



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 2019

SUMMARY

At 31st August 2019, total net assets of the fund amounted to £137,983,998 compared with £119,256,864 at 28th February 2019. There were 369 investors (excluding ISA holders), each with an average holding worth £340,921.

The price of units in the fund on 31st August 2019 stood at £57.245, a rise of 9% over the reporting period. The portfolio benefited from gains in equities and favourable currency movements.

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 3 years to 31st August 2019 the total return for unitholders in the fund was 39%, compared to inflation of 10%. The fund has provided a total return to unitholders of 619% above inflation since its inception in March 2001.

An interim dividend distribution of 20p per unit is now being paid, the same as the comparable interim payment in 2018. The distribution for the full year is expected to be slightly higher than that of the previous year. This is principally the result of the weakness in sterling which has increased the value of overseas income for UK investors.

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.

This portfolio aims to uncover and to invest in well-run companies with strong business models and durable corporate strategies; their small size may have led to them being overlooked or misjudged by the wider market. As ever, patience is critical to realising the potential value of these investments. Over the long term, a diversified portfolio of high quality smaller companies should continue to provide satisfactory returns to investors.

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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 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 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 Smaller Companies 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.

The fund may invest in any geographic 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 August 2019, total net assets of the fund amounted to £137,983,998 compared with £119,256,864 at 28th February 2019. There were 369 investors (excluding ISA holders), each with an average holding worth £340,921.

Markets

Western equity markets rose over the six months to 31st August 2019. They were boosted by the expectation that interest rates would fall as central banks responded to subdued inflation and weaker global growth. Sentiment was also encouraged by the resumption of trade discussions between the US and Chinese governments. However, some of these gains were lost towards the end of the period as negotiations made little progress and President Trump announced an extension to US tariffs. Meanwhile sterling suffered as Boris Johnson's uncompromising position on Brexit negotiations appeared to have increased the likelihood of a no-deal outcome.

Measured by MSCI Indices in local currencies, the US (+5%) and European (+4%) markets both recorded strong gains. The UK (+1%) was more muted. By contrast, it was a challenging period for Japan (-5%). Sterling weakness increased the value of overseas assets for UK-based portfolios, which was reflected in an 11% gain in the MSCI All Country World Index in sterling terms.

In the foreign exchange markets, sterling fell by 8% against the US dollar and 5% against the euro. It was even weaker against the Japanese yen (-13%).

Inflation, as measured by the UK Retail Price Index, was 2.4% over the six-month period to 31st August 2019.

Results

The price of units in the fund on 31st August 2019 stood at £57.245, a rise of 9% over the reporting period. The portfolio benefited from the gains in equities and the favourable currency movements noted above.

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 3 years to 31st August 2019 the total return for unitholders in the fund was 39%, compared to inflation of 10% on the above basis over the same period. The fund has provided a total return to unitholders of 619% above inflation since its inception in March 2001.

Dividend Distribution

An interim dividend distribution of 20p per unit is now being paid, the same as the comparable interim payment in 2018. The distribution for the full year is expected to be slightly higher than that of the previous year. This is principally the result of the weakness in sterling which has increased the value of overseas income for UK investors.

MANAGER'S INVESTMENT REPORT

Portfolio Strategy

There was no significant change to the investment strategy over the period. At 31st August 2019, the UK equity allocation was 31% (34% at 28th February 2019), USA 24% (23%), Europe 27% (28%), Japan 5% (5%) and Australia 6% (7%). Cash accounted for a further 7% (3%). The relatively high level of cash reflects several sales made towards the end of the 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.

Investments

The holding in Boiron was unwound due to concerns about changes in funding for homeopathic medicines in France, which is the company's principal market. Kronos was also sold, as the company has been impacted by rising raw material costs and weak customer demand. Proceeds were used to increase existing positions.

Anika Therapeutics (+74%) was the strongest performing stock in the portfolio in local currency terms, buoyed by regulatory progress in one of its principal drugs. Meanwhile there is evidence that the new management team at NCC Group (+44%) is beginning to make headway in revitalising the business. Ossur (+43%) also made considerable strides, propelled by strong demand for its prosthetic solutions. By contrast, it was a difficult period for AG Barr (-22%) and Basler (-28%). Craneware (-31%) warned that profits would fall short of expectations as demand has been lower than expected for its newest products. However, the investment case for the company remains underpinned by a strong track record of successful innovation.

Outlook

Prospects for the world economy have deteriorated in recent months, compounded by persistent trade tensions. The US Federal Reserve has already cut interest rates as a result and the European Central Bank signalled that it is likely to follow suit. Many investors believe that this indicates that interest rates have peaked and will now be steadily lowered, usually a good sign for equity markets. However, there are now negative interest rates in countries that account for almost a quarter of global output, and their central banks are being forced to consider more unorthodox, and less predictable, stimulus measures. Any miscalculations here could have severe ramifications for financial markets, particularly if the widespread expectation of falling rates proves misplaced.

In the US, there are signs that the pace of growth is slackening. Consumer sentiment is weakening, production output is falling, and companies are beginning to reduce investment. Any slowdown would pose a significant threat to President Trump's re-election campaign, which will be pinned to the health of the US economy. Political pressure on the Federal Reserve to lower interest rates further is set to intensify, and government expenditure is likely to be increased.

MANAGER'S INVESTMENT REPORT

Outlook continued

Trade negotiations between the US and China continue, but there has been little evidence of progress to date. US farmers, who represent a strong support base for President Trump, have experienced falling demand since China cut purchases of basic commodities last year and a strong dollar has added to their woes. They may help to push the US towards compromise, particularly in the event of a close-run election campaign next year.

The outlook for the eurozone has deteriorated sharply in recent months. German exports have fallen and surveys of economic sentiment in the country have slumped to the levels evident during the financial crisis. Across Europe, trade between member states has fallen, contracting at its fastest rate for over six years in June.

The nature of the UK's eventual relationship with the EU remains unclear at the time of writing and, in the present state of political confusion, any forecast should be treated with the greatest caution. Companies continue to postpone investment and manufacturing activity is falling. Productivity growth is still disappointing. Consumers enjoy record low unemployment, rising real incomes and cheap credit, but their ability to prop up the economy will be undermined in any general slowdown.

Notwithstanding the uncertain political and economic background, stock selection in the portfolio emphasises well-run enterprises operating in attractive niches. Many equities look expensive after sustained gains in share prices, particularly those in widely followed sectors. Listed companies in these areas command steep valuations with correspondingly high expectations among investors. Rather than buying such thoroughly scrutinised investments, it is generally more rewarding to identify smaller, lesser-known and high-quality specialists that supply goods or services for wider markets.

This strategy has been used in the portfolio for many years. For example, automotive companies are aiming to transform the industry by developing autonomous driving capabilities and reducing the environmental impact of vehicles through fuel efficiency and lower emissions. HELLA is a German company that manufactures key components for the major car manufacturers. It has very strong market positions in radar sensors, which warn against potential collisions and assist safe driving, and in battery sensors and converters, which control emissions and recoup energy. It is also a major supplier of LED lights. These are energy-efficient and offer extra functionality, such as reduced glare and a facility to shine beams around corners. The company is family-owned which provides it with a stable shareholder base. This allows management to take a long-term outlook in a sector that can have lumpy sales over the short term. Profit margins have been weighed down by heavy investment in research and development, but are expected to rise over coming years as new products boost sales.

MANAGER'S INVESTMENT REPORT

Outlook continued

In a similar way, James Fisher & Sons is taking advantage of the major shift towards clean energy sources. Recognising the potential in offshore wind farms, the company has established itself as one of very few businesses offering complete installation and maintenance services. With a long history in shipping and offshore oil services, James Fisher & Sons has used its excellent reputation and engineering skills to transfer its expertise into this new sector. The company has a broadly diversified client base, with activities ranging from nuclear decommissioning to submarine rescue. There is very little competition in many of these areas. Management's goal is to dominate highly specialised and profitable niches.

This portfolio aims to uncover and to invest in well-run companies with strong business models and durable corporate strategies; their small size may have led to them being overlooked or misjudged by the wider market. As ever, patience is critical to realising the potential value of these investments. Over the long term, a diversified portfolio of high quality smaller companies should continue to provide satisfactory returns to investors.

18th October 2019

CAPITAL RECORD

Highest and lowest unit prices.

Accounting year

(to 28 th Feb.)	High	Low
2017	£45.978	£33.456
2018*	£53.900	£44.006
2019	£59.879	£49.198
2020**	£59.330	£51.446

*The fund's financial year-end moved to 28th February (from 31st January).

**Up to 31st August 2019, for the year ending 29th February 2020.

INCOME RECORD

Accounting year

(to 28 th Feb.)	Per unit (net)
2017	62.719p
2018	56.851p
2019	73.829p
2020 (interim only)	20.000p

NET ASSET VALUES

Date	Net asset value of fund	Net asset value per unit	Number of units
31.01.17	£80,148,819	£44.002	1,821,500
28.02.18	£106,494,195	£51.772	2,057,000
28.02.19	£119,256,864	£52.019	2,292,555
31.08.19	£137,983,998	£56.870	2,426,311

OPERATING CHARGES

Date	Annualised
31.01.17	1.219%
28.02.18	1.191%
28.02.19	1.164%
31.08.19	1.154%

PORTFOLIO TURNOVER

Date	Annualised
31.01.17	12%
28.02.18	9%
28.02.19	16%
31.08.19	8%

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
-2.2%	22.1%	16.6%	23.0%	6.2%

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

PORTFOLIO STATEMENT

as at 31st August 2019 (unaudited)

INVESTMENTS	Holdings at 31 st Aug. 2019	Bid Market Value £'000	Percentage of Value of total net assets	
			31 st Aug. 2019	28 th Feb. 2019
<i>Equities</i>				
UK				
Abcam	223,770	2,589	1.9	
Accesso Technology	75,000	675	0.5	
Advanced Medical Solutions	873,447	2,743	2.0	
Assura	3,600,100	2,495	1.8	
Barr (A.G.)	252,110	1,497	1.1	
Craneware	154,850	2,787	2.0	
GB Group	518,700	2,993	2.2	
Hill & Smith	276,570	3,181	2.3	
James Fisher & Sons	172,276	3,432	2.5	
Mattioli Woods	197,650	1,463	1.1	
NCC	1,189,900	2,101	1.5	
Rotork	1,001,800	3,098	2.2	
Spectris	83,240	1,923	1.4	
Spirax-Sarco Engineering	45,785	3,672	2.7	
Treatt	612,259	2,688	1.9	
Victrex	143,065	2,970	2.1	
XP Power	127,360	2,929	2.1	
		<u>43,236</u>	<u>31.3</u>	<u>34.1</u>
USA				
Anika Therapeutics	87,400	4,068	3.0	
AptarGroup	40,140	4,028	2.9	
Dorman Products	53,600	3,125	2.3	
Helios Technologies	99,620	3,495	2.5	
Lindsay	24,190	1,749	1.3	
Proto Labs	44,560	3,466	2.5	
Tractor Supply	44,760	3,744	2.7	
US Physical Therapy	42,535	4,656	3.4	
Watsco	30,250	4,059	2.9	
		<u>32,390</u>	<u>23.5</u>	<u>22.5</u>
DENMARK				
Össur	729,100	4,235	3.1	2.3
FRANCE				
Rubis	79,074	3,754	2.7	
Somfy	46,828	3,324	2.4	
Teleperformance	21,310	3,817	2.8	
		<u>10,895</u>	<u>7.9</u>	<u>9.2</u>

PORTFOLIO STATEMENT

continued

	Holdings at 31 st Aug. 2019	Bid Market Value £'000	Percentage of Value of total net assets	
			31 st Aug. 2019	28 th Feb. 2019
<i>Equities continued</i>				
GERMANY				
Basler	72,157	2,519	1.8	
Dr Hoenle	58,788	2,517	1.8	
HELLA	88,920	3,042	2.2	
ISRA Vision	94,535	2,799	2.0	
Pfeiffer Vacuum	7,176	884	0.7	
		<u>11,761</u>	<u>8.5</u>	<u>10.4</u>
SWITZERLAND				
Belimo	930	3,855	2.8	
Sonova	20,860	3,975	2.9	
Vifor Pharma	16,240	2,114	1.5	
		<u>9,944</u>	<u>7.2</u>	<u>6.5</u>
AUSTRALIA				
ARB	309,800	3,226	2.3	
Bapcor	960,100	3,543	2.6	
Technology One	478,540	2,007	1.5	
		<u>8,776</u>	<u>6.4</u>	<u>7.2</u>
JAPAN				
Asahi Intecc	189,600	3,479	2.5	
Nabtesco	151,200	3,567	2.6	
		<u>7,046</u>	<u>5.1</u>	<u>5.1</u>
TOTAL INVESTMENTS		128,283	93.0	97.3
Net other assets		<u>9,701</u>	<u>7.0</u>	<u>2.7</u>
TOTAL NET ASSETS		<u><u>137,984</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.

SUMMARY OF ALL PORTFOLIO CHANGES

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

		Cost £'000
Purchases		
90,900	Advanced Medical Solutions	303
3,440	AptarGroup	301
94,800	Asahi Intecc (<i>Split</i>)	—
166,100	Bapcor	498
11,380	Basler	413
40,518	Basler (<i>Stock Dividend</i>)	—
5,700	Dorman Products	357
7,564	Dr Hoenle	318
99,620	Helios Technologies (<i>Name Change</i>)	—
10,780	HELLA	413
56,940	Hill & Smith	684
18,320	ISRA Vision	562
31,026	James Fisher & Sons	626
17,600	Nabtesco	362
4,330	Proto Labs	351
141,600	Rotork	421
12,300	Rubis	499
7,695	Somfy	550
13,100	Spectris	357
9,020	Sun Hydraulics	301
121,580	Treatt	495
28,340	Victrex	574
36,610	XP Power	808
	TOTAL	<u><u>9,193</u></u>

		Proceeds £'000
Disposals		
27,075	Anika Therapeutics	1,254
71,804	Barr (A.G.)	670
43,108	Boiron	1,549
26,110	Krones	1,206
83,140	Mattioli Woods	660
99,620	Sun Hydraulics (<i>Name Change</i>)	—
338,500	Technology One	1,324
4,600	Teleperformance	740
186,090	Treatt	829
	TOTAL	<u><u>8,232</u></u>

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 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 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 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 risktaking which is inconsistent with the risk profile of the funds managed. MWP's compliance with its duty to act in the best interests of the funds it manages is therefore not subject to any conflict of interest.

GENERAL INFORMATION

continued

A Word of Caution

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

Synthetic Risk and Reward Indicator (Volatility measure)

1	2	3	4	5	6	7
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Lower risk

Typically lower rewards

Higher risk

Typically higher rewards

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 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, 18th October 2019

STATEMENT OF TOTAL RETURN

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

	Notes	Six months ended 31 st Aug. 2019		Six months ended 31 st Aug. 2018	
		£'000	£'000	£'000	£'000
Income					
Net capital gains			11,285		15,626
Revenue	2	1,319		1,058	
Expenses	3	<u>(769)</u>		<u>(675)</u>	
Net revenue before taxation		550		383	
Taxation	4	<u>(41)</u>		<u>(58)</u>	
Net revenue after taxation			<u>509</u>		<u>325</u>
Total return before distributions			11,794		15,951
Distributions			<u>(461)</u>		<u>(409)</u>
Change in net assets attributable to unitholders from investment activities			<u>11,333</u>		<u>15,542</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

	Six months ended 31 st Aug. 2019		Six months ended 31 st Aug. 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		119,257		106,494
Amounts receivable on creation of units	9,726		6,726	
Amounts payable on cancellation of units	<u>(2,332)</u>		<u>(2,767)</u>	
		7,394		3,959
Change in net assets attributable to unitholders from investment activities		<u>11,333</u>		<u>15,542</u>
Closing net assets attributable to unitholders		<u>137,984</u>		<u>125,995</u>

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

BALANCE SHEET

as at 31st August 2019 (unaudited)

	31 st Aug. 2019		28 th Feb. 2019	
	£'000	£'000	£'000	£'000
ASSETS:				
Investments		128,283		116,056
Current assets				
Debtors	341		309	
Cash & bank balances	10,058		5,563	
Total other assets		<u>10,399</u>		<u>5,872</u>
Total assets		<u>138,682</u>		<u>121,928</u>
LIABILITIES:				
Creditors				
Distribution payable	(485)		(1,234)	
Other creditors	<u>(213)</u>		<u>(1,437)</u>	
Total liabilities		<u>(698)</u>		<u>(2,671)</u>
Net assets attributable to unitholders		<u>137,984</u>		<u>119,257</u>

NOTES TO THE FINANCIAL STATEMENTS

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 31 st Aug. 2019 £'000	Six months ended 31 st Aug. 2018 £'000
Dividends on overseas equities	934	761
Dividends on UK equities	373	294
Interest on bank deposits	12	3
Total revenue	<u>1,319</u>	<u>1,058</u>

3. Expenses

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

- Manager's periodic charge	670	582
- Transfer agency fee	42	39

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

- Trustee's fee	15	14
- Safe custody fee	13	11

Other expenses:

- Audit fee	5	4
- Fund accounting fee	18	17
- Sundry fees*	6	8

Total expenses	<u>769</u>	<u>675</u>
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*Includes FT listing fees, accounts printing and postage, tax computation fees and other fees.

NOTES TO THE FINANCIAL STATEMENTS

continued

4. Taxation

	Six months ended 31 st Aug. 2019 £'000	Six months ended 31 st Aug. 2018 £'000
Analysis of tax charge		
Overseas tax	41	58
	<u>41</u>	<u>58</u>

5. Currency and interest rate profile

Currency	31 st Aug. 2019 %	28 th Feb. 2019 %
Australian Dollar	6.4	7.2
Danish Krone	3.1	2.4
Euro	16.5	19.3
Japanese Yen	5.1	5.1
Swiss Franc	7.2	6.5
UK Sterling	37.7	36.1
US Dollar	24.0	23.4
	<u>100.0</u>	<u>100.0</u>

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	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 2019 (unaudited)**

	Six months to 31 st Aug. 2019	Year to 28 th Feb. 2019
Interim payable/paid	20.000	20.000
Final paid	—	53.829
	<u>20.000</u>	<u>73.829</u>

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