McInroy & Wood

PERSONAL INVESTMENT MANAGERS

EMERGING MARKETS FUND

A pooled management service for private clients

INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31ST AUGUST 2019

SUMMARY

At 31st August 2019, total net assets of the fund amounted to £84,795,418 compared with £68,971,167 six months earlier. There were 262 investors (excluding ISA holders), each with an average holding worth £306,833.

The price of units in the fund stood at £23.227, a rise of 9% over the six months. The portfolio continued to benefit from a focus on soundly financed consumer and healthcare businesses representing strong competitive positions. It was also helpful that it had no significant exposure to financial companies.

The objective of the fund is to grow the real value of investors' capital and income, placing an equal emphasis on the generation of income and on capital growth. Real value is defined as the value of capital and income after adjusting for the impact of inflation, as measured by the UK Retail Price Index, over the same period. Over the three years to 31st August 2019 the total return for unitholders in the fund was 23%, compared to inflation of 10% on the above basis over the same period. The fund has provided a total return to unitholders of 152% above inflation since its inception in March 2007.

An interim dividend distribution of 14.000p per unit is now being paid to unitholders. This is unchanged from the corresponding figure in 2018.

Based on current forecasts, the distribution for the full year is expected to be broadly similar to that of the previous period.

The portfolio only invests in assets listed on globally recognised stock exchanges. This ensures that the value of underlying investments can be realised quickly, if necessary, under normal market conditions.

Although growth may struggle to regain previous heights, emerging economies are still likely to expand more rapidly than their more mature counterparts. In more difficult times, a selective approach to both markets and companies is essential for investors, and the portfolio seeks to identify specific opportunities with outstanding longer-term prospects.

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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 Emerging Markets 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 Emerging Markets Fund is to grow the real value of investors' capital and income. Investments will primarily be in companies operating or incorporated in developing countries. An equal emphasis will be placed on the generation of income and on capital growth.

The fund may invest in any geographic area and any economic sector.

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

At 31st August 2019, total net assets of the fund amounted to £84,795,418 compared with £68,971,167 six months earlier. There were 262 investors (excluding ISA holders), each with an average holding worth £306,833.

Markets

The six months to 31st August 2019 saw UK-based investors in emerging markets benefit from the fall in sterling against other currencies. This masked further weakness in the indices in local currency terms. Some individual markets performed relatively well, but developments apparent in the previous year became more pronounced. Investors were made increasingly nervous that the trade dispute between the USA and China would result in a more general slowdown. These fears were exacerbated by a series of disappointing corporate results. The US dollar rose again, while confidence in countries with structural budget deficits and companies with excessive borrowing declined further.

The MSCI Emerging Markets Index rose by 2% in sterling terms over the six months to reflect the positive currency movement against sterling of 5%. The Hong Kong dollar (+8%) and the Indian rupee (+7%) recorded notable gains against sterling, more than offsetting weakness in the Brazilian real (-2%) and the Mexican peso (-5%). However, in local currency terms, the Hong Kong market was particularly weak (-11%), and there were also significant falls in Korea and Turkey (both -8%). India was little changed, but Brazil and Mexico both fell by 5%. By contrast, the Philippines and Taiwan both rose by 3%.

Results

The price of units in the fund stood at £23.227, a rise of 9% over the six months. The portfolio continued to benefit from a focus on soundly financed consumer and healthcare businesses representing strong competitive positions. It was also helpful that it had no significant exposure to financial companies.

The objective of the fund is to grow the real value of investors' capital and income, placing an equal emphasis on the generation of income and on capital growth. Real value is defined as the value of capital and income after adjusting for the impact of inflation, as measured by the UK Retail Price Index, over the same period. Over the three years to 31st August 2019 the total return for unitholders in the fund was 23%, compared to inflation of 10% on the above basis over the same period. The fund has provided a total return to unitholders of 152% above inflation since its inception in March 2007.

Dividend Distribution

An interim dividend distribution of 14.000p per unit is now being paid to unitholders. This is unchanged from the corresponding figure in 2018.

Portfolio Strategy

The portfolio is highly diversified across different countries. At 31st August 2019, 66% of the portfolio was invested in Asia (65% on 28th February 2019), 17% in Latin America (18%), 7% in Eastern Europe (7%), 7% in Africa (7%) and 3% was held in cash (3%).

The portfolio only invests in assets listed on globally recognised stock exchanges. This ensures that the value of underlying investments can be realised quickly, if necessary, under normal market conditions.

Investment

The Indian stockmarket offers a broad range of opportunities to invest in companies which look set to deliver sustained earnings growth, and the portfolio's allocation to the country was increased during the period under review. Initial positions were established in several companies active in the consumer sector: Asian Paints, Britannia Industries, Dabur, Hindustan Unilever, Nestle India and Titan Company.

The Chinese travel companies, Ctrip.com and TravelSky Technology, were also added. Following a strong recovery in its share price, the holding in Natura Cosmeticos (Brazil) was sold, as was Television Broadcasts (Hong Kong). Anta Sports Products (+41% in local currency), Localiza Rent A Car (+36%), and Giant Manufacturing (+29%) recorded notable gains during the period; Jain Irrigation Systems (-66%), Ginko International (-28%) and Jollibee Foods (-23%) were particularly weak.

Outlook

Although the long-term prospects for emerging markets remain promising, the immediate outlook appears more challenging, and the explosive growth of previous decades may be hard to recapture. The International Monetary Fund is forecasting 4% growth in developing regions this year, which would represent the slowest growth that they had delivered since the 2008 financial crisis.

This partly reflects a general slowdown in mature economies which has impacted commodity prices. However, there are also structural trends evident and these could have more lasting effects. The sustained trend towards the globalisation of production may be reversing in the face of political hostility in developed countries. The growth of global trade has certainly slowed sharply. Two decades ago, this was advancing twice as fast as overall world GDP, now it is merely increasing at the same rate. Meanwhile foreign direct investment into emerging markets is at its lowest since the 1990s. It is perhaps relevant that two of the main drivers of economic growth in the US are intellectual property and the development of shale and gas energy sources, neither of which directly benefit emerging market economies.

Outlook continued

The Sino-American trade dispute continues to fester. Talks are ongoing and it was encouraging that some tariff rises were delayed, however there has been no concrete resolution to the impasse. While the White House noisily insists that it can win any trade war, the US itself has felt the impact thus far. Chinese tariffs on agricultural goods have begun to hit American farmers. US exports to China fell by 31% in June on a year on year basis, but Chinese exports in reverse were only 8% lower, and indeed they managed to achieve a 3% year-on-year increase worldwide. The slide in the Renminbi has naturally mitigated some of the US measures, but at the same time this has had the effect of aggravating the disagreement.

China certainly faces some other significant issues, not least in Hong Kong. The unrest there is a major concern, even if the central government has been relatively restrained so far, recognising the importance to the whole country of a functioning financial system in the territory. Although economic growth in China slumped to its slowest level in 30 years in June, at 6.2% this is still above that achieved by other major economies. The underlying picture remains robust. Retail sales have held up well, and the purchasing managers index survey of business sentiment rebounded to a five-month high in August. There are concerns that the record level of government subsidies to the corporate sector may have a lasting impact on competitiveness, but for now they appear to have helped to stabilise the economy.

The environment in India has become more testing, at least in the short term. Second quarter GDP growth fell to 5% on an annual basis from 8% the previous year. The boost from government spending in the previous quarter proved unsustainable. Growth in private consumption decelerated sharply to 3%, while that in manufacturing virtually disappeared to a mere 1%, the lowest since 2012. Unsurprisingly this affected industrial investment, where annual growth fell sharply from over 10% to under 4%. Car sales declined by 41% in August compared to the previous year. Against this background, banks have become increasingly risk-averse and lending has slumped. The re-elected Modi government has responded by relaxing its target for the country's budget deficit, but there are significant shortfalls in the collection of tax receipts, and its room for manoeuvre may prove to be limited.

Elsewhere in Asia, there are signs that growth is also losing momentum. Widely-followed indicators of business sentiment suggest that a period of flat growth is imminent for many countries. Economic growth in Thailand is the slowest it has been for five years, while some forecasts suggest that it will fall below 2% in South Korea, as demand for semi-conductors slackens. Less mature markets such as Vietnam have been impacted by the slowdown in China, even if they may receive some compensation from international firms shifting production to avoid the impact of trade restrictions.

Outlook continued

Economic growth in South America has lagged that in other emerging markets. Much can be laid at the door of political instability. President Bolsonaro's agenda in Brazil could founder on reforming the pension burden that consumes over half of the country's budget, while his Argentinian counterpart Macri looks set to lose power to a resurgent Peronist opposition. In Mexico, President Obrador's brand of left-wing populism is beginning to destabilise the economy, with confidence sharply eroded by the resignation of his finance minister.

Political turbulence has been an enduring feature of investment in emerging markets. Discontent in South Africa has been fuelled by 29% unemployment. Strident demands for land reform, the hostility of former supporters of President Zuma, and the difficulties with the Eskom electrical utility are all testing the Ramaphosa government. In Turkey, President Erdogan's party has become increasingly divided in the wake of its defeat in Istanbul, and economic policy is increasingly driven by transitory political considerations. Yet the attractions of investing in long-term secular growth are considerable in so-called 'frontier markets'. Egypt and Kenya have seen violent political disturbances in recent years, but are now benefiting from a degree of stability, and economic growth is running at over 5% in both countries, even if much depends on prospects in their agricultural sectors.

Stock selection in the portfolio emphasises businesses that can deliver profitable growth over many years rather than simply benefiting from short-term cycles. Many of the holdings in the portfolio are family-controlled enterprises. Managers in these companies are able to take advantage of a stable shareholder base to develop strategy over extended time horizons. Marico, a leading Indian provider of health and beauty products, has proved a successful example of this. The company is controlled by members of its founding family, and they have consistently supported the professional management team who run the company on a day-to-day basis. Their reward has been to enjoy many years of increased earnings. A similar picture is evident in WEG, a Brazilian-based electrical equipment manufacturer which also enjoys an outstanding record of rising profits. Three families own nearly two thirds of the shares in the company.

Although growth may struggle to regain previous heights, emerging economies are still likely to expand faster than their more mature counterparts. In difficult times, a selective approach to both markets and companies is essential for investors, and the portfolio seeks to identify specific opportunities with outstanding longer-term prospects.

18th October 2019

CAPITAL RECORD

Highest and lowest unit prices.

Accounting year (to 28th Feb.)	High	Low
2017	£22.014	£16.619
2018*	£23.226	£20.765
2019	£21.876	£18.804
2020**	£24.199	£21.191

**The fund's financial year-end moved to 28th February (from 31st March).*
***Up to 31st August 2019, for the year ending 29th February 2020.*

INCOME RECORD

Accounting year (to 28th Feb.)	Per unit (net)
2017	36.411p
2018	31.602p
2019	36.851p
2020 *(interim only)*	14.000p

NET ASSET VALUES

Date	Net asset value of fund	Net asset value per unit	Number of units
31.03.17	£61,622,969	£21.050	2,927,504
28.02.18	£66,108,239	£21.660	3,052,146
28.02.19	£68,971,167	£20.950	3,292,179
31.08.19	£84,795,418	£23.195	3,655,838

OPERATING CHARGES

Date	Annualised
31.03.17	1.325%
28.02.18	1.345%
28.02.19	1.313%
31.08.19	1.294%

PORTFOLIO TURNOVER

Date	Annualised
31.03.17	9%
28.02.18	6%
28.02.19	12%
31.08.19	1%

DISCRETE PERFORMANCE

Year to 31.08.19	Year to 31.08.18	Year to 31.08.17	Year to 31.08.16	Year to 31.08.15
13.3%	-5.5%	14.7%	30.9%	-16.0%

Mid to mid, income reinvested, Source: McInroy & Wood.

PORTFOLIO STATEMENT

as at 31st August 2019 (unaudited)

INVESTMENTS	Holding or Nominal Value of positions at 31st Aug. 2019	Bid Market Value £'000	Percentage of Value of total net assets 31st Aug. 2019	Percentage of Value of total net assets 28th Feb. 2019
Bonds				
INDIA				
Britannia Industries 8% 2022	441,450	5	0.0	—
TOTAL BONDS		*5*	*0.0*	—
Equities				
BRAZIL				
Kroton Educacional	376,736	755	0.9	
Localiza Rent A Car	350,800	3,279	3.9	
Weg	611,200	2,731	3.2	
		6,765	8.0	9.6
CHILE				
Embotelladora Andina - ADR	119,039	1,779	2.1	2.1
CHINA				
Anta Sports Products	486,000	3,303	3.9	
Ctrip.com International - ADS	39,130	1,040	1.2	
		4,343	5.1	3.6
EGYPT				
Edita Food Industries	243,188	879	1.1	0.9
HONG KONG				
CNOOC	1,268,000	1,552	1.8	
Hang Lung Properties	1,237,000	2,292	2.7	
MTR	270,000	1,283	1.5	
Shandong Weigao Medical Polymer	3,250,000	2,755	3.3	
Travelsky Technology	686,000	1,130	1.3	
Vitasoy International	900,000	3,438	4.1	
		12,450	14.7	14.7
INDIA				
Asian Paints	31,335	583	0.7	
Britannia Industries	22,830	710	0.8	
Crompton Greaves Consumer Electricals	921,400	2,441	2.9	
Dabur India	107,510	554	0.7	
Hindustan Unilever	23,445	507	0.6	
Infosys - ADR	227,820	2,146	2.5	
Jain Irrigation Systems	2,812,040	632	0.7	
Mahindra & Mahindra	98,800	602	0.7	
Mahindra & Mahindra - GDR	190,000	1,176	1.4	
Marico	597,800	2,691	3.2	
Nestlé India	3,790	562	0.7	
Titan	33,595	426	0.5	
		13,030	15.4	12.8

continued

	Holding or Nominal Value of positions at 31st Aug. 2019	Bid Market Value £'000	Percentage of Value of total net assets 31st Aug. 2019	28th Feb. 2019
Equities continued				
INDONESIA				
Arwana Citramulia	52,000,000	1,640	1.9	
Kalbe Farma	23,219,300	2,258	2.7	
		3,898	4.6	4.4
KENYA				
East African Breweries	491,600	763	0.9	0.8
MALAYSIA				
Telekom Malaysia	1,070,000	773	0.9	0.9
MEXICO				
America Movil - ADR	64,000	767	0.9	
Fomento Economico Mexicano	321,500	2,403	2.8	
Wal-Mart de Mexico	1,123,950	2,609	3.1	
		5,779	6.8	7.0
MOROCCO				
Vivo Energy	661,950	794	0.9	1.1
PHILIPPINES				
Jollibee Foods	475,000	1,776	2.1	
Manila Water	5,085,000	1,797	2.1	
Universal Robina	1,080,000	2,922	3.5	
		6,495	7.7	8.7
PORTUGAL				
Jeronimo Martins	227,300	3,081	3.6	3.7
SINGAPORE				
Ezion warrants 2023	1,260,000	—	0.0	
Keppel	177,000	611	0.7	
Singapore Exchange	200,000	970	1.2	
Thai Beverage	5,900,000	3,126	3.7	
		4,707	5.6	6.0
SOUTH AFRICA				
Barloworld	230,000	1,373	1.6	
MTN	355,400	1,967	2.3	
		3,340	3.9	4.1
SOUTH KOREA				
LG Household & Healthcare	2,560	2,041	2.4	3.1

continued

	Holding or Nominal Value of positions at 31st Aug. 2019	Bid Market Value £'000	Percentage of Value of total net assets 31st Aug. 2019	28th Feb. 2019
Equities continued				
TAIWAN				
Chroma ATE	570,000	2,265	2.7	
Giant Manufacturing	413,680	2,363	2.8	
Ginko International	202,000	927	1.1	
		5,555	6.6	6.7
TURKEY				
BIM Birlesik Magazalar	220,000	1,457	1.7	
Migros Ticaret	464,100	1,205	1.4	
		2,662	3.1	3.1
UK				
M.P. Evans	270,000	1,804	2.1	2.7
VIETNAM				
Vietnam Dairy Products	197,900	862	1.0	1.1
TOTAL EQUITIES		*81,800*	*96.5*	*97.1*
TOTAL INVESTMENTS		81,805	96.5	97.1
Net other assets		2,990	3.5	2.9
TOTAL NET ASSETS		*84,795*	*100.0*	*100.0*

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

The debt security in the portfolio at 31st August 2019 is not rated.

SUMMARY OF ALL PORTFOLIO CHANGES

for the six months ended 31st August 2019 (unaudited)

Purchases		Cost £'000
31,335	Asian Paints	499
110,000	BIM Birlesik Magazalar *(Bonus issue)*	—
441,450	Britannia Industries 8% 2022 *(Bonus issue)*	—
22,830	Britannia Industries	736
158,000	CNOOC	213
39,130	Ctrip.com International - ADS	1,234
107,510	Dabur India	482
91,600	East African Breweries	148
36,188	Edita Food Industries	152
29,039	Embotelladora Andina - ADR	462
21,500	Fomento Economico Mexicano	153
23,445	Hindustan Unilever	482
17,820	Infosys - ADR	151
237,500	Jain Irrigation Systems	151
1,855,500	Kalbe Farma	153
58,800	Mahindra & Mahindra	446
585,000	Manila Water	209
57,800	Marico	228
102,400	Migros Ticaret	219
75,400	MTN	370
3,790	Nestlé India	482
33,595	Titan	483
686,000	Travelsky Technology	1,263
33,900	Vietnam Dairy Products	154
30,530	Vivo Energy	35
73,950	Wal-Mart de Mexico	152
115,400	Weg	432
	TOTAL	9,489

Disposals		Proceeds £'000
80,000	Anta Sports Products	495
65,700	Localiza Rent A Car	591
112,500	Natura	1,189
210,000	Television Broadcasts	269
	TOTAL	2,544

Authorisation
The Emerging Markets 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 UK 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.

Costs of Investment Research
McInroy & Wood Limited, the Investment Adviser to the Emerging Markets Fund, pays for all research costs relating to the management of the investments within the fund from its own resources. No additional charges are placed upon the fund relating to the provision of investment research.

Using your personal information
The personal information which we obtain from you when you invest in the fund is used to help administer your investment. All processing of your personal information will be carried out in accordance with our Privacy Policy, which you can access at the foot of our homepage on our website (www.mcinroy-wood.co.uk). Please read our Privacy Policy, as it sets out your rights with respect to any personal information we collect from or about you, and explains in more detail how we use that information to administer your investment.

Remuneration Policy
McInroy & Wood Portfolios Limited ("MWP") delegates investment management of the fund to McInroy & Wood Limited ("MW"), the Investment Adviser. 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 MW 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.

continued

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

Lower risk — Typically lower rewards

Higher risk — Typically higher rewards

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 in accordance with United Kingdom Generally Accepted Accounting Practice (including FRS 102), of the financial position of the fund and of its net revenue and the net capital gains/(losses) 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	J C McAulay
Director	*Director*

Haddington, 18th October 2019

STATEMENT OF TOTAL RETURN

for the six months ended 31st August 2019 (unaudited)

	Notes	Six months ended 31st Aug. 2019 £'000	£'000	Six months ended 31st Aug. 2018 £'000	£'000
Income					
Net capital gains/(losses)			7,852		(2,855)
Revenue	2	1,118		984	
Expenses	3	(513)		(434)	
Net revenue before taxation		605		550	
Taxation	4	(117)		(86)	
Net revenue after taxation			488		464
Total return before distributions			8,340		(2,391)
Distributions			(492)		(426)
Change in net assets attributable to unitholders from investment activities			7,848		(2,817)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six months ended 31st August 2019 (unaudited)

	Six months ended 31st Aug. 2019 £'000	£'000	Six months ended 31th Aug. 2018 £'000	£'000
Opening net assets attributable to unitholders		68,971		66,108
Amounts receivable on creation of units	9,751		4,940	
Amounts payable on cancellation of units	(1,775)		(1,407)	
		7,976		3,533
Change in net assets attributable to unitholders from investment activities		7,848		(2,817)
Closing net assets attributable to unitholders		84,795		66,824

The above statements show the comparative figures for the six months to 31st August 2018.

BALANCE SHEET

as at 31st August 2019 (unaudited)

	31st Aug. 2019		28th Feb. 2019	
	£'000	£'000	£'000	£'000
ASSETS:				
Investments		81,805		66,940
Current assets				
Debtors	168		799	
Cash & bank balances	3,914		2,796	
Total other assets		4,082		3,595
Total assets		85,887		70,535
LIABILITIES:				
Creditors				
Distribution payable	(512)		(752)	
Other creditors	(580)		(812)	
Total liabilities		(1,092)		(1,564)
Net assets attributable to unitholders		84,795		68,971

as at 31st August 2019 (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 31st Aug. 2019 £'000	Six months ended 31st Aug. 2018 £'000
Bank interest	3	—
Dividends on overseas equities	1,068	949
Dividends on UK equities	47	35
Total revenue	1,118	984

3. Expenses

Payable to the Manager, associates of the Manager and agents of either of them:		
- Manager's periodic charge	406	335
- Transfer agency fee	25	24
Payable to the Trustee, associates of the Trustee and agents of either of them:		
- Trustee's fee	12	11
- Safe custody fee	40	36
Other expenses:		
- Audit fee	5	5
- Fund accounting fee	18	17
- Sundry fees*	7	6
Total expenses	513	434

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

continued

4. Taxation

	Six months ended 31st Aug. 2019 £'000	Six months ended 31st Aug. 2018 £'000
Analysis of tax charge		
Overseas withholding tax	117	86
	117	86

5. Currency profile

Currency	31st Aug. 2019 %	28th Feb. 2019 %
Brazilian Real	8.6	9.6
Euro	3.7	3.8
Hong Kong Dollar	18.6	18.3
Indian Rupee	11.5	8.2
Indonesian Rupiah	4.6	4.4
Kenyan Shilling	0.9	0.8
Korean Won	2.4	3.1
Malaysian Ringgit	0.9	0.9
Mexican Peso	5.9	5.9
New Turkish Lira	3.1	3.1
Philippine Peso	8.1	9.5
Singapore Dollar	5.6	6.0
South African Rand	4.0	4.1
Taiwan Dollar	6.6	6.7
UK Sterling	5.5	6.1
US Dollar	9.0	8.4
Vietnamese Dong	1.0	1.1
	100.00	100.00

DISTRIBUTION TABLES

in pence per unit
for the six months ended 31st August 2019 (unaudited)

INTERIM DISTRIBUTION

Group 1 - Units purchased prior to 1st March 2019
Group 2 - Units purchased 1st March 2019 to 31st August 2019

	Dividend income	Equalisation*	Amount payable 31.10.19
Group 1	14.000	—	14.000
Group 2	7.137	6.863	14.000

*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 31st August 2019

	Six months to 31st Aug. 2019	Year to 28th Feb. 2019
Interim payable/paid	14.000	14.000
Final paid	—	22.851
	14.000	36.851

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