



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 2020

SUMMARY

At 31st August 2020, total net assets of the McInroy & Wood Smaller Companies Fund (the fund) amounted to £146,108,762 compared with £139,415,271 six months before. There were 381 investors (excluding ISA holders), each with an average holding worth £345,402.

The price of units in the fund at 31st August 2020 stood at £60.406, a rise of 11% from the level of the unit price at 29th February 2020. There were particularly strong gains in holdings in the USA, Europe and Australia.

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 2020 the total return for unitholders in the fund was 28%, compared to inflation of 8% on the above basis. Over 5 years, the fund returned 84% against inflation of 14%. The fund has provided a total return to unitholders of 674% above inflation since its inception in March 2001.

An interim dividend distribution of 16.000p per unit is now being paid, 4.000p (20%) lower than the comparable interim payment in 2019. Based on current forecasts, the total distribution for the full year is estimated to fall by a similar proportion. This reflects a significant drop in dividend payments as companies responded to the deterioration in business conditions.

While ubiquitous employment and financial support programmes are temporarily sustaining many struggling businesses, these schemes are likely to be gradually withdrawn over the next year. Stronger companies can be expected to take market share, seize acquisition opportunities and attract key employees from their competitors. Many of the holdings in the portfolio look well placed in this regard.

It is still too early to make a definitive judgement on the speed or sustainability of the global recovery. Unsurprisingly, the reopening of economies has seen rising numbers of Coronavirus cases, but so long as these remain manageable and the need for further nationwide lockdowns can be avoided, further progress can be achieved. Given the uncertainty over short-term prospects, it seems likely that the market will remain volatile over coming months.

McInroy & Wood has many decades of experience in investing in smaller companies. The sector continues to offer attractive investment opportunities for investors with a long-term outlook.

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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 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 Smaller Companies Fund is to grow the real value of investors' capital and income. Investments will 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 2020, total net assets of the fund amounted to £146,108,762 compared with £139,415,271 at 29th February 2020. There were 381 investors (excluding ISA holders), each with an average holding worth £345,402.

Markets

Equity market performance over the six months to 31st August 2020 was shaped by the coronavirus pandemic. In March, the speed with which the virus spread and the imposition of a near-worldwide lockdown triggered a loss of confidence leading to abrupt falls in all markets. However, massive intervention by governments and central banks reassured investors. As the casualty rate of the disease fell and restrictive measures eased, share prices rallied sharply. There was some loss of momentum towards the end of the half year, with indications that infections were beginning to rise again.

Measured by MSCI Indices in local currencies, the US market rose by 20% while the Emerging Markets (+10%) and Japan (+7%) also made good progress. Europe regained ground lost in the early falls to finish largely unchanged. By contrast, investors remained cautious about prospects for the UK (-11%). Overall in sterling terms, the MSCI All Country World Index recorded a 9% gain.

In the foreign exchange markets, sterling strengthened against the US dollar (+4%) and the Japanese yen (+2%) but weakened against the euro (-4%) and the Australian dollar (-8%).

Inflation, as measured by the UK Retail Price Index, was 1.2% over the 6-month period to 31st August 2020.

Results

The price of units in the fund at 31st August 2020 stood at £60.406, a rise of 11% from the level of the unit price at 29th February 2020. There were particularly strong gains in holdings in the USA, Europe and Australia.

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 2020 the total return for unitholders in the fund was 28%, compared to inflation of 8% on the above basis. Over 5 years, the fund returned 84% against inflation of 14%. The fund has provided a total return to unitholders of 674% above inflation since its inception in March 2001.

Dividend Distribution

An interim dividend distribution of 16.000p per unit is now being paid, 4.000p (20%) lower than the comparable interim payment in 2019. Based on current forecasts, the total distribution for the full year is estimated to fall by a similar proportion. This reflects a significant drop in dividend payments as companies responded to the deterioration in business conditions.

MANAGER'S INVESTMENT REPORT

Portfolio Strategy

There was no significant change to the investment strategy over the period. At 31st August 2020, the UK equity allocation was 33% (36% at 29th February 2020), USA 23% (24%), Europe 29% (28%), Japan 5% (6%) and Australia 9% (5%). Cash accounted for a further 1% (1%).

Investments

Several new positions were purchased. Omnicell (US) specialises in medication management technology, Robertet (France) is a family-run supplier of natural flavours and fragrances, Xero (Australia) sells cloud-based accountancy software, and SOITEC (France) is a leading semiconductor materials manufacturer. Holdings in Dorman Products, Isra Vision, Lindsay and Tractor Supply were sold at gains.

The best performing stocks in local currency terms were Proto Labs (+68%), Watsco (+56%) and ARB (+53%). There were sharp falls in James Fisher & Sons (-33%), Barr (AG) (-21%) and Rubis (-19%).

Outlook

The coronavirus pandemic continues to overshadow prospects for the global economy. The World Trade Organisation has forecast that goods trade could fall by up to 10 percent this year, resulting in the deepest recession since the Second World War. However, it may also turn out to be the shortest downturn in living memory if efforts to bring the disease under some sort of control can be successfully sustained.

Commercial activity has already picked up in many countries as lockdown measures are relaxed, and governments have massively subsidised employment and wages. Where such recoveries are under way, local containment measures have emerged as the de facto response to fresh outbreaks. Economically punitive national lockdowns, like those instituted at the onset of the pandemic, have become a last resort. This approach has enabled many businesses and individuals to rediscover some measure of normality.

The extent of the revival has varied widely, depending on the level of infections and national capacity to finance supportive measures. China was initially hit hard by the pandemic, but its economy is now expected to grow by 3% over the full year. Latest expectations for the US still envisage a strong rebound, although this assessment may prove overoptimistic if cases of the disease continue to rise and are accompanied by rising fatalities. Even if the worst-case medical scenarios can be averted, the withdrawal of public sector support for the labour market will severely challenge what economic momentum has been regenerated.

Public sector borrowing has risen dramatically almost everywhere as a result of irresistible political pressure to do 'whatever it takes' to maintain living standards. At this stage, there is no evidence of any inflationary pressures arising from the resulting looseness of monetary and fiscal policies. However, consumer prices may begin to rise rapidly if growth accelerates. In the meantime, depressed interest rates are supporting asset valuations.

MANAGER'S INVESTMENT REPORT

Outlook continued

The impact of the virus on individual companies has varied widely. There have been some clear winners and losers, but, in general, well-financed companies with defensible market positions and enduring business models have held up relatively well, particularly when prospects over the long-term remain attractive.

One such example is Watsco, a US supplier of heating and air conditioning equipment. In much of the country such equipment is an essential necessity, particularly when people are confined to their homes for longer than normal. A surge in residential demand over the summer months has offset most of the reduction in commercial sales to offices and restaurants following their temporary closure. Meanwhile, the company is well-placed to acquire regional competitors that have not weathered the crisis quite so effectively. Looking further out, Watsco should benefit from the introduction of stricter environmental standards forcing the replacement of older units. A Biden victory in the presidential election could accelerate this process.

The German supplier of automotive equipment HELLA has found life more difficult this year. The automotive market was already subdued by punitive tariffs and an uncertain transition to electric vehicles. Inevitably demand for the company's LED headlamps and sensors has softened, and it has been forced to adopt widespread cost saving measures. Nevertheless, the company's long-term prospects are still encouraging. A massive shift to electric vehicles is likely in coming years, and HELLA is a market leader in several areas that will be essential for their efficient operation.

While ubiquitous employment and financial support programmes are temporarily sustaining many struggling businesses, these schemes are likely to be gradually withdrawn over the next year. Stronger companies can be expected to take market share, seize acquisition opportunities and attract key employees from their competitors. Many of the holdings in the portfolio look well placed in this regard.

It is still too early to make a definitive judgement on the speed or sustainability of the global recovery. Unsurprisingly, the reopening of economies has seen rising numbers of Coronavirus cases, but so long as these remain manageable and the need for further nationwide lockdowns can be avoided, further progress can be achieved. Given the uncertainty over short-term prospects, it seems likely that the market will remain volatile over coming months.

McInroy & Wood has many decades of experience in investing in smaller companies. The sector continues to offer attractive investment opportunities for investors with a long-term outlook.

16th October 2020

CAPITAL RECORD

Highest and lowest unit prices.

Accounting year

(to 28 th Feb.)	High	Low
2018*	£53.900	£44.006
2019	£59.879	£49.198
2020**	£60.974	£51.446
2021***	£60.882	£45.488

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

**Up to 29th February 2020.

***Up to 31st August 2020, for the year ending 28th February 2021.

INCOME RECORD

Accounting year

(to 28 th Feb.)	Per unit (net)
2018	56.851p
2019	73.829p
2020*	77.036p
2021 (interim only)	16.000p

*Up to 29th February 2020.

NET ASSET VALUES

Date	Net asset value of fund	Net asset value per unit	Number of units
28.02.18	£106,494,195	£51.772	2,057,000
28.02.19	£119,256,864	£52.019	2,292,555
29.02.20	£139,415,271	£54.057	2,579,053
31.08.20	£146,108,762	£60.406	2,418,790

OPERATING CHARGES

Date	Annualised
28.02.18	1.191%
28.02.19	1.164%
29.02.20	1.145%
31.08.20	1.155%

PORTFOLIO TURNOVER

Date	Annualised
28.02.18	9%
28.02.19	16%
29.02.20	16%
31.08.20	26%

DISCRETE PERFORMANCE

Year to	Year to	Year to	Year to	Year to
31.08.20	31.08.19	31.08.18	31.08.17	31.08.16
7.3%	-2.2%	22.1%	16.6%	23.0%

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

PORTFOLIO STATEMENT

as at 31st August 2020 (unaudited)

INVESTMENTS	Holdings at 31 st Aug. 2020	Bid Market Value £'000	Percentage of Value of total net assets	
			31 st Aug. 2020	29 th Feb. 2020
<i>Equities</i>				
UK				
Abcam	257,420	3,211	2.2	
Advanced Medical Solutions	1,212,270	2,891	2.0	
Assura	4,447,580	3,598	2.5	
Barr (AG)	577,000	2,446	1.7	
Craneware	197,795	3,264	2.2	
GB Group	551,025	4,011	2.7	
Hill & Smith	276,570	3,363	2.3	
James Fisher & Sons	192,476	2,364	1.6	
NCC	1,541,600	2,763	1.9	
Rotork	1,001,800	2,999	2.1	
Spectris	122,175	3,097	2.1	
Spirax-Sarco	38,523	3,945	2.7	
Treatt	690,259	4,031	2.8	
Victrex	143,065	2,761	1.9	
XP Power	91,665	4,116	2.8	
		<u>48,860</u>	<u>33.5</u>	<u>35.0</u>
USA				
Anika Therapeutics	94,330	2,696	1.8	
AptarGroup	45,400	4,011	2.7	
Energy Recovery	528,293	3,358	2.3	
Gorman-Rupp	138,720	3,312	2.3	
Helios Technologies	123,130	3,780	2.6	
Omnicell	53,655	2,672	1.8	
Proto Labs	42,580	4,675	3.2	
US Physical Therapy	56,960	3,781	2.6	
Watsco	26,841	4,911	3.4	
		<u>33,196</u>	<u>22.7</u>	<u>24.1</u>
DENMARK				
Össur	729,100	3,963	2.7	2.6
FRANCE				
Robertet	2,202	1,831	1.3	
Rubis	96,404	3,403	2.3	
SOITEC	7,435	742	0.5	
Somfy	45,421	4,227	2.9	
Teleperformance	19,725	4,553	3.1	
		<u>14,756</u>	<u>10.1</u>	<u>8.6</u>

PORTFOLIO STATEMENT

continued

	Holdings at 31 st Aug. 2020	Bid Market Value £'000	Percentage of Value of total net assets	
			31 st Aug. 2020	29 th Feb. 2020
<i>Equities continued</i>				
GERMANY				
Basler	75,700	4,003	2.7	
Dr Hoenle	92,710	4,513	3.1	
HELLA	99,140	3,632	2.5	
		<u>12,148</u>	<u>8.3</u>	<u>8.2</u>
SWITZERLAND				
Belimo	707	4,615	3.2	
Sonova	20,998	3,676	2.5	
Vifor Pharma	22,725	2,514	1.7	
		<u>10,805</u>	<u>7.4</u>	<u>8.8</u>
AUSTRALIA				
ARB	309,800	4,504	3.1	
Bapcor	960,100	3,696	2.5	
Technology One	609,391	2,720	1.9	
Xero	54,899	3,061	2.1	
		<u>13,981</u>	<u>9.6</u>	<u>5.3</u>
JAPAN				
Asahi Intecc	153,100	3,375	2.3	
Nabtesco	168,900	3,991	2.7	
		<u>7,366</u>	<u>5.0</u>	<u>5.7</u>
TOTAL INVESTMENTS		145,075	99.3	98.3
Net other assets		<u>1,034</u>	<u>0.7</u>	<u>1.7</u>
TOTAL NET ASSETS		<u><u>146,109</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 2020 (unaudited)

Purchases		Cost £'000
11,140	Basler	385
42,945	Craneware	582
348,018	Energy Recovery	2,070
29,500	Gorman-Rupp	723
14,900	Helios Technologies	394
10,220	HELLA	211
19,745	James Fisher & Sons	344
53,655	Omnicell	2,937
2,202	Robertet	1,859
7,435	SOITEC	730
139	Sonova (<i>Stock Dividend</i>)	—
130,851	Technology One	591
74,029	Treatt	328
9,160	US Physical Therapy	599
54,899	Xero	2,557
	TOTAL	<u>14,310</u>

Disposals		Proceeds £'000
52,300	Asahi Intecc	1,218
19,100	Basler	991
223	Belimo	1,195
64,135	Dorman Products	3,284
8,200	Dr Hoenle	365
38,675	GB Group	280
52,217	ISRA Vision	2,352
24,190	Lindsay	1,700
24,000	Nabtesco	601
7,080	Proto Labs	714
7,827	Somfy	706
1	Sonova (<i>Stock Dividend</i>)	—
7,262	Spirax-Sarco	719
1,585	Teleperformance	361
44,760	Tractor Supply	4,776
4,945	Vifor Pharma	604
7,189	Watsco	1,132
35,695	XP Power	1,434
	TOTAL	<u>22,432</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. 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.

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 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.

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, 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.
- 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, 16th October 2020

STATEMENT OF TOTAL RETURN

for the six months ended 31st August 2020 (unaudited)

	Notes	Six months ended 31 st Aug. 2020		Six months ended 31 st Aug. 2019	
		£'000	£'000	£'000	£'000
Income					
Net capital gains			15,980		11,285
Revenue	2	1,057		1,319	
Expenses	3	<u>(805)</u>		<u>(769)</u>	
Net revenue before taxation		252		550	
Taxation	4	<u>(83)</u>		<u>(41)</u>	
Net revenue after taxation			<u>169</u>		<u>509</u>
Total return before distributions			16,149		11,794
Distributions			<u>(421)</u>		<u>(461)</u>
Change in net assets attributable to unitholders from investment activities			<u>15,728</u>		<u>11,333</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six months ended 31st August 2020 (unaudited)

	Six months ended 31 st Aug. 2020		Six months ended 31 st Aug. 2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		139,415		119,257
Amounts receivable on creation of units	4,717		9,726	
Amounts payable on cancellation of units	<u>(13,751)</u>		<u>(2,332)</u>	
		(9,034)		7,394
Change in net assets attributable to unitholders from investment activities		<u>15,728</u>		<u>11,333</u>
Closing net assets attributable to unitholders		<u>146,109</u>		<u>137,984</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 31st August 2020 (unaudited)

	31 st Aug. 2020		29 th Feb. 2020	
	£'000	£'000	£'000	£'000
ASSETS:				
Investments		145,075		137,020
Current assets				
Debtors	244		1,223	
Cash & bank balances	2,194		4,795	
Total other assets		<u>2,438</u>		<u>6,018</u>
Total assets		<u>147,513</u>		<u>143,038</u>
LIABILITIES:				
Creditors				
Distribution payable	(387)		(1,471)	
Other creditors	<u>(1,017)</u>		<u>(2,152)</u>	
Total liabilities		<u>(1,404)</u>		<u>(3,623)</u>
Net assets attributable to unitholders		<u>146,109</u>		<u>139,415</u>

NOTES TO THE FINANCIAL STATEMENTS

as at 31st August 2020 (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. 2020 £'000	Six months ended 31 st Aug. 2019 £'000
Bank interest	1	12
Overseas dividends	842	934
Stock Dividend	24	—
UK dividends	159	373
UK REITS	31	—
Total revenue	<u>1,057</u>	<u>1,319</u>

3. Expenses

	Six months ended 31 st Aug. 2020 £'000	Six months ended 31 st Aug. 2019 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
- Manager's periodic charge	698	670
- Transfer agency fee	42	42
Payable to the Trustee, associates of the Trustee and agents of either of them:		
- Trustee's fee	16	15
- Safe custody fee	13	13
Other expenses:		
- Audit fee	9	5
- Fund accounting fee	20	18
- Sundry fees*	7	6
Total expenses	<u>805</u>	<u>769</u>

*Includes FT listing fees, financial statement printing and postage, tax computation fees for £4,342 performed by the fund's auditors, PricewaterhouseCoopers LLP (2019: £2,390), and other fees.

NOTES TO THE FINANCIAL STATEMENTS

continued

4. Taxation

	Six months ended 31 st Aug. 2020 £'000	Six months ended 31 st Aug. 2019 £'000
Analysis of tax charge		
Overseas tax	83	41
	<u>83</u>	<u>41</u>

DISTRIBUTION TABLES

**in pence per unit
for the six months ended 31st August 2020 (unaudited)**

INTERIM DISTRIBUTION

Group 1 - Units purchased prior to 1st March 2020

Group 2 - Units purchased 1st March 2020 to 31st August 2020

	Dividend income	Equalisation*	Amount payable 31.10.20
Group 1	16.000	—	16.000
Group 2	8.593	7.407	16.000

*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 2020 (unaudited)**

	Six months to 31 st Aug. 2020	Year to 29 th Feb. 2020
Interim payable/paid	16.000	20.000
Final paid	—	57.036
	<u>16.000</u>	<u>77.036</u>

Manager

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Directors

T A U Wood
W A Ferguson
S J Fraser
J R Jesty
J E Marshall
J C McAulay
D H Shaw Stewart
J A Young

Secretary

J C McAulay

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