>th</sup> June 2016	31 <sup>st</sup> Dec. 2015	30 <sup>th</sup> June 2016	31 <sup>st</sup> Dec. 2015
UK Sterling	2.59%	2.96%	9 years	10 years
US Dollar	1.59%	1.71%	11 years	12 years

## DISTRIBUTION TABLES

in pence per unit  
for the six months ended 30<sup>th</sup> June 2016 (unaudited)

### INTERIM DISTRIBUTION

Group 1 - Units purchased prior to 1<sup>st</sup> January 2016

Group 2 - Units purchased 1<sup>st</sup> January 2016 to 30<sup>th</sup> June 2016

	Unit Class	Dividend income	Equalisation*	Amount payable
				31.08.16
Group 1	Legacy	28.000	—	28.000
Group 2	Legacy	23.981	4.019	28.000
Group 1	Personal	28.000	—	28.000
Group 2	Personal	5.803	22.197	28.000

\*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 six months ended 30<sup>th</sup> June 2016

	Six months to 30 <sup>th</sup> June 2016		Year to 31 <sup>st</sup> Dec. 2015	
	<i>Personal</i>	<i>Legacy</i>	<i>Personal</i>	<i>Legacy</i>
Interim payable/paid	28.000	28.000	28.000	28.000
Final paid	—	—	42.542	41.667
	<u>28.000</u>	<u>28.000</u>	<u>70.542</u>	<u>69.667</u>

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