McInroy & Wood

PERSONAL INVESTMENT MANAGERS

SMALLER COMPANIES FUND

A pooled management service for private clients

INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31ST AUGUST 2022

SUMMARY

At 31st August 2022, total net assets of the fund amounted to £145,327,214 compared with £156,531,764 at 28th February 2022. There were 445 investors (excluding ISA holders), each with an average holding worth £288,928.

The price of units in the fund at 31st August 2022 stood at £60.811, a fall of 8% from the level of the unit price at 28th February 2022. The fund forfeited some of its strong progress over recent years as high-growth smaller companies, to which the fund has a considerable exposure, generally fell out favour with investors in place of comparatively lower risk and defensive investments. This reflected growing concern over the immediate economic outlook, and increasing probability companies would fail to meet growth targets.

The fund's objective is to grow the real value of investors' capital and income, placing an equal emphasis on the generation of income and 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 Prices Index, over the same period. Over the 3 years to 31st August 2022 the total return for unitholders in the fund was 10%, compared to inflation of 18% on the above basis over the same period. Over 5 years, the fund returned 31% against inflation of 26%. The fund has provided a total return to unitholders of 665% above inflation since its inception in March 2001. Although the marked rise in UK inflation over the past year has adversely affected the fund's ability to meet its objective and may continue to do so in the short term, the fund has successfully grown the real value of investors' capital and income over longer periods.

An interim dividend distribution of 20.000p per unit is now being paid, the same as the comparable interim payment last year. Based on current forecasts, the total distribution for the full period is estimated to be higher than last year. This increase primarily reflects the foreign currency effects noted above, which have boosted the sterling income expected to be earned from the fund's US dollar-denominated assets.

SUMMARY

Global growth is slowing, and there is a heightened risk of recession across several major economies. Damage caused to supply chains by the pandemic and the manifold consequences of the conflict in Ukraine has resulted in a surge in inflation, leading to concerns over living standards as pay rises fail to keep pace. Almost universally, central banks have responded by raising interest rates. Yet, the precise amount of tightening required to bring inflation lower without triggering recession is difficult to ascertain. Indeed, recent political interventions have introduced yet another variable for central banks to contemplate, adding to the likelihood of a miscalculation. At the same time, there is a clear possibility that the rising cost of living and higher interest rates will trigger a slump in demand. An economic contraction would weigh on securities markets, especially if the downturn is more profound than first expected.

As ever, the fund's investment strategy continues to emphasise broad portfolio diversification by sector and geography, supported by careful company selection based on fundamental analysis. In the meantime, any further market setbacks are likely to throw up compelling opportunities to add attractive long-term investments that have temporarily fallen out of favour.

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AUTHORISED FUND MANAGER'S REPORT*

FINANCIAL STATEMENTS

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

INTRODUCTION

The McInroy & Wood Smaller Companies 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 investors 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 grow the real value of investors' capital and income. Investments will primarily be in global smaller companies, which do not form part of the leading market indices. An equal emphasis will be placed 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. The UK Retail Prices Index is the measure of inflation used by the Manager. The investment should be held for a minimum period of 3 years. Investors should be aware that their capital is at risk.

The fund may invest in any geographical area and any economic sector. The Smaller Companies Fund invests at least 50 per cent in shares of smaller companies, quoted on the world's stock markets, which are considered to have above-average long-term growth prospects. Smaller, in this context, means companies which, normally, are likely to fall outside those comprising any narrowly constituted local market index of large companies. But there may also be some investments in companies included in such indices. Other appropriate investments may also be held such as cash or cash equivalents. It is not intended that the Smaller Companies Fund will have an interest in any immovable property or tangible movable property.

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

At 31st August 2022, total net assets of the fund amounted to £145,327,214 compared with £156,354,822 at 28th February 2022. There were 445 investors (ISA accounts are not included in this figure), each with an average holding worth £288,928.

Markets

The six months to 31st August were characterised by general weakness across most global equity markets, offset by the strength of the US dollar. Rising inflation and the conflict in Ukraine triggered a sharp deterioration in sentiment, with smaller companies especially impacted. Concerns focused on the response from central banks and the magnitude and frequency of interest rate increases necessary to lower inflation. Aside from its position as a safe haven during periods of uncertainty, the US dollar's strength against sterling (+13%) owes much to the rapid rise in rates made by the Federal Reserve over the period.

These themes were evident in the weak performance of the US (-10%) and European (-8%) markets, measured by MSCI indices in local currency. By contrast, Japan (+4%) and the UK (flat) held up well. The performance of the former is attributable to lower inflation than elsewhere in the developed world, and the UK market benefited from its relatively high proportion of defensive and commodity-linked stocks. Currency movements were responsible for the 2% rise in the MSCI All Country World Index in sterling terms.

Inflation, as measured by the UK Retail Price Index, was 8% over the six-month period.

Results

The price of units in the fund at 31st August 2022 stood at £60.811, a fall of 8% from the level of the unit price at 28th February 2022. The fund forfeited some of its strong progress over recent years as high-growth smaller companies, to which the fund has a considerable exposure, generally fell out favour with investors in place of comparatively lower risk and defensive investments. This reflected growing concern over the immediate economic outlook, and increasing probability companies would fail to meet growth targets.

Results continued

The fund's objective is to grow the real value of investors' capital and income, placing an equal emphasis on the generation of income and 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 Prices Index, over the same period. Over the 3 years to 31st August 2022 the total return for unitholders in the fund was 10%, compared to inflation of 18% on the above basis over the same period. Over 5 years, the fund returned 31% against inflation of 26%. The fund has provided a total return to unitholders of 665% above inflation since its inception in March 2001. Although the marked rise in UK inflation over the past year has adversely affected the fund's ability to meet its objective and may continue to do so in the short term, the fund has successfully grown the real value of investors' capital and income over longer periods.

Dividend Distribution

An interim dividend distribution of 20.000p per unit is now being paid, the same as the comparable interim payment last year. Based on current forecasts, the total distribution for the full period is estimated to be higher than last year. This increase primarily reflects the foreign currency effects noted above, which have boosted the sterling income expected to be earned from the fund's US dollar-denominated assets.

Portfolio Strategy

There was no significant change to the investment strategy over the period. At 31st August 2022, the UK equity allocation was 30% (32% at 28th February 2022), USA 22% (22%), Europe 29% (29%), Japan 7% (5%) and Australia 10% (9%). Cash accounted for a further 2% (3%).

Investments

Holdings of Proto Labs (US) and Victrex (UK) were sold in full over the period. New investments were made in FLSmidth (Denmark) and Weir (UK), two mining equipment manufacturers, and Furuya Metal (Japan) a technological leader in the application of rare earth metals.

The best performing stocks in local currency terms were Energy Recovery (+21%) and Technology One (+20%). XP Power (-55%) and Treatt (-47%) lost ground.

Outlook

Global growth is slowing, and there is a heightened risk of recession across several major economies. Damage caused to supply chains by the pandemic and the manifold consequences of the conflict in Ukraine has resulted in a surge in inflation, leading to concerns over living standards as pay rises fail to keep pace. Almost universally, central banks have responded by raising interest rates. Yet, the precise amount of tightening required to bring inflation lower without triggering recession is difficult to ascertain. Indeed, recent political interventions have introduced yet another variable for central banks to contemplate, adding to the likelihood of a miscalculation. At the same time, there is a clear possibility that the rising cost of living and higher interest rates will trigger a slump in demand. An economic contraction would weigh on securities markets, especially if the downturn is more profound than first expected.

There are already ominous signs of falling consumer demand in many countries. Savings and borrowing can no longer cover soaring fuel prices and sharply rising food costs, and industrial action is spreading to compensate for the erosion of earnings. Although unemployment remains very low, the US economy entered a technical recession this summer, following two consecutive quarters of negative growth. Robust labour readings may allow the Federal Reserve to take a more aggressive approach to tackling inflation, and another rate hike is widely expected this autumn.

Meanwhile in the UK, a surprise budget added to uncertainty over the country's economic outlook. The new government announced tax cuts aimed at improving growth without explaining how its policies would be funded. Observers assumed this would result in higher borrowing, possibly to unsustainable levels, and they were also concerned lower taxation would add to inflationary pressures when the cost of living is already high and rising. Confidence collapsed in the days following the announcement; sterling weakened, and government bonds sold off. The Bank of England staged a remarkable intervention in debt markets to restore stability, particularly in parts of the pension market. Fiscal and monetary policies in the UK were contradicting each other. As a consequence, both the Chancellor of the Exchequer and, ultimately, the Prime Minister tendered their resignations. It is difficult to ascertain what the implications of new leadership could be for fiscal policy, and the upheaval may yet result in an early general election. However, irrespective of political events, the Bank of England appears set to increase interest rates as it seeks to temper rising inflation, which may hit businesses and make government borrowing more expensive. It seems unlikely the country will avoid a stagflationary combination of high inflation and economic contraction this winter.

Outlook continued

The situation in Europe is also testing due to the region's dependence on Russian gas. Energy prices in Germany have risen dramatically over the past twelve months, at one point pushing inflation to levels last seen after the Second World War. Unsurprisingly, retail sales have fallen, and business confidence has collapsed. Germany's travails do not bode well for the rest of the euro area, and the region may struggle to record any economic growth next year.

Japan has battled deflation for three decades, but here too there is evidence of rising prices, albeit at a much slower pace than in the west. Nevertheless, the Bank of Japan believes inflationary pressure will prove transitory and has renewed its commitment to maintaining low interest rates to stimulate economic growth.

While the immediate outlook warrants considerable caution, there are interesting long-term themes that offer compelling investment opportunities. The global transition to renewable energy sources will see a dramatic increase in demand for specialist commodities, including rare earth metals. It will require significant international investment in infrastructure and new technologies. The need for more environmentally friendly products and efficient machinery will steadily increase. There will also be a further acceleration in the shift to cloud computing with a corresponding increase in demand for supporting hardware and service expertise.

Recent investments have focused on some of these areas. FLSmidth and Weir are well positioned to benefit from the underinvestment in global mining capacity, which now must increase considerably if metals are to be extracted in sufficient quantities to facilitate the energy transition. Of these, rare earth metals are perhaps the most interesting. Furuya Metals manufacture products from ruthenium and iridium that, at the moment, are principally used in industrial applications. In time, they could be used in components critical for the electrolysis of water to produce hydrogen, a technology likely to enable storage of wind or solar power. Indeed, hydrogen is expected to contribute up to a quarter of the planet's energy by 2050.

Smaller company investment offers the prospect of benefiting from such trends at an early stage, with much more potential for growth than is likely to be achieved by subsidiary operations in larger and more established companies. However, patience and belief in the management of such small businesses is needed to reap rewards over the long term.

Outlook continued

As ever, the fund's investment strategy continues to emphasise broad portfolio diversification by sector and geography, supported by careful company selection based on fundamental analysis. In the meantime, any further market setbacks are likely to throw up compelling opportunities to add attractive long term investments that have temporarily fallen out of favour.

21st October 2022

CAPITAL RECORD

Highest and lowest unit prices.

Accounting year (to 28th Feb.)	High	Low
2020*	£60.974	£51.446
2021	£73.514	£45.488
2022	£81.386	£63.948
2023**	£68.512	£58.341

**Up to 29th February 2020.*
***Up to 31st August 2022, for the year ending 28th February 2023.*

INCOME RECORD

Accounting year (to 28th Feb.)	Per unit (net)
2020*	77.036p
2021	60.991p
2022	73.961p
2023 *(interim only)*	20.000p

**Up to 29th February 2020.*

NET ASSET VALUES

Date	Net asset value of fund	Net asset value per unit	Number of units
29.02.20	£139,415,271	£54.057	2,579,053
28.02.21	£156,531,764	£68.800	2,275,163
28.02.22	£156,354,822	£65.813	2,375,761
31.08.22	£145,327,214	£60.193	2,414,373

OPERATING CHARGES

Date	Annualised
29.02.20	1.145%
28.02.21	1.140%
28.02.22	1.120%
31.08.22	1.115%

PORTFOLIO TURNOVER

Date	Annualised
29.02.20	16%
28.02.21	11%
28.02.22	16%
31.08.22	8%

DISCRETE PERFORMANCE

Year to 31.08.22	Year to 31.08.21	Year to 31.08.20	Year to 31.08.19	Year to 31.08.18
-23.0%	33.0%	7.3%	-2.2%	22.1%

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

PORTFOLIO STATEMENT

as at 31st August 2022 (unaudited)

INVESTMENTS	Holding or Nominal Value	Bid Market Value £'000	Percentage of Value of total net assets 31st Aug. 2022	28th Feb. 2022
Equities				
UK				
Abcam	279,810	3,562	2.5	
Advanced Medical Solutions	1,212,270	3,643	2.5	
Assura	5,378,355	3,504	2.4	
Barr	732,749	3,686	2.5	
Craneware	231,040	3,604	2.5	
GB Group	588,540	2,631	1.8	
Hill & Smith	276,570	2,882	2.0	
James Fisher & Sons	400,963	1,371	0.9	
Porvair	397,449	2,075	1.4	
Rotork	1,001,800	2,472	1.7	
Spectris	122,175	3,406	2.4	
Spirax-Sarco Engineering	35,687	3,760	2.6	
Treatt	408,571	2,116	1.5	
Weir	151,120	2,202	1.5	
XP Power	104,376	2,037	1.4	
		42,951	29.6	32.3
USA				
AptarGroup	45,400	4,010	2.8	
Energy Recovery	320,420	6,314	4.3	
Gorman-Rupp	171,565	3,894	2.7	
Helios Technologies	72,104	3,385	2.3	
Omnicell	46,410	4,080	2.8	
US Physical Therapy	68,200	4,835	3.3	
Watsco	23,589	5,512	3.8	
		32,030	22.0	21.6
DENMARK				
FLSmidth	103,130	2,485	1.7	
Össur	800,653	2,521	1.7	
SimCorp	45,794	2,894	2.0	
		7,900	5.4	3.9
FRANCE				
Robertet	4,914	3,779	2.6	
Rubis	146,009	2,973	2.0	
SOITEC	24,723	3,019	2.1	
Somfy	34,523	3,282	2.3	
Teleperformance	16,982	4,169	2.9	
		17,222	11.9	11.8

continued

	Holding or Nominal Value	Bid Market Value £'000	Percentage of Value of total net assets 31st Aug. 2022	28th Feb. 2022
Equities continued				
GERMANY				
Basler	152,199	3,229	2.2	
Dr Hoenle	137,482	2,348	1.6	
		5,577	3.8	4.5
SWEDEN				
HMS Networks	104,633	3,268	2.3	2.1
SWITZERLAND				
Belimo	12,280	4,017	2.8	
Sonova	17,530	3,992	2.7	
		8,009	5.5	6.4
AUSTRALIA				
ARB	163,269	2,916	2.0	
Bapcor	1,177,640	4,635	3.2	
Technology One	712,791	4,964	3.4	
Xero	52,073	2,691	1.9	
		15,206	10.5	9.1
JAPAN				
Asahi Intecc	274,600	4,263	2.9	
Furuya Metal	30,700	1,854	1.3	
Nabtesco	214,800	4,414	3.0	
		10,531	7.2	5.2
TOTAL INVESTMENTS		142,694	98.2	96.9
Net other assets		2,633	1.8	3.1
TOTAL NET ASSETS		*145,327*	*100.0*	*100.0*

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

SUMMARY OF ALL PORTFOLIO CHANGES

for the six months ended 31st August 2022 (unaudited)

Purchases		Cost £'000
217,540	Bapcor	781
3,650	Basler	338
32,340	Dr Hoenle	808
103,130	FLSmidth	2,397
30,700	Furuya Metal	1,606
54,560	GB Group	295
12,005	Gorman-Rupp	321
26,000	Nabtesco	460
71,553	Össur	319
50,771	Porvair	318
1,070	Robertet	750
151,120	Weir	2,280
18,686	XP Power	655
	TOTAL	11,328

SUMMARY OF ALL PORTFOLIO CHANGES

continued

Disposals		Proceeds £'000
34,450	ARB	766
41,293	Energy Recovery	770
46,711	Proto Labs	1,802
157,435	Victrex	2,927
	TOTAL	6,265

GENERAL INFORMATION

Authorisation
The Smaller Companies Fund is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000 and is categorised as a UK 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. Overseas capital gains tax is accounted for on an accruals basis.

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

Costs of Investment Research
McInroy & Wood Limited, the Investment Adviser to the Smaller Companies 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 the 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.

continued

Remuneration Policy
McInroy & Wood Portfolios Limited ("MWP") delegates investment management of the fund, and other in-house funds (together ″funds″) 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 the remuneration requirements of the UCITS Remuneration Code. 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.

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	**Higher risk**
Typically lower rewards	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 as adopted by the Financial Conduct Authority 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.

Value Assessment
The Manager conducted an assessment of value for the fund. The assessment of value report is published annually by 30th June and is available to investors in a composite report for all the McInroy & Wood funds on our website.

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 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 Investment Management Association in May 2014, updated in June 2017;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the fund will continue as a going concern unless it is inappropriate to do so; and
- 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, 21st October 2022

STATEMENT OF TOTAL RETURN

for the six months ended 31st August 2022 (unaudited)

	Notes	Six months ended 31st Aug. 2022 £'000	Six months ended 31st Aug. 2022 £'000	Six months ended 31st Aug. 2021 £'000	Six months ended 31st Aug. 2021 £'000
Income					
Net capital (losses)/gains			(13,656)		25,050
Revenue	2	1,637		1,223	
Expenses	3	(859)		(972)	
Net revenue before taxation		778		251	
Taxation	4	(118)		(97)	
Net revenue after taxation			660		154
Total return before distributions			(12,996)		25,204
Distributions			(481)		(462)
Change in net assets attributable to unitholders from investment activities			(13,477)		24,742

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six months ended 31st August 2022 (unaudited)

	Six months ended 31st Aug. 2022 £'000	Six months ended 31st Aug. 2022 £'000	Six months ended 31st Aug. 2021 £'000	Six months ended 31st Aug. 2021 £'000
Opening net assets attributable to unitholders		156,355		156,532
Amounts receivable on creation of units	7,088		8,632	
Amounts payable on cancellation of units	(4,639)		(3,298)	
		2,449		5,334
Change in net assets attributable to unitholders from investment activities		(13,477)		24,742
Closing net assets attributable to unitholders		145,327		186,608

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 August 2022 (unaudited)

	31st Aug. 2022		28th Feb. 2022	
	£'000	£'000	£'000	£'000
ASSETS:				
Fixed assets:				
Investments		142,694		151,441
Current assets				
Debtors	306		331	
Cash & bank balances	4,056		6,040	
Total other assets		4,362		6,371
Total assets		147,056		157,812
LIABILITIES:				
Creditors				
Distribution payable	(483)		(1,282)	
Other creditors	(1,246)		(175)	
Total liabilities		(1,729)		(1,457)
Net assets attributable to unitholders		145,327		156,355

as at 31st August 2022 (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. 2022 £'000	Six months ended 31st Aug. 2021 £'000
Bank interest	10	–
Overseas dividends	1,139	858
Property income distributions on UK REITs	82	31
UK dividends	406	334
Total revenue	1,637	1,223

3. Expenses

	Six months ended 31st Aug. 2022 £'000	Six months ended 31st Aug. 2021 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
– Manager's periodic charge	772	873
– Transfer agency fee	33	35
Payable to the Trustee, associates of the Trustee and agents of either of them:		
– Trustee's fee	17	18
– Safe custody fee	10	14
Other expenses:		
– Audit fee	1	7
– Fund accounting fee	20	19
– Interest payable and similar charges	1	–
– Professional services fees*	2	2
– Sundry fees**	3	4
Total expenses	859	972

*Includes non-audit service fees of £1,724 payable to the fund's auditors, PricewaterhouseCoopers LLP (2021: £1,695).

**Includes FT listing fees, financial statement printing and postage and other fees.

continued

4. Taxation

	Six months ended 31st Aug. 2022 £'000	Six months ended 31st Aug. 2021 £'000
Analysis of tax charge		
Overseas tax	118	97
	118	97

DISTRIBUTION TABLES

in pence per unit
for the six months ended 31st August 2022 (unaudited)

INTERIM DISTRIBUTION

Group 1 - Units purchased prior to 1st March 2022
Group 2 - Units purchased 1st March 2022 to 31st August 2022

	Dividend income	Equalisation*	Amount payable 31.10.22
Group 1	20.000	–	20.000
Group 2	0.000	20.000	20.000

*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 2022 (unaudited)

	Six months to 31st Aug. 2022	Year to 28th Feb. 2022
Interim payable/paid	20.000	20.000
Final paid	—	53.961
	20.000	73.961

Manager
McInroy & Wood Portfolios Limited
Easter Alderston
Haddington
EH41 3SF
Telephone +44 (0)1620 825867
www.mcinroy-wood.co.uk

Directors
D J O Cruickshank
W A Ferguson
J R Jesty
J E Marshall
J C McAulay
T A U Wood
J A Young

Secretary
J C McAulay

Investment Adviser
McInroy & Wood Limited
Easter Alderston
Haddington
EH41 3SF

Trustee
The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London
EC4V 4LA

Registrar
McInroy & Wood Portfolios Limited
Investor Administration
64 St James's Street
Nottingham
NG1 6FJ

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants
Level 4
Atria One
144 Morrison Street
Edinburgh
EH3 8EX