



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 2021

SUMMARY

At 31st August 2021, total net assets of the fund amounted to £186,608,059 compared with £156,531,764 at 28th February 2021. There were 432 investors (excluding ISA holders), each with an average holding worth £382,571.

The price of units in the fund at 31st August 2021 stood at £79.817, a rise of 14% from the level of the unit price at 28th February 2021. This reflected the general strength of developed market equities over the period.

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 2021 the total return for unitholders in the fund was 40%, compared to inflation of 8% on the above basis over the same period. Over 5 years, the fund returned 99% against inflation of 16%. The fund has provided a total return to unitholders of 946% above inflation since its inception in March 2001.

An interim dividend distribution of 20.000p per unit is now being paid, 4.000p (25%) higher than 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 primarily reflects the recovery in business activity across developed markets that has allowed companies to reinstate, and in some cases, increase their dividend payments.

There was no significant change to the investment strategy over the period.

The global economy has now rebounded from the worst effects of the pandemic. IMF forecasts indicate that worldwide output will grow by 6% this year and nearly 5% in 2022. Consumer demand has surged in many countries and while sales have risen robustly, companies are now finding it difficult to insulate profit margins from rising costs. Moreover, any sustained pick-up in inflation may force central banks to tighten monetary policy, exposing financial markets to the speed and timing of any changes.

Recent gains in markets have left many equity valuations appearing stretched with little scope to accommodate any negative surprises. Accordingly, investment selection remains disciplined, focusing on companies with enduring competitive advantages and robust long-term growth prospects that are relatively well-positioned to weather rising costs by pushing up selling prices.

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**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 Price 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 areas and any economic sectors.

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.

MANAGER'S INVESTMENT REPORT

At 31st August 2021, total net assets of the fund amounted to £186,608,059 compared with £156,531,764 at 28th February 2021. There were 432 investors (excluding ISA holders), each with an average holding worth £382,571.

Markets

Developed equity markets produced attractive returns over the six months to 31st August 2021. Economic activity continued to recover following a general easing of restrictions. Governments launched remarkably successful vaccination drives, providing confidence that social distancing could be relaxed and support measures withdrawn.

Measured by MSCI indices in local currencies, the US (+18%), Europe (+17%) and the UK (+10%) all recorded substantial gains; Japan rose by a more modest 5%. Overall, the MSCI All Country World Index finished the period up 14% in sterling terms.

In foreign exchange markets, sterling strengthened against the euro (+1%) and the Japanese yen (+2%) but weakened against the dollar (-1%).

As measured by the UK Retail Price Index, inflation was 3.7% over the six months to 31st August 2021.

Results

The price of units in the fund at 31st August 2021 stood at £79.817, a rise of 15% from the level of the unit price at 28th February 2021. This reflected the general strength of developed market equities over the period.

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 2021 the total return for unitholders in the fund was 40%, compared to inflation of 8% on the above basis over the same period. Over 5 years, the fund returned 99% against inflation of 16%. The fund has provided a total return to unitholders of 946% above inflation since its inception in March 2001.

Dividend Distribution

An interim dividend distribution of 20.000p per unit is now being paid, 4.000p (25%) higher than 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 primarily reflects the recovery in business activity across developed markets that has allowed companies to reinstate, and in some cases, increase their dividend payments.

MANAGER'S INVESTMENT REPORT

Portfolio Strategy

There was no significant change to the investment strategy over the period. At 31st August 2021, the UK equity allocation was 33% (36% at 28th February 2021), USA 21% (23%), Europe 29% (25%), Japan 5% (5%) and Australia 9% (9%). Cash accounted for a further 3% (2%).

Investments

Vifor Pharma was sold at a profit and the proceeds were added to existing holdings. That aside, new positions were established in HMS Networks (Sweden), a leader in industrial automation, and Porvair (UK), a manufacturer of specialist filters used in aerospace, industry and laboratories.

The best performing stocks in local currency terms were Basler (+75%), ARB (+55%), Sonova (+52%) and Spirax-Sarco (+50%). Proto Labs (-49%) and James Fisher (-17%) fell back.

Outlook

The global economy has now rebounded from the worst effects of the pandemic. IMF forecasts indicate that worldwide output will grow by 6% this year and nearly 5% in 2022. Consumer demand has surged in many countries and while sales have risen robustly, companies are now finding it difficult to insulate profit margins from rising costs. Moreover, any sustained pick-up in inflation may force central banks to tighten monetary policy, exposing financial markets to the speed and timing of any changes.

The USA has recorded the strongest economic recovery among developed nations over the past year, and output has already reached pre-pandemic levels. GDP is forecast to expand by 7% this year and by almost 5% over 2022. Policymakers in Washington and the Federal Reserve hope that massive stimulus programmes will increase the economy's capacity and better equip the country to compete internationally. However, inflation fears and political infighting may hamper President Biden's agenda, particularly as he seeks to pass a \$3.5 trillion budget plan and a \$1 trillion infrastructure package in tandem.

Inflation expectations for the eurozone are lower than elsewhere, yet pockets of pricing pressure are emerging. Germany's Consumer Price Index rose by more than 3% over the year to July, its highest level in over a decade, buoyed by rebounding export demand. Moreover, economic growth across the trading bloc outstripped both the US and China in the quarter to June, and forecasts for the remainder of the year are similarly encouraging.

MANAGER'S INVESTMENT REPORT

Outlook continued

The immediate outlook for the UK is also positive. The IMF has upgraded its growth forecast to 7% for 2021 and expects a return to pre-virus GDP the following year. With over 80% of the adult population fully vaccinated, attention has now turned to the country's stretched fiscal position. Recent government announcements will see tax as a share of GDP rising to a 70-year peak by the end of the current parliament. But the resulting increase in social security and corporation tax payments will add to the pressure on corporate profit margins.

GDP forecasts and business sentiment have also improved in Japan. Tight restrictions during the Tokyo Olympics brought the number of Covid-19 cases under control, while the country's vaccination programme was ramped up to inoculate 1% of the population daily. Export demand has recovered strongly, and the recently appointed prime minister is expected to instigate a major increase in public expenditure.

Concerns over growing inflationary pressure are well-founded. The price of shipping goods from China to North America has increased tenfold since the pandemic began, principally due to bottlenecks at major ports. Over the same period, the price of computer chips has soared even more dramatically. The IMF and Federal Reserve believe these pressures are a temporary consequence of pent-up demand, supply chain interruptions and economic reopening. But more sustained inflation, for example if it were to take root meaningfully in wages, may require a sharp policy change to regain control. Any such shift might prove to be very testing for sentiment in financial markets, where stretched valuations assume that interest rates will remain anchored over the longer term.

The fund has always aimed to identify strongly financed companies with sustainable competitive advantages. Such businesses are typically market leaders or operating in profitable niches. Boosted by their ability to raise selling prices to offset any increase in costs, they should prove well-positioned to weather a pick-up in inflation. HMS Networks is a Swedish company with many of these characteristics. Still managed by its founder and with minimal borrowing, it is the world leader in a specialist area of technology enabling communication between industrial devices. Recently the company has been impacted by sharp rises in the prices of some electrical components, but the critical nature of its products means that customers have proved willing to tolerate price increases for them. In the long term, rising investment in the digitalisation and automation of production lines should continue to provide exciting opportunities for the company.

MANAGER'S INVESTMENT REPORT

Outlook continued

While there is much to encourage investors in the present state of the global economy, recent gains in markets have left many equity valuations appearing stretched with little scope to accommodate any negative surprises from monetary tightening or supply chain disruptions. Accordingly, investment selection remains disciplined, focusing on companies with enduring competitive advantages and robust long-term growth prospects that are relatively well-positioned to weather rising costs by pushing up selling prices.

19th October 2021

CAPITAL RECORD

Highest and lowest unit prices.

Accounting year

(to 28 th Feb.)	High	Low
2019	£59.879	£49.198
2020*	£60.974	£51.446
2021	£73.514	£45.488
2022**	£79.817	£68.421

*Up to 29th February 2020.

**Up to 31st August 2021, for the year ending 28th February 2022.

INCOME RECORD

Accounting year

(to 28 th Feb.)	Per unit (net)
2019	73.829p
2020*	77.036p
2021	60.991p
2022 (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
28.02.19	£119,256,864	£52.019	2,292,555
29.02.20	£139,415,271	£54.057	2,579,053
28.02.21	£156,531,764	£68.800	2,275,163
31.08.21	£186,608,059	£79.439	2,349,086

OPERATING CHARGES

Date	Annualised
28.02.19	1.164%
29.02.20	1.145%
28.02.21	1.140%
31.08.21	1.120%

PORTFOLIO TURNOVER

Date	Annualised
28.02.19	16%
29.02.20	16%
28.02.21	11%
31.08.21	8%

DISCRETE PERFORMANCE

Year to	Year to	Year to	Year to	Year to
31.08.21	31.08.20	31.08.19	31.08.18	31.08.17
33.0%	7.3%	-2.2%	22.1%	16.6%

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

PORTFOLIO STATEMENT

as at 31st August 2021 (unaudited)

INVESTMENTS	Holding or Nominal Value	Bid Market Value £'000	Percentage of Value of total net assets	
			31 st Aug. 2021	28 th Feb. 2021
<i>Equities</i>				
UK				
Abcam	257,420	3,972	2.1	
Advanced Medical Solutions	1,212,270	3,219	1.7	
Assura	5,378,355	4,243	2.3	
Barr	577,000	3,208	1.7	
Craneware	173,870	4,138	2.2	
GB	488,655	4,390	2.4	
Hill & Smith	276,570	5,122	2.7	
James Fisher & Sons	304,653	2,986	1.6	
NCC	1,359,401	4,384	2.4	
Porvair	51,723	321	0.2	
Rotork	1,001,800	3,342	1.8	
Spectris	122,175	4,814	2.6	
Spirax-Sarco Engineering	35,687	5,749	3.1	
Treatt	381,201	4,041	2.2	
Victrex	143,065	3,788	2.0	
XP Power	85,690	4,730	2.5	
		<u>62,447</u>	<u>33.5</u>	<u>35.6</u>
USA				
Anika Therapeutics	94,330	2,946	1.6	
AptarGroup	45,400	4,447	2.4	
Energy Recovery	361,713	5,367	2.9	
Gorman-Rupp	159,560	4,065	2.2	
Helios Technologies	95,564	5,673	3.0	
Omnicell	53,655	6,053	3.2	
Proto Labs	46,711	2,512	1.3	
US Physical Therapy	48,700	4,152	2.2	
Watsco	23,589	4,772	2.6	
		<u>39,987</u>	<u>21.4</u>	<u>23.1</u>
DENMARK				
Össur	729,100	4,057	2.2	2.4
FRANCE				
Robertet	2,696	2,414	1.3	
Rubis	124,984	3,516	1.9	
SOITEC	22,413	3,887	2.1	
Somfy	34,523	4,868	2.6	
Teleperformance	16,982	5,454	2.9	
		<u>20,139</u>	<u>10.8</u>	<u>9.8</u>

PORTFOLIO STATEMENT

continued

	Holding or Nominal Value	Bid Market Value £'000	Percentage of Value of total net assets	
			31 st Aug. 2021	28 th Feb. 2021
<i>Equities continued</i>				
GERMANY				
Basler	54,371	6,781	3.6	
Dr Hoenle	105,142	4,329	2.3	
HELLA	99,140	5,145	2.8	
		<u>16,255</u>	<u>8.7</u>	<u>8.0</u>
SWEDEN				
HMS Networks	55,042	2,093	1.1	0.0
SWITZERLAND				
Belimo	12,280	4,651	2.5	
Sonova	17,530	4,909	2.6	
		<u>9,560</u>	<u>5.1</u>	<u>5.5</u>
AUSTRALIA				
ARB	197,719	5,440	2.9	
Bapcor	960,100	3,697	2.0	
Technology One	712,791	3,736	2.0	
Xero	52,073	4,198	2.2	
		<u>17,071</u>	<u>9.1</u>	<u>8.7</u>
JAPAN				
Asahi Intecc	220,600	4,844	2.6	
Nabtesco	147,000	4,234	2.3	
		<u>9,078</u>	<u>4.9</u>	<u>4.8</u>
TOTAL INVESTMENTS		180,687	96.8	97.9
Net other assets		<u>5,921</u>	<u>3.2</u>	<u>2.1</u>
TOTAL NET ASSETS		<u><u>186,608</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 2021 (unaudited)

Purchases		Cost £'000
67,500	Asahi Intecc	1,354
930,775	Assura	711
12,280	Belimo (<i>Conversion receipt</i>)	—
20,346	Dr Hoenle	851
20,840	Gorman-Rupp	524
55,042	HMS Networks	1,712
51,723	Porvair	313
20,096	Proto Labs	1,628
494	Robertet	405
28,580	Rubis	941
10,078	SOITEC	1,463
103,400	Technology One	544
	TOTAL	<u>10,446</u>

SUMMARY OF ALL PORTFOLIO CHANGES

continued

Disposals		Proceeds £'000
14,973	Basler	1,590
614	Belimo (<i>Conversion delivery</i>)	—
49,765	Energy Recovery	637
15,400	Helios Technologies	786
182,199	NCC	589
3,468	Sonova	874
165,989	Treatt	1,869
16,870	Vifor Pharma	1,673
	TOTAL	8,018

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.

GENERAL INFORMATION

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
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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 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 will be made available to investors annually by 30th June 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.

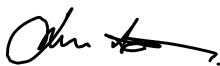
The maintenance and integrity of the McInroy & Wood website is the responsibility of the Authorised Fund Manager.

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, 19th October 2021

STATEMENT OF TOTAL RETURN

for the six months ended 31st August 2021 (unaudited)

	Notes	Six months ended 31 st Aug. 2021		Six months ended 31 st Aug. 2020	
		£'000	£'000	£'000	£'000
Income					
Net capital gains			25,050		15,980
Revenue	2	1,223		1,057	
Expenses	3	<u>(972)</u>		<u>(805)</u>	
Net revenue before taxation		251		252	
Taxation	4	<u>(97)</u>		<u>(83)</u>	
Net revenue after taxation			<u>154</u>		<u>169</u>
Total return before distributions			25,204		16,149
Distributions			<u>(462)</u>		<u>(421)</u>
Change in net assets attributable to unitholders from investment activities			<u>24,742</u>		<u>15,728</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six months ended 31st August 2021 (unaudited)

	Six months ended 31 st Aug. 2021		Six months ended 31 st Aug. 2020	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		156,532		139,415
Amounts receivable on creation of units	8,632		4,717	
Amounts payable on cancellation of units	<u>(3,298)</u>		<u>(13,751)</u>	
		5,334		(9,034)
Change in net assets attributable to unitholders from investment activities		<u>24,742</u>		<u>15,728</u>
Closing net assets attributable to unitholders		<u>186,608</u>		<u>146,109</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 2021 (unaudited)

	31 st Aug. 2021		28 th Feb. 2021	
	£'000	£'000	£'000	£'000
ASSETS:				
Fixed assets:				
Investments		180,687		153,175
Current assets				
Debtors	1,201		2,118	
Cash & bank balances	<u>5,622</u>		<u>2,459</u>	
Total other assets		<u>6,823</u>		<u>4,577</u>
Total assets		<u>187,510</u>		<u>157,752</u>
LIABILITIES:				
Creditors				
Distribution payable	(470)		(1,024)	
Other creditors	<u>(432)</u>		<u>(196)</u>	
Total liabilities		<u>(902)</u>		<u>(1,220)</u>
Net assets attributable to unitholders		<u>186,608</u>		<u>156,532</u>

NOTES TO THE FINANCIAL STATEMENTS

as at 31st August 2021 (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. 2021 £'000	Six months ended 31 st Aug. 2020 £'000
Bank interest	–	1
Overseas dividends	858	842
Property income distributions on UK REITs	31	31
Stock dividends	–	24
UK dividends	<u>334</u>	<u>159</u>
Total revenue	<u><u>1,223</u></u>	<u><u>1,057</u></u>

3. Expenses

	Six months ended 31 st Aug. 2021 £'000	Six months ended 31 st Aug. 2020 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
– Manager's periodic charge	873	698
– Transfer agency fee	35	42
Payable to the Trustee, associates of the Trustee and agents of either of them:		
– Trustee's fee	18	16
– Safe custody fee	14	13
Other expenses:		
– Audit fee	7	9
– Fund accounting fee	19	20
– Sundry fees*	<u>6</u>	<u>7</u>
Total expenses	<u><u>972</u></u>	<u><u>805</u></u>

*Includes FT listing fees, financial statement printing and postage, tax computation fees for £1,695 performed by the fund's auditors, PricewaterhouseCoopers LLP (2020: £4,342), and other fees.

NOTES TO THE FINANCIAL STATEMENTS

continued

4. Taxation

	Six months ended 31 st Aug. 2021 £'000	Six months ended 31 st Aug. 2020 £'000
Analysis of tax charge		
Overseas tax	<u>97</u>	<u>83</u>
	<u>97</u>	<u>83</u>

DISTRIBUTION TABLES

in pence per unit

for the six months ended 31st August 2021 (unaudited)

INTERIM DISTRIBUTION

Group 1 - Units purchased prior to 1st March 2021

Group 2 - Units purchased 1st March 2021 to 31st August 2021

	Dividend income	Equalisation*	Amount payable
Group 1	20.000	—	20.000
Group 2	5.477	14.523	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 2021 (unaudited)

	Six months to 31 st Aug. 2021	Year to 28 th Feb. 2021
Interim payable/paid	20.000	16.000
Final paid	—	44.991
	<u>20.000</u>	<u>60.991</u>

Manager

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Haddington
EH41 3SF
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www.mcinroy-wood.co.uk

Directors

T A U Wood
W A Ferguson
S J Fraser¹
J R Jesty
J E Marshall
J C McAulay
D H Shaw Stewart²
J A Young

¹Deceased 9/8/2021, ²Retired 24/6/2021

Secretary

J C McAulay

Investment Adviser

McInroy & Wood Limited
Easter Alderston
Haddington
EH41 3SF

Trustee

The Bank of New York Mellon (International) Limited
One Canada Square
London
E14 5AL

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

AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY

McInroy & Wood Portfolios Limited is a subsidiary of
McInroy & Wood Limited
MWSCF0821